

**December 28, 2020**

**Via E-mail to rule-comments@sec.gov**

**Vanessa Countryman, Secretary  
Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549-1090**

Dear Ms. Countryman:

**Re: File No. SR-NASDAQ-2020-081**

Ideanomics, Inc. ("Ideanomics") appreciates the opportunity to submit this letter in response to the Securities and Exchange Commission's ("SEC") request for comments regarding the above-referenced release on The Nasdaq Stock Market LLC's ("Nasdaq") proposal to advance board diversity and enhance transparency of diversity statistics through new proposed listing requirements ("Proposal").

Ideanomics is a Nevada corporation that primarily operates in the United States and Asia through its subsidiaries and variable interest entities ("VIEs"). It has two business segments, the first of which, Ideanomics Capital, is a focused on transactional industries including trading systems and large ticket financing, such as lease financing and mortgages. The second business segment, Mobile Energy Global, or MEG, is focused on the electric vehicle ("EV") industry and is a service provider to large-scale commercial fleet operators looking to migrate their fleet over to zero emission vehicles, including the sale and distribution of zero emission vehicles.

### **Nasdaq's Proposed Rules**

Under Rule 5606, Nasdaq proposes to require each listed company, other than Exempt Companies (as defined in the Proposal), to publicly disclose board-level diversity statistics through a board diversity matrix on its website or in its proxy statement. Under Rule 5605(f), Nasdaq proposes to require each company, other than Smaller Reporting Companies, Foreign Issuers, and Exempt Companies (as defined in the Proposal), to have, or explain why it does not have, at least two "Diverse" directors, including (i) at least one director who self-identifies as female; and (i) at least one director who self-identifies as an Underrepresented Minority, or as LGBTQ+. Each Smaller Reporting Company and Foreign Issuer could satisfy this requirement by having two Female directors or explaining why it does not. Each company would be provided

with one year after the SEC approves the Proposal to satisfy Rule 5606, and two to five years to satisfy Rule 5605(f), depending on the company's market tier.

## **Ideanomics Supports Nasdaq's Proposal**

We offer our support for Nasdaq's Proposal for the following reasons:

Ideanomics has a diverse base of personnel, located in several countries which includes the United States, Ukraine, Malaysia, and China. The diverse regional locations provide for a multi-cultural environment, in which mutual respect of everything from local customs and cultures, through to ethnic and religious differences, is an important dynamic in the company. We are an equal opportunity, progressive, employer that works to foster an inclusive and supportive environment for our staff. While we have made tremendous strides in that regard and consider ourselves to be further developed in our ideologies and practice than many other companies, we are undertaking a review of our management and directors to ensure we remain at the forefront of what we consider to be a deep societal change occurring globally. That change embraces gender equality and promotes support for minorities. One example of this is our majority-owned subsidiary in Malaysia, Treeletrik. Malaysia is a society which has experienced challenges with workplace discrimination against the majority population of Muslim Malay peoples. Treeletrik has promoted the hiring of Malay people over the large contingent of ethnically Indian and Chinese that typically dominate the business environment in that country, including Malay women who have typically experienced cultural resistance to pursuing white collar jobs in addition to the general discrimination.

## *General*

- We agree with Nasdaq that diversity enhances decision making. We have seen this play out in our own board deliberations. One striking example is the gender pay gap, which is more exaggerated in Asia than in the Western world. As a result, we have taken positive steps to recruit female senior managers in each of our locations and to ensure their compensation is on par with their male counterparts, putting them at the top of the market pay scale in comparison to their peers. Additionally, as I mentioned in the previous section, is our focus on employing indigenous Malay female employees in our Malaysia operations, as well as ensuring our U.S. staff and management has representation from the LGBTQ+ demographic. We have already seen an effect akin to enlightenment, as a surprising number of staff had never worked with colleagues from different or diverse backgrounds. The positive impact of diversity helps shape and influence our decision-making, as we gain access to different opinions and perspectives from valuable contributors to the business. To further support the influence of our diverse employee base, and to help keep communication channels open, we have implemented a regular internal learning program where employees get to showcase

what they are working on. This has had the benefit of allowing everyone within the organization to benefit, ranging from fostering connections through to an understanding of how different people think, behave, and contribute to the company. We feel a conviction to elevate this up to the board level so that our diverse employee base feels represented by the officers and directors of the company.

## *Disclosure*

- Our investors are increasingly focused on diversity. We look forward to using Nasdaq's board matrix to present board-level diversity data in a manner consistent with our peers. Many institutional investors are adopting ESG standards as the basis for their investing decisions and are indicating that they will not consider investments into companies which do not exhibit compliance with ESG standards. This is causing confusion, as we receive varying and competing examples of frameworks which we are expected to adhere to. Such frameworks are attempting to fill the void created by a lack of standards at the listing authority and/or regulatory level. With such standards available, it would be mutually beneficial for both the investor community and the company as there would be a consistent and uniform way to evaluate and interpret a company's performance on diversity.
- We appreciate that Nasdaq has structured its board matrix to allow directors to anonymously identify with diverse attributes or opt out of disclosing anything at all. We believe this is a thoughtful way to respect each director's personal decision to identify as diverse. At this time, we believe that society in general has not developed to the point of acceptance of diversity which would encourage someone sufficiently to openly identify, for example, as LGBTQ+ without the risk that they may be targeted by people with offensive opinions based on bigotry from a complex spectrum of causes including religious beliefs, ideologies, and baseless claims that these are optional lifestyle choices. For this reason, we consider anonymity and discretion to be of paramount importance.
- In our experience, directors are comfortable reporting, and even proud of, their background, as they are already required by securities laws to disclose certain other personal information including age and compensation. Currently, our directors and officers are selected based on a blend of their perspectives, relevant experience, skill set and background. Each was recruited for their suitability to the role, as opposed to their ethnicity or gender. That said, there is a need to expand the candidate standards to ensure diversity as the board at Ideanomics is consistent with boardrooms throughout the world in that is comprised only of men. It is important that U.S. companies step forward to embrace diversity through the organization, including board level, such that they serve as flag bearers for change and inclusion. This can have an important global impact, particularly if, in the future, U.S. companies begin to select business partners based on their adoption and support of similar standards.

## *Minimum Diverse Director Goal*

- We already consider diversity in our director selection process, so this does not represent a significant change. We see this as an incremental step that reflects the growing consensus that diversity is good for business. We believe that broader diversity leads to increased perspective in both development and execution of business planning and has the potential to help improve everything from identifying market opportunities, through to improved decision-making, improved risk management, and even financial performance.
- While we currently do not meet Nasdaq's diversity goal, we believe it provides a reasonable baseline for companies to strive towards. We appreciate that Nasdaq proposes to assist companies with the search for candidates through free access to Equilar's Diverse Director Network. We believe that Nasdaq's phased approach provides us with sufficient time to attract, screen, and recruit suitable applicants and we base this on the diversity progress achieved in our employee base. Furthermore, we believe the option to explain our efforts under rule 5605(f) provides the company with sufficient flexibility to continue the search for candidates if we are unable to attract the diversity within a reasonable period of two to five years.

## *Definition of Diversity*

- We believe it is appropriate for Nasdaq to base its definition of diversity on the EEO-1 reporting categories. We are already familiar with these categories and do not find this disclosure burdensome. We agree that Nasdaq should include additional categories which are not currently covered in the EEO-1 report, such as LGBTQ+, and other race-based categories such as North African, Middle Eastern, and Central Asian as we believe these foster a more transparent approach. Furthermore, we would like to see the Nasdaq expand the definition to ensure that companies such as Ideanomics, with meaningful operations in other countries, do not simply use the availability of candidates in those countries to fill a director or officer role when the people within those countries could be considered a minority in the U.S. For example, for companies with operations in large population countries such as China or India we feel it would be against the spirit of the diversity goals of the Nasdaq to designate someone who is ethnically a minority in the U.S., but who would otherwise not qualify were the same standards in place in their country of origin. We feel this is not embracing diversity but rather compounding the issue and exporting the type of board composition this proposed framework is intended to move away from. Furthermore, we believe the categories might benefit from being expanded to include qualified candidate from demographics such as the disabled, veterans of our armed forces, and others who

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otherwise contribute meaningfully to society but are not typically well-represented at board level.

In conclusion, Ideanomics reiterates our support for Nasdaq's proposal and commends the proactive efforts of its leadership in spearheading a disclosure-based, business-driven approach. We appreciate this opportunity to provide feedback on the proposal to the SEC and we remain hopeful that you will give it due consideration for adoption.

Thank you for considering our views on this important topic.

Sincerely,

A handwritten signature in black ink, appearing to read 'Alfred P. Poor'.

**Alfred P. Poor**  
**Chief Executive Officer**  
**Ideanomics, Inc.**