AMENDED AND RESTATED
CORPORATE GOVERNANCE PRINCIPLES (“Principles”)
OF CMS ENERGY CORPORATION AND CONSUMERS ENERGY COMPANY
(“CMS” or the “Corporation”)*

***As Amended and Restated, effective as of May 16, 2014.**

PURPOSE

These Principles, along with the charters of the Board Committees (“Committee Charters”), provide the framework for the corporate governance of the Corporation. The Principles and Committee Charters should be interpreted in the context of all applicable laws and the Corporation’s Articles of Incorporation, as amended, Bylaws, as amended, and other corporate governance documents. The purpose of these Principles and the Committee Charters is to assist the Board of Directors (the “Board”) and its Committees in the exercise of its responsibilities and to serve the best interests of the Corporation and its shareholders. These Principles and the Committee Charters are intended to serve as a flexible framework within which the Board and its Committees may operate and not as a set of legally binding obligations. Therefore, these Principles and the Committee Charters are not intended to create a right of action on the part of any party. Any action or failure to act by the Board or its Committees which is contrary to these Principles and the Committee Charters shall not affect the validity of any actions otherwise validly taken by the Board or its Committees. The Principles and the Committee Charters are subject to modification from time to time by the Board as the Board deems appropriate in the best interests of the Corporation and its shareholders or as required by applicable laws and regulations.

I. ROLE OF BOARD OF DIRECTORS

A. CMS common shareholders elect the Board to oversee the Corporation’s business and monitor its management.

B. The Board believes that responsibility for the day-to-day operations of the Corporation belongs to its management. Therefore, one of the Board’s most important duties is to select a Chief Executive Officer (the “CEO”) and consult with the CEO concerning the selection of a senior management team and plan for their succession. While the Board leaves the responsibility of *managing* to the management team, the Board *oversees and monitors* the team and its actions.

C. While the Corporation’s business and strategic plans and budgets are designed and ultimately executed by the management team, the Board’s role includes:

1. reviewing and approving the Corporation’s annual capital and operating budgets;

2. reviewing and approving the Corporation’s long-term business and strategic plans;

3. through monthly performance updates, monitoring the Corporation's performance and continuing progress against the budgets and plans;

4. seeking to identify the risks and vulnerabilities facing the Corporation, and advising management on strategies to mitigate such risks;

5. reviewing and approving corporate goals and objectives relative to CEO compensation; and

6. annually reviewing the CEO's performance.

II. ROLE OF CHAIRMAN

A. The Chairman of the Board (the "Chairman") has an important communications role. Internally, he or she helps set the tone for the Board and should model standards of high integrity. Externally, he or she acts as the primary spokesperson on behalf of the Board (unless circumstances make a different spokesperson more appropriate).

B. The Chairman is the Chair of the Executive Committee and regularly attends other standing Board Committee meetings.

C. The Chairman assists in interviews of Director candidates.

D. The Chairman assists the Board, its Governance and Public Responsibility Committee and the Corporation's Officers in ensuring compliance with and implementation of these Principles.

E. The Chairman meets with the CEO to discuss the CEO's evaluation by the Board.

III. ROLE OF THE CHIEF EXECUTIVE OFFICER/PRESIDENT

A. The CEO may be a member of the Board, and has responsibility to manage the day-to-day business operations of the Corporation, which is accomplished with the support of the balance of the senior management team, as well as other Officers and employees of the Corporation.

B. The Board at this time believes it is in the best interest of the Corporation to keep the offices of CEO and the Chairman separate. If circumstances change, the Board may combine the CEO and Chairman positions.

C. The CEO presides at meetings of the Directors or shareholders in the absence of the Chairman. He or she also has those duties and responsibilities set forth in the Corporation's Bylaws and specific Board resolutions.

D. The CEO is the primary spokesperson for the Corporation. He or she has responsibility for establishing effective communications with the Corporation's key stakeholder groups, such as shareholders, employees, customers, communities, suppliers, creditors, governments, non-governmental organizations and corporate partners.

E. The CEO has primary responsibility for presenting to the Board the annual assessment of the other members of the senior management team and management succession plans. The Corporation's management succession plan includes provision for CEO succession in the event of an emergency.

F. If the CEO retires or resigns from CMS, and is a member of the Board, he or she must offer his or her resignation from Board membership to the Governance and Public Responsibility Committee, which then presents its recommendation to the Board.

IV. ROLE OF PRESIDING DIRECTOR

In the event the Chairman of CMS does not qualify as "independent" as defined under New York Stock Exchange ("NYSE") rules, the Board shall name a Presiding Director, who is responsible for coordinating the activities of the independent Directors. The Presiding Director role is for a two-year term and subject to Board re-election. The Presiding Director presides at executive sessions attended by only the "independent" Directors.

V. BOARD COMPOSITION

A. <u>Board Size</u>: The Board is authorized by the Bylaws to determine its size. Currently, the Bylaws allow not less than seven nor more than seventeen members. That range allows the Board to determine the number of Directors which is most appropriate at any particular time. The Directors are elected each year by the shareholders to serve one-year terms.

B. <u>Qualifications</u>: When members are added to the Board, the Board seeks potential Board members whose particular background, experiences and qualities meet the needs of the Board, as determined by the Board from time to time. The Board also values high standards of integrity, business ethics and mature judgment, which add value, perspective and expertise to Board deliberations.

C. <u>Additional Boards</u>: A Director who is proposing to join an additional for-profit board of directors or serve on the audit or compensation committees of any for-profit board must first notify the Chair of the Governance and Public Responsibility Committee to identify potential conflicts of interest, Federal Energy Regulatory Commission interlock issues or other governance concerns. Any Director who ceases to serve as a director on an outside, for-profit board must immediately notify the Corporate Secretary when such service ceases.

D. Independence: In order to maintain accountability to shareholders and avoid conflicts of interest, the Board is comprised of a majority of "independent" Directors. The independent Directors must satisfy the independence requirements of the NYSE as well as our more stringent Director independence guidelines (as set forth on Exhibit A – Independence Standards) and must conform to all applicable laws and rules requiring independence. The Board has decided that the only CMS officer who currently may serve on the Board is the CEO. Additional officers may serve on the Board only if a majority of independent Directors believes that additional management Board members would improve the Board. CMS discloses the names and status of its independent Directors in its annual proxy statement. (For more information on independence, please see Exhibit A - Independence Standards.)

E. Director Commitment: Each Director is expected to devote sufficient time to effectively carry out his or her Board responsibilities. Each Director is expected to attend all scheduled shareholder and Board meetings, and all scheduled Committee meetings of which he or she is a member, and to review applicable materials in advance of such meetings. A Director cannot serve on more than five other public company boards of directors. In addition, the CEO may not serve on more than two other public company boards of directors. Any service by the CEO on any other public company board of directors requires prior approval of the Board.

F. Director Education: New Directors complete an orientation program that provides background information about the Corporation and the industry. The orientation includes, among other things, meetings with and presentations by senior management and computer-based training modules. All Directors are expected to review the Corporation's relevant computer-based training modules. Directors are also expected to participate in at least one director-related continuing education program each year sponsored by a utility industry organization or a recognized corporate governance organization and contained on a list of such programs provided annually to the Board by the Corporate Secretary. Requests to attend any other programs must be reviewed and approved by the Chair of the Governance and Public Responsibility Committee and the CEO.

G. Code of Conduct: Each Director is obligated to abide by the provisions of the Directors' Code of Conduct.

H. Director Retirement/Resignation: There is no limit to the number of years a Director may serve on the Board, but after reaching the age of 75 he or she cannot stand for re-election. In addition, the Director is required to submit his or her resignation for consideration due to:

1. An Occupational Change or Retirement: A Director who makes a significant change in occupation, retires from his or her principal employment, or is unavailable for active participation is required to offer

his or her resignation from the Board. The Governance and Public Responsibility Committee reviews the resignation and presents its recommendation relative to the proposed resignation to the Board.

2. Failure to Receive a Majority Vote: The Majority Voting Policy, which applies to any nominee for election as a Director to the Board of Directors of CMS is incorporated into Article XII of its Restated Articles of Incorporation. The Majority Voting Policy provides that in an uncontested election, any Director nominee who receives less than a majority of the shareholder vote is required to promptly tender his or her resignation following certification of the election.

   a. A majority means that the number of shares voted "for" a Director is more than fifty percent (50%) of the votes cast with respect to that Director, not including abstentions (a "Majority Cast Vote").

   b. The Governance and Public Responsibility Committee will promptly consider the Director's resignation offer and recommend that the Board accept or decline it. The Board must act on the Governance and Public Responsibility Committee's recommendation and provide its reasoning within ninety (90) days following the vote certification. A resigning Director cannot participate in the Governance and Public Responsibility Committee's or the Board's action regarding any resignation offer.

   c. If each member of the Governance and Public Responsibility Committee failed to receive a Majority Cast Vote in the same election, then the independent Directors who did receive a Majority Cast Vote may appoint a committee from amongst themselves to consider the resignation offers and make recommendations to the Board. However, if in the same election, only three or fewer independent Directors received a Majority Cast Vote, then all such Directors may participate in the actions regarding the resignation offers.

VI. MEETINGS OF THE BOARD

A. Regular Board Meetings: Our Board holds at least six regularly scheduled meetings per year. However, the Board may change the number of regularly scheduled meetings to accommodate the Corporation's needs, and will hold special meetings as circumstances dictate. Both regular and special Board meetings are scheduled as far in advance as practicable.

B. Executive Sessions:

1. Regular: Non-management Directors meet in "executive sessions" (without management) at each regularly scheduled meeting of the Board. The Chairman may call additional executive sessions at the request of any Director.

2. Annual: The non-management Directors meet with the CEO at least annually to discuss the leadership, succession planning, and other issues. At least once each year the independent Directors meet solely among themselves to discuss such issues.

VII. ACCESS TO INFORMATION

A. Advance Materials: Directors expect to receive enough detail and background information from management so that the Board can efficiently make informed decisions about matters presented at the Board meetings. This information is provided in advance of the Board meetings and is usually provided in writing via the Corporation's electronic board portal. Providing the Board with information sufficiently in advance of all Board meetings affords the Directors the opportunity to discuss pertinent issues and raise questions during the meetings.

B. Board Agendas and Presentation Formats: Board meeting agendas are established by the Chairman and the CEO, with input from other Board members. Together, the Chairman and the CEO determine the form of the presentations made to the Board and who will present the information at the meetings.

C. Access to Management: To keep itself informed, the Board has open and direct access to senior management. To that end, the Chairman routinely invites Senior Officers to attend Board meetings. The Chairman or a majority of independent Directors also may limit or discontinue senior management attendance at any time. Directors may contact members of management without the consent of the CEO.

D. Outside Advisors: The Board may retain, at the Corporation's expense, such outside experts, advisors and counsel it deems appropriate.

VIII. BOARD COMPENSATION AND EVALUATION

The aim of Board compensation at CMS is to fairly compensate Directors for risks and work required and to help align the Directors' interests with long-term shareholder interests. The Director's compensation is reviewed periodically and is disclosed each year in the Corporation's proxy statement.

A. Non-Management Directors: In consideration for their service on the Board, Non-Management Directors are awarded a restricted stock grant each year and are paid an annual cash retainer, which is paid in monthly installments. Additional annual cash retainers are paid to the Chairman of the Board, Committee Chairs and members of the Audit Committee, which are also paid in monthly installments

B. Management Directors: Management Directors do not receive an annual retainer or the Directors restricted stock grant, nor are they otherwise compensated for attendance at regular or special Board or Committee meetings.

C. Equity/Cash Mix: Stock ownership guidelines have been adopted by the Board to help align its interests with those of CMS shareholders. Each Director is required to hold CMS Common Stock equivalent to five times his or her annual cash retainer by the end of the fifth calendar year following his or her appointment.

D. Performance Evaluation: The Board conducts a self-evaluation annually to determine how effectively the Board and the Committees function. The Board also conducts periodic individual Director peer evaluations.

IX. BOARD COMMITTEES

The Corporation's Bylaws empower the Board to establish such standing Committees as the Board may from time to time deem desirable. In addition, Special or Ad Hoc Committees may be formed as determined by the Board. Generally, a Special or Ad Hoc Committee is formed to address issues that can't adequately be addressed within the regular Board and Committee structure, due to their complexity, level of detail, technical nature, time requirements and/or sensitivity.

A. Standing Committees: There are currently five standing Committees of the Board of Directors: the Audit Committee; the Compensation and Human Resources Committee; the Executive Committee; the Finance Committee; and the Governance and Public Responsibility Committee.

B. Charters: Each standing Committee, except the Executive Committee (which can exercise the majority of the powers of the Board between Board meetings), has its own charter, describing its purposes and responsibilities, and outlining meeting and membership criteria. The charters are approved by the Board upon recommendation of the Governance and Public Responsibility Committee and after review of each Committee's charter by its members. The Committee charters are published on the CMS website.

C. <u>Members</u>: Except for the Chair of the Executive Committee, only independent Directors may serve as committee members. Before appointing them, the Board first seeks to ensure that the members have no material relationship with the Corporation and are "independent" as defined by the NYSE and applicable laws and rules requiring independence (including specific independence requirements related to the service on the Audit Committee and Compensation and Human Resources Committee). There are additional requirements for membership on the Audit Committee (as detailed in the Audit Committee charter) and simultaneous service on three or more audit committees (including the Corporation's Audit Committee) requires a finding by the Board that such service does not impair the member's ability to effectively serve on the Corporation's Audit Committee. Unless otherwise stated in Committee Charters, each Committee shall consist of two or more independent Directors. Committee assignments and Committee Chairmanships are evaluated annually by the Governance and Public Responsibility Committee. Upon recommendation by the Governance and Public Responsibility Committee, the Board fills vacancies on Committees, as needed. Rotations in these assignments are likely when the composition of the Board changes or other circumstances warrant rotation. In addition, if needed, a Committee may delegate its duties to a subcommittee of its members or to its Chair, except for issues of executive officers' compensation or as prohibited by law.

D. <u>Chairs</u>: The Board elects each Committee Chair. No Director may be Chair of more than one Committee at any one time. Chair assignments are recommended to the Board by the Governance and Public Responsibility Committee.

E. <u>Management Liaison</u>: The Chairman of the Board and each Committee Chair together select one or more CMS Officers to serve as liaison to that Committee. That liaison or another designated individual records the minutes. The Committee minutes and any other records relating to the meetings that the Committee feels are appropriate are retained and maintained by the Corporate Secretary.

F. <u>Agenda and Materials</u>: The Committee Chair works with the management liaison and Committee members to develop each meeting agenda. They begin with the forward-looking calendar of subjects the Committee prepares annually and add unforeseen current issues that are submitted to the Committee Chair and add other issues as appropriate. Meeting materials are prepared by the liaison, working with the Committee Chair and senior management.

G. <u>Meetings</u>: Meetings are scheduled as far as practicable in advance, and are normally held in conjunction with Board meetings, typically on the day preceding a Board meeting. The Committees determine the number and timing of meetings necessary to fulfill their duties. However, each Committee meets at least twice per year or more frequently if circumstances dictate. The Committee Chairs set the meeting agenda, but members may add relevant matters to the agenda if they notify the Chair sufficiently in advance of the meeting.

The Committees may invite members of management or others to attend their meetings and may ask them to provide pertinent information. The Committees keep minutes and other records relating to the meetings.

H. Chair Reports: Following a Committee's meeting, its Chair reports to the Board on that meeting.

I. Performance Evaluation: Each year the Committees evaluate their previous-year performance and establish agendas for the upcoming year. Each Committee annually reports on its performance to the Board. In addition, if the Committee believes its charter needs to be changed, it recommends such changes when appropriate.

J. Resources Available: It is important that the Committees have access to whatever information they feel is appropriate to fulfill their duties. Each Committee may confer with employees or members of management as it deems appropriate, and each Committee is authorized to retain, authorize compensation for, and terminate outside consultants, counsel and other advisors of its choosing. Each Committee has full access to the books, records, facilities, personnel and outside consultants, counsel and advisors of the Corporation.

Exhibit A

Independence Standards

No Director of the Corporation shall qualify as "independent" unless the Board affirmatively determines that the Director has no material relationship with the Corporation (directly or as a partner, shareholder or officer of an organization that has a relationship with the Corporation).

In addition, a Director of the Corporation shall not be deemed "independent" if:

I. The Director is, or has been within the last three years, an employee of the Corporation, or an immediate family member is, or has been within the last three years, an officer, of the Corporation.

II. The Director has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than $25,000 in direct compensation from the Corporation, other than Director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service).

III. A. The Director or an immediate family member is a current partner of a firm that is the Corporation's internal or external auditor;

B. The Director is a current employee of such a firm;

C. The Director has an immediate family member who is a current employee of such a firm and who participates in the firm's audit, assurance or tax compliance (but not tax planning) practice; or

D. The Director or an immediate family member was within the last three years (but is no longer) a partner or employee of such a firm and personally worked on the Corporation's audit within that time.

IV. The Director or an immediate family member is, or has been within the last three years, employed as an officer of another company where any of the Corporation's present officers at the same time serves or served on that company's compensation committee.

V. The Director is a current employee, or an immediate family member is a current executive officer, of an entity that has made payments to or received payments from the Corporation in an amount which exceeds the greater of $1 million, or 2% of such other entity's or the Corporation's consolidated gross revenues in any of the last three fiscal years.