

CMS ENERGY CORP
Form DEF 14A
April 09, 2010

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Section 240.14a-12

CMS Energy Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (check the appropriate box):

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 - 1) Title of each class of securities to which transaction applies:
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 - 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - 4) Proposed maximum aggregate value of transaction:
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SEC 1913 (02-02)

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**CMS ENERGY CORPORATION
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
MAY 21, 2010**

To Fellow Shareholders of CMS Energy Corporation:

The Annual Meeting of Shareholders of CMS Energy Corporation (the Corporation) will be held on Friday, May 21, 2010, at 9:00 A.M., Eastern Daylight Saving Time, at our corporate headquarters located at One Energy Plaza, Jackson, Michigan 49201. The purposes of the annual meeting are to:

- (1) Elect 10 members to the Corporation s Board of Directors;
- (2) Consider a proposal to ratify the appointment of PricewaterhouseCoopers LLP (PwC) as our independent registered public accounting firm to audit the Corporation s consolidated financial statements for the year ending December 31, 2010;
- (3) Consider two shareholder proposals set forth at pages 37-40 in the accompanying proxy statement; and
- (4) Transact such other business as may properly come before the annual meeting, in accordance with the procedures required to be followed under our Bylaws.

The Board of Directors recommends a vote FOR proposals 1 and 2 and a vote AGAINST the shareholder proposals. The proxy holders will use their discretion on other matters that may arise at the annual meeting.

Our annual report to the shareholders for the year 2009, including the Form 10-K with our consolidated financial statements, has been furnished to you.

If you were a shareholder of record at the close of business on March 26, 2010, you are entitled to vote. Every vote is important. Please vote using a touch-tone telephone, the Internet, or by signing and returning the enclosed proxy card. You can help minimize our costs by promptly voting via telephone or the Internet. **We strongly encourage you to cast your proxy vote and exercise your right as a shareholder.**

All shareholders are invited to attend our annual meeting. **Shareholders interested in attending the annual meeting must present proof of current CMS Energy stock ownership (such as a recent account statement) and photo identification prior to being admitted to the meeting.**

By Order of the Board of Directors

Catherine M. Reynolds
Corporate Secretary

CMS Energy Corporation
One Energy Plaza
Jackson, Michigan 49201

April 9, 2010

**Important Notice Regarding the Availability of Proxy Materials for the
Shareholder Meeting to Be Held on May 21, 2010.**

The proxy statement and annual report to shareholders are available at: www.cmsenergy.com.

PROXY STATEMENT

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PROXY STATEMENT

GENERAL INFORMATION ABOUT THE 2010 ANNUAL MEETING AND VOTING

The Board of Directors of CMS Energy Corporation (CMS or the Corporation) solicits your proxy for our Annual Meeting of Shareholders. We are first mailing this proxy statement and the enclosed proxy card to shareholders on or about April 12, 2010.

The terms we and our as used in this proxy statement generally refer to CMS and its collective affiliates, including its principal subsidiary, Consumers Energy Company (Consumers). While established, operated and regulated as separate legal entities and publicly traded companies, CMS and Consumers historically have had the same individuals serve as members of both Boards of Directors and Committees of the Boards and adopted coordinated director and executive compensation arrangements and plans as well as auditing relationships. The two companies also historically have significant overlap in executive management. Thus, in certain contexts in this proxy statement, the terms we and our refer to each of CMS and Consumers and satisfy their respective disclosure obligations. In addition, the disclosures frequently reference Boards and Committees and similar plural presentations to reflect these parallel structures of CMS and Consumers.

Q: What are the purposes of this annual meeting?

A: At the meeting, our shareholders will be asked to:

- (1) Elect 10 members to the Corporation s Board of Directors. The nominees are: Merribel S. Ayres, Jon E. Barfield, Stephen E. Ewing, Richard M. Gabrys, David W. Joos, Philip R. Lochner, Jr., Michael T. Monahan, John G. Russell, Kenneth L. Way, and John B. Yasinsky (see Proposal 1 found later in this proxy statement);
- (2) Ratify the appointment of PricewaterhouseCoopers LLP as the Corporation s independent public accounting firm for the year 2010 (see Proposal 2 found later in this proxy statement);
- (3) Consider two shareholder proposals set forth at pages 37-40 in the proxy statement; and
- (4) Transact such other business as may properly come before the annual meeting, in accordance with the procedures required to be followed under our Bylaws. The Board of Directors knows of no other matters that might be presented to the meeting except matters incident to the conduct of the meeting. However, if any other matters (including matters incident to the conduct of the meeting) do come before the meeting, it is intended that the holders of the proxies will vote thereon in their discretion.

Q: Who is entitled to vote at the annual meeting?

A: Only shareholders of record at the close of business on March 26, 2010 are entitled to vote at the annual meeting. As of March 26, 2010, the Corporation s outstanding securities entitled to vote at the annual meeting consisted of a total of 228,041,053 shares of Common Stock (\$.01 par value). Each outstanding share is entitled to one vote on all matters that come before the annual meeting. All shares represented by valid proxies will be voted at the annual meeting.

Q: What is the difference between a shareholder of record and a street name holder?

A: If your shares are registered directly in your name you are considered the shareholder of record for those shares.

If your shares are held in a stock brokerage account or by a bank or other nominee you are considered the beneficial owner of the shares and your shares are said to be held in street name. Street name holders generally cannot vote their shares directly and must instead instruct the brokerage firm, bank or other nominee how to vote their shares using the method described under How do I vote my shares? below. If you hold your shares in a brokerage account but you fail to return your voting instruction card to your broker, stock exchange rules will determine whether your broker may vote your shares without first receiving instructions from you on an item being presented to shareholders for approval at the annual meeting.

Q: Who may attend the annual meeting and are there any requirements I must meet in order to attend the meeting in person?

A: Any shareholder of record as of March 26, 2010 may attend. **You will be asked to register upon arrival at the meeting and will be required to present proof of current stock ownership (such as a recent account statement) and photo identification (such as a driver's license) prior to being admitted to the meeting.**

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Q: How do I vote my shares?

A: If you hold your shares in your own name as a shareholder of record, you may vote by telephone, through the Internet, by mail or by casting a ballot in person at the annual meeting.

To vote by telephone or through the Internet, follow the instructions attached to your proxy card.

To vote by mail, complete your proxy card, sign and date it, and return it in the enclosed, postage-paid envelope.

You can help minimize our costs by promptly voting via telephone or the Internet.

If your shares are voted by proxy, the shares will be voted as you instruct. If you sign and return your proxy card, but do not give any specific voting instructions on your proxy card, your shares will be voted as the Board recommends. Your shares will also be voted as recommended by the Board, in its discretion, on any other business that is properly presented for a vote at the meeting.

If your shares are held in street name, you must vote your shares in the manner prescribed by your brokerage firm, bank or other nominee. Your brokerage firm, bank or other nominee should provide a voting instruction form for you to use in directing it how to vote your shares.

Q: Can I change my vote after I have voted or can I revoke my proxy?

A: Yes. If you are a shareholder of record, you can revoke your signed proxy card at any time before it is voted at the annual meeting, either by signing and returning a proxy card with a later date or by attending the annual meeting in person and changing your vote prior to the start of the meeting. If you have voted your shares by telephone or the Internet, you can revoke your prior telephone or Internet vote by recording a different vote, or by signing and returning a proxy card dated as of a date later than your last telephone or Internet vote.

If you are the beneficial owner of your shares, you may submit new voting instructions to your broker, bank or other nominee.

Q: Is my vote confidential?

A: Yes, CMS shareholder voting is confidential (except as may become necessary to meet applicable legal requirements or in the event a proxy solicitation in opposition to the election of the Corporation's Board nominees is initiated). This is true for all beneficial holders. Confidentiality of the proxy voting process means:

Anyone who has access to voting information will not discuss how any individual shareholder votes;

Proxy cards and proxy forms are to be kept in a secure area so that no one has access to them except for the persons assigned to handle and tabulate the proxies;

Whether a shareholder has or has not voted and how a shareholder votes is confidential;

Any comments provided by shareholders are confidential. Certain specific comments and summaries of comments are provided to management, the Boards, or appropriate Committees of the Boards, but there is no disclosure of who made the comments;

Proxy voting tabulations will be provided to management and to others as appropriate, but the results provided will be only totals and meaningful subtotals; and

The confidentiality policy discussed above relates to all beneficial holders, although banks and brokers who hold shares on behalf of others will continue to be subject to proxy solicitation rules as is standard in the industry.

Q: What constitutes a quorum at the annual meeting?

A: The presence of the holders of a majority of the outstanding shares of common stock in person or by proxy at the annual meeting will constitute a quorum, which is needed to transact any business.

Q: How are votes counted for each item?

A: The determination of approval of corporate action by the shareholders is based on votes for and against (or withhold authority in the context of the election of directors). In general, abstentions are not counted as against or withhold authority votes but are counted in the determination of a quorum.

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With respect to Proposal 1 below, the election of each director requires approval from a majority of the shares voted (see Corporate Governance, Majority Voting Standard later in this proxy statement for additional information about the application of this standard). On Proposal 2 and the shareholder proposals, approval requires votes for by a majority of the shares voted.

Under the New York Stock Exchange, Inc. (NYSE) listing standards, if your broker, bank or other nominee holds your shares in its name and does not receive voting instructions from you, your broker, bank or other nominee has discretion to vote these shares on certain routine matters, such as the ratification of the independent registered public accounting firm. However, on director elections (Proposal 1) and other non-routine matters, such as the shareholder proposals, your broker, bank or other nominee must receive voting instructions from you, as they do not have discretionary voting power for those particular items. These broker discretionary votes are counted toward establishing a quorum. On routine matters, broker discretionary votes are counted toward determining the outcome on those routine matters.

Q: What is householding and how does it affect me?

A: The Securities and Exchange Commission (SEC) permits us to deliver a single copy of the annual report and proxy statement to shareholders who have the same address and last name. Each shareholder will continue to receive a separate proxy card. This procedure, called householding, will reduce the volume of duplicate information you receive and reduce our printing and postage costs. A shareholder wishing to receive a separate annual report or proxy statement can notify CMS at the address or telephone number below. Similarly, shareholders currently receiving multiple copies of these documents can request the elimination of duplicate documents by contacting our Investor Services Department, One Energy Plaza, Jackson, Michigan 49201, telephone 517-788-1868.

Q: Can I access CMS proxy materials via the Internet rather than receiving them in printed form?

A: Yes. We offer shareholders of record the opportunity to access the proxy materials over the Internet rather than in printed form. **You may access these materials at the following Internet address: www.cmsenergy.com.** This gives shareholders faster delivery of these documents and saves CMS and its shareholders the cost of printing and mailing these materials.

Q: Who pays the cost of soliciting proxies?

A: The cost of solicitation of proxies will be borne by CMS. Proxies may be solicited by officers and other employees of CMS or its subsidiaries or affiliates, personally or by telephone, facsimile, Internet, or mail. We have arranged for Morrow & Co., LLC, 470 West Avenue, Stamford, CT 06902, to solicit proxies in such manner, and it is anticipated that the cost of such solicitations will amount to approximately \$10,000, plus incidental expenses. We may also reimburse brokers, dealers, banks, voting trustees or other record holders for postage and other reasonable expenses of forwarding the proxy material to the beneficial owners of CMS Common Stock held of record by such brokers, dealers, banks, voting trustees or other record holders.

Q: How does a shareholder recommend a person for election to the Boards of Directors for the 2010 annual meeting?

A: Shareholders can submit recommendations of nominees for election to the Boards of Directors. Shareholders recommendations will be provided to the Governance and Public Responsibility Committees for consideration. The information that must be included and the procedures that must be followed by a shareholder wishing to

recommend a director candidate for the Boards consideration are the same as the information that would be required to be included and the procedure that would be required to be followed under our Bylaws if the shareholder wished to nominate that candidate directly. You may access the Bylaws at www.cmsenergy.com/corporategovernance. Accordingly, any recommendation submitted by a shareholder regarding a director candidate must be submitted within the time frame provided in the Bylaws for director nominations and must include (a) a statement from the proposed nominee that he or she has consented to the submission of the recommendation and (b) such other information about the proposed nominee that would be required by our Bylaws to be included in a notice to CMS were the shareholder intending to nominate such proposed nominee directly. Shareholders should send their written recommendations of nominees c/o the Corporate Secretary, CMS Energy Corporation or Consumers Energy Company, One Energy Plaza, Jackson, MI 49201.

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CORPORATE GOVERNANCE

Background

The CMS and Consumers Boards of Directors have adopted Corporate Governance Principles (the Principles) that contain long-standing corporate and Board practices as well as SEC and NYSE standards. The Principles detail the role of the Boards and their Committees, the selection and role of the Chief Executive Officer (CEO), the composition and meeting procedures of the Boards and their Committees, as well as Board and Committee compensation and self-evaluation guidelines. The Boards have adopted Charters for each of their standing Committees, except the Executive Committees, that detail their purposes and duties, composition, meetings, resources and authority as well as other aspects of Committee activities. The Governance and Public Responsibility Committees are responsible for overseeing and reviewing the Principles at least annually, and recommending any proposed changes to the Boards for approval. Each Committee also reviews its Charter annually and recommends changes to the Governance and Public Responsibility Committee for review and recommendation to the Boards for approval.

The current versions of our Principles, the Charters of our standing Committees (other than the Executive Committees), and other corporate governance information, including our Employee and Director Codes of Conduct are available through our website at www.cmsenergy.com/corporategovernance.

Boards of Directors

The Boards provide oversight with respect to our overall performance, strategic direction and key corporate policies. They approve major initiatives, advise on key financial and business objectives, and monitor progress with respect to these matters. Members of the Boards are kept informed of our business by various reports and documents provided to them on a regular basis, including operating and financial reports made at Board and Committee meetings by our CEO, Chief Financial Officer (CFO) and other officers. The Boards have five standing Committees, the principal responsibilities of which are described later in this document.

Board Leadership Structure / Risk Oversight Function / Compensation Risk

The Principles provide that the Boards have determined, for the present time, it is in the best interest of the Corporation to keep the offices of CEO and Chairman of the Boards (Chairman) separate to enhance oversight responsibilities. The Boards believe that this leadership structure promotes independent and effective oversight of management on key issues relating to long-range business plans, long-range strategic issues and risks. In addition, when the Chairman is not considered independent under NYSE rules and our Principles, a Presiding Director is chosen by the independent directors, from among the independent directors, to coordinate the activities and preside at the executive sessions attended only by the independent members of the Boards. Mr. Whipple, the current Chairman, is not a member of management but as the former CEO he is not considered independent; therefore, Mr. Paquette serves as the Presiding Director. Following the Annual Meeting on May 21, 2010, the Boards intend to elect Mr. Joos to serve as non-executive Chairman (who will not be considered independent) and the independent directors have selected Mr. Lochner to replace Mr. Paquette as Presiding Director (Mr. Whipple and Mr. Paquette are not standing for re-election to the Boards, having both attained the mandatory retirement age of 75).

The Boards' risk oversight process includes receiving regular reports from members of senior management on areas of material risk to the Corporation including operational, legal, regulatory, financial, strategic, compliance and reputational risks. In May 2009, the Executive Committee (consisting of the Chairman and the Chairs of the standing Committees of the Boards) met and reviewed the various risks faced by the Corporation to ensure that appropriate risk

oversight processes were in place. The Corporation's Executive Director of Risk explained the Corporation's risk management practices, process and risk profile. In addition, the Executive Committee reviewed the risk oversight function of each Committee of the Boards and the adequacy of the level of risk management information presented to the full Boards. They determined the Boards would also receive a semi-annual risk management review from the Corporation's Executive Director of Risk which would be in addition to the risk functions performed by the various Committees of the Boards. The risk oversight functions performed by the Committees include (1) review risks associated with the Corporation's operating and financial activities which have an impact on its financial and other disclosure reporting as well as review policies on risk assessment, control and accounting risk exposure by the Audit Committees; (2) review and approve risk management policies by the Finance Committees; and (3) review risk controls related to the Corporation's executive compensation structure and policies by the Compensation and Human Resources Committees.

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Management has undertaken a comprehensive review of the compensation policies and practices throughout the organization in order to assess the risks presented by such policies and practices. Following such review we have determined that such policies and practices are not reasonably likely to have a material adverse effect on the Corporation. Management's analysis and determination were reviewed by the Compensation and Human Resources Committees.

Director Independence

In accordance with NYSE standards and the Principles adopted by the Boards, a majority of the directors of each Board must be independent. A director is independent if the Boards affirmatively determine that he or she has no material relationships with CMS or Consumers and otherwise satisfies the independence requirements of the NYSE and our more stringent director independence guidelines included in our Principles posted at www.cmsenergy.com/corporategovernance. A director is independent under the NYSE listing standards if the Boards affirmatively determine that the director has no material relationship with CMS or Consumers directly or as a partner, shareholder or officer of an organization that has a relationship with CMS or Consumers. The Boards have established categorical standards to assist them in determining director independence. According to these standards, a director is independent if:

The director has no material relationship with CMS or Consumers (either directly or as a partner, shareholder or officer of an organization that has a relationship with CMS or Consumers);

During the last three years, the director has not been an employee of CMS or Consumers, and an immediate family member of the director is not, and has not been within the last three years, an officer of CMS or Consumers;

During the last three years, the director or his or her immediate family member has not received more than \$25,000 in direct compensation during any twelve-month period from CMS or Consumers other than payments for Board and Committee service or pensions or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);

The director or his or her immediate family member is not a current partner of a firm that is the internal or external auditor of CMS or Consumers; the director is not a current employee of such a firm; the director does not have 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; and the director or an immediate family member was not within the last three years a partner or employee of such a firm and personally worked on the audit of CMS or Consumers within that time;

The director or his or her immediate family member is not, and has not been within the last three years, employed as an officer by another company where any of the present officers of CMS or Consumers at the same time serves or served on that company's compensation committee; and

The director is not a current employee, and his or her immediate family member is not a current executive officer, of an entity that has made payments to or received payments from CMS or Consumers in an amount which exceeds the greater of \$1 million, or 2% of the consolidated gross revenues of such other entity or CMS or Consumers in any of the last three fiscal years.

The Boards undertook their annual review of director and committee member independence, including a review of each director's charitable affiliations vis-à-vis CMS and Consumers charitable contributions, including matching contributions, at their March 2010 meetings. During this review, the Boards considered any transactions, relationships or arrangements as required by the director independence guidelines included in our Principles of each non-employee

director. The Boards concluded that except for Mr. Whipple, the non-employee directors had no material relationships with either CMS or Consumers directly or as a partner, shareholder or officer of an organization that has a relationship with CMS or Consumers. With respect to Mr. Whipple, the Boards considered the payment in 2007 of certain phantom stock units (which Mr. Whipple was awarded in 2004 while CEO) and determined that, based on those payments, they would not consider Mr. Whipple to be independent for governance purposes. The Boards affirmed the independent status (in accordance with the listing standards of NYSE and the Principles) of each of the following 10 directors: Merribel S. Ayres, Jon E. Barfield, Stephen E. Ewing, Richard M. Gabrys, Philip R. Lochner, Jr., Michael T. Monahan, Joseph F. Paquette, Jr., Percy A. Pierre, Kenneth L. Way, and John B. Yasinsky. Messrs. Joos and Russell are not independent due to their employment relationship with the Corporation.

Directors Ayres, Gabrys, Lochner, Monahan and Way serve on the Audit Committees of our Boards. In order to serve on those Audit Committees, each director must be independent as defined in Section 301 of the Sarbanes-

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Oxley Act of 2002 and in the regulations issued by the SEC under that provision. Each member of the Audit Committee satisfies this test.

Directors Ewing, Gabrys, Monahan, Pierre and Yasinsky serve on the Compensation and Human Resources Committees of our Boards. Each of these directors satisfies the independence tests set forth in the regulations under Section 162 of the Internal Revenue Code (IRC) and Section 16 of the Securities Exchange Act of 1934.

Majority Voting Standard

Under the Boards majority voting standard, as contained in the CMS Articles of Incorporation and the Principles, any director nominee who receives less than a majority of the votes cast by the Corporation s shareholders at a regular election shall promptly tender his or her resignation. For this purpose, a majority of the votes cast means that the number of shares voted for a director must exceed 50% of the votes cast with respect to that director, without regard to the effect of abstentions. Upon receipt of such a tendered resignation, the Governance and Public Responsibility Committees shall consider and recommend to the Boards whether to accept or decline the resignation. The Boards will act on the Governance and Public Responsibility Committees recommendation within 90 days following certification of the shareholder vote, and contemporaneously with that action will cause the Corporation to publicly disclose the Boards decision whether to accept or decline such director s resignation offer (and the reasons for rejecting the resignation offer, if appropriate). The director who tenders his or her resignation pursuant to the standard will not be involved in either the Governance and Public Responsibility Committees recommendation or the Boards decision to accept or decline the resignation. Due to complications that arise in the event of a contested election of directors, this standard would not apply in that context, and the underlying plurality vote requirement of Michigan law would control director elections.

Codes of Ethics

CMS has adopted a code of ethics that applies to its CEO, CFO and Chief Accounting Officer (CAO), as well as all other officers and employees of the Corporation and its affiliates, including Consumers. CMS and Consumers have also adopted a Code of Conduct that applies to the members of the Boards. The codes of ethics, included in our Employee Code of Conduct and Guide to Ethical Business Behavior and the Directors Code of Conduct can be found on our website at www.cmsenergy.com. Our Code of Conduct and Guide to Ethical Business Behavior is administered by the Chief Compliance Officer, who reports directly to the Audit Committees of our Boards of Directors. The Directors Code of Conduct is administered by the Audit Committees of the Boards. Any alleged violation of the Code of Conduct by a director will be investigated by disinterested members of the Audit Committee, or if none, by disinterested members of the entire Board. Any amendment to, or waiver of, a provision of our Code of Conduct and Guide to Ethical Business Behavior that applies to our CEO, CFO, CAO or persons performing similar functions will be disclosed on our website at www.cmsenergy.com under Compliance and Ethics. No waivers were granted in 2009 and the Code of Conduct and Guide to Ethical Business Behavior was amended in 2010 and amendments were posted on our website.

Board Communication Process

CMS and Consumers shareholders, employees or third parties can communicate with the Boards of Directors, Committees of the Boards or an individual director, including our Chairman, or our Board executive session Presiding Director by sending written communications c/o the Corporate Secretary, CMS Energy Corporation or Consumers Energy Company, One Energy Plaza, Jackson, MI 49201. The Corporate Secretary will review and forward such communications to the Boards or the appropriate committees or Director. Further information regarding shareholder, employee or other third-party communications with the Boards or their committees or individual members can be accessed at the Corporation s website.

Any shareholder, employee or third party who wishes to submit a compliance concern to the Boards or applicable Committees, including complaints regarding accounting, internal accounting controls or auditing matters to the Audit Committees, may do so by any of the following means:

send correspondence or materials addressed to the appropriate party c/o the Chief Compliance Officer, CMS Energy Corporation or Consumers Energy Company, One Energy Plaza, Jackson, MI 49201;

send an e-mail or other electronic communication via our external website *www.ethicspoint.com*, again addressed to the appropriate party; or

call the CMS and Consumers Compliance Hotlines at either 1-800-CMS-5212 (an internally monitored line) or 1-866-ETHICSP (monitored by an external vendor).

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All such communications initially will be reviewed by the Chief Compliance Officer (who reports directly to the Audit Committees of the Boards) prior to being forwarded to the Boards or applicable Committees or directors.

Related Party Transactions

CMS, Consumers or one of their subsidiaries may occasionally enter into transactions with certain related parties.

Related Parties include directors or executive officers, beneficial owners of 5% or more of CMS Common Stock, family members of such persons, and entities in which such persons have a direct or indirect material interest. We consider a related party transaction to have occurred when a Related Party enters into a transaction in which the Corporation is participating, the transaction amount is more than \$10,000 and the Related Party has or will have a direct or indirect material interest (Related Party Transaction).

In accordance with our Board of Directors Code of Conduct and our Employee Code of Conduct, Related Party Transactions must be pre-approved by the Audit Committees. In drawing its conclusion on any approval request, the Audit Committee should consider the following factors:

Whether the transaction involves the provision of goods or services to the Corporation that are available from unaffiliated third parties;

Whether the terms of the proposed transaction are at least as favorable to the Corporation as those that might be achieved with an unaffiliated third party;

The size of the transaction and the amount of consideration payable to a Related Party;

The nature of the interest of the applicable Related Party; and

Whether the transaction may involve an actual or apparent conflict of interest, or embarrassment or potential embarrassment to the Corporation when disclosed.

The policies and procedures relating to the Audit Committees approval of Related Party Transactions are found in the Corporation's Board of Directors Code of Conduct and Employee Code of Conduct which are available on our website at www.cmsenergy.com.

There were no Related Party Transactions in 2009.

Board and Committee Information

CMS Board of Directors met 9 times and Consumers Board of Directors met 8 times during 2009. In addition, CMS Board took action by written consent in lieu of additional meetings 5 times in 2009, and Consumers Board took action by written consent in lieu of additional meetings 5 times in 2009. All incumbent directors attended more than 90% of the CMS and Consumers Boards and assigned committee meetings during 2009. Our Principles state the expectation that all Board members will attend all scheduled board and committee meetings, as well as the Annual Meeting of Shareholders. All Board members attended the 2009 Annual Meeting of Shareholders.

The Boards have five standing Committees including an Audit Committee, Compensation and Human Resources Committee, Finance Committee, Governance and Public Responsibility Committee and Executive Committee. The members and the responsibilities of the standing Committees of the Boards of Directors are listed below. Each committee is composed entirely of independent directors, as that term is defined by the NYSE listing standards and

the Principles described above, other than the Executive Committees of which Mr. Whipple serves as Chair. During 2009, no employee directors served on standing Board committees, though they regularly attend non-executive meetings of all Committees. According to the Principles, the Boards and each of their standing Committees conduct a performance evaluation of their respective previous year's performance. The Boards also conduct individual director peer evaluations. The Principles are incorporated by reference into each committee Charter.

On a regularly scheduled basis, the independent directors meet in executive session (that is, with no employee director present) and may invite such members of management to attend as they determine appropriate. Mr. Whipple is often invited to attend such sessions, especially since he became non-executive Chairman effective October 1, 2004. At least once each year, the independent directors meet in executive session without Mr. Whipple present in conformance with the NYSE listing standards. Mr. Joseph F. Paquette, Jr. was chosen by a ballot of the independent directors and named the Presiding Director of these executive sessions effective May 2008, for a term of 2 years. Mr. Philip R. Lochner, Jr. was chosen by a ballot of the independent directors to succeed Mr. Paquette as Presiding Director in 2010 for a period of 2 years.

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GOVERNANCE AND PUBLIC RESPONSIBILITY COMMITTEES

Members: Joseph F. Paquette, Jr. (Chair), Merribel S. Ayres, Jon E. Barfield, Philip R. Lochner, Jr. and John B. Yasinsky

Meetings during 2009: CMS 6; Consumers 6

The Governance and Public Responsibility Committees (the Governance Committees) have a Charter which sets forth their various duties and is available through our website at www.cmsenergy.com/corporategovernance. The primary functions of the Governance Committees are to:

Establish Principles

Recommend the Principles for Boards approval;

Review the Principles on a periodic basis, recommending revisions as necessary; and

Monitor conformity of the practices of the Boards with the Principles.

Identify Candidates

Seek candidates to fill Board positions and work to attract candidates qualified to serve on the Boards consistent with criteria approved by the Boards;

Recommend a slate of Board candidates for election at each shareholders meeting;

When a vacancy occurs on the Boards (either due to a director departure or an increase in Boards membership), recommend a director candidate to fill the vacancy;

Consider director candidates nominated by shareholders if they are: submitted in writing to the Secretary of the Corporation within the required time frame preceding the shareholders meeting; include the candidate's written consent to serve; and include relevant information about the candidate as provided in the Bylaws and as determined by the Governance Committees;

Assess, on a regular basis, the personal characteristics and business experience needed by the Boards in light of the Boards current composition;

Determine from time to time other criteria for selection and retention of the Boards members; and

Evaluate the composition of all of the Boards Committees annually.

Assess Performance

Annually review the performance of the Committees, and report the results to the Boards;

Recommend ways for the Boards to increase overall effectiveness;

Review the Boards and its Committees structure and operation, size, charters, composition and compensation (including compensation of the Presiding Director and Chairman of the Board), and recommend to the Boards

changes when appropriate;

Periodically review the Boards' and Committees' rotation and tenure policy and recommend modifications, as appropriate, to the Boards; and

Oversee new director orientation and continuing education for existing directors.

Review Environmental and Public Responsibility Matters

Review the Corporation's environmental policies and practices, regulatory compliance strategies and programs for political advocacy and engagement in Federal/State initiatives; and

Review the Corporation's stakeholder outreach and stewardship strategies to help develop and shape public policies relevant to the Corporation's business operations.

Review Director/Employee Codes of Conduct and Statement of Ethics

Review the Director and Employee Codes of Conduct and Statement of Ethics on a periodic basis and recommend changes, as appropriate, to the Board.

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Director candidates are sought whose particular background, experiences or qualities meet the needs of the Boards as may be determined by the Boards from time to time. Director candidates must also demonstrate high standards of integrity, business ethics and mature judgment, which add value, perspective and expertise to the Boards' deliberations. The Governance Committees have not established any specific, minimum qualifications that must be met by director candidates or identified any specific qualities or skills that they believe our directors must possess. Although the Governance Committees have not established a formal policy on diversity, the Boards and the Governance Committees believe it is important that our Directors represent diverse viewpoints and backgrounds. The Governance Committees take a wide range of factors into account in evaluating the suitability of director candidates, including business experience; leadership skills; and regulated utility, governance, accounting, finance, legal, compensation and human resources experience which will bring a diversity of thought, perspective, approach and options to the Boards. The Governance Committees do not have any single method for identifying director candidates but will consider candidates suggested by a wide range of sources. In 2009, the Governance Committees retained RSR Partners and SpencerStuart to assist in the identification and assessment of potential director candidates.

Shareholders can submit recommendations of nominees for election to the Boards of Directors by following the directions previously outlined in this proxy statement under the heading: GENERAL INFORMATION ABOUT THE 2010 ANNUAL MEETING AND VOTING.

AUDIT COMMITTEES

Members: Michael T. Monahan (Chair), Merribel S. Ayres, Richard M. Gabrys, Philip R. Lochner, Jr. and Kenneth L. Way

Meetings during 2009: CMS 8; Consumers 8

Each member of the Audit Committees is an independent director, and Messrs. Monahan, Gabrys and Way qualify as audit committee financial experts as such term is defined by the SEC. Ms. Ayres and Mr. Lochner have been determined to be financially literate.

The Audit Committees have a Charter which sets forth their various duties and is available through our website at www.cmsenergy.com/corporategovernance. The primary functions of the Audit Committees are to:

Assure the integrity of CMS and Consumers consolidated financial statements and financial information, the financial reporting process and the system of internal accounting and financial controls;

Assure CMS and Consumers compliance with applicable legal requirements, regulatory requirements, and NYSE rules;

Appoint (subject to shareholder ratification), compensate and terminate CMS and Consumers independent auditors;

Pre-approve all audit and non-audit services provided by the independent auditors;

Assure the independent auditors' qualifications and independence;

Review the performance of the internal audit function and independent auditors;

Review CMS and Consumers risk management policies, controls and exposures; receive reports from the Executive Director for Risk and meet with other members of management and outside auditors as deemed prudent; consider

risk issues associated with operating and financial activities that have an impact on financial and other disclosure reporting; advise management and the Boards of its findings and any recommendations;

Prepare the Audit Committee Report for inclusion in the annual proxy statement;

Assure compliance with the Corporation's Codes of Conduct by employees and directors including approval of any waiver of the provisions applicable to directors or executive officers, pre-approval of Related Party Transactions and receipt of periodic reports from the Chief Compliance Officer concerning compliance activities relating to the Codes of Conduct; and

Perform their duties in a manner consistent with the Audit Committee Charters adopted by the Boards of Directors.

We currently do not limit the number of audit committees on which our Audit Committees' members may sit. Mr. Gabrys and Mr. Lochner each serve on the audit committees of two public companies in addition to ours. Our Boards of Directors have determined that Mr. Gabrys' and Mr. Lochner's service on those other audit committees will not impair their ability to serve effectively on our Audit Committees.

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COMPENSATION AND HUMAN RESOURCES COMMITTEES

Members: John B. Yasinsky (Chair), Stephen E. Ewing, Richard M. Gabrys, Michael T. Monahan and Percy A. Pierre

Meetings during 2009: CMS 5; Consumers 5

The Compensation and Human Resources Committees (the Compensation Committees) have a Charter which sets forth their various duties and is available through our website at www.cmsenergy.com/corporategovernance. The primary functions of the Compensation Committees are to:

Review and approve the Corporation's executive compensation structure and policies, including the establishment and adjustment of executive officers' base salaries, annual and long-term incentive targets and incentive payments consistent with the achievement of such targets to ensure competitiveness, the ability to attract and retain, internal equity and risk control;

Review and approve the grant of stock, and other stock-based awards pursuant to the Corporation's incentive plans, and the terms thereof, including the vesting schedule, performance goals, exercisability and term, to the Corporation's employees, including officers;

Review and approve corporate financial and business goals and target awards pursuant to the Corporation's incentive plans, and approve the payment of performance bonuses to employees, consistent with achievement of such goals;

Set the CEO compensation level based among other things on the Board's evaluation of the CEO's overall performance;

Produce an annual proxy statement report on executive compensation as required by the Securities and Exchange Commission;

Review and recommend to the Board's incentive compensation plans, equity-based plans, tax-qualified retirement and investment plans, supplemental benefit plans, including supplemental executive retirement plans, deferred compensation programs, as well as employment, separation, and change-in-control severance agreements. The Compensation Committees also recommend amendments to these plans and agreements except for certain amendments that are delegated to the officers or administrators specified under the terms of the plans;

Review and approve management proposals regarding other compensation, perquisites and benefit programs, plans and guidelines;

Perform other functions assigned to the Compensation Committees under the terms of the Corporation's employee benefit and compensation plans;

Review and approve the CEO's selection of candidates for officer positions and recommend such candidates to the Board's for annual or ad hoc election as officers, and recommend to the Board's whether to accept or decline tenders of resignation pursuant to the Corporation's Executive Officer Retirement Policy;

Review and advise the Board's concerning the Corporation's management succession plan, including long-range plans for development and selection of key managers and plans for emergency succession in case of unexpected disability or departure of a senior executive officer;

Review organizational and leadership development plans and programs, as well as programs designed to identify, attract and retain high potential employees; and

Review of and compliance with the Corporation's diversity programs.

The Compensation Committees directly retain Towers Watson as compensation consultants to the Compensation Committees. In 2002, the Compensation Committees requested that Towers Watson engage in a study of our executive compensation arrangements and advise whether any changes would be recommended in order to determine if our compensation arrangements with our executive officers were appropriate. The Compensation Committees requested that the study include comparisons of our existing compensation arrangements to those of the Compensation Peer Group. Each year since 2002, the Compensation Committees have requested that Towers Watson provide information regarding compensation practices of the Compensation Peer Group as well as additional information from published surveys of compensation in the public utility sector and general industry. During the Compensation Committees' review of the CEO's and other managements' compensation levels, the Compensation Committees considered the advice and information it received from Towers Watson; however, the Compensation Committees were responsible for determining the form and amount of our compensation programs. The Compensation Committees have specifically directed Towers Watson to obtain the approval of the

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Compensation Committees before undertaking any activity on behalf of CMS or Consumers. Towers Watson is not performing any services for CMS or Consumers.

The CMS Board adopted a resolution in October 2004 allowing the Compensation Committees to delegate to the CEO the right to grant up to 50,000 shares of restricted stock per year. Individual grants are limited to 5,000 shares. The CEO provides to the Compensation Committees a recommendation of yearly base salary adjustments and yearly restricted stock awards for all officers, other than the CEO. The Compensation Committees take the CEO's recommendations, along with information provided by Towers Watson, into consideration when making yearly base salary adjustments and yearly restricted stock awards. Performance objectives under the annual officer incentive compensation plan are developed each year through an iterative process. Management, including executive officers, develops preliminary recommendations for the Compensation Committees' review. The Compensation Committees review management's preliminary recommendations and establish final goals. Additional information regarding the operation of the Compensation Committees and the roles of the compensation consultant and CEO in making executive compensation decisions may be found below under Compensation Discussion and Analysis.

FINANCE COMMITTEES

Members: Kenneth L. Way (Chair), Jon E. Barfield, Stephen E. Ewing, Joseph F. Paquette, Jr. and Percy A. Pierre

Meetings during 2009: CMS 3; Consumers 3

The Finance Committees review and make recommendations to the Boards concerning the financing and investment plans and policies of the Corporation. Their responsibilities include:

Approve short- and long-term financing plans, including the sale or repurchase of common equity, preferred equity and long-term debt and recommend that the Boards adopt resolutions to execute those plans;

Approve financial policies relating to cash flow, capital structure, and dividends and recommend that the Boards adopt resolutions to execute those plans, as appropriate, and recommend Board action to declare dividends;

Review potential project investments and other significant capital expenditures in order to recommend to the Boards the financial feasibility of such investment or expenditure;

Monitor the status/progress of the Corporation's significant capital projects;

Approve risk management policies including foreign exchange management, hedging and insurance; and

Review at least annually the (i) actuarial assumptions and funding status of the defined benefit retirement program funds and their impact on the financial statement, and (ii) the investment performance, funding, and asset allocation policies for funded employee benefit plans.

EXECUTIVE COMMITTEES

Members: Kenneth Whipple (Chair), Michael T. Monahan, Joseph F. Paquette, Jr., Kenneth L. Way, and John B. Yasinsky

Meetings during 2009: CMS 1; Consumers 1

The primary function of these Executive Committees is to:

Exercise the power and authority of the Boards of Directors as may be necessary during the intervals between meetings of the Boards, subject to such limitations as are provided by law or by resolution of the Boards.

The Executive Committees met on May 21, 2009 to specifically review the risk oversight role of the Boards and committees.

AD HOC OR SPECIAL COMMITTEES

The standing Committees listed above have continuing duties. In addition, the Boards of Directors have, from time to time, established ad hoc or special Committees to address specific major issues facing CMS and/or Consumers. Ad hoc Committees do not have continuing duties; they exist only until they complete their specified duties. In

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2009, there were no active ad hoc Committees. The Boards have established two special Committees consisting of the Special Financing Committee (CMS and Consumers) and the Special Indenture Commhe representations of management and the report of the auditors to the Audit Committee, the Audit Committee recommended to the Board that that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2003 filed with the Securities and Exchange Commission.

AUDIT COMMITTEE
M. Christopher Canavan, Jr., Chairman
Collin J. D'Silva
Taylor J. Crouch

-
- (1) The material in this report is not "soliciting material," is not deemed filed with the SEC, and the report is not to be incorporated by reference in any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

**PROPOSAL NO. 2
RATIFICATION OF INDEPENDENT PUBLIC AUDITORS**

Ernst & Young LLP has been the Company's independent auditor since 1998 and has been selected by the audit committee of the board of directors as the Company's independent auditor for the fiscal year ending December 31, 2004. Although the Company is not required to seek stockholder approval of this appointment, the board of directors believes it to be sound corporate governance to do so. In the event that the stockholders fail to ratify the appointment, the audit committee will investigate the reasons for stockholder rejection and will reconsider the appointment. Even if the selection is ratified, the audit committee in its discretion may direct the appointment of a different independent auditing firm during the year if the audit committee believes that such a change would be in the best interests of the Company and its stockholders.

A representative of Ernst & Young LLP is expected to be present at the Annual Meeting and will have the opportunity to make a statement if he or she so desires and to respond to appropriate questions.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE RATIFICATION OF THE AUDIT COMMITTEE'S APPOINTMENT OF ERNST & YOUNG LLP.

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TIME FOR SUBMISSION OF STOCKHOLDER PROPOSALS

Pursuant to Rule 14a-8 under the Exchange Act, stockholders may present proper proposals for inclusion in a company's proxy statement and for consideration at the next annual meeting of its stockholders by submitting their proposals to the Company in a timely manner.

Stockholders interested in submitting a proposal for inclusion in the proxy materials for the annual meeting of stockholders in 2005 may do so by following the procedures set forth in Rule 14a-8 of the Securities Exchange Act of 1934, as amended. To be eligible for inclusion, stockholder proposals must be received by the Company no later than November 29, 2004.

Additionally, under our by-laws, no business may be brought before an annual meeting unless it is specified in the notice of meeting by or at the direction of the Board or by a stockholder entitled to vote who has delivered notice to the Company (containing certain information specified in the by-laws) not less than 90 or more than 120 days prior to the first anniversary of the preceding year's annual meeting.

OTHER MATTERS

Management knows of no matters which may properly be and are likely to be brought before the meeting other than the matters discussed herein. However, if any other matters properly come before the meeting, the persons named in the enclosed proxy will vote in accordance with their best judgment.

10-K REPORT

THE COMPANY WILL PROVIDE EACH BENEFICIAL OWNER OF ITS SECURITIES WITH A COPY OF AN ANNUAL REPORT ON FORM 10-K, INCLUDING THE FINANCIAL STATEMENTS AND SCHEDULES THERETO, REQUIRED TO BE FILED WITH THE SECURITIES AND EXCHANGE COMMISSION FOR THE COMPANY'S MOST RECENT FISCAL YEAR, WITHOUT CHARGE, UPON RECEIPT OF A WRITTEN REQUEST FROM SUCH PERSON. SUCH REQUEST SHOULD BE SENT TO LAURA FRANCIS, BRUKER BIOSCIENCES CORPORATION, 40 MANNING ROAD, BILLERICA, MASSACHUSETTS 01821. ADDITIONALLY, THE ANNUAL REPORT ON FORM 10-K IS AVAILABLE ON THE SEC'S WEBSITE AT <http://www.sec.gov>.

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VOTING PROXIES

The board of directors recommends an affirmative vote on all proposals specified. Proxies will be voted as specified. If signed proxies are returned without specifying an affirmative or negative vote on any proposal, the shares represented by such proxies will be voted in favor of the board of directors' recommendations.

By order of the board of directors

Frank H. Laukien, Ph.D.

Chairman, President and Chief Executive Officer

April 2, 2004

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ANNEX A

AMENDED AND RESTATED CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF BRUKER BIOSCIENCES CORPORATION

PURPOSE OF THE COMMITTEE

The primary purpose of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of Bruker BioSciences Corporation (the "Corporation") is to oversee the accounting and financial reporting processes and audits of the financial statements of the Corporation and to provide assistance to the Board in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting and internal control functions of the Corporation and its subsidiaries.

AUTHORITY OF THE COMMITTEE

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Corporation. The Committee also has the authority to retain independent outside counsel or other experts as it determines necessary to carry out its duties. The Committee shall determine the compensation for such outside counsel or other experts and the Corporation shall make appropriate funds available to the Committee for such purpose.

COMPOSITION OF THE COMMITTEE

The Committee shall be comprised of three or more directors as determined from time to time by resolution of the Board. The Chairman of the Committee shall be designated by the Board, *provided* that if the Board does not so designate a Chairman, the members of the Committee, by majority vote, may designate a Chairman. Each member of the Committee must satisfy the independence and qualification requirements contained in the applicable rules and regulations of the Securities and Exchange Commission (the "SEC"), the Nasdaq National Market ("Nasdaq") and the Sarbanes-Oxley Act of 2002. At least one member of the Committee shall, in the judgment of the Board, be an audit committee financial expert in accordance with the rules and regulations of the SEC and the provisions of the Sarbanes-Oxley Act of 2002 and at least one member (who may also serve as the audit committee financial expert) shall, in the judgment of the Board, have accounting or related financial management expertise in accordance with the Nasdaq listing standards.

MEETINGS OF THE COMMITTEE

The Committee shall meet with such frequency and at such intervals as it shall determine is necessary to carry out its duties and responsibilities. The Committee, in its discretion, may ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary. The Committee shall maintain minutes of its meetings and records relating to those meetings and provide copies of such minutes to the Board.

DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

The Corporation's management is responsible for preparing the Corporation's financial statements and the Corporation's independent auditors are responsible for auditing those financial statements. The Committee is responsible for overseeing these activities. The Committee recognizes that financial management, as well as the independent auditors, have more time, knowledge, and more detailed information on the Corporation than do Committee members. Consequently, in carrying out its oversight responsibilities, the Committee is not providing any expert or special assurance as to the

Corporation's financial statements or any professional certification as to the independent auditors' work.

In carrying out its duties and responsibilities, the Committee's policies and procedures shall remain flexible, so that it may be in a position to best react or respond to changing circumstances or conditions. While there is no "blueprint" to be followed by the Committee in carrying out its duties and responsibilities, the following shall be considered within the authority of the Committee:

- (1) Select and retain the firm of independent public accountants to audit the books and accounts of the Corporation and its subsidiaries for each fiscal year.
- (2) Review and approve in advance any audit and permitted non-audit services to be provided to the Corporation by the Corporation's independent auditors; the Committee has the sole authority to make these approvals although such approval may be delegated to any Committee member so long as the approval is presented to the full Committee at a later time.
- (3) Review the performance of the Corporation's independent auditors and replace or terminate the independent auditors when circumstances warrant.
- (4) Oversee the independence of the Corporation's independent auditors by, among other things:
 - (a) requiring the independent auditors to deliver to the Committee on a periodic basis a formal written statement delineating all relationships between the independent auditors and the Corporation; and
 - (b) actively engaging in a dialogue with the independent auditors with respect to any disclosed relationships or services that may affect the objectivity and independence of the independent auditors, including the provision of

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any permitted non-audit services to the Corporation and recommending that the Board take appropriate action to satisfy itself of the auditors' independence.

- (5) Instruct the Corporation's independent auditors that they are ultimately accountable to the Committee and that the Committee is responsible for the selection, evaluation and termination of the Corporation's independent auditors.
- (6) Review and approve the original proposed scope of the annual independent audit and the associated engagement fees, as well as any significant variations in the actual scope of the independent audit and the associated engagement fees and discuss the audit plan with the Corporation's independent auditors.
- (7) Set hiring policies for employees or former employees of the independent auditors.
- (8) Review with management and the independent auditors at the completion of the annual audit:
 - (a) the Corporation's annual financial statements, related footnotes and disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations, to be included in the Corporation's Annual Report on Form 10-K;
 - (b) the independent accountant's audit of the annual financial statements and their report thereto;
 - (c) any significant changes in the independent accountant's audit plan;
 - (d) any problems or difficulties that the auditor encountered during the course of the audit process, including any restrictions on the scope of the auditor's activities or on access to requested information, and management's response thereto; and
 - (e) other matters related to the conduct of the audit which are to be communicated to the Committee under generally accepted auditing standards.

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- (9) Review with the independent auditors, prior to the filing of any required financial report with the SEC:
 - (a) all critical accounting policies and practices, including any material changes in accounting principal or practices used in preparing the financial statements;
 - (b) all alternative treatments within Generally Accepted Accounting Principles for policies and practices related to material items that have been discussed with management; and
 - (c) other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
- (10) Recommend to the Board whether the financial statements should be included in the Annual Report on Form 10-K.
- (11)

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Review earnings press releases, as well as Corporation policies with respect to earnings press releases, financial information and earnings guidance provided to analysts and ratings agencies.

- (12) Consider and review with the independent auditors and with management the adequacy and effectiveness of the Corporation's system of internal controls, including information systems controls and security, as well as any related significant findings and recommendations of the independent auditors and internal auditors together with management's responses thereto.
- (13) Establish and maintain free and open means of communication between and among the Board, the Committee, the Corporation's independent auditors, the Corporation's management, including providing such parties with appropriate opportunities to meet privately with the Committee.
- (14) Review and monitor, as appropriate, results of compliance programs, including the Corporation's Code of Conduct.
- (15) Establish and monitor procedures for:
- (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
 - (b) the confidential submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- (16) Review with management and the independent auditor the interim financial statements and disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations with management and the independent auditors prior to the filing of the Corporation's Quarterly Report on Form 10-Q.
- (17) Review and reassess annually the Committee's charter and submit to the Board for approval any modifications the Committee deems appropriate.
- (18) Conduct an annual performance evaluation of the Committee.
- (19) Provide any recommendations, certifications and reports that may be required by Nasdaq or the SEC, including the report of the Committee that must be included in the Corporation's annual proxy statement.
- (20) Review and approve all related party transactions.
- (21) Report regularly to the Board on its activities, as appropriate, reviewing with the Board significant issues or concerns that arise at Committee meetings.

- (22) Perform such additional activities, and consider such other matters, within the scope of its responsibilities, as the Committee or the Board deems necessary or appropriate.
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Nothing contained in this charter is intended to, or should be construed as, creating any liability of the members of the Committee except to the extent otherwise provided under Delaware law which shall continue to set the legal standard for the conduct of the members of the Committee.

BRUKER BIOSCIENCES CORPORATION
Proxy Card

Annual Meeting of Stockholders
 May 5, 2004

The undersigned hereby appoints Frank H. Laukien and Laura Francis, or either of them, with power of substitution, Proxies to vote at the Bruker BioSciences Corporation Annual Meeting of Stockholders on May 5, 2004, and any adjournments or postponements thereof, all shares of Common Stock of Bruker BioSciences Corporation that the undersigned is entitled to vote at such meeting on matters which may come before the Annual Meeting in accordance with and as more fully described in the Notice of Annual Meeting of Stockholders and the Proxy Statement.

ý **PLEASE MARK VOTES**
AS IN THIS EXAMPLE

1. Election of Directors:

FOR	WITHHOLD	FOR ALL EXCEPT (STRIKE A LINE THROUGH NOMINEE NAME)
o	o	o

Nominees: Frank H. Laukien, Ph.D., M. Christopher Canavan, Jr., Taylor J. Crouch

2. To consider and act upon a proposal to ratify, confirm and approve the selection of Ernst & Young LLP as the independent certified public auditors of the Company for fiscal 2004.

FOR	AGAINST	ABSTAIN
o	o	o
I plan to attend in person	o	Mark box at right if comments or address change
I do not plan to attend in person	o	
HAS YOUR ADDRESS CHANGED?		DO YOU HAVE ANY COMMENTS?
_____		_____
_____		_____
_____		_____

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS. THE BOARD RECOMMENDS AN AFFIRMATIVE VOTE ON ALL PROPOSALS SPECIFIED. SHARES WILL BE VOTED AS SPECIFIED. IF NO SPECIFICATION IS MADE, THE SHARES REPRESENTED WILL BE VOTED FOR THE ELECTION OF THE DIRECTORS AND FOR PROPOSAL NO. 2 AS SET FORTH IN THE PROXY STATEMENT.

PLEASE VOTE, DATE AND SIGN AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE

Date: _____, 2004

Stockholder sign here

Co-owner sign here

Please sign exactly as your name(s) appear(s) on the Proxy. Joint owners should each sign personally. Trustees and other fiduciaries should indicate the capacity in which they sign, and where more than one name appears, a majority must sign. If a corporation, this signature should be that of an authorized officer who should state his or here title.

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