

# The Company We Keep

ETHICS IS JUST GOOD BUSINESS®



2017 THIRD PARTY CODE OF CONDUCT

**Definition:**

The terms “company” and “we” used throughout the Third Party Code of Conduct means CMS Energy Corporation and its subsidiaries, including Consumers Energy Company, CMS Enterprises and EnerBank USA collectively.

**Note:**

The information provided and procedures set forth in these guidelines do not confer contractual rights of any kind on any Third Party or create contractual obligations of any kind for the company.

## ETHICS IS JUST GOOD BUSINESS

Our company has provided customers with affordable, reliable energy to light and warm their homes and keep their businesses running for 130 years. We believe our long history of serving customers and the state of Michigan is a testament to the strong ethical standards that have guided us through more than a century of uncertainty and change.

We expect contractors, consultants and/or other third parties to share our commitment to safeguard our corporate reputation and uphold the cultural values that form the backbone of CMS Energy Corporation (“CMS Energy”) and its subsidiaries, including its principal subsidiary, Consumers Energy Company (“Consumers Energy”).

This Third Party Code of Conduct (“Code”) establishes minimum expectations for persons or entities who may be authorized to conduct business for or on behalf of CMS Energy and its subsidiaries, including but not limited to agents, consultants, independent contractors, temporary workers, suppliers, distributors and contractors (“Third Parties” or “you”). This Third Party Code of Conduct is a guide to our company’s standards of integrity and ethical behavior. It provides summaries of corporate policies to help resolve ethical issues that often arise in the context of daily work, in a complex and changing business world, and sets the expectation for our dealings with the people and organizations with whom we interact. Third Parties are expected to ensure all individuals involved in providing services to our company understand and comply with these expectations. We also ask our Third Parties to operate in a manner that reflects our Guiding Principles, which includes behaving in a safe and professional manner, avoiding conflicts of interest and treating others with respect, fairness and dignity when working on behalf of the company.

Adhering to the highest standards of conduct is the right way to do business. Additionally, in many cases, Third Parties’ actions and behaviors represent our company. There are serious individual and collective consequences of unethical behavior, whether or not it is intentional. Consequences include reserving the right to terminate relationships with any Third Party in the event of a violation of this Code.

Although this Code cannot cover every possible situation or cover all applicable rules and laws, we ask Third Parties to raise questions about compliance issues and report actions that don’t measure up without fear of retaliation. When in doubt, ask questions or seek clarification by contacting our compliance department at 800-CMS-5212 or [cmscompliance@cmsenergy.com](mailto:cmscompliance@cmsenergy.com).

We value the thousands of Third Parties who work with us. You are a critical part of our daily mission to deliver energy value to our customers, and to uphold the tradition that’s served our company and its customers so well for so long.

## SAFETY, ENVIRONMENTAL AND HEALTH

Our company strives to work safely and protect employees, customers, contractors, consultants, the public and the environment. To this end, we expect Third Parties to work safely, and comply with safety and health rules, including any site-specific safety requirements. These requirements extend to any subcontractors Third Parties employ in support of work for the company. You should resolve and are expected to report unsafe working situations, and encourage others to work safely. You must be fit for duty when reporting for company-related work and remain fit for duty during working hours.

Our company facilities may be subject to regulated security requirements. As such, it is critical that all Third Parties wear a building access badge at all times, do not share badges, are escorted if they do not have a badge, and return badges and keys when the need for access is removed.

Our company operates in a manner that conserves and protects natural resources and the environment. Third Parties must comply with environmental laws and regulations and conduct operations on behalf of the company in an environmentally friendly manner.

Our company is an alcohol-free workplace. You will not bring, use or be under the influence of alcohol while performing work for CMS Energy or its subsidiaries or on company property. Third Parties shall not consume alcoholic beverages during a meal period if they are returning to work for the company after the meal. Third Parties will not work for the company evidencing any effects of alcohol consumption.

Our company is a drug-free workplace. You will not use, possess, sell, provide or be under the influence of illegal drugs or other controlled substances while engaged in company-related work. You must not allow the use of prescription drugs or over-the-counter medications that affect your ability to work safely or efficiently. Third Parties also must comply with fitness for duty regulations.

## WEAPONS

Third Parties may not possess licensed or unlicensed weapons on company property, in personal vehicles parked on company property, in company vehicles or while conducting company business. The company management must authorize specific exceptions. Weapons include, but are not limited to: firearms; explosives; ammunition; pellet guns; paintball guns; Tasers; bows; arrows; and swords. Knives are also prohibited unless used specifically as a work tool.

## WORKING WITH OTHERS

Third Parties must work responsibly with the company. The company expects Third Parties to behave with respect and dignity, and to act as solid corporate citizens in the communities we serve.

The company maintains an inclusive working environment and does not tolerate discrimination, harassment or any form of behavior that creates an intimidating or offensive work environment. Examples of unacceptable conduct include, but are not limited to, slurs based on race, national origin, gender, sexual orientation or religion; and inappropriate remarks, jokes or pictures. A diverse and inclusive workforce is essential to our company's success and makes us a better company to work for. It allows us to better serve our customers and understand their unique needs. It allows us to bring our whole selves to work, every day.

The company also does not tolerate child labor, involuntary or forced labor and expects Third Parties to comply with appropriate working hour requirements as established by national law or relevant collective agreements.

The company expects Third Parties to comply with the letter and spirit of applicable U.S. and international labor and employment laws including those associated with immigration, minimum living wages and acceptable living conditions.

The company provides a safe and secure work environment and will not tolerate acts or threats of violence committed by Third Parties.

## RESPONSIBILITY FOR COMPANY RESOURCES

The company monitors its assets and work environments in compliance with applicable federal, state and local laws for a variety of reasons such as promoting safety, preventing criminal activity, investigating alleged misconduct and security violations, and managing information systems.

User names and passwords should never be shared for computer accounts used to access or support company systems.

Third Parties are expected to properly use and safeguard company resources such as property, assets, intellectual property, company technology assets (network, phone, Internet, software applications and email systems) and confidential or sensitive information while performing work for the company. You may not use our resources without proper approvals or for purposes other than work activities.

Third Parties are responsible for protecting any confidential information they possess in the course of their work. Such information includes anything that could potentially be used to place the company — or its employees, customers, shareholders or officers — at a disadvantage.

Specific examples of confidential 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; pay grades; salaries; benefits information; performance evaluations; Social Security numbers; personal health information; and disciplinary records.
- Nonpublic transmission function information, 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, personal information and Social Security numbers.

You should presume information is confidential unless demonstrated otherwise and hold that information in confidence. Third Parties may not use this information for gain or advantage, or share it without appropriate company approval. Third Parties must follow established approval processes for obtaining access to confidential information.

Third Parties should not share any customer, rates, nonpublic transmission or market information between CMS Energy and its affiliates, including, Consumers Energy and CMS Enterprises. Third Parties should obtain proper approvals from company managers before sharing information with their affiliates.

Accurate records and disclosures are critical to meeting our legal, financial, regulatory and management obligations. You must ensure records such as disclosures; accounts; reports; bills; invoices; time sheets, correspondence; and public communications, are full, fair, accurate, timely and understandable. Never hide, alter, falsify or disguise the true nature of a transaction.

Further, you may not use information obtained in the course of your company-related work to make investment decisions regarding any equity or debt securities if the information has not been publicly disseminated and could have a material effect on the value of the investment. Examples of such information include: expansion plans; major management changes; dividend rates; earnings; mergers; and significant new contracts or projects. Using this information violates our policies and may violate laws or regulations.

## CONFLICTS OF INTEREST

A conflict of interest is a choice between acting in your interest (financial or otherwise) or in the interest of the company. You must avoid any actions or situations that create conflicts of interest, or the appearance of conflicts, in work related to the company. Additional restrictions may be imposed in contracts between the company and Third Party.

Third Parties should not exchange gifts with a company employee or the employee's immediate family members that is intended to influence business decisions. A gift can be anything of value. Gifts of cash or cash equivalents are strictly prohibited. Common gift examples include trips, meals, or entertainment and sporting event tickets.

Third Parties may donate to company-sponsored charitable events, and can contribute a maximum of \$1,000 per sponsored event.

Third Parties must disclose the circumstances of potential conflicts of interest as soon as possible to CMS Energy or Consumers Energy managers or the compliance department.

## LEGAL COMPLIANCE

In addition to this Code, we expect Third Parties to abide by all applicable laws and regulations and prevailing industry standards. This Code is intended to be consistent with all applicable laws. If there are any inconsistencies between this Code and any applicable law, we expect Third Parties to work towards higher or more stringent requirements and the applicable law shall control.

Third Parties working on our behalf are expected to abide by regulations, rules issued by and tariffs approved by the regulatory agencies governing our company and industry. Those regulators include: the Federal Energy Regulatory Commission; North American Electric Reliability Corporation; Michigan Public Service Commission; U.S. Environmental Protection Agency; Department of Homeland Security; Michigan Department of Environmental Quality; U.S. Occupational Safety and Health Administration; Securities and Exchange Commission; Michigan Department of Transportation; U.S. Department of Transportation; Michigan Occupational Safety and Health Administration; and the U.S. Department of Energy. In addition, all Third Parties are expected to comply with: i) the Office of Foreign Assets Control's regulations that administer and enforce sanctions against certain countries and individuals and ii) the Fair and Accurate Credit Transaction Act of 2003 regulation for identity theft prevention.

Third Parties working on our behalf must also abide by antitrust laws and the Foreign Corrupt Practices Act, which prohibits bribes, kickbacks and corruption and requires fair dealings and full disclosures. In addition, Third Parties working on our behalf are required to fully comply with any provisions regarding interactions between affiliates in the energy industry. For business operations outside the U.S., Third Parties are required to adhere to laws of the relevant jurisdiction, as well as U.S. laws that have extraterritorial application.

Our company complies with Sarbanes-Oxley Act requirements related to the accounting, contracting and payment for goods and services. Third Parties may accept orders only when accompanied by an approved CMS Energy or Consumers

Energy contract, purchase order or charge card. Failure to comply with this requirement may impact our ability to reimburse you for goods or services in a timely manner.

Government officials help shape the legal and regulatory environment in which the company operates. If you interact on the company's behalf with government officials or candidates for public office, you must understand and comply with the laws and company policies that determine our participation in the political process. Those include state and federal lobbying laws; limits on gifts; an approval process for political contributions; reporting of lobbying contacts; and regulatory reporting requirements.

We expect Third Parties to comply with money laundering laws. Money laundering is the process by which the proceeds of illegal activities are moved through legitimate businesses and the world banking systems to remove or hide their illegal source. Be alert for, and promptly report to CMS Energy any knowledge regarding, payments relating to our business that come from unidentified banking accounts or that are unusually large bulk cash payments. These could be funds involved in a money laundering process.

## COPYRIGHT COMPLIANCE

Copyright laws protect the right of an author to control the reproduction and use of any creative expression of thoughts and ideas such as literary, graphic, photographic, audiovisual, electronic and musical works.

Our company follows all laws and regulations related to handling copyrighted material. Failing to comply could create serious consequences for the company, and for Third Parties.

Copyright law protects such works even if they do not include a copyright notice. If you wish to use copyrighted material for distribution related to company work, we expect you to obtain permission from the copyright holder before making copies or using any other copyrighted materials.

## ENDORSEMENTS

The company does not endorse products or services or the firms or individuals who supply them. Do not use the company's name or corporate logo in any advertising materials or publicity without obtaining prior written consent from the Compliance or Legal departments.

## THIRD PARTY DIVERSITY

CMS Energy and Consumers Energy are committed to providing maximum business opportunities to business enterprises owned by women, minorities and disabled veterans. We do not use set-asides, preferences or quotas in administering our Third Party diversity program.

## WAIVERS OR EXCEPTIONS

Only the company's chief compliance officer may grant exceptions to or waivers of this Code. Contact the appropriate company contract administrator if you are seeking an exception or waiver. The administrator will present a business case justification for the waiver or exception to the chief compliance officer.

## REPORTING ETHICAL CONCERNS

Following our standards of conduct is vital to continued prosperous relationships with Third Parties. If you have questions or concerns about compliance or ethics issues while working for our company, or want to report potentially illegal or unethical activities, contact our compliance department at:

**800-CMS-5212**

or

**[cmscompliance@cmsenergy.com](mailto:cmscompliance@cmsenergy.com)**

You also may anonymously call: 1-866-ethicsp or visit [www.ethicspoint.com](http://www.ethicspoint.com).

Those working with Enerbank USA may call 855-319-8479.

