

Ref No.: OTL/Secretarial/SE/2024-25/74

Date: January 20, 2025

To,	
BSE Limited Corporate Relationship Department 1st Floor, New Trading Ring, Rotunda Building, P. J. Towers, Dalal Street, Fort, Mumbai – 400 001 Script Code BSE 517536	National Stock Exchange of India Exchange Plaza Bandra Kurla Complex Bandra (E) Mumbai 400 051 Code ONWARDTEC

Sub: Clarification on recommendations issued by proxy advisory firm on Agenda Items of Postal Ballot Notice of Onward Technologies Limited (“the Company”)

We have received voting recommendations concerning the notice of the postal ballot dated December 23, 2024 from proxy advisor firm - Institutional Investor Advisory Services (IIAS) recommending their clients to vote Against the resolutions. In this regard, we would like to provide below clarification in response to their recommendations:

- The Vesting of Option would be subject to the conditions outlined in the explanatory statement of the postal ballot notice.
- The performance metrics for vesting will be based on the following factors:
 1. Revenue growth of at least 10%-12% and growth in Gross Margin.
 2. EBITDA margin of at least 10% for the purpose of grant of ESOPs.
 3. New Customer (OEM) acquisition which has potential to become multi-million dollar account.
 4. Customer feedback and overall contribution to the organization vision and mission.
- As per clause (f) forming part of the explanatory statement states that discount percent can be up to 30% to the market price of shares at the time of grant which shall provide flexibility to the committee to ensure business objectives are met by offering some/no discount to the employees at the time of grant. Also, this discount has been considered looking at the volatility in the share price.

We hope this response addresses your concerns, and we kindly ask that you take this into consideration when providing your recommendations. We would like to mention that the voting recommendations by various proxy firms are based on their internal guidelines.

The resolutions put forward for voting are approved by the Board of Directors at their meeting dated October 18, 2024 and are in no way of any contravention of any Indian regulations.

We would request our shareholders to consider the above responses while exercising their vote. This is for your information and records.

For Onward Technologies Limited

Vinav Agarwal
Company Secretary & Compliance Officer
Membership No - A40751