

# The Company We Keep

ETHICS IS JUST GOOD BUSINESS®



# The Company We Keep

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# The Company We Keep

A MESSAGE FROM PATRICIA K. POPPE

*President and Chief Executive Officer*

# AT

CMS ENERGY, WE choose to do the right thing — not merely what's required or what's most convenient. We operate safely, honestly and with accountability. We treat everyone fairly and with respect. We care for the environment and for the communities where we live and work.

These fundamental concepts have helped us successfully serve our customers for over 130 years.

Today, we're reimagining how an energy company looks and how we can best serve our customers in the 21st century.

While holding firm to our foundation, we've also adopted a purpose that will chart our course, CMS Energy: World Class Performance Delivering Hometown Service.

Companies with strong ethical cultures that care for people, the planet and profit, out-perform their peers over the long haul. They attract and retain talented employees; operate more safely, effectively and sustainably; and deliver superior financial results.

We're working hard  
to be a world class,  
sustainable company.  
Ethical behavior is  
critical to achieving  
our vision of success.



We're working hard to be a world class, sustainable company. Ethical behavior is critical to achieving our vision of success.

This Code of Conduct and Guide to Ethical Business Behavior will help you understand our corporate culture, respond to dilemmas and choose wisely when making the big and small decisions in your daily work.

By adopting this code, each employee can continue to make this a great place to work.

I trust you will uphold the tradition that's served our company and customers for so long and help us leave CMS Energy better than we found it.

Thank you for supporting our ethics and compliance goals.

*Patricia K. Poppe*



Patricia K. Poppe  
PRESIDENT AND CHIEF EXECUTIVE OFFICER

## GUIDING PRINCIPLES

# We act with integrity

### WE BELIEVE:

Integrity is the cornerstone of our business success.

### WHAT IT LOOKS LIKE:

We place the safety and health of ourselves, our families and our customers above all else.

We follow all applicable laws, regulations and rules.

We do the right thing every time.

We walk the talk.

We act with the highest ethics, transparency and honesty.

We are accountable for our words, actions and decisions.

### WHAT IT MEANS TO ME:

"Integrity, character, respect, honesty and trustworthiness all are very important to me. You do the right thing even when no one is watching."

- **Jacqueline Brown**

Theft Investigator  
Corporate Security



# Ethics is Just Good Business

WELCOME AND INTRODUCTION

## CONNECTING THE DOTS

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**Doing business the right way is the key to earning our customers' trust.**

**T**HIS CODE DOESN'T attempt to anticipate and address every ethical situation you may encounter on the job. No code or policy manual can substitute for good judgment and common sense. This code outlines our standards and policies for employees; clarifies common dilemmas; and points to other resources for further information.

This code can help you build a basic working knowledge of the behaviors we all must follow to produce results while protecting the company, individual employees, customers and stakeholders from harm. The *Code of Conduct and Guide to Ethical Business Behavior* applies to all employees. No exceptions.

All of us are responsible for safeguarding the company's reputation and understanding that our professional and personal behavior reflects upon the company. As an employee, you are responsible for familiarizing yourself with the rules, policies and laws that govern our business, especially those that apply to

You are responsible for familiarizing yourself with the rules, policies and laws that govern our business.

# Ethics is Just Good Business

## WELCOME AND INTRODUCTION

your specific job. When in doubt, ask questions, contact your direct supervisor, a Human Resources representative or the Compliance department.

You are responsible for reporting concerns and suspected ethical, legal or regulatory violations. Employees can report concerns anonymously by contacting the Compliance department at 800-CMS-5212; 517-788-6260; or [cmscompliance@cmsenergy.com](mailto:cmscompliance@cmsenergy.com).

Speaking up is the key to the success of our compliance program. We have a “zero tolerance” policy on retaliation against employees who report concerns in good faith. We take seriously any violation of corporate policies. Employees who commit violations — as well as employees who are aware of violations but fail to report them — are subject to the full range of disciplinary action, up to and including termination.

Our rules help ensure a safe and productive working environment for all employees, positive relationships with customers, and prosperous dealings with business partners and other stakeholders.

Please review and understand this code and don't hesitate to ask questions. Our success and reputation depend on it.

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## DECISION TEST

■ This *Code of Conduct and Guide to Ethical Business Behavior* is intended as a general guide to our company's ethical standards and policies.

When you encounter situations that pose potential conflicts of interest or raise other ethical issues, try asking these questions:

- Is it legal?
- Does it align with our standards as written?
- Is it consistent with the spirit of the law, our *Code of Conduct and Guide to Ethical Business Behavior*, Guiding Principles and/or corporate culture?
- Would I feel comfortable with my decision if the details of the situation were published or broadcast in the news media or become known to my friends and colleagues?
- Is it fundamentally fair and honest?

If you answered NO to any of these questions, seek guidance by contacting the Compliance department at [cmscompliance@cmsenergy.com](mailto:cmscompliance@cmsenergy.com) or at 800-CMS-5212 or 517-788-6260.



## RESPONSIBILITIES

■ The *Code of Conduct and Guide to Ethical Business Behavior* applies to all employees of the company, including corporate officers. We all share responsibility for helping the company adhere to the highest standard of ethical behavior and safeguarding the company's reputation.

- **Corporate officers** must uphold all of the responsibilities outlined in this book and honor any additional duties and obligations that accompany their respective positions.
- **Supervisors, managers and directors** must set a strong ethical example as leaders, make sure their employees understand and follow the rules and create a positive and inclusive work environment that encourages employees to speak up about concerns.
- **Employees** are responsible for knowing, understanding and following the regulations, laws and policies that apply to their jobs. They also must report concerns or potential misconduct.
- **All of us** must avoid egregious personal or professional behavior that creates or has a significant likelihood to create reputational or financial harm to the company.

## LEARNING MORE IS EASY

■ While this code provides a basic and broad view of our standards, policies and expectations, situations will arise when you need clarification or more information to make the right decision.

In those cases, answers are easily accessible. Employees have a variety of resources to learn more about the company's rules and policies:

- Talk with your supervisor or Human Resources representative.
- Consult the Policy and Process Manual (PPM). If you have Internet access, you can find the manual on iConnect. Click "Quick Links" and "Policies."
- You also can contact the company's Compliance department at [cmscompliance@cmsenergy.com](mailto:cmscompliance@cmsenergy.com) or at 800-CMS-5212 or 517-788-6260.

## GUIDING PRINCIPLES

# We cross the finish line together

### WE BELIEVE:

Success is achieved when we work together.

### WHAT IT LOOKS LIKE:

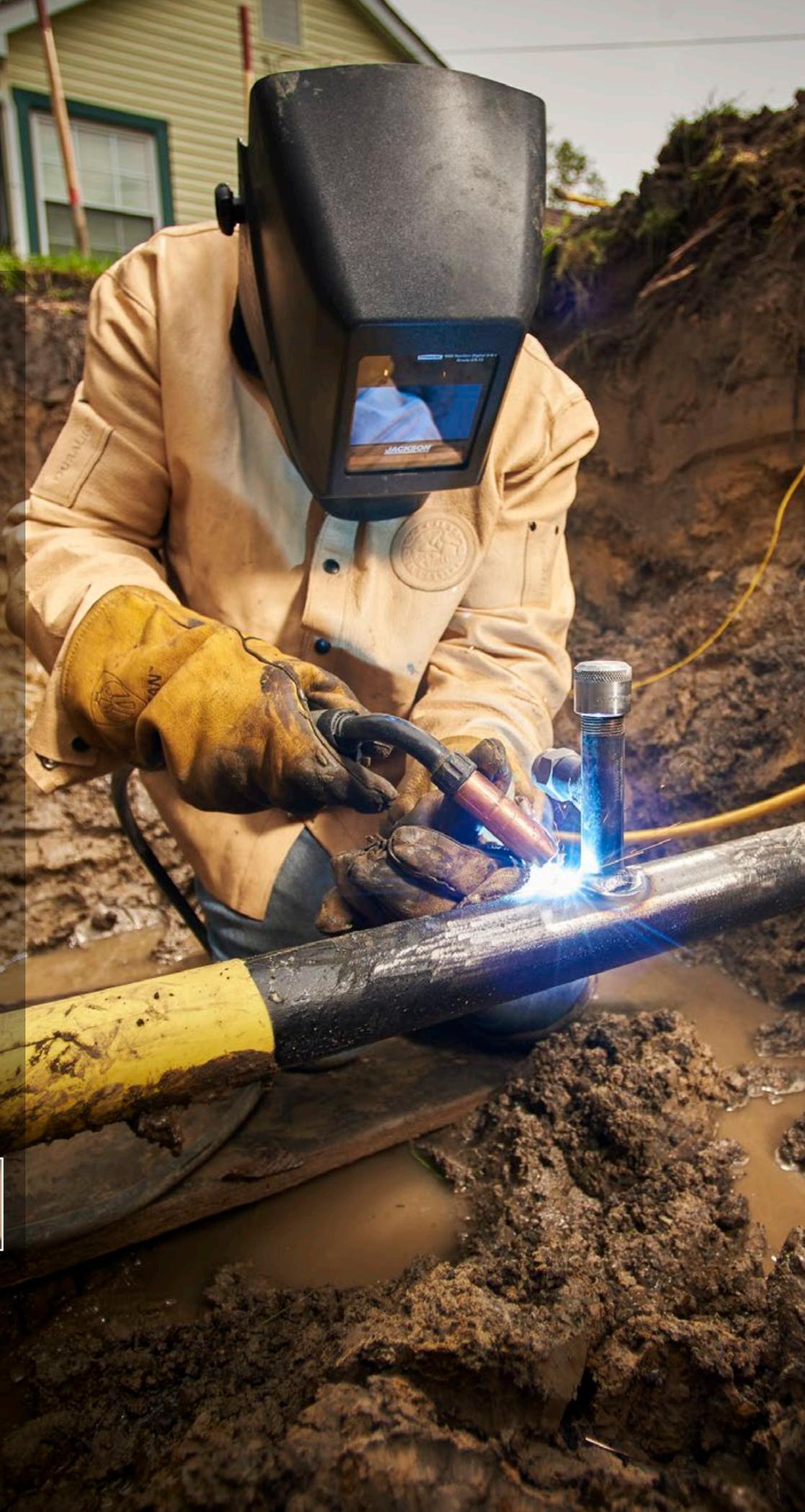
- We use interactions as an opportunity to build relationships.
- We promote openness and embrace teamwork, and support change.
- We see the big picture and balance our own and team's interests with those of the larger organization.
- We respect and value individual backgrounds, contributions and perspectives.
- We give our personal best to the team.

### WHAT IT MEANS TO ME:

"No one facility is perfect. We have issues and problems. But when we face them, we work together to solve them. And we all come together when people are in need."

- Dale Nickell

Hydro Operations  
Supervisor, Five Channels  
Hydroelectric facility



# Working Safely

## CONNECTING THE DOTS

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**Working together and caring for each other protects our employees, customers and the public.**

**WE** VALUE THE SAFETY and security of employees, customers and the general public above all else. No operational priority, business goal or service commitment justifies endangering a person's safety, health or life.

Sending employees home safely at the end of each day is more important than our bottom line. Whether you sit behind a desk or scale a utility pole, you can expect a workplace free of violence, weapons, drugs and alcohol.

We're also determined to help prevent workplace accidents and injuries. Thus, you can expect us to provide the tools, equipment and training necessary to perform your job safely at all times.

### **Stop the job**

We expect employees to take a timeout when a hazard is recognized and failing to act may result in injury, risk to public safety or damage to equipment or property.

Of course, creating the safest possible work environment requires a commitment from you as well. Employees are required to follow all safety and security processes, including all policies and procedures outlined in company

safety, security and operating manuals.

Employees also must promptly report unsafe behavior and working conditions, safety hazards, property damage and personal injuries.

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# Working Safely

## VIOLENCE

■ We will not tolerate threats or acts of violence committed by or against employees. The company will investigate all reported incidents promptly; take appropriate disciplinary action, up to and including discharge; and support criminal prosecution in appropriate cases. We will provide educational programs and offer counseling and reasonable support to victims of crimes on the job.

## SUBSTANCE ABUSE

■ CMS Energy is committed to keeping the workplace free from the effects of substance abuse.

We prohibit the possession and/or use of alcohol and illicit drugs, and expect employees to fulfill their duties and conduct company business without using alcohol, illicit drugs or controlled substances illegally. Drug and alcohol testing is required in compliance with federal, state and company policies. Employees taking prescription medication that they believe places themselves or others at risk of harm are responsible for notifying their supervisor, who should contact the Safety and Health department.

Employees are encouraged to seek help through the GuidanceResources®, which provides confidential assistance for a variety of issues, including substance abuse. Your Human Resources department can provide GuidanceResources® contact information.

- **Drugs:** In accordance with state and federal laws and regulations, including the Drug-Free Workplace Act of 1988, we prohibit the unlawful manufacture, distribution, dispensation, possession or use of controlled substances in the workplace. Violations may subject employees to discipline up to and including discharge.
- **Alcohol:** We prohibit alcoholic beverages on company property, during the hours of work when being paid by the company, or during a meal period when scheduled to return to work. Employees must not report for work — call-out or scheduled assignments — under the influence of alcohol.

Possessing or transporting alcohol on company property, even in personal vehicles, is prohibited. Violations may subject employees to discipline up to and including discharge.

Exceptions to our alcohol policy include: the South Haven Conference Center, where alcohol is permitted and may be consumed after normal business hours; property leased by employees through employee-owned clubs; and other officer-approved events.

## Reality Check

**I'm taking prescription medication that may impair my ability to work safely. What should I do?**

If you feel the use of your medication could compromise your safety, the safety of fellow employees or the public, it is your responsibility to inform your supervisor. Your supervisor should then contact the Safety and Health department.



## WEAPONS

■ Weapons, licensed or unlicensed, are prohibited on company property, even in personal vehicles. Examples include: firearms; knives with blades exceeding three inches unless used as a company-issued tool, explosives, ammunition, pellet guns, paintball guns, Tasers, bows, arrows and swords.

Violations may subject employees to discipline up to and including discharge.

Exceptions to our weapons policy include: law enforcement, armored truck services personnel in support of company customer payment offices, security officials performing their normal duties, company property required by FERC to be held open for public recreational use, and the use of firearms or explosives for industrial or animal control purposes. Kitchen knives are allowed on company property for the purpose of food preparation.

The chief compliance officer, in consultation with Corporate Security, may approve exceptions to the weapons policy.

## ACCESS TO FACILITIES

■ For the safety and security of our co-workers and work-sites, all access control measures should be adhered to, which includes always using company badge to gain entrance and ensuring no other individuals follow without swiping their badges as well.



GUIDING PRINCIPLES

## We put points on the board

WE BELIEVE:

Success depends on delivering meaningful results.

WHAT IT LOOKS LIKE:

- We add real and measurable value every day.
- We provide recognition and feedback based on results aligned with our principles.
- We behave as owners and act with urgency.
- We manage risk and learn from the results.

WHAT IT MEANS TO ME:

"We often make plans to accomplish something. The rubber hits the road, however, when we look at whether or not we achieved it."

- Antonette Noakes  
Senior Rate Analyst



# Working Honestly

## CONNECTING THE DOTS

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**Measuring our performance honestly, fairly and transparently is critical to building a successful company.**

**W**ORKING HONESTLY MEANS just what it says: we tell the truth and act ethically when dealing with business partners, co-workers, investors, customers and anyone else we interact with day to day. No exceptions.

Ultimately, business success boils down to reputation. Our ability to look people in the eye and deliver on our promises is the reason we have thrived as a company for over 130 years.

We continue to earn our reputation each day through the many decisions, large and small, that are made throughout the company. Choosing to do business the right way — especially under challenging circumstances — is the key to protecting our customers, our company and our employees.

We must always act in the interests of the company and avoid even the appearance of a conflict of interest.

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We must always act in the interests of the company and avoid even the appearance of a conflict of interest.

# Working Honestly

## CONFLICTS OF INTEREST

■ A conflict of interest exists when there is a choice between acting in your personal interests or the interests of the company.

Avoiding conflicts of interest includes refraining from company-related actions or favors with friends and family and refraining from presenting or accepting gifts that cross ethical boundaries.

Employees are expected to report potential conflicts or perceived conflicts of interest to the Compliance department. Creating or failing to disclose a conflict of interest is subject to disciplinary action, up to and including termination.

Some common areas where you may encounter a conflict are:

**Gifts, trips and sponsored events:** You can give and accept gifts that are of a reasonable value and are consistent with normal business practices. However, you cannot exchange gifts, even token in nature, that could influence or create the perception of influencing business decisions or are excessive or embarrassing. You may not accept more than \$2,000 worth of gifts annually. Similar concerns and standards apply to business trips and/or events sponsored by third parties. You may not solicit gifts or give or receive cash or cash equivalents.

### What is a gift?

A "gift" is anything of value, such as meals or lodging, paid for by a third party and not billed to the company. Other common examples include: Entertainment; vendor or supplier trips; paid admission to sporting events or concerts; transportation costs; and discounts, special privileges and advantages not available to the general public.

VALUE OF GIFT	APPROVALS REQUIRED
Gifts with fair market value less than \$200	No approval required. (Gift still must comply with general requirements of this policy.)
Gifts with fair market value between \$200 and \$500	Written approval required by supervisor with notice to the Compliance department before the gift is accepted. If doing so is not practical under the circumstances, approval must be obtained shortly after the gift is received or accepted.  (Approval may be by email. Supervisor and employee are required to keep records of all approvals including email approvals for audit by the Compliance department. The records should be kept until disclosed on the annual disclosure questionnaire or for two years.)
Gifts with fair market value greater than \$500	Must be pre-approved in writing by supervisor and chief compliance officer.
Trips and sponsored events*	Advance approval is required. Employees must complete and submit the form available from the compliance department. Trips and sponsored events should not exceed \$5,000 per trip/event from all sources.

\* Trips are defined as gifts involving travel expenses (transportation, meals and/or lodging). Sponsored events are defined as activities (golf events, sporting events, etc.) combined with business meetings or other business purposes paid for by a third party.

## Reality Check

**I'd like to provide a gift to my team as a "thank you" for meeting our performance goals. Is this covered under the gifts policy?**

No. The gifts policy applies to gifts to and from third parties. Please see the PPM for policies related to providing internal gifts.

**Financial investments:** Putting your money into companies that are competitors, vendors or suppliers to CMS Energy could create a conflict or a risk of embarrassment to the company, depending upon the amount and the specific circumstances of the investment. Employees are permitted to invest in competitors and vendors or suppliers but should take care to ensure investment activity does not create a real or perceived conflict of interest.

Employees should not invest in companies for which they have procurement responsibilities. Likewise, employees should not leverage their position with the company or use information they access in their jobs to make investments. Officers are prohibited from investing in competitors and should consult the full investment policy PPM and the list of competitors prior to engaging in investment activity.

**Private business:** Participating in a private business — as an owner, investor, employee or another role — could create a conflict or interfere with your work for the company. Employees who are participating in or have an outside relationship with a private business should review the conflicts of interest policy in the PPM to ensure they will avoid conflicts of interest.

**Outside employment:** You may work outside the company with manager approval but must do so on your time. Conflicts occur when using the company's equipment, assets or name. Outside employment also could create potential legal liability for the company.

Employees who engage in outside work in their area of expertise for the company must obtain written approval from their manager and take extra care to avoid creating a perception of the company's involvement. Employees must not indicate that any outside work performed is done on behalf of the company.

You may not work for a competitor or use company assets to support outside work. Any employees engaging in outside work should consult the conflicts of interest policy in the PPM.

## Reality Check

**My brother-in-law owns a small business that supplies services the company currently is bidding out. Can I suggest my brother-in-law's company as a possible vendor?**

Yes, if you disclose your relationship to the company to your supervisor and the bid-reviewing party. You also should excuse yourself from the procurement process to avoid any appearance of favoritism or bias.

## INITIAL PUBLIC OFFERINGS AND INVESTMENT OPPORTUNITIES

■ To avoid potential conflicts of interest, you should not participate in initial public offerings (IPOs) or accept preferential stock allocations from the company's current or expected business partners. Instead, you should disclose the situation to your supervisor and the chief compliance officer, who will determine whether the circumstances create a conflict.

# Working Honestly

## INSIDER TRADING

■ You and your immediate family members may not buy or sell company securities at any time you or they are aware of any material, nonpublic information such as earnings forecasts, mergers, acquisitions and other key events and developments. Material information, the type a reasonable investor would consider important to making decisions, is considered nonpublic until two full business days after it has been disclosed broadly to the public.

The same holds true for buying or selling securities of other companies at any time you may, in the course of your job, become aware of any material nonpublic information relating to that other company.

You should consult the company's general counsel, corporate secretary or Compliance department to determine whether information is "material" before using it to make an investment decision.

Other restrictions on buying and selling company securities include:

- Pledging or purchasing on margin company securities.
- Trading in a combination or pattern of substantial or continuous buying and selling with the primary objective of short-term gains.
- Selling "short," a technique in which investors bet on a stock price falling by selling securities they do not own with the understanding that they will buy them back, hopefully at a lower price.
- Buying or selling "puts," "calls," "hedges" or other derivatives related to the company's or an affiliate's securities.

These restrictions do not apply to purchases made under "safe harbor" provisions set by the Securities and Exchange Commission (SEC).

## FAIR BUSINESS PRACTICES

■ You may not lie or provide misleading information to gain a business advantage. Examples of such unfair dealing include "round-trip" trading with counterparties and providing inaccurate information to those who compile pricing indexes.

Employees shall not falsify company documents including work orders, status reports, time sheets or expense reports.

The company is committed to fair disclosure of information to analysts or investors in compliance with all applicable securities laws. That includes the SEC's Regulation Fair Disclosure, which prohibits the company from disclosing material information to securities market professionals and investors unless the information is simultaneously disclosed to the public generally.



You may not capitalize on business information or opportunities that belong to the company. An employee, for example, may not buy or lease property upon learning the company is — or is likely to be — interested in acquiring it. Employees must ensure that all reports provided to regulators are complete and accurate.

Related parties to the company — defined as certain directors, executive officers, those who own 5 percent or more of company common stock and their family members — must disclose deals that involve the company if the transaction is more than \$10,000 and the related party will acquire a material interest.

The audit committee of the board of directors must pre-approve these “related-party transactions” and the company must disclose any such deal involving more than \$120,000 in its annual shareholder proxy statement.

For full details regarding related-party transactions, including an extended definition of applicable family members, please consult the PPM. You should direct questions about related-party transactions to the general counsel, who initially determines whether the rules will apply to a business scenario.

## GUIDING PRINCIPLES

# We earn our customers' business 24/7

## WE BELIEVE:

Serving our neighbors, friends and families is an honor and privilege that must be earned every day.

## WHAT IT LOOKS LIKE:

- We are motivated and able to serve customers.
- We provide excellent service.
- We build relationships and create trust with customers.
- We keep customers safe and informed.
- We own our customer interactions and make decisions to meet their needs.
- We seek opportunities to add value to the customer, regardless of our role in the organization.
- We anticipate our customers' future needs.

## WHAT IT MEANS TO ME:

"I listen to what employees and customers have to say, take their concerns to heart and take action if needed. If I say I'm going to do things, I follow up with them."

**Julie Koerkel**

Manager Gas System Enhancement



# Working with Accountability

## CONNECTING THE DOTS

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**We provide excellent customer service by holding ourselves to the highest standards.**

**A**CCOUNTABILITY IS PART of our corporate culture. It permeates our organization, from employees helping customers on the front lines to company officers making big-picture decisions that shape our future.

In many ways, working with accountability means showing respect — for the company’s property, for the tools we are provided, for information entrusted to us, for the

laws and regulations that govern our industry, for the privacy of customer and employee information, for one another and for our environment.

We are committed to making daily choices that reflect that inherent respect. Practically speaking, that means keeping careful account of our behavior, our business transactions and how our work impacts individual employees, the company’s interests and the world beyond.

The details of our business dealings matter and the decisions we make can create widespread consequences.

The details of our business dealings matter and the decisions we make can create widespread consequences.

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# Working with Accountability

## USE OF COMPANY ASSETS, INCLUDING INTERNET AND EMAIL

■ You are responsible for protecting company assets — such as information, business records, funds, equipment, supplies, facilities, property and materials — and using them in a safe and efficient manner and in accordance with applicable laws and regulations.

Your supervisor may establish additional limits on your personal use of company assets. If you misuse the company's assets, you may be subject to criminal prosecution in addition to the company's internal discipline process.

You must use all assets primarily for business purposes. These assets include computer systems, the Internet, intranet, email, faxes, telephones, cell phones and voice mail. Reasonable personal use is permitted as long as it's appropriate and does not violate company policies or applicable laws.

The company may monitor and review your use of company assets, including the Internet and email, at any time without specific notice to you.

You must use the Internet in a safe and secure manner and may not access sites that contain sexually explicit or pornographic materials and/or are otherwise prohibited by company policies. The company may revoke your Internet access at the request of your department manager if you violate company or service provider policies, or violate applicable laws and regulations.

You may not use email to send obscene, profane or harassing messages; conduct outside employment or private business activities; or to create or forward junk mail/spam.

## CONFIDENTIALITY AND PRIVACY

■ You are responsible for protecting the company's confidential and sensitive information, which includes anything that could potentially be used to place the company — or its employees, customers or shareholders — at a disadvantage.

Specific examples of sensitive information include:

- Plans, strategies, tactics or organizational structure not announced to the public.
- Financial data or operations results not announced to the public.
- Employees' personal information, including addresses, phone numbers, salaries, benefits information, performance evaluations, Social Security numbers, personal health information and disciplinary records.

## Reality Check

**I'd like to catch up on work from home. I plan to email the spreadsheet we are working on to my personal email account so I can access the file. Is this OK?**

No. Employees can work remotely using company assets and connect via the company VPN. Company data should not be emailed to personal email accounts or stored, unencrypted, on personally owned devices. This is especially important when dealing with sensitive or confidential information. Accidentally emailing sensitive or confidential data to someone outside the company could lead to a data breach under state law. The same is true if a personally owned device containing company data is lost or stolen.



- Information protected under a confidentiality agreement or contract.
- Information identified as confidential by a supervisor or officer.
- Customer and shareholder records such as billing records, credit reporting scores, personal information and Social Security numbers.

You should presume information is sensitive unless demonstrated otherwise and hold that information in confidence. There are some exceptions. For example, if the communication of this information is consistent with your normal job duties or you are authorized to disclose it by your supervisor and the chief compliance officer.

Any employee who is uncertain whether to disclose information should consult his or her supervisor and the chief compliance officer. You should contact both your supervisor and the Compliance department as soon as you become aware confidential information has been disclosed to unauthorized persons.

## INTELLECTUAL PROPERTY

■ All employees of the company shall assign to the company all company related new developments and inventions developed by the employees during their employment with the company. Such new developments or inventions may include any type or kind of new apparatus, new process, new design, improvements of existing inventions or designs, or other useful ideas, including but not limited to computer systems design and software and engineering designs or processes. Any new development or invention that occurs as a result of, arises out of, or otherwise relates to the employee's work for the company is considered a company-related new development or invention.

If the employee conceives of a new development or invention while employed by the company, the employee must promptly and fully disclose the details of the new development or invention to their supervisor or the company's Compliance Department. If the employee does

# Working with Accountability

not believe the new development or invention was company-related, the employee must still disclose the new development or invention to the company and allow the company to make the determination as to whether the new development or invention is considered company related. If an employee files a patent application or has a patent application filed on their behalf for a company-related development or invention, then the employee must inform the company of the patent application and assign the patent application to the company.

If the employee files a patent application or has a patent application filed on their behalf after the employee is no longer employed by the Company, and if the subject of the patent application is a new development or invention that was initiated while the employee was employed by the company and is company-related but finished while the employee was no longer employed by the company, then the employee shall notify the company of the patent application and assign the patent application to the company.

When the employee accepts employment with the company, the employee agrees to assign to the company all company-related new developments and inventions. The employee may retain all rights to any new developments or inventions that are not company related; however, if the employee develops the non-company related new development or invention using company time and resources, then the company will automatically be given a perpetual royalty-free shop right to use the development or invention.

Title to all copyrightable material created by an employee within the scope of the employee's employment shall belong to the company. All such materials shall be considered "works made for hire" and title to such materials shall automatically vest in the company. Employees shall not copy, distribute, publish, nor derive a copyrighted work of a third party without the express written consent of the third party, as to do otherwise may violate the copyright laws. The company and its employees shall comply with all applicable copyright laws and licensing/subscription agreements. Redistributing, republishing or reproducing such material without permission from the third party may violate copyright law.

All employees of the company need to be aware of all restrictions that may apply to the use of third-party materials and information, including but not limited to confidential materials, patents, copyrighted materials, trademarks, and trade secrets and all employees are expected to handle such third party materials and information accordingly. When in doubt, employees should ask for clarification and guidance from the company's Compliance or Legal Departments.

## Reality Check

**I'm concerned some of the business records generated in my department are not maintained long enough. Should I take copies home on a thumb drive in case we need them?**

No. All business and non-business records belong to the company – not to individual employees or departments. Talk with your manager or your Information Lifecycle Management (ILM) Coordinator about business records you feel should be retained longer. Thumb drives are easily lost, stolen or damaged. Think twice before using them for business purposes.



Consumers Energy

UTILITY VEHICLES

115303T 0217321

# Working with Accountability

## FINANCIAL CONTROLS

■ The company maintains a system of internal controls designed to safeguard the company's assets, ensure accurate recording of transactions, and prepare reliable financial statements as defined by regulatory and governmental agencies. The company's chief executive officer and chief financial officer have the final responsibility to ensure accurate financial reporting and disclosure to the SEC as defined by the Sarbanes-Oxley Act of 2002.

Internal control activities include:

- **Entity-level reviews** – management review of reports comparing actual performance versus plans, goals and established objectives.
- **Authorization of transactions** – review of particular transactions by an appropriate person.
- **Segregation of duties** – separating authorization, custody and record-keeping roles to limit risk of fraud or error by one person.
- **IT security** – password usage and access logs to ensure access is restricted appropriately to authorized personnel.
- **Controls over financial reporting** – designed to meet the financial statement assertions of existence or occurrence, rights and obligations, valuation and measurement, completeness and presentation and disclosure.

Supervisory employees have the responsibility to ensure effective internal controls in their areas are followed as documented in the company's PPM.

You are responsible for executing, monitoring and reporting on the effectiveness of internal controls specific to your job. You should bring deviations from documented internal controls to the attention of the chief compliance officer, chief accounting officer or Internal Controls department.

## MANAGING RECORDS

■ You are responsible for following company policies related to the maintenance, storage and — where appropriate — destruction of business records.

Business records are any records received or prepared by Company employees, contractors or vendors related to Company operations or decisions that need to be maintained for (a) operational (integral to business operations, but has no legal requirement) or (b) legal (including regulatory, accounting and tax) purposes in accordance with a specified retention schedule. A business record should be the original or initial record and not a duplicate copy and includes all material back up and supporting documentation, if any. All business records must be maintained on a specified retention schedule. You should only destroy business records when the mandatory retention period has expired and official approval has been obtained.

Nonbusiness records do not relate to Company business but are maintained in Company media, or do not fall within the definition of a business record. These would include email, per-



sonal copies, drafts or items retained for personal reference, etc., or records that are duplicate copies or not the original. Nonbusiness records should be retained only as necessary with a recommended retention not to exceed three years and never exceeding the retention of the business record. However, in the case of draft documents, preliminary versions of a document created in the process of developing a final document should not be retained once the final version of the document has been prepared, issued or released.

As necessary, the general counsel may place a hold on the destruction of records, which applies to both business and nonbusiness records, and you must comply with it. For additional information, contact the Corporate Information Governance department.

## CORPORATE RISK

■ The company's board of directors has approved a corporate risk policy governing risk in four areas: enterprise risk, price risk, counterparty credit risk and insurance risk.

If you participate in business decisions related to these areas, you are responsible for understanding the appropriate risk policies and conducting business according to their parameters. The executive director of risk, strategy and financial advisory services can answer questions about the corporate risk policy and whether it applies to your position or any particular transaction in which you are engaged.

## REGULATORY REQUIREMENTS

■ The company is regulated by a wide variety of state and federal agencies, including the Federal Energy Regulatory Commission and the Michigan Public Service Commission (MPSC). You must stay informed about and follow all applicable laws and regulations rele-

# Working with Accountability

vant to the company's business and your individual job. Information provided to regulators must be complete and accurate. You also must report suspected violations or misconduct to your immediate supervisor and the chief compliance officer.

The chief compliance officer will oversee investigations related to regulatory standards. The company will assign at least one person — either internal or external — to cooperate completely with the applicable regulatory agency to investigate and resolve the situation.

During an investigation, you must comply fully with internal and regulatory agency investigators.

## SENSITIVE PAYMENTS

■ You may not make direct or indirect payments of any kind — including money, property or services — to any person to secure business or gain favorable business treatment.

Sensitive payments include bribes, kickbacks or other illegal or improper payments, or those incorrectly deducted from income taxes.

## FOREIGN CORRUPT PRACTICES

■ You must comply with the Foreign Corrupt Practices Act, a federal law forbidding the corrupt influence of foreign officials. A “foreign official” is any officer or employee, or any persons acting in an official capacity for an officer or employee, of a foreign government, agency or public international organization. The law generally prohibits making or authorizing — or even offering to make or authorize — a payment or gift intended to corruptly influence a foreign official.

You should contact the chief compliance officer or general counsel prior to making any decisions involving a foreign official, including plant or facility tours.

## SOLICITATION

■ The company restricts nonemployees from soliciting on company property and limits solicitation activities of employees. In general, you are allowed to solicit during work hours for events approved or sponsored by the company, including the United Way and Employees for Better Government. You should contact the Corporate Giving office to obtain approval and/or company sponsorship for charitable events. For more information or to determine whether an activity is appropriate, contact the Compliance department.

## Reality Check

**An employee's daughter has cancer and the employee is missing work for medical appointments. Is it OK to email co-workers seeking donations of money or vacation days to cover the employee's lost time?**

Yes. We allow employees to solicit for hardship support for their co-workers and co-workers' immediate family members.



# Working with Accountability

## ENVIRONMENT

■ The company is committed to protecting and enhancing the environment. That means engaging in sound environmental practices, supporting environmental stewardship, and continually evaluating and minimizing the impact on our natural surroundings.

You must stay informed and engaged in protecting the environment and follow all relevant environmental laws and regulations. Doing so enables the company to successfully balance the energy and economic needs of customers with the protection of the environment.

To help ensure a healthy environment, we all must:

- Comply with all environmental laws and regulations.
- Understand the environmental impact of our business.
- Provide adequate resources to meet our environmental commitments and obligations.
- Operate according to sustainable business best practices.
- Encourage cost-effective ways to prevent pollution and reuse and recycle materials.
- Identify and weigh environmental risks.
- Encourage environmental protection and stewardship.
- Work with environmental agencies to resolve environmental issues.
- Continuously improve our environmental performance and corporate social responsibility.
- Effectively communicate our environmental values.

A comprehensive list of environmental procedures can be found on the Environmental Services Department SharePoint site. To learn more, contact Environmental Services.

## ANTITRUST

The company supports a free, open and competitive marketplace by complying with all applicable antitrust laws. Antitrust laws are complex and difficult to apply and, in some cases, companies with large market shares may face stricter rules than others in the market.

Violations can be extremely expensive and often carry potential criminal penalties in addition to civil fines or damages.

The company will not use unfair means to gain or maintain market share in any product or service.

You should never discuss with competitors any agreement upon prices (even maximum prices), terms and conditions of service, credit terms or other matters that affect prices.

You should never discuss with competitors any agreement on allocation of markets, territories or customers on a geographic or other basis.



You should never discuss any group boycott (an agreement with outside companies not to deal with another company).

The company may have some limited exceptions from these rules, to the extent its activities are authorized by law and actively supervised by the MPSC. For example, in some circumstances, an MPSC rule may determine who serves a specific customer.

Trade associations perform useful and legitimate functions, such as enhancing safety. They also can bring us together with competitors. You must not engage in any discussions or activities that may lead to the appearance of improper behavior. If such a discussion starts, make it clear you believe the discussion is improper and break away.

Consult the Legal department:

- Before entering any joint venture, merger or other collaborative arrangement with competitors.
- Before establishing any exclusive dealing arrangement.
- Before bundling together different products or services.
- Before setting prices at which company products or services will be resold by others.
- Before exchanging information with competitors on matters which may be sensitive under the antitrust laws.
- Any time you are in doubt about whether an activity is lawful.

# Working with Accountability

## ENDORSEMENTS

■ The company will not endorse products or services or the firms or individuals who supply them. No one may use the company's name or corporate logo for advertising or publicity purposes without obtaining prior written approval from the company. You should contact Strategic Communications, the Legal department or the Compliance department for assistance with obtaining the necessary approvals.

## PROCUREMENT

■ The company and its affiliates have a wide variety of policies and procedures governing the purchase of goods and services and relationships with vendors. These include competitive bidding, legal review, sole sourcing requirements, adherence to authorized approval levels and use of company-issued purchasing cards.

You must know and follow the applicable procurement policies relevant to your work. In addition, you should include the ethics clause in all applicable agreements with contractors, consultants and/or agents. For more information on these requirements, contact the Purchasing, Legal or Compliance departments.

## RECORDING CONVERSATIONS

■ You may not record conversations with others without the prior consent of everyone involved. This applies regardless of whether the conversation is recorded openly or secretly and no matter what device is used for recording (examples include tape recorders, cell phones, video recorders or wiretapping equipment). The exceptions, which must be approved by the Legal department, include business purposes such as recording calls to the Customer Service or Security command centers.

## SOCIAL MEDIA

■ You have a responsibility to conduct yourself appropriately and responsibly when using social media, whether at work or on personal time. These standards apply regardless of whether you're using company provided equipment and networks or your own personal device. A few examples of inappropriate use include: sharing confidential or proprietary information, harassing colleagues or engaging in illegal behavior. Officers and managers may impose more restrictive limits to the use of social media technologies in the workplace for their employees to the extent allowed by law.



## GUIDING PRINCIPLES

# It's a great place to work

### WE BELIEVE:

In an environment where we can contribute to our full potential.

### WHAT IT LOOKS LIKE:

- We extend and earn trust.
- We listen to understand, treat others with dignity and communicate openly.
- We help each other balance work and personal lives.
- We pursue challenging growth and development opportunities.
- We enjoy our work and are passionate about it.

### WHAT IT MEANS TO ME:

"A great place to work is a respectful and inclusive environment where all employees are free to bring their whole self to work and reach their fullest potential. When employees are highly engaged, they are more productive, work safer and enjoy balance between home, work and play."

#### Angela Thompkins

Director, Talent Acquisition and Diversity



# Working Together

## CONNECTING THE DOTS

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**We trust, respect and support our co-workers to build a strong company.**

**WE** ALL WANT TO work with colleagues and managers who appreciate each other's unique skills, backgrounds and viewpoints and are committed to achieving common goals.

No workplace, including ours, is perfect. But the company believes in an environment where personal excellence and creative collaboration go hand in hand.

That's why we encourage employees to get to know one another, to take care of themselves physically and emotionally and to make time for family and life commitments. Work-life fit and productivity are mutually supportive terms.

The company also recognizes that its workforce should reflect the diversity of both the customers we serve and the bigger world beyond. Tapping employees with a wide range of individual talents and life experiences helps move our company forward, so we can deliver value to our customers every day.

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The company believes in an environment where personal excellence and creative collaboration go hand in hand.

# Working Together

## EQUAL EMPLOYMENT OPPORTUNITY

■ The company does not tolerate discrimination because of age, sex, race, religion, creed, color, national origin, ancestry, height, weight, marital status, sexual orientation, gender identity, disability or covered veteran status. This policy applies to all aspects of employment on the job, and applies to benefits to the extent required by law. Further, CMS Energy will not discharge or in any other manner discriminate against employees or applicants because they have inquired about, discussed, or disclosed their pay or the pay of another employee or applicant. However, employees who have access to the compensation information of other employees or applicants as a part of their essential job functions cannot disclose the pay of other employees or applicants to individuals who do not otherwise have access to compensation information, unless the disclosure is (a) in response to a formal complaint or charge, (b) in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or (c) consistent with the Company's legal duty to furnish information.

## RELIGIOUS NONDISCRIMINATION

■ CMS Energy respects the religious beliefs and practices of all employees. Harassment or discrimination based on sincerely held religious beliefs or practices is strongly prohibited. CMS Energy will make, on request, an accommodation for religious beliefs and practices when a reasonable accommodation is available that does not create an undue hardship on the company's business.

## CUSTOMER EQUALITY

■ The company will not refuse to provide service or otherwise discriminate in the provision of service to any customer because of age, sex, race, religion, creed, color, national origin, ancestry, height, weight, marital status, sexual orientation, gender identity, disability or veteran status, lawful source of income, level of income, familial status, location of customer in an economically distressed geographic area or qualification for low income or energy efficiency services.

## Reality Check

**A younger applicant of a different gender was hired for a position for which I applied. I met the qualifications stated on the posting. Is this discrimination?**

If the hiring was based on other qualifications, experiences and/or performance differences, it is not discrimination. If the sole reason for the hiring of the individual – or not hiring you – was specifically age or gender, it could be discrimination and should be reported to the Human Resources department or the Compliance department.



## HARASSMENT

■ We have a right to work in an environment free from harassment because of age, sex, race, religion, creed, color, national origin, ancestry, height, weight, marital status, sexual orientation, gender identity, disability or covered veteran status.

Harassment is defined as any unwelcome comment or physical contact based on a person's age, sex, race, religion, creed, color, national origin, ancestry, height, weight, marital status, sexual orientation, gender identity, disability or covered veteran status that rises to such a level as to significantly affect an individual's employment, interferes with an individual's work performance or creates an intimidating, hostile or offensive work environment.

A romantic or sexual relationship and/or activity between an employee and leader within the same chain of command are strictly prohibited.

- **Sexual Harassment:** Conduct of a sexual nature that explicitly or implicitly affects an individual's employment, is unreasonable, interferes with an individual's work performance or creates an intimidating, hostile or offensive work environment.
- **Racial or National Origin Harassment:** Conduct related to a person's race or national origin that interferes with an individual's work performance or creates an intimidating, hostile or offensive work environment.

# Working Together

## DISCRIMINATION

■ Discriminatory practices include harassment on the basis of a person's age, sex, race, religion, creed, color, national origin, ancestry, height, weight, marital status, sexual orientation, gender identity, disability or covered veteran status; retaliation against an individual for filing a charge of discrimination, participating in an investigation, or opposing discriminatory practices; employment decisions based on stereotypes or assumptions about the abilities, traits, or performance of individuals of a certain sex, race, age, religion, or ethnic group, or individuals with disabilities; and denying employment opportunities to a person because of marriage to, or association with, an individual of a particular race, religion, national origin, or an individual with a disability.

## DISCRIMINATION AGAINST VETERANS AND INDIVIDUALS WITH DISABILITIES

■ We will not discriminate against qualified individuals with disabilities, disabled veterans and protected veterans. We will take affirmative action to hire and advance the employment of each of those groups. If you qualify and would like to tell us, please do so by contacting your Human Resources representative. Providing this information is voluntary.

## DISABILITY ACCOMMODATION

■ In compliance with the Americans with Disabilities Act, Section 503 of the Rehabilitation Act and the Vietnam Era Veterans Readjustment Assistance Act, we intend to offer reasonable accommodation to employees and applicants to assist in the successful performance of the essential job functions or in completing the application process.”

You can request consideration for reasonable accommodation by contacting your Human Resources representative. Applicants can do so online during the application process. We will consider requests individually to determine the most effective solution and whether it would create an undue hardship for the company. Most cases involve review of appropriate medical documentation, which is treated confidentially.

## EMPLOYMENT OF RELATIVES

■ You must exercise caution when hiring relatives, especially in the case of supervisory/subordinate relationships, to avoid real or perceived favoritism in the workplace.

You may not be assigned under the direct supervision or in the chain of command of a relative unless approved in advance by the senior vice president of Human Resources.



GE&S  
EMILY WATKINS

Alexander Blount

Construction Equipment  
Contractors

## GUIDING PRINCIPLES

# We leave it better than we found it

### WE BELIEVE:

Lasting value is created through making improvements every day.

### WHAT IT LOOKS LIKE:

- We are motivated by the organization's greater purpose.
- We seek sustainable solutions that meet the social, economic and environmental needs of the stakeholders we serve.
- We continuously look for new and better ways to deliver lasting value.
- We improve and use innovative processes and systems that meet the needs of customers.
- We have the best talent and share our knowledge and experience to ensure success.
- We deliver the "Count On Us" promise by striving to learn every day.

### WHAT IT MEANS TO ME:

"In everything we do, ask ourselves, 'is there a better way? Can I make the process better for the next time or the next person?'"

- **Tim Aufdencamp**  
Compliance Assurance  
Manager, CMS Enterprises



# Caring for Our Communities

## CONNECTING THE DOTS

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**It's not just about us. We won't sustain success unless the state and communities we serve share in it.**

**T**HE COMMUNITIES WE serve are the backbone of our business. We are committed to helping them succeed — not just with energy services, but also with personal and corporate commitment.

Every day, employees offer their time, talents and finances to support the places where they live and work.

We're proud of the role our employees play in helping make Michigan a great place to live and work.

The company does the same by supporting charitable causes and encouraging employees to participate in the political process at the local, state and national levels.

Engagement by committed and talented people creates strong communities where families and businesses can thrive through good times and bad.

We're proud of the role our employees play in helping make Michigan and the other communities we serve great places in which to live and work.

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# Caring for Our Communities

## PARTICIPATING IN POLITICAL ACTIVITIES

■ The company encourages you to take part in the political process, but as a regulated business it cannot permit the use of company time or resources to do so.

You may voluntarily participate in the company's political action committee (PAC), Employees for Better Government, but must do so primarily on your time and at your expense (executive management may permit exceptions).

You may campaign for public office or support others seeking office (on nonwork time) and may even secure reasonable time off to do so. The following conditions apply:

- You must obtain written approval from your supervisor before seeking election or appointment to a public office.
- If elected or appointed, you must seek approval from your supervisor for reasonable time off to fulfill those duties.
- To avoid conflicts of interest, employees elected or appointed to public office must excuse themselves from decisions on issues that could impact the company.

Political participation and campaign finance activity are complex at times. You should direct questions to your supervisor, the Governmental Affairs department, the Legal department or the chief compliance officer.

## CORPORATE POLITICAL ACTIVITIES

■ The company's advocacy and lobbying efforts must comply with both state and federal laws and regulations, including, but not limited to, the federal Honest Leadership and Open Government Act and the Michigan Lobby Registration Act. Because of these requirements, it is essential for employees to consult with state or federal governmental affairs or legal to ensure adherence to our lobbying governance and the measures spelled out in the policy and procedure manual.

In addition, the company's political activities must comply with both state and federal laws and regulations, including, but not limited to, the Michigan Campaign Finance Act and the Federal Election Campaign Act. If you wish to engage in political activity on behalf of the company, you must first consult with State or Federal Governmental Affairs, the Legal department or the Compliance department.

Like all corporations, the company cannot contribute directly to candidates or political parties to influence the outcome of an election. Further, corporations cannot sponsor or

### Reality Check

**I'm campaigning for election to my local school board. Do I have to notify the company?**

Yes. The company encourages employees to take part in the political process, but requires them to obtain prior approval from their supervisor. If elected, employees must excuse themselves from decisions on issues that could impact the company and/or create a conflict of interest.



subsidize candidate fund-raisers. Company policy and applicable state and federal regulations prohibit the company from contributing its funds, assets or resources to any candidate.

PACs and individual employees may support candidates financially to the extent allowed by state and federal law.

The company, individual employees and PACs all may contribute to state and local ballot question committees, voter education initiatives and other political expenditures as approved by the Legal department, executive management and, in some cases, the board of directors.

The company may sponsor grassroots activities and conduct them with company resources on work time.

## CHARITABLE DONATIONS

■ You may not donate company time, services or funds for charitable events not approved by the Corporate Giving department.

You may solicit fellow employees, vendors and suppliers to support corporate-sponsored events such as the annual United Way campaign. A contribution from a vendor or supplier must not exceed \$1,000 per event. No approval is needed for wellness or safety fairs. Contributions must be voluntary. Prior to soliciting vendors or suppliers, employees should confirm with the Purchasing Department that a vendor or supplier is not actively engaged in contract negotiations with the company.

You may not solicit such support for charitable events without prior approval from the Corporate Giving department (see solicitation section on page 28).

Employees and executives asked by the company to participate in a leadership capacity with nonprofit and charitable organizations are permitted to solicit employees and third parties for support.



Consumers Energy  
Count on Us.

# Speaking Up

THE COMPANY WE KEEP™ | ETHICS IS JUST GOOD BUSINESS

## CONNECTING THE DOTS

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**Our code is only as effective as the employees who support it each day.**

**Y**OU MAKE DECISIONS that determine whether the company adheres to the highest ethical standards. You are obligated to understand and follow the rules and report behavior that doesn't measure up.

The company relies extensively on self-reporting to identify potential misconduct. That means it's up to each of us as employees to preserve and strengthen the company's ethical culture and to create a positive and respectful work environment.

You are expected to speak up and report conduct that you, in good faith, believe violates a law, rule, regulation, company policy or the *Code of Conduct and Guide to Ethical Business Behavior*.

In doing so, you are generally protected by a variety of federal and state "whistleblower" laws designed to shield employees from discharge, disciplinary action or discrimination as a result of speaking up in good faith.

Finally, those who speak up benefit from our retaliation monitoring program, which tracks situations for a period of time after allegations are made and investigations completed. The program is designed to protect both employees and supervisors from potential harm.

Failure to report misconduct may result in disciplinary action.

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You are obligated to understand and follow the rules and report behavior that doesn't measure up.

# Speaking Up

## EMPLOYEE EXPECTATIONS

■ We're each responsible for understanding the ethics and compliance requirements that apply to our direct job responsibilities. You are expected to speak up if:

- You are unsure about the proper course of action and need advice.
- You are unsure about the meaning or application of a policy or regulation.
- You believe another's actions on behalf of the company violate a law, rule, regulation, company policy or the *Code of Conduct and Guide to Ethical Business Behavior*.
- You believe that you may have been involved in misconduct while working for the company.

## MANAGER EXPECTATIONS

■ Employees have been instructed to relay concerns of suspected misconduct to their supervisor. As a manager, you are expected to reinforce the value of this policy and:

- Take all concerns seriously.
- Report issues to your Human Resources representative, the Legal department, Corporate Security or the Compliance department as appropriate.
- Monitor work of third parties under your supervision, such as consultants and contractors, and address and report observed misconduct.

## EXAMPLES OF CONCERNS

■ Employees are expected to report any violation of law, noncompliance with a regulatory requirement or obligation, or a violation of company policy or the *Code of Conduct and Guide to Ethical Business Behavior*.

Here are a few examples of the incidents that should be reported:

- Improper tracking/reporting of accounting records
- Fraud
- Theft (energy or asset) or embezzlement
- Violence or threat
- Discrimination or harassment
- Falsification of records
- Regulatory noncompliance
- Misuse of company systems or property
- Sabotage or vandalism
- Unsafe working conditions
- Substance abuse
- Kickbacks or bribes
- Conflicts of interest



## CONTACTS

■ Employees can report ethics and compliance concerns to their supervisors. If you are uncomfortable reporting to your supervisor, you may report your concern to one of the following designated areas:

- Human Resources.
- Corporate Director of Employee Relations and Equal Employment Opportunity (EEO).
- Corporate Security Command Center.
- Your supervisor's supervisor or department head.

In addition, employees may contact the chief compliance officer or Compliance department directly to report any concern or question.

Internal Compliance HelpLine:  
800-CMS-5212 (800-267-5212) or 517-788-6260  
Email: [cmscompliance@cmsenergy.com](mailto:cmscompliance@cmsenergy.com)

Third-party Anonymous HelpLine:  
866-ETHICSP (866-384-4277)  
Website: [www.ethicspoint.com](http://www.ethicspoint.com)

# Additional Information

## COMPANY

■ For the purposes of this code, the term “company” means CMS Energy Corporation and all subsidiaries and affiliates controlled by CMS Energy as well as their employees except for EnerBank USA, whose employees are required to comply with the EnerBank USA *Code of Conduct and Guide to Ethical Business Behavior* handbook.

## AUTHORITY

■ In the case of a conflict or discrepancy between the *Code of Conduct and Guide to Ethical Business Behavior* and the company’s corporate policies and procedures, the language contained in the policies and procedures shall be controlling and prevail over the *Code of Conduct and Guide to Ethical Business Behavior*. Such policies can be found on iConnect’s Learning Center and in the PPM.

## WAIVERS AND EXCEPTIONS

■ Only the chief compliance officer may grant policy waivers and exceptions to the policies contained within this code for employees if, in his or her judgment, the decision maintains the spirit and integrity of the *Code of Conduct and Guide to Ethical Business Behavior*.

Only the audit committee of the board of directors may grant policy waivers and exceptions for executive officers. In those cases, the company will promptly disclose the waiver or exception to its shareholders.

The policies contained in the *Code of Conduct and Guide to Ethical Business Behavior* do not apply to situations where employees are engaging in protected concerted activity and are exercising a statutory right to organize or act for their individual or mutual benefit under the National Labor Relations Act or other laws.

## MODIFICATIONS AND CHANGES

■ No officer, manager, director or supervisor may change any policy contained within this code, orally or otherwise.

The chief compliance officer may modify or change any policy contained within the code with the approval of executive management.



## DISCIPLINE AND PENALTIES

■ Violating company policies can lead to a range of possible disciplinary action, up to and including termination of employment.

Employees engaged in egregious personal or professional behavior that creates or has a significant likelihood to create reputational or financial harm to the company will be subject to discipline up to and including termination.

Failing to report or attempting to hide a violation also can lead to a range of possible disciplinary action, up to and including termination of employment.

Supervisors may face disciplinary action if they fail to take corrective action against employees who commit violations. They also may face disciplinary action if employees who commit violations have not been adequately instructed in the existence or importance of company policies.

The chief compliance officer must be made aware of all disciplinary action resulting from violations and maintains the right of approval.

If you are terminated because of a violation, you forfeit all severance benefits unless there is a written agreement to the contrary.

The company will thoroughly investigate potential violations. During an investigation, the chief compliance officer maintains the right to obtain information from a range of sources, such as:

- Employees
- Family members of employees living in the same household
- Vendors
- Suppliers
- Executive officers

The chief compliance officer may, at any time, ask you to verify that you understand and are complying with company policies. All employees are required to cooperate with compliance investigations.

# Celebrating Our Successes

## ETHICS IN ACTION AWARDS

**I**N FALL 2006, WE began publicly thanking and honoring employees who display the highest commitment to ethical integrity. The Ethics in Action (EIA) program quickly became a staple of our efforts to promote a strong culture of corporate compliance.

We recognize the winners with a special ceremony, a plaque and personal congratulations from senior management and members of the company's board of directors.

Spotlighting employees who do the right thing sends a powerful message about our deep commitment to ethical behavior.

In addition to our individual award winners, we honor three company facilities where employees worked collectively to reinforce CMS Energy's culture of integrity.

The individual winners receive plaques and personal congratulations from senior management, as well as the opportunity to select a local nonprofit to receive a grant from our company foundation.

To nominate someone for an EIA, contact the Compliance department at 517-788-6260 or [cmscompliance@cmsenergy.com](mailto:cmscompliance@cmsenergy.com); or complete the nomination form on the "compliance and ethics" portal on iConnect.



Spotlighting employees who do the right thing sends a powerful message about our deep commitment to ethical behavior.

