



GOVERNANCE AND VOTING POLICY
OF
ING INVESTMENT MANAGEMENT (INDIA) PRIVATE LIMITED
(Investment Manager to ING Mutual Fund)

I] INTRODUCTION:

The ING Group:

ING is a global financial institution of Dutch origin offering a range of banking and insurance services in over fifty countries. ING is committed to be a brand that stands out and leads the way in making finance easier. ING Group offers banking, insurance and asset management to more than 85 million clients in over 40 countries. ING comprises a broad spectrum of prominent businesses that increasingly serve their clients under the ING brand. ING Group draws on its experience and expertise, its commitment to excellent service and its global scale to meet the needs of a broad customer base, comprising individuals, families, small businesses, large corporations, institutions and governments.

The Statutory Constitution of the ING Mutual Fund:

ING Group, through its wholly owned subsidiary, Nationale Nederlanden Interfinance B.V., is the Sponsor of the Fund. ING Mutual Fund (the “Fund”) has been constituted as a trust on October 8, 1998 in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) with Nationale Nederlanden Interfinance B.V., as the Sponsor and Board of Trustees of ING Mutual Fund as the Trustee. ING Investment Management (India) Private Limited (“the AMC”) is a private limited company incorporated under the Companies Act, 1956 to act as the Asset Management Company of Fund.

II) PURPOSE OF THE DOCUMENT:

This document is built on the basis of the ING Group Voting Policy. ING Group conducts business on the basis of clearly defined business principles. Corporate responsibility is a fundamental part of ING’s strategy; ethical, social and environmental factors play an integral role in our business decisions.

This document outlines the AMC/Fund’s expectations of public companies in which it invests and the governance of these Companies as a matter of right.

(III) THE VOTING POLICY

The AMC manages assets of the ING Mutual Fund. The AMC’s goal in managing the assets is to enhance long-term value. The AMC/Fund believes that companies with good corporate governance that are transparent to their shareholders and other stakeholders are likely to have a better performance in the long run.

ING believes that these principles are essential for ensuring the long-term performance of assets managed by ING. ING recognizes that rights inherent in stock ownership, including the right to vote proxies, are assets, just as the economic investment represented by the shares themselves are assets. ING will manage voting rights with the same level of care and skill as it manages the economic investment. In general, ING does not have the intention to participate directly or indirectly in the management of the companies in which the mutual fund

has invested, but it will use its influence as a shareholder, amongst others by exercising its voting rights on mutual fund assets.

ING will vote proxies for all assets in a way that best serves the interests of the investors. This may among others imply that ING may decide to refrain from exercising its voting rights if considered appropriate.

Guidelines for exercising the voting rights:

- The AMC will exercise the voting rights attached to the assets it manages, unless exercising these rights is not in the interest of the investors of the mutual fund. In case of disproportionate costs or impracticability ING may refrain from exercising the voting rights.
- The AMC will vote in a way that best serves the interests of the investors. This may include deviating from this Policy, if doing so would best serve the interests of the beneficial owner of the assets.
- Voting rights attached to mutual fund assets will be exercised i.e. whether the AMC will (i) attend/not attend, (ii) vote/abstain, (iii) if voted, for or against the resolution, at the discretion of the fund manager in the collective interest of the investors.
- In cases where investments are in group companies of the AMC or where investee companies have substantial investments in the schemes of the fund, the AMC shall specifically review all voting proposals and take decisions with respect to such proposals in the best interest of investors. The AMC may also decide to abstain from voting if it deems fit in the interest of the investors or if there is conflict of interest.
- The AMC will disclose on its website as well as in the annual report distributed to the investors from the financial year 2010-11, the actual exercise of their proxy votes in the AGMs/EGMs of the investee companies in respect of the following matters:-
 - Corporate governance matters, including changes in the state of incorporation, merger and other corporate restructuring, and anti takeover provisions.
 - Changes to capital structure, including increases and decreases of capital and preferred stock issuances.
 - Stock option plans and other management compensation issues;
 - Social and corporate responsibility issues.
 - Appointment and Removal of Directors.
 - Any other issue that may affect the interest of the shareholders in general and interest of the unit-holders in particular
