

FORWARD INDUSTRIES INC
Form DEF 14A
December 18, 2015

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 Registrant

Filed by Party other than 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 Materials Pursuant to §240.14a-12	

FORWARD INDUSTRIES, INC.

(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):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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| (1) | Title of each class of securities to which transaction applies: |
| (2) | Aggregate number of securities to which transaction applies: |
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\$_____ per share as determined under Rule 0-11 under the Exchange Act. |
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Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount previously paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:
-

Forward Industries, Inc.
477 Rosemary Avenue
Suite 219
West Palm Beach, Florida 33401
(561) 465-0030

To The Shareholders of Forward Industries, Inc.:

We are pleased to invite you to attend the 2016 Annual Meeting of the shareholders of Forward Industries, Inc., which will be held at 10:00 a.m. on January 20, 2016 at our corporate headquarters in West Palm Beach, Florida, at the above address, for the following purposes:

1. To elect members to our Board of Directors;
2. To ratify the appointment of our independent registered public accounting firm for fiscal year 2016; and
3. For the transaction of such other matters as may properly come before the Annual Meeting.

Forward's Board of Directors has fixed the close of business on December 7, 2015 as the record date for a determination of shareholders entitled to notice of, and to vote at, this Annual Meeting or any adjournment thereof.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to Be Held on January 20, 2016: This Proxy Statement and Form 10-K are available at: <https://www.proxyvote.com>

If You Plan to Attend

Please note that space limitations make it necessary to limit attendance to shareholders. Registration and seating will begin at 9:00 a.m. Shares can be voted at the meeting only if the holder is present in person or by valid proxy.

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For admission to the meeting, each shareholder may be asked to present valid picture identification, such as a driver's license or passport, and proof of stock ownership as of the record date, such as the enclosed proxy card or a brokerage statement reflecting stock ownership. Cameras, recording devices and other electronic devices will not be permitted at the meeting.

If you do not plan on attending the meeting, please vote your shares via the Internet, by phone or by signing and dating the enclosed proxy and return it in the business envelope provided. Your vote is very important.

By the Order of the Board of Directors

/s/ Terence Wise
Terence Wise
Chief Executive Officer

Dated: December 18, 2015

Whether or not you expect to attend in person, we urge you to vote your shares at your earliest convenience. This will ensure the presence of a quorum at the meeting. Promptly voting your shares via the Internet, by phone or by signing, dating, and returning the enclosed proxy card will save us the expenses and extra work of additional solicitation. An addressed envelope for which no postage is required if mailed in the United States is enclosed if you wish to vote by mail. Submitting your proxy now will not prevent you from voting your shares at the meeting if you desire to do so, as your proxy is revocable at your option. Your vote is important, so please act today!

Forward Industries, Inc.

477 Rosemary Avenue

Suite 219

West Palm Beach, Florida 33401

(561) 465-0030

2016 ANNUAL MEETING OF SHAREHOLDERS

PROXY STATEMENT

Why am I receiving these materials?

These proxy materials are being sent to the holders of shares of the voting stock of Forward Industries, Inc., a Delaware corporation, which we refer to as “Forward” or the “Company,” in connection with the solicitation of proxies by our Board of Directors, which we refer to as the “Board,” for use at the 2016 Annual Meeting of Shareholders to be held at 10:00 a.m. on January 20, 2016 at our corporate headquarters at the above address in West Palm Beach, Florida. The proxy materials relating to the Annual Meeting are first being mailed to shareholders entitled to vote at the meeting on or about December 7, 2015. A copy of our Form 10-K for the year ended September 30, 2015 is being mailed concurrently with this Proxy Statement.

Who is Entitled to Vote?

Our Board has fixed the close of business on December 7, 2015 as the record date for a determination of shareholders entitled to notice of, and to vote at, this Annual Meeting or any adjournment thereof. On the record date, there were 8,657,975 shares of common stock outstanding. Each share of Forward common stock represents one vote that may be voted on each matter that may come before the Annual Meeting. As of the record date, Forward has issued no preferred stock which is entitled to vote.

What is the difference between holding shares as a record holder and as a beneficial owner?

If your shares are registered in your name with our transfer agent, American Stock Transfer, you are the “record holder” of those shares. If you are a record holder, these proxy materials have been provided directly to you by Forward.

If your shares are held in a stock brokerage account, a bank or other holder of record, you are considered the “beneficial owner” of those shares held in “street name.” If your shares are held in street name, these proxy materials have been forwarded to you by that organization. As the beneficial owner, you have the right to instruct this organization on how to vote your shares.

Who May Attend the Meeting?

Record holders and beneficial owners may attend the Annual Meeting. If your shares are held in street name, you will need to bring a copy of a brokerage statement or other documentation reflecting your stock ownership as of the record date. Please see below for instructions on how to vote at the Annual Meeting if your shares are held in street name.

How Do I Vote?

Record Holder

1. Vote by Internet. The website address for Internet voting is on your proxy card.
2. Vote by phone. Call 1 (800) 690-6903 and follow the instructions on your proxy card.
3. Vote by mail. Mark, date, sign and mail promptly the enclosed proxy card (a postage-paid envelope is provided for mailing in the United States).
4. Vote in person. Attend and vote at the Annual Meeting.

If you vote by Internet or phone, please DO NOT mail your proxy card.

Beneficial Owner (Holding Shares in Street Name)

1. Vote by Internet. The website address for Internet voting is on your vote instruction form.
2. Vote by mail. Mark, date, sign and mail promptly the enclosed vote instruction form (a postage-paid envelope is provided for mailing in the United States).
3. Vote in person. Obtain a valid legal proxy from the organization that holds your shares and attend and vote at the Annual Meeting.

What Constitutes a Quorum?

To carry on the business of the Annual Meeting, we must have a quorum. A quorum is present when a majority of the shares entitled to vote, as of the record date, are present in person or represented by proxy. Shares owned by Forward are not considered outstanding or considered to be present at the Annual Meeting. Broker non-votes (because there are routine matters presented at the Annual Meeting) and abstentions are counted as present for the purpose of determining the existence of a quorum.

What happens if Forward is unable to obtain a Quorum?

If a quorum is not present to transact business at the Annual Meeting or if we do not receive sufficient votes in favor of the proposals by the date of the Annual Meeting, the persons named as proxies may propose one or more adjournments of the Annual Meeting to permit solicitation of proxies.

What is a broker non-vote?

If your shares are held in street name, you must instruct the organization who holds your shares how to vote your shares. If you do not provide voting instructions, your shares will not be voted on any non-routine proposal. This vote is called a "broker non-vote." Broker non-votes do not count as a vote "FOR" or "AGAINST" any of the proposals.

If you are the shareholder of record, and you sign and return a proxy card without giving specific voting instructions, then the proxy holders will vote your shares in the manner recommended by our Board on all matters presented in this

Proxy Statement and as the proxy holders may determine in their discretion with respect to any other matters properly presented for a vote at the meeting. If your shares are held in street name and you do not provide specific voting instructions to the organization that holds your shares, the organization may generally vote at its discretion on routine matters, but not on non-routine matters. If you sign your vote instruction form but do not provide instructions on how your broker should vote, your broker will vote your shares as recommended by our Board on any non-routine matter. See the note below and the following question and answer.

Important Rule Affecting Beneficial Owners Holding Shares In Street Name

Brokers may no longer use discretionary authority to vote shares on the election of directors if they have not received instructions from their clients. Please submit your vote instruction form so your vote is counted.

Which Proposals are Considered “Routine” or “Non-Routine”?

Proposal 1 is non-routine and Proposals 2 is routine.

How are abstentions treated?

Abstentions have no effect on the outcome of any matter being voted on.

How Many Votes are Needed for Each Proposal to Pass, is Broker Discretionary Voting Allowed and what is the effect of an abstention?

Proposals	Vote Required	Broker Discretionary Vote Allowed	Effect of Abstentions on the Proposal
(1) To elect the board of directors	Plurality	No	Not applicable
(2) To ratify the appointment of our independent registered public accounting firm for fiscal 2016	Majority of the shares present in person or represented by proxy	Yes	No effect

What Are the Voting Procedures?

In voting by proxy with regard to the election of directors, you may vote in favor of all nominees, withhold your votes as to all nominees, or withhold your votes as to specific nominees. With regard to the remaining proposals, you may vote in favor of each proposal or against each proposal, or in favor of some proposals and against others, or you may abstain from voting on any of these proposals. You should specify your respective choices on the accompanying proxy card or your vote instruction form.

Is My Proxy Revocable?

You may revoke your proxy and reclaim your right to vote up to and including the day of the Annual Meeting by giving written notice to the Corporate Secretary of Forward , by delivering a proxy card dated after the date of the proxy or by voting in person at the Annual Meeting. All written notices of revocation and other communications with respect to revocations of proxies should be addressed to: Forward Industries, Inc., 477 Rosemary Avenue, Suite 219, West Palm Beach, Florida 33401, Attention: Corporate Secretary.

Who is Paying for the Expenses Involved in Preparing and Mailing this Proxy Statement?

All of the expenses involved in preparing, assembling and mailing these proxy materials and all costs of soliciting proxies will be paid by Forward. In addition to the solicitation by mail, proxies may be solicited by our officers and regular employees by telephone or in person. Such persons will receive no compensation for their services other than their regular salaries. Arrangements will also be made with brokerage houses and other custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the shares held of record by such persons, and we may reimburse such persons for reasonable out of pocket expenses incurred by them in so doing. We may hire an independent proxy solicitation firm.

What Happens if Additional Matters are Presented at the Annual Meeting?

Other than the items of business described in this Proxy Statement, we are not aware of any other business to be acted upon at the Annual Meeting. If you submit a signed proxy card, the persons named as proxy holders, Messrs. Terence Wise and Michael Matte, will have the discretion to vote your shares on any additional matters properly presented for a vote at the Annual Meeting. If for any reason any of our nominees is not available as a candidate for director, the persons named as proxy holders will vote your proxy for such other candidate or candidates as may be nominated by the Board.

What is “householding” and how does it affect me?

Record holders who have the same address and last name will receive only one copy of their proxy materials, unless we are notified that one or more of these record holders wishes to continue receiving individual copies. This procedure will reduce our printing costs and postage fees. Shareholders who participate in householding will continue to receive separate proxy cards.

If you are eligible for householding, but you and other record holders with whom you share an address, receive multiple copies of these proxy materials, or if you hold Forward stock in more than one account, and in either case you wish to receive only a single copy of each of these documents for your household, please contact our Corporate Secretary at: Forward Industries, Inc., 477 Rosemary Avenue, Suite 219, West Palm Beach, Florida 33401, (561) 565-0030.

If you participate in householding and wish to receive a separate copy of these proxy materials, or if you do not wish to continue to participate in householding and prefer to receive separate copies of these documents in the future, please contact our Corporate Secretary as indicated above. Beneficial owners can request information about householding from their brokers, banks or other holders of record.

Do I Have Dissenters' (Appraisal) Rights?

Appraisal rights are not available to Forward shareholders with any of the proposals brought before the Annual Meeting.

Can a Shareholder Present a Proposal To Be Considered At the 2017 Annual Meeting?

If you wish to submit a proposal to be considered at the 2017 Annual Meeting ("2017 Meeting"), the following is required:

- ◆ For a shareholder proposal to be considered for inclusion in Forward's Proxy Statement and proxy card for the 2017 Meeting pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, which we refer to as the "Exchange Act," our Corporate Secretary must receive the written proposal no later than August 20, 2016, which is 120 calendar days prior to the anniversary date Forward's Proxy Statement was mailed to shareholders in connection with this Annual Meeting. Such proposals also must comply with SEC regulations under Rule 14a-8 regarding the inclusion of shareholder proposals in company sponsored materials.
- ◆ Our Bylaws include advance notice provisions that require shareholders desiring to recommend or nominate individuals to the Board or who wish to present a proposal at the 2017 Meeting must do so in accordance with the terms of the advance notice provisions. For a shareholder proposal or a nomination that is not intended to be included in Forward's Proxy Statement and proxy card under Rule 14a-8, our Corporate Secretary must receive the written proposal no later than 120 calendar days nor more than 150 calendar days prior to the first anniversary of this year's Annual Meeting; Provided, however, that in the event that the 2017 Meeting is changed more than 30 days before or after such anniversary date, the proposal must be received no earlier than the close of business on the 120th day prior to the 2017 Meeting and not later than the 90th date prior to the 2017 Meeting or the 10th day following the day on which public announcement of the date of such meeting is first made by the Company. If a shareholder fails to meet these deadlines and fails to satisfy the requirements of Rule 14a-8 under the Exchange Act, we may exercise discretionary voting authority under proxies we solicit to vote on any such proposal as we determine appropriate. Your notice must contain the specific information set forth in our Bylaws.

- ◆ Additionally, you must be a record holder at the time you deliver your notice to the Corporate Secretary and are entitled to vote at the 2017 Meeting.

A nomination or other proposal will be disregarded if it does not comply with the above procedures. All proposals and nominations should be sent to Forward Industries, Inc., 77 Rosemary Avenue, Suite 219, West Palm Beach, Florida 33401, Attention: Corporate Secretary.

We reserve the right to amend our Bylaws and any change will apply to the 2017 Meeting unless otherwise specified in the amendment.

Interest of Officers and Directors in Matters to Be Acted Upon

Except in the election to our board of nominees set forth herein, none of the officers or directors have any interest in any of the matters to be acted upon at the Annual Meeting.

The Board Recommends that Shareholders Vote “For” Proposal Nos. 1 and 2.

PROPOSAL 1. ELECTION OF DIRECTORS

We currently have seven members of our Board, all of whose terms will expire at this Annual Meeting. The Board proposes the election of the following nominees as directors:

N. Scott Fine

Sharon Hrynkow

Howard Morgan

Sangita Shah

Terence Wise

All of the nominees listed above is currently a director of Forward, have been nominated for election this year and have agreed to serve if elected. The five persons who receive the most votes cast will be elected and will serve as directors until the next Annual Meeting. If a nominee becomes unavailable for election before this Annual Meeting, the Board can name a substitute nominee and proxies will be voted for such substitute nominee unless an instruction to the contrary is written on the proxy card. Furthermore, we may appoint an additional person to our Board before the Annual Meeting. The principal occupation and certain other information about the nominees and our executive officers are set forth on the following pages.

The Board recommends a vote “For” the election of the nominated slate of directors.

DIRECTORS AND EXECUTIVE OFFICERS

The following table represents our Board as of the record date:

Name	Age	Appointed
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N. Scott Fine	58	January 2015
Sharon Hrynkow	55	June 2015
Howard Morgan	55	February 2012
Sangita Shah	49	February 2015
Terence Wise	67	February 2012
Michael Luetkemeyer	66	January 2015
Eric Freitag	48	January 2015

Messrs. Luetkemeyer and Freitag are not standing for re-election.

Nominee Biographies

N. Scott Fine. Since September 14, 2015, Mr. Fine has been the Chief Executive Officer of CTD Holdings, Inc. (“CTD”), a specialty biopharmaceutical manufacturing and marketing company. Since February 2014, Mr. Fine has also served as a director of CTD. From 2004 until 2014, Mr. Fine was a principal at Scarsdale Equities, an investment banking firm. Mr. Fine currently sits on the Board of Directors Kenon Holdings Ltd, a spin-off from Israel Corporation Ltd. Mr. Fine formerly served as the Vice Chairman and Lead Director of Central European Distribution Corporation (“CEDC”), a multi-billion dollar alcohol and beverage company. Mr. Fine served as a director of CEDC for over a decade, during which time he co-managed its IPO and listing on NASDAQ, and led the CEDC Board’s successful efforts in 2013 to restructure the company through a pre-packaged Chapter 11 process whereby CEDC was acquired by the Russian Standard alcohol group. Mr. Fine was selected as a director for his over 30 years of experience evaluating companies as an investment banker and his experience as a director and board committee member.

Mr. Fine is our Lead Director.

Sharon Hrynkow. Dr. Sharon Hrynkow was the inaugural President of the Global Virus Network, a coalition of top medical virologists working to stem the spread of viral disease, between Oct. 2012 and Nov. 2015. She is also the Founder and Managing Partner of Global Health Consulting, LLC, and Senior Vice President for Medical Affairs of CTD. Between 2010 and 2012, she was Counselor and Senior Scientist in the Secretary of State's Office of Science and Technology and Senior Advisor to the Assistant Secretary for Oceans, Environment and Science. Dr. Hrynkow served as a senior executive at the National Institute of Health from 2000 - 2012, primarily as Deputy Director of the John E. Fogarty International Center. She is an elected Fellow of the Council on Foreign Relations and the American Association for the Advancement of Science. Dr. Hrynkow was selected as a director for her organizational leadership and management as well as her global networking experience.

Howard Morgan. Mr. Morgan has been the Managing Director of The Justwise Group Limited ("Justwise"), a company that specializes in the procurement of consumer durable products from Asia and is an established supplier to a list of major U.K. multi-channel retailers, since 1997. Mr. Morgan was selected as a director as a result of his significant business management and operational skills as well as his knowledge of foreign sourcing and developing products for large multiple organizations.

Sangita Shah. Ms. Shah currently serves as director and owner of Odyssean Enterprises Limited, a private advisory and investment company, in addition to serving as non-executive chairman of Bilby PLC and as a director of Swindon Town Football Club. Ms. Shah is also a board advisor to Global Reach Technology, a Fast Track WiFi SME, and a non-executive director for Zypha Technologies Inc. Ms. Shah previously worked in seed/mezzanine financing and strategic investments within the environmental and technology sectors following a number of senior roles held at KPMG and Ernst & Young. Ms. Shah was selected as a director for her board and accounting experience.

Terence Wise. Mr. Wise serves as principal and Chairman of Justwise which he founded in 1977. Mr. Wise also serves as a principal of Forward Industries Asia-Pacific Corporation (f/k/a Seaton Global Corporation) ("Forward China"), a buying and supplier agent in the Asia-Pacific region and has significant shareholdings in two furniture manufacturing plants in China. See the section titled "Related Person Transactions" below. Mr. Wise was selected as a director for his extensive experience in the Asian markets.

Except for Sharon Hrynkow, all of the directors were director designees of Mr. Wise in connection with a 2014 proxy contest.

Executive Officers

Name	Age	Position	Appointed
Terence Wise	68	Chief Executive Officer	June 2015

Michael Matte

56

Chief Financial Officer

June 2015

See above for Mr. Terence Wise's biography.

Michael Matte. From May 2013 until March 2014, Mr. Matte served as the Chief Financial Officer and Chief Accounting Officer of Aspen Group, Inc., an online distance-learning education service in the United States. Mr. Matte also served as an Executive Vice President of Finance and Chief Financial Officer of MeetMe, Inc., a social discovery website, from October 2007 to March 2013.

There are no family relationships between any of the executive officers and directors. Our Bylaws require that each director is elected at our annual meeting of shareholders and holds office until the next annual meeting of shareholders, or until his successor is elected and qualified. See the section titled "Related Person Transactions".

Corporate Governance

Board Responsibilities

The Board oversees, counsels, and directs management in the long-term interest of Forward and its shareholders. The Board's responsibilities include establishing broad corporate policies and reviewing the overall performance of Forward. The Board is not, however, involved in the operating details on a day-to-day basis.

Board Committees and Charters

The Board and its Committees meet throughout the year and act by written consent from time-to-time as appropriate. The Board delegates various responsibilities and authority to different Board Committees. Committees regularly report on their activities and actions to the Board.

The Board currently has and appoints the members of: the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee. Each of the Committees has a written charter which may be accessed through Forward's website at: <http://www.forwardindustries.com/corporate-governance.html>.

The following table identifies the independent and non-independent Board nominees and committee members:

Name	Independent	Audit	Compensation	Nominating and Corporate Governance
N. Scott Fine	Yes		Chair	