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## Key Questions to Ask About Data Center Governance

The data center boom is at the center of investment, construction, procurement and utilization decision-making across the globe. A company's Board of Directors should be asking questions to understand how this infrastructure is relevant to that company and related implications. In addition to a company's own data center-related activities, directors should be aware that heightened demand from data centers for finite resources may indirectly impact a company's workforce, supply chains and access to utilities. In no particular order:

- 1. Strategy and Operations.** How do data centers tie into the company's strategy and operations (e.g., do we build, lease, invest, finance, supply), what is the interplay between data centers and our AI strategy, and how do we expect data centers to meet our computing power needs now and in the future? What is the expected obsolescence of the data centers that the company has built, contracted for or otherwise invested in, and are we in a position to retool/retrofit if needed?
- 2. Monitoring Performance and Oversight.** Who on the management team is responsible for data center-related activities and how are those activities factored into their compensation? What financial metrics and other information are they expected to report to the Board and how regularly? Do we have an information reporting system in place to surface issues to the Board as appropriate? Do we have a Board committee tasked with oversight of data center-related matters and do our minutes and materials reflect that?
- 3. Risk Oversight.** Do we understand the risks involved with our data center activity and how the company manages and mitigates those risks? Are those risks built into our enterprise risk management framework, business resiliency plans and policies, and risk oversight processes? (Examples of key risks include power source problems, interconnection delays/latency, community opposition, obsolescence and events that could impact operations such as security or cybersecurity breach, natural disaster, extreme weather, war or terrorist attack.)
- 4. Delegation of Authority.** What data center-related agreements are required to come to the Board for approval? Is this clear under our delegation of authority (e.g., because they involve expenditure over a certain amount or are otherwise material)?
- 5. Disclosure.** What disclosures about data centers have we made in our public filings and other documents, and are the company's disclosure controls and procedures up to date? What are our peer companies disclosing about data centers?
- 6. Sustainability.** How do the company's data center-related activities impact the environment and society? How do the company's data center-related activities impact any sustainability targets set by the company (for example, relating to emissions, energy usage, water usage and waste management)? Should the company adjust any targets or other disclosures to reduce the risk of greenwashing claims?
- 7. Regulation and Compliance.** What is the regulatory landscape impacting data center-related activities relevant to the company and how is the company positioned to monitor and adapt to evolving regulations? Does the company's compliance program and related policies appropriately reflect data center-related activities? What is the risk of enforcement action and shareholder or other litigation relating to the company's data center activities?

- 8. Government Relations.** What are the company's data center-related touchpoints with federal, state and local government? Is the company engaging in advocacy, lobbying, trade association and/or political activities relating to data centers (e.g., in relation to proposed legislation or regulations, or to manage community impacts), and how is the Board providing oversight of those activities?
- 9. Director Fluency.** What training and other support has been provided to the Board about data centers and how they fit within the company's strategy? Who on the Board has relevant experience?
- 10. Shareholder Engagement.** Are the company's data center-related activities a topic of discussion between directors and shareholders (and potentially other interested stakeholders)? Are directors appropriately briefed on the do's and don't's of such discussions?

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See also our Q2 2026 Special Issue of [Sponsor Sync](#), which is dedicated to data centers, and our [alert](#) discussing key US, EU and UK investment considerations relating to data centers and sustainability.

If you have questions concerning the contents of this Alert, or would like more information, please speak to your regular contact at Weil or to the authors:

#### Authors

Rebecca Grapsas	<a href="#">View Bio</a>	<a href="mailto:rebecca.grapsas@weil.com">rebecca.grapsas@weil.com</a>	+1 212 310 8668
Luke Laumann	<a href="#">View Bio</a>	<a href="mailto:luke.laumann@weil.com">luke.laumann@weil.com</a>	+1 212 310 8380
Matthew Morton	<a href="#">View Bio</a>	<a href="mailto:matthew.morton@weil.com">matthew.morton@weil.com</a>	+1 202 682 7053
Amy Waddington	<a href="#">View Bio</a>	<a href="mailto:amy.waddington@weil.com">amy.waddington@weil.com</a>	+44 20 7903 1469
Janina Moutia-Bloom	<a href="#">View Bio</a>	<a href="mailto:janina.moutia-bloom@weil.com">janina.moutia-bloom@weil.com</a>	+44 20 7903 1834

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