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SOCIETY
for Corporate Governance

AI In and Around the Boardroom: A Tale of 2½ Cities

How Governance Teams and Boards
Are Navigating AI Adoption

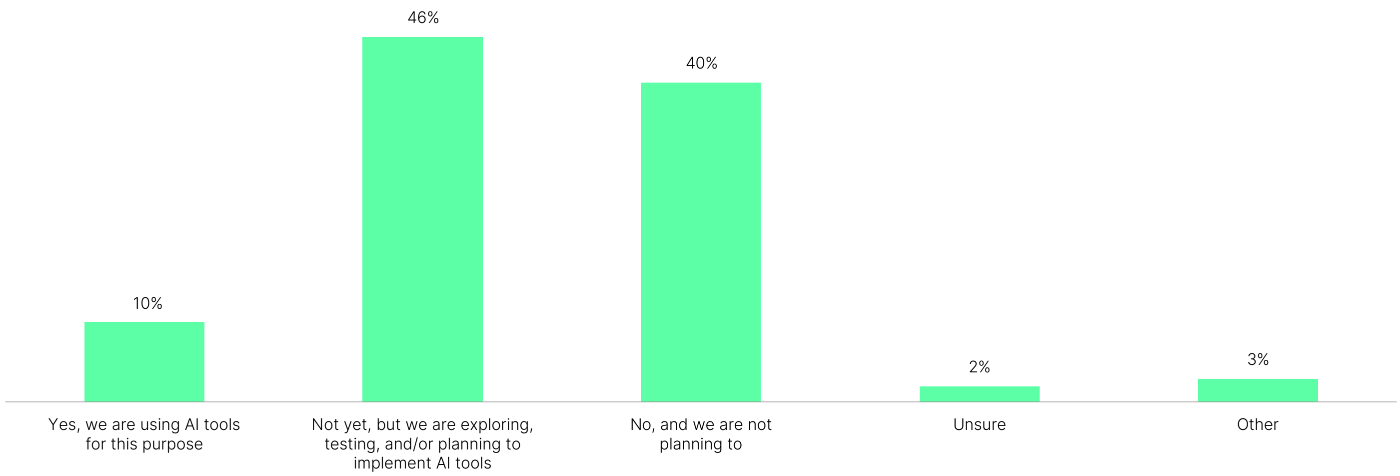
Today, the use of AI in corporate governance is a tale of three cities—or, more accurately, the story of two cities and unzoned suburban sprawl. The first city is the use of AI by governance professionals, which is being built cautiously but is poised for rapid growth. The second is the authorized use of AI by board members, which is being constructed more slowly. Both are walled environments, with policies that define boundaries for use. Beyond these two walled cities, however, is the growing—and largely unsanctioned—use of AI by board members outside the confines of board portal software and other company-approved systems.

This is the story that emerged from a survey and a Chatham House Rule roundtable conducted by the Society for Corporate Governance in partnership with Nasdaq Governance Solutions in the fourth quarter of 2025. To supplement these findings, results from Nasdaq's recent 3rd Annual Global Governance Pulse survey of over 700 board members, executives, and governance professionals are also referenced. While the data and discussion reflect a point in time in a rapidly evolving landscape, they highlight the need for companies to accelerate the development of infrastructure—including policies, education, and compliance mechanisms—to support the safe and constructive use of AI in governance.

Governance Professional and Board Member AI Use Cases

Governance professionals' use of AI to support their board work is still at an early stage but is likely to see rapid growth. Though only 10% of surveyed professionals are using AI tools in areas such as board briefing materials and minutes, 46% are in the process of exploring, testing, or planning to implement them. This suggests adoption could expand significantly in the near term.

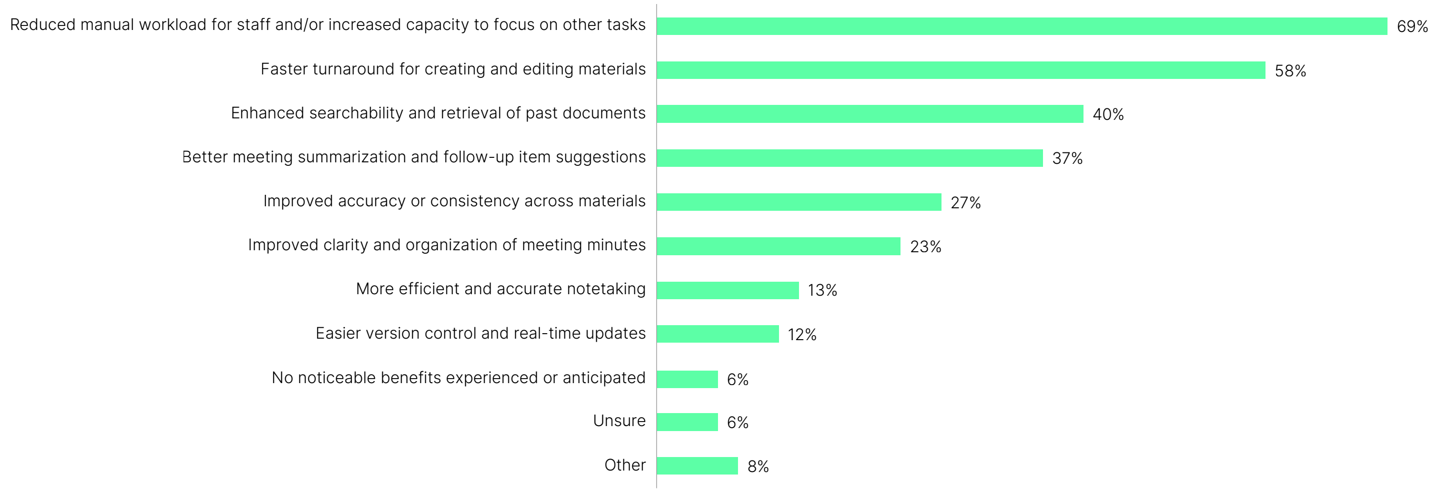
Does your organization currently use AI tools to prepare, compile, or distribute board materials and/or document board and/or committee meetings and discussions?



Survey results may not total 100% due to rounding to the nearest whole number.

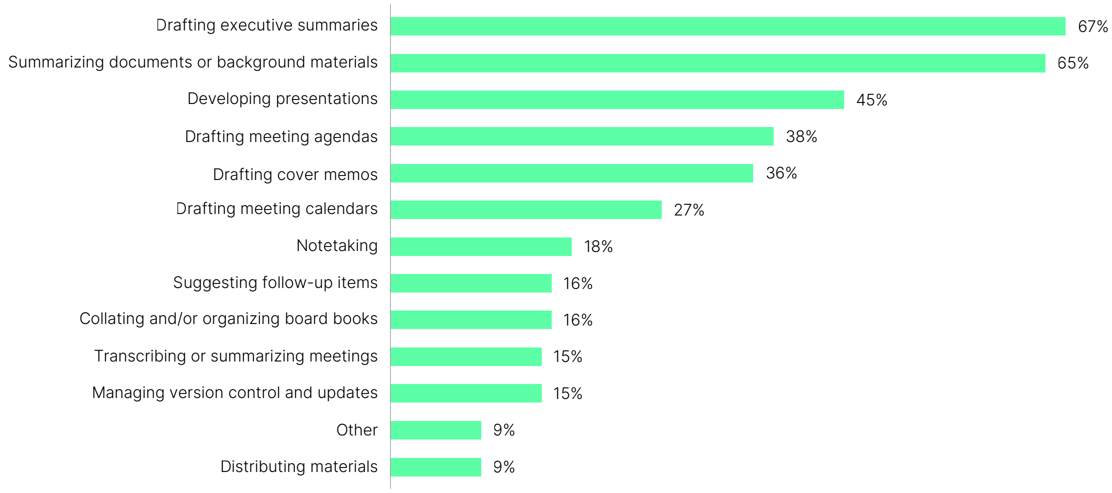
What is driving this interest? According to survey results and roundtable participants who indicated they are currently using—or considering—AI, it is largely to improve efficiency, searchability, and consistency in board materials preparation. Nearly 70% of surveyed professionals cite reduced manual work and almost 60% say faster turnaround, while only 13% cite better note-taking as a benefit.

What benefits has your organization experienced or does it seek to experience from using AI tools to prepare, compile, or distribute board materials and/or document board and/or committee meetings and discussions? Select all that apply.



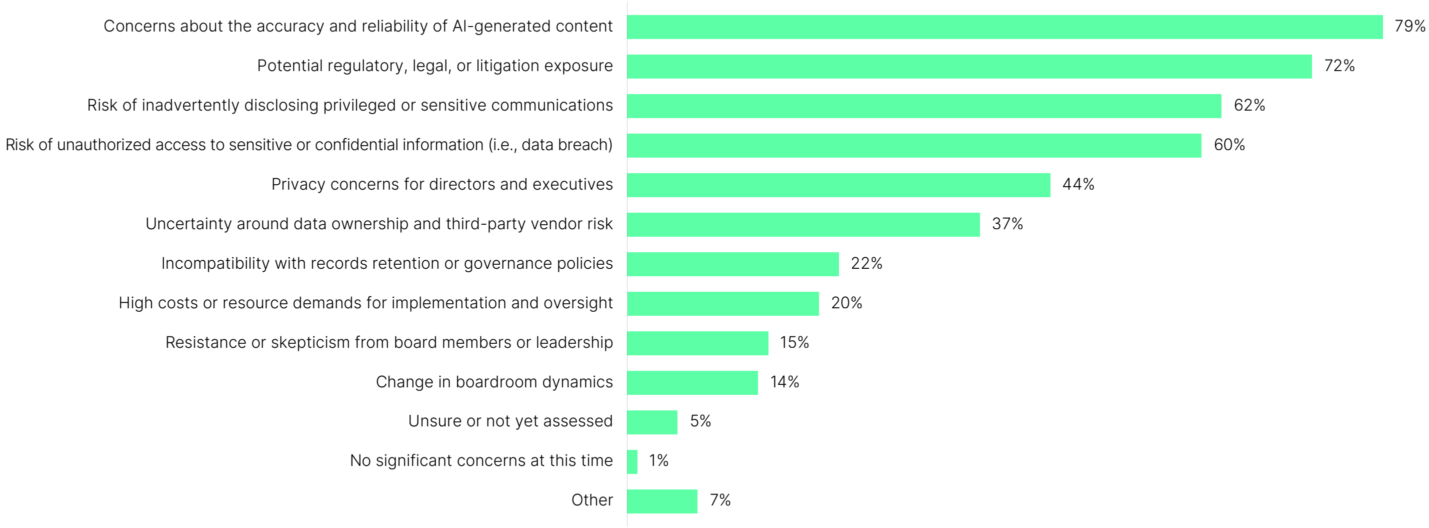
This is reflected in AI use cases for governance professionals. Survey results indicate that governance professionals are looking at AI primarily to help draft and summarize board briefing materials and develop presentations. These use cases reinforce that AI is a tool to enhance efficiency—not a substitute for professional judgment. Governance professionals must retain control over the underlying information and final outputs to support reliance by other members of management and the board.

In which area(s) are you or is your organization exploring, testing, or using AI tools to prepare, compile, or distribute board materials and/or document board and/or committee meetings and discussions? Select all that apply.



Notably, 40% of surveyed professionals report that they are not currently using AI and are not planning to do so. This reflects concerns about AI-related content accuracy, legal risk exposure, and confidentiality.

What are the main concerns, if any, within your organization about using AI tools to prepare, compile, or distribute board materials and/or document board and/or committee meetings and discussions? Select all that apply.

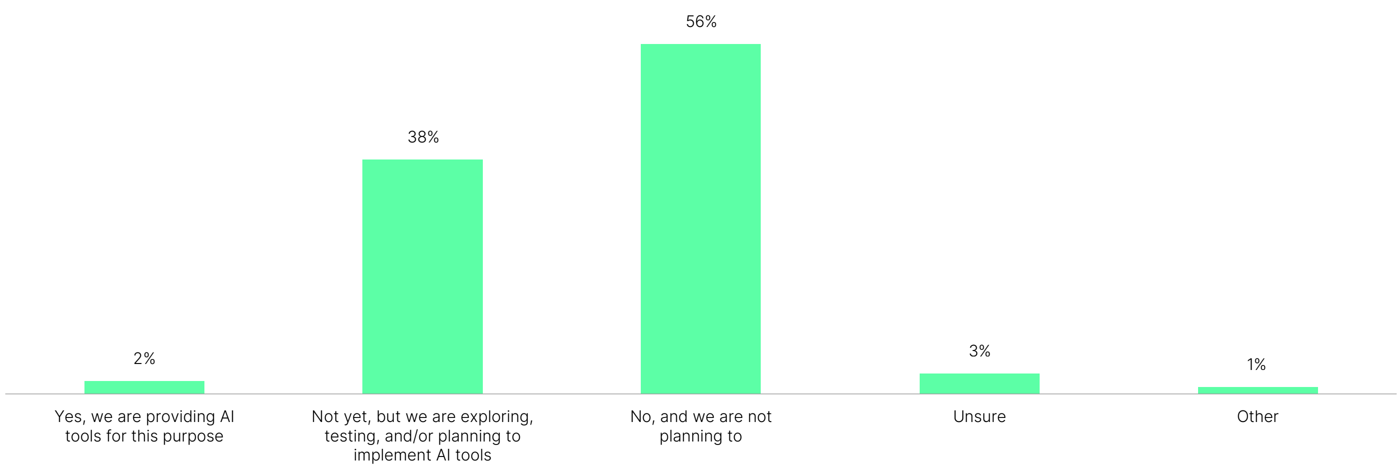


If these concerns can be sufficiently mitigated, the use of AI could become pervasive among governance professionals, with adoption potentially limited by concerns at the board or other management levels.

This leads to a key lesson for governance professionals—and as roundtable participants commented—chief legal officers, corporate secretaries, and other governance professionals should seek to ensure that the board and management understand how AI is being used across governance and executive teams, the board, and the broader organization. There should be no surprises when it comes to AI use cases and associated risks.

As of the fourth quarter of 2025, only 2% of surveyed professionals say they were providing their board members with AI tools to efficiently facilitate engagement with board materials and information, while 38% are considering it, and 56% have no plans to do so.

Is your organization currently providing AI tools to board members to facilitate their engagement with board materials and information more effectively?



What explains this slower pace? These survey results may reflect the different roles played by governance professionals and board members, as well as the likelihood that boards may have less need to rely on AI for preparation if governance professionals are already using it.

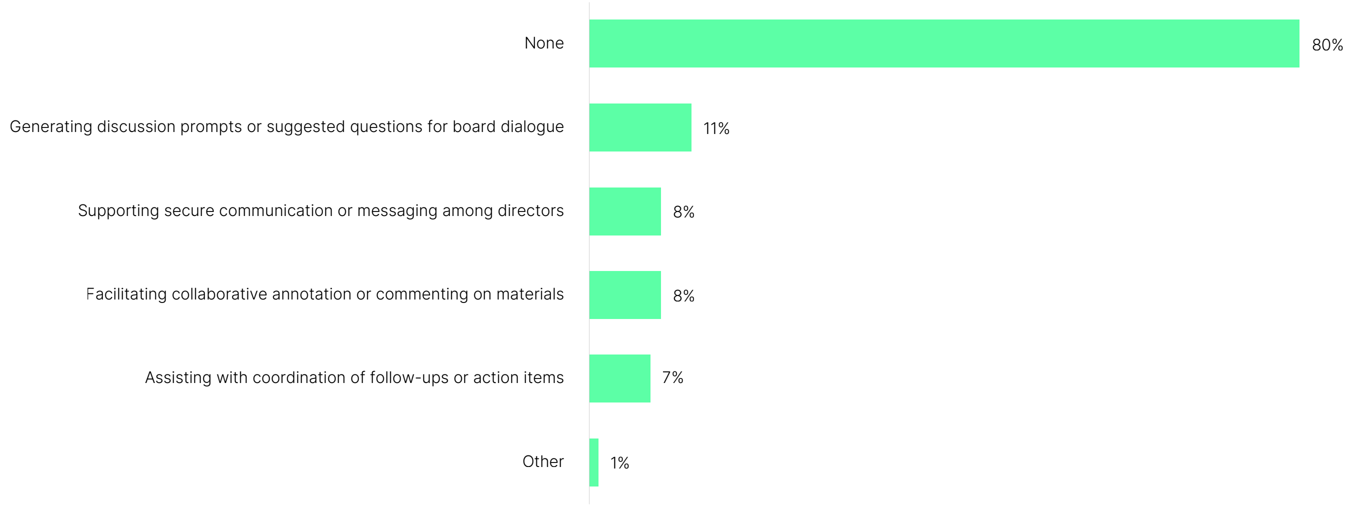
Governance professionals sit at the narrow point of an hourglass: their role is, to a significant extent, to recognize and reconcile board and management responsibilities and synthesize large amounts of information, funnel it through the aperture of the board's time and purview, and support the board's diligence in oversight. Thus, while governance professionals must exercise informed judgment, there is also a fair amount of rote or manual work involved. Accordingly, improving efficiency—without sacrificing accuracy and reliability—is a key goal, and AI can assist in that endeavor.

By comparison, the role of board members is to take the information provided by management, combine it with their own knowledge, experience, and perspectives, and engage in collaborative decision-making and oversight. This role inherently involves a higher degree of judgment and less routine activity. As several roundtable participants noted, AI cannot serve as a substitute for judgment. Accordingly, while efficiency may be one benefit for board members, the more compelling and distinctive use case may lie in facilitating constructive and collaborative discussion.

This is supported by Nasdaq's Governance Pulse survey findings, which show that among the boards already using approved AI tools, the majority (71%) indicate information summarization is the most common application. While adoption remains limited, Nasdaq's Governance Pulse survey findings also indicate that AI-enabled capabilities within board portal software present opportunities to enhance board effectiveness. Nearly one-third (32%) of board members, executives, and governance professionals identify the use of AI to summarize information and generate insights as valuable, while 28% indicate that AI-powered search would be beneficial.

In addition, roundtable participants also recognized that enabling board members to have first-hand experience with AI can help them understand how management could also use AI in decision-making and how the company more broadly may use the technology in its operations.

In which area(s), if any, is your organization exploring, testing, or using AI tools to help board members collaborate and engage with each other more effectively? Select all that apply.



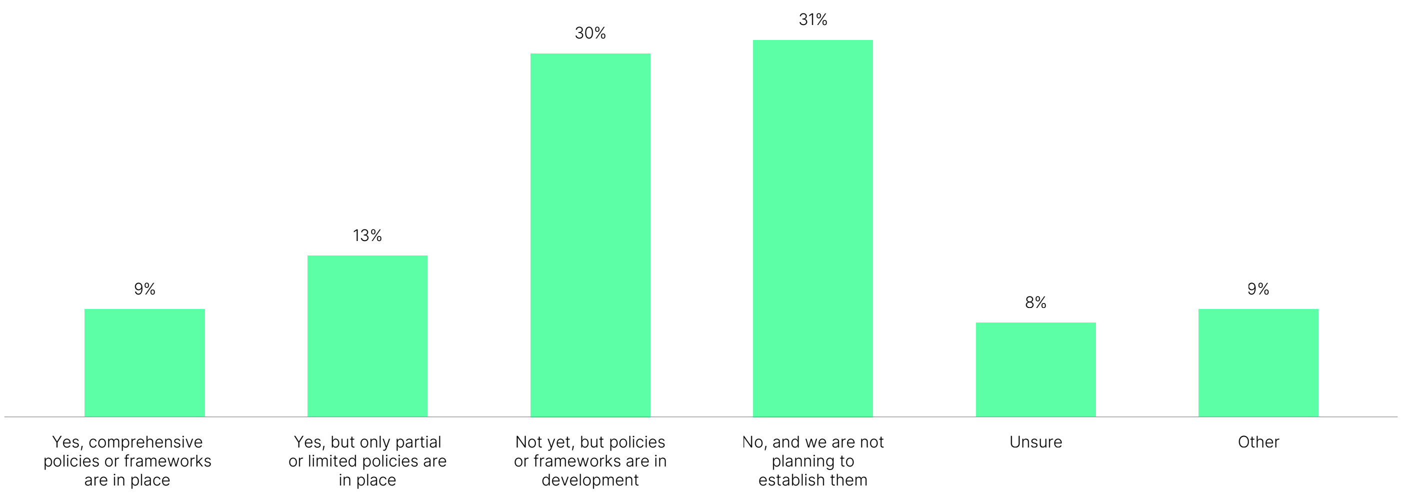
Use of AI by Board Members Outside Approved Channels

Roundtable participants shared that, in practice, board members may be using AI without consideration of official company policies. Nasdaq's Governance Pulse survey findings show that only 8% of board members, executives, and governance professionals report that their board uses an approved AI tool. Yet, by some accounts, approximately two-thirds of board members are currently using AI in their roles as directors. This may reflect the volume and complexity of board materials, gaps in identifying key issues, and the need for additional external perspectives.

The use of unapproved—or "unzoned"—AI tools presents heightened risks in terms of accuracy, reliability, confidentiality, and litigation risk. Accordingly, it should spur companies to expedite the development of policies and infrastructure to support appropriate board use of AI.

While there is work underway to develop policies governing the use of AI by board members and governance professionals, adoption remains at an early stage. Only 52% of surveyed professionals reported that their companies either have policies in place or are in the process of developing them. Of those, less than half have implemented comprehensive or partial policies or frameworks (9% and 13%, respectively), while 30% report that policies or frameworks are still in development.

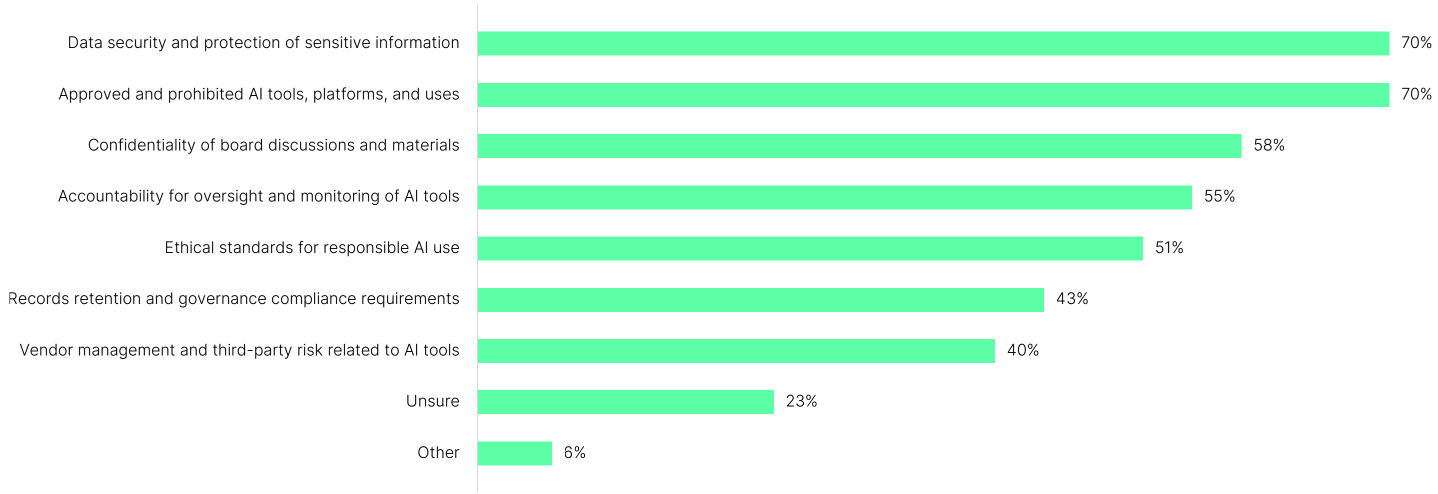
Does your organization currently have policies, guidelines, or frameworks that govern the use of AI in the boardroom, whether supporting the corporate secretary function or use by board members?



Survey results indicate that policies focus on security and confidentiality, as well as approved platforms, tools, and use cases. Roundtable participants also offered advice for companies as they build out their AI governance frameworks:

- **Management should not wait for a formal policy before discussing the responsible use of AI with the board.** Early discussions can help to avoid potential unintended consequences of individual board members using unapproved AI tools and deepen the board's knowledge about the implications of using AI. Even basic guidance (e.g., dos and don'ts, recommendations, or guidelines) can help provide clarity, reduce risk, and prompt productive dialogue.
- **Any policies governing the use of AI by the board or governance function should not be developed in a vacuum.** They should reflect the company's broader culture, risk profile, legal environment, and business approach to AI. Policies should also account for how management may use AI to prepare for board and committee meetings, including analyzing board materials, anticipating board questions, and identifying areas where board members' input may be most valuable. AI policies that focus solely on the board or governance function—but fail to account for how other members of management can use AI to support board discussions—may overlook a significant opportunity to enhance governance processes and overall effectiveness.

Which area(s) are currently addressed, or will be addressed, by your organization's policies, guidelines, or frameworks governing AI use in the boardroom? Select all that apply.



Key Takeaways for Governance Professionals

AI has the potential to enhance board effectiveness by improving the clarity, scope, and relevance of briefing materials and supporting more constructive engagement. The technology cannot replace board judgment, but it can support it. AI comes with real risks. Those risks will likely only increase if board members continue to use AI, either individually or collectively, without the benefit of clear guidance or an approved tool.

The ball is now in the court of governance professionals to harness their knowledge, expertise, and resources—and to engage proactively with their boards and management in developing policies tailored to govern the use of AI in the boardroom. Education will be critical. According to Nasdaq's Governance Pulse survey, those reporting that their board does not have plans to adopt AI tools in the next 12 months cite a lack of perceived value, limited awareness of available tools, and restricted access as key barriers to adoption.

Together, these findings suggest opportunities to better educate boards and governance teams on the benefits of purpose-built AI tools for their use and the appropriate policies that can help mitigate the risks of improper use.

About Nasdaq Governance Solutions

Nasdaq Governance Solutions is focused on advancing the boardroom experience through its innovative vision and strategic partnerships. By leveraging technology and expertise, we aim to meet the needs of board members, executives, and governance professionals and supporting the evolving practice of corporate governance. Our integrated tools are designed to help unite governance workflows, enhance productivity and decision-making, and provide access to insights—all within a cohesive ecosystem designed to support board performance. **Visit nasdaq.com/solutions/governance for more information.**

About the Society for Corporate Governance

Founded in 1946, the Society is a professional membership association of more than 3,700 corporate and assistant secretaries, in-house counsel, outside counsel, and other governance professionals who serve more than 1,600 entities, including 1,000 public companies and private companies and non-for-profit organizations of almost every size and industry. Society members are responsible for supporting their boards of directors and executive management in matters such as board practices, compliance, regulation and legal matters, shareholder relations, subsidiary management and sustainability. **Visit societycorpgov.org for more information.**