

FORWARD INDUSTRIES SHAREHOLDER COMMUNICATION POLICY

Statement of Policy

The Board of Directors (the “Board”) of Forward Industries, Inc., (the “Company”) has determined that it is appropriate to establish a policy and procedures for shareholder communications with Directors of the Company. Any such appropriate communication is both welcome and encouraged. Accordingly, to establish an orderly and effective procedure for such communication, the Board has adopted this policy and the following procedures (this “Policy”). The Board may interpret and administer this Policy in its sole discretion.

Communication with Directors

Any shareholder of the Company desiring to communicate with the Board or any Committee or individual Director thereof shall do so in writing by the following procedures:

- *Addressee.* The shareholder should send the written communication to the Chairperson of the Board or appropriate Committee or an individual Director, care of the Corporate Secretary at Forward Industries, Inc., 1801 Green Road, Suite E, Pompano Beach, FL 33064. Note that any complaints relating to Company auditing or accounting matters should be directed to the attention of the Chairperson of the Audit Committee, care of the Corporate Secretary, at the foregoing address. The Audit Committee will respond to such complaint, if appropriate, in accordance with the Company’s Audit Committee Complaint Procedures.
- *Sender.* Any written communication shall bear the name, address and proof of current share ownership of the shareholder sending such communication to the reasonable satisfaction of the Company. In the case of a shareholder of record, such proof of share ownership may be the correct name and address of the sender such that the Company can determine share ownership based upon the Company’s current records. Such proof must establish ownership contemporaneous with the date of the communication or the communication will not be considered.
- *Confidentiality.* If the shareholder desires that such communication be kept confidential, the communication should be sealed in a separate envelope within the envelope addressed to the Corporate Secretary and clearly marked “confidential.” The instructions, name and address of the shareholder and proof of shareholder status shall be separate from the confidential communication. The Corporate Secretary shall use his or her reasonable

efforts to maintain the confidentiality of communication, but no guarantee can be made.

- *Forwarding to Appropriate Party.* Upon receipt of an appropriate communication, the Corporate Secretary or his or her designee will verify that the communication is from a Company shareholder and forward such communication, as appropriate, to the Chairperson of the Board, the Chairperson of the designated Committee, the designated Director or other member of Management. If the Corporate Secretary determines that the matter would be better handled by Management, he or she shall direct such communication to the appropriate individual, with a copy to the original addressee. The Corporate Secretary shall maintain a written record of written communications received from shareholders pursuant to these procedures.
- *Response.* The Board, relevant Committee, Director or Management may respond to the communication as each deems appropriate.

The Corporate Secretary's designee may perform any of the functions authorized herein to be performed by the Corporate Secretary.

Shareholders are reminded that the Board has adopted a policy that each Director shall make reasonable efforts to attend the Annual Meeting of Shareholders of the Company (an "Annual Meeting") unless extenuating or unusual circumstances prevent such attendance. As such, shareholders are encouraged to attend and communicate directly with Directors at such Annual Meeting.

Shareholders are further reminded that any shareholder proposals to be brought before an Annual Meeting or to be included in proxy materials to be distributed in connection with an Annual Meeting must meet the requirements law and the Company's by-laws. Please refer to the Company's most recent Proxy Statement for a summary of such requirements.