THE FIRST CROATIAN SUPERVISORY BOARD MONITOR

CCGM

Board Monitor

A review of supervisory boards in Croatia’s 100 largest companies

2026

Croatian Corporate Governance and Management Society

FIRST EDITION

2026 EDITION

About this report

The CCGM Board Monitor is the annual publication of the Croatian Corporate Governance and Management Society (CCGM), through which the Society systematically tracks the state of supervisory boards in Croatia's largest companies. The publication is intended to provide shareholders, investors, regulators, governance professionals and the academic community with an evidence-based view of the composition, structure and characteristics of those bodies that, within our corporate governance architecture, discharge the supervisory function.

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FOREWORD

Why we monitor supervisory boards

The supervisory board is one of the central institutional sites through which ownership rights are translated into accountable stewardship. Its composition, its independence, its professional competence, its working culture and the network of relationships in which it is embedded together mirror the true quality of corporate governance in any given economy. Where a supervisory board functions substantively rather than merely formally, the company acquires what the literature terms monitoring capacity: the capability of the organisation to safeguard the long-term interests of the company itself. Where the board is reduced to a ceremonial role, the result is organisational mimicry: form without function, oversight without genuine control. Corporate governance is then turned into a normative façade, behind which the real mechanisms of supervision, expertise and integrity are absent.

Over the last two decades Croatia's economy has travelled a considerable distance from the transition-era model, in which supervisory boards were too often reservoirs of political and managerial loyalty, towards a model in which boards are expected to deliver substantive control, professional expertise and, increasingly, accountability to a broader range of stakeholders. Yet systematic, publicly accessible and methodologically robust evidence on what these boards actually look like — and who sits on them — has until now been comparatively scarce in the Republic of Croatia.

> ***“What is not measured cannot be evaluated; what is not evaluated cannot be improved.”***

It is this gap that the present publication addresses. The CCGM Board Monitor establishes a transparent annual routine: a single yardstick applied uniformly to all of the largest companies, irrespective of ownership, sector or regulatory regime. We examine the size of supervisory boards, their gender composition, the profile of the chair, the prevalence of multiple directorships, the existence of board committees, length of tenure and the educational profile of members. Each of these indicators tells only part of the story on its own; together, they map the terrain of Croatian corporate governance.

The purpose of monitoring is not to expose individuals or to rank companies on tables of better and worse. The purpose is older than any methodology: to render visible what has hitherto remained obscured by habit and assumption. Visibility is a necessary, though not sufficient, condition of accountability. Only what can be tracked can be discussed; only what is discussed can be changed. In that sense, the Board Monitor is not a league table but a mirror — patient, annual, applied through the same protocol. For owners and investors it offers a basis for informed decisions; for regulators, a diagnostic of the system; for board members themselves, a frame of reference; and for the professional and academic community, evidence for further debate.

This is the first edition, presenting the state of affairs on the basis of the most recent available data. Already the next edition will offer what is most valuable in any monitoring exercise: comparison over time. In corporate governance, the direction of travel is often more significant than the point of departure.

Croatian Corporate Governance and Management Society

Zagreb, May 2026

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Methodology and sample

The initial sample consisted of the 100 largest companies by revenue in financial year 2024, based on data from the Financial Agency (Info.BIZ portal). The structure of that sample is itself an informative reflection of the corporate forms that predominate in the Republic of Croatia.

The following were excluded from the analysis: three companies constituted as limited partnerships, thirteen companies that have no supervisory board in place, and two companies that operate under a one-tier governance model. The composition of the sample thus confirms the predominance of the two-tier model in Croatian corporate governance. The final sample comprises 82 companies with functioning supervisory boards, on which the full analysis was conducted.

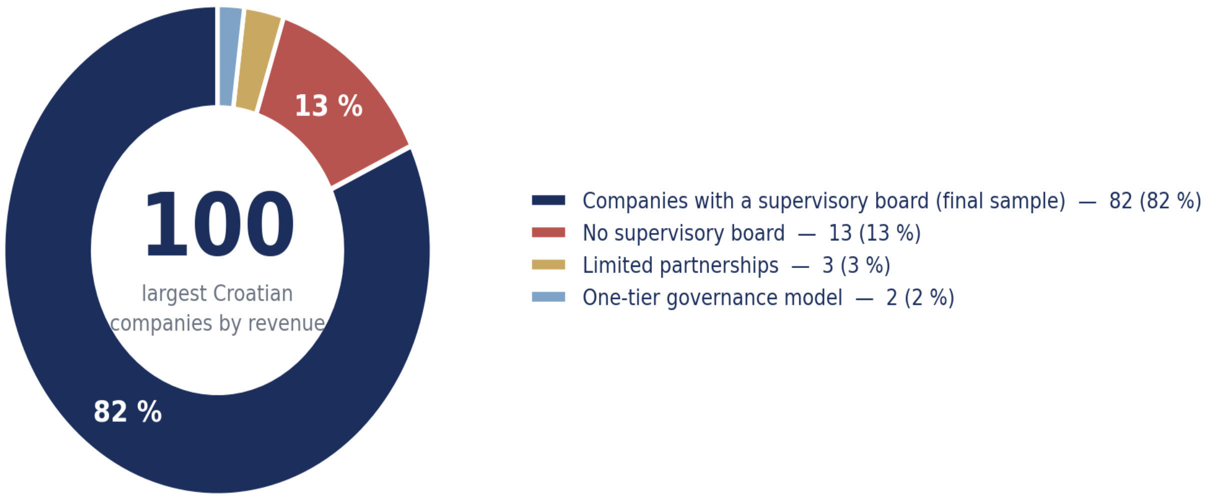

Figure 1. Composition of the sample of the 100 largest Croatian companies by revenue in 2024 (source: Info.BIZ, Financial Agency).

Representativeness of the sample

The 82 companies in the final sample together account for 27 % of total revenue generated on the Croatian market. Such a share denotes more than mere statistical representativeness; it means that the findings of this report describe the core segment of the Croatian economy — the segment whose decisions on investment, employment and development shape the context in which all other companies operate.

Data collection procedure

Data were collected through the Info.BIZ portal and cross-checked against the official websites of the companies analysed. For each company we identified the members of the supervisory board, their gender, year of appointment, educational qualifications, committee memberships and the independence status of the chair. Where specific data were not publicly available, the absence of such data was itself recorded as a finding.

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Headline findings

Five numbers to remember — a snapshot of Croatian supervisory boards in 2026.

82

companies in the final sample, together accounting for 27 % of total revenue generated on the Croatian market.

5 average board size	**25 %** female representation	**88 %** boards with a non-independent chair	**63 %** boards with no board committee
440 supervisory board members	**110** female board members	**5.7 y** mean tenure per director	**1.65** mean directorships per member

> ***"Oversight is first and foremost a matter of composition, and only thereafter of procedure. Where the composition does not hold, no procedure can compensate."***

04

Board size and composition

The average size of a supervisory board in our sample is five members. The smallest board has two members, the largest thirteen. The total number of directorships in the boards analysed reaches 440 individuals.

The size distribution shows a clear clustering in the range from three to six members — a range that the corporate governance literature most frequently identifies as operationally effective. Smaller boards, although nominally more agile, risk losing diversity of competence and perspective; larger boards, on the other hand, suffer from the well-documented problems of diffused responsibility and the rising transaction costs of decision-making.

Figure 2. Distribution of supervisory boards by number of members (n = 82).

Why five?

The size of supervisory boards in the Republic of Croatia is in part determined by the Companies Act, which prescribes minimum numbers of members for certain corporate forms and provides for larger boards in companies with a greater number of employees (including seats reserved for employee representatives). The empirical mean of five members points to a convergence between the statutory minimum and the practical requirements of manageability.

05

Female representation

Across all 82 supervisory boards analysed there are a total of 440 members, of whom 110 are women. The share of women on the supervisory boards of Croatia’s largest companies thus stands at 25 % — a figure that is above the historical regional average, but still below the thresholds set out at European Union level by the directive on gender balance among directors of listed companies (Women on Boards Directive).

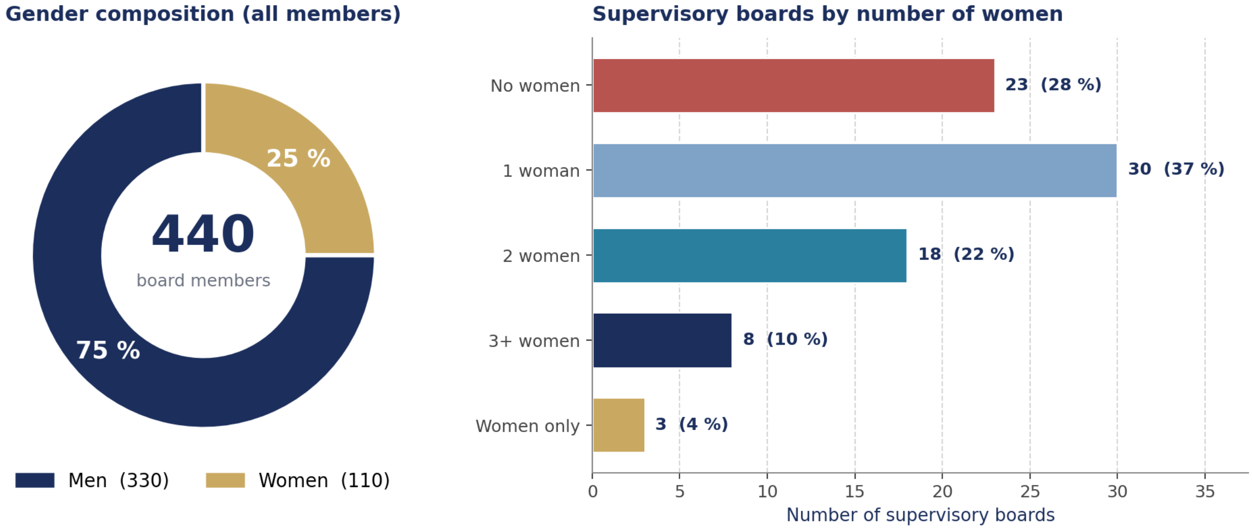

Figure 3. Gender composition of supervisory board members and distribution of boards by number of women (n = 82 boards, 440 members).

The headline figure of one woman in every four, however, conceals a substantial dispersion across individual boards. As many as 28 % of supervisory boards (almost one in three) do not include a single woman, meaning the complete absence of a female perspective on the body that takes some of the most consequential corporate decisions. At the opposite end of the spectrum, 4 % of supervisory boards are composed exclusively of women.

> ***Almost one in three supervisory boards among Croatia’s largest companies still does not include a single woman.***

This dispersion indicates that the Croatian corporate landscape is far from homogeneous in terms of gender balance. In some companies, gender diversity has become institutionalised as an understood standard of governance quality; in others, the pattern of continuity with earlier board compositions prevails, with women entering supervisory boards only exceptionally, and most often holding a single seat.

06

Supervisory board chairs

The role of the chair of the supervisory board is not a merely administrative one. The chair shapes the agenda, conducts the dynamics of board discussion, represents the board to the management board and to the shareholders — and, most importantly from a corporate governance perspective, sets the tone of independence for the entire body. The profile of the chair is therefore the most concise indicator of the culture of oversight within a company.

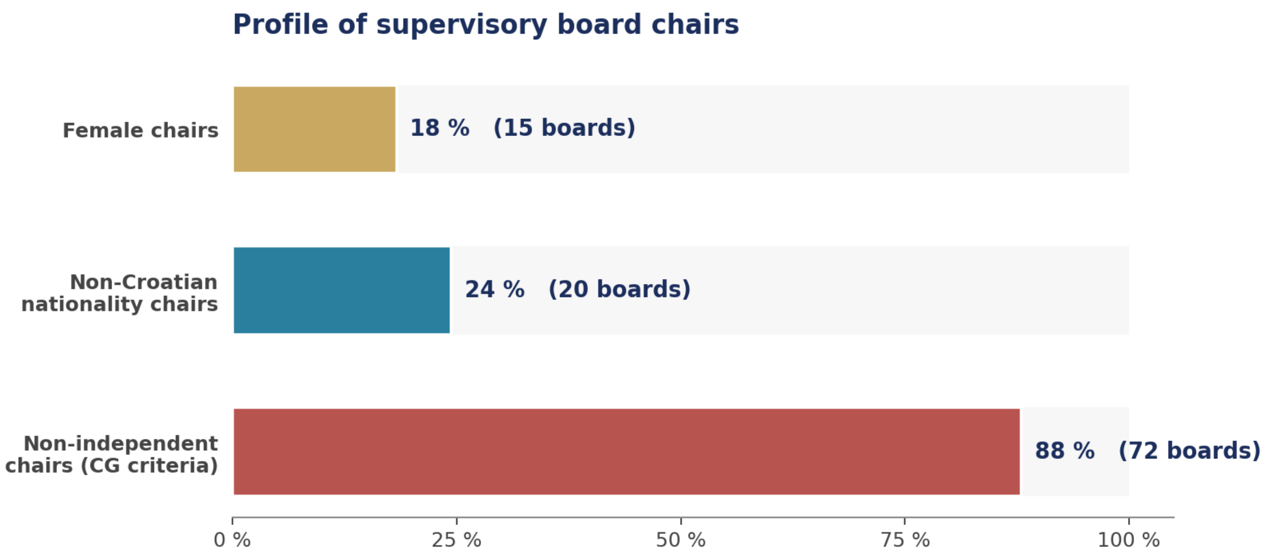

Figure 4. Three indicators of the profile of supervisory board chairs.

Three indicators together describe the current state of affairs. Female presence in the chair: in 15 supervisory boards (18 % of the sample) the chair is a woman — relatively close to the share of women among ordinary members, but still below parity. International composition of the chair: in 20 supervisory boards (24 %) the chair is not of Croatian nationality — an indicator that broadly tracks the foreign ownership structure, and which raises questions of language, contextual awareness and cultural embeddedness.

The third indicator merits particular attention. 88 % of the companies analysed are chaired by individuals who, in the corporate governance sense, are classified as non-independent: representatives of the controlling shareholder, related parties, or members of the wider managerial network beyond the level of the management board itself. Given the ownership structure of Croatian companies this is an expected finding, but it is also the indicator that points to the greatest scope for improvement in the quality of board oversight.

Why chair independence matters

A chair who is, formally or materially, connected to the controlling shareholder or to the management is structurally exposed to a conflict between loyalty and function that can weaken their capacity for independent judgement. An independent chair, by contrast, secures what the literature describes as arm's-length oversight — the critical distance without which supervision cannot meaningfully be called such. This does not mean that a non-independent chair necessarily performs the role poorly; it means, however, that the system of oversight as a whole rests more on the personal integrity of the individual than on a structural safeguard.

07

Multiple directorships and director networks

One of the most informative, yet least visible, corporate governance indicators is the question of how many other supervisory boards a director sits on simultaneously. This is the phenomenon of multiple directorships, which when boards share members also gives rise to interlocking directorates — an area that has received considerable attention in the international literature.

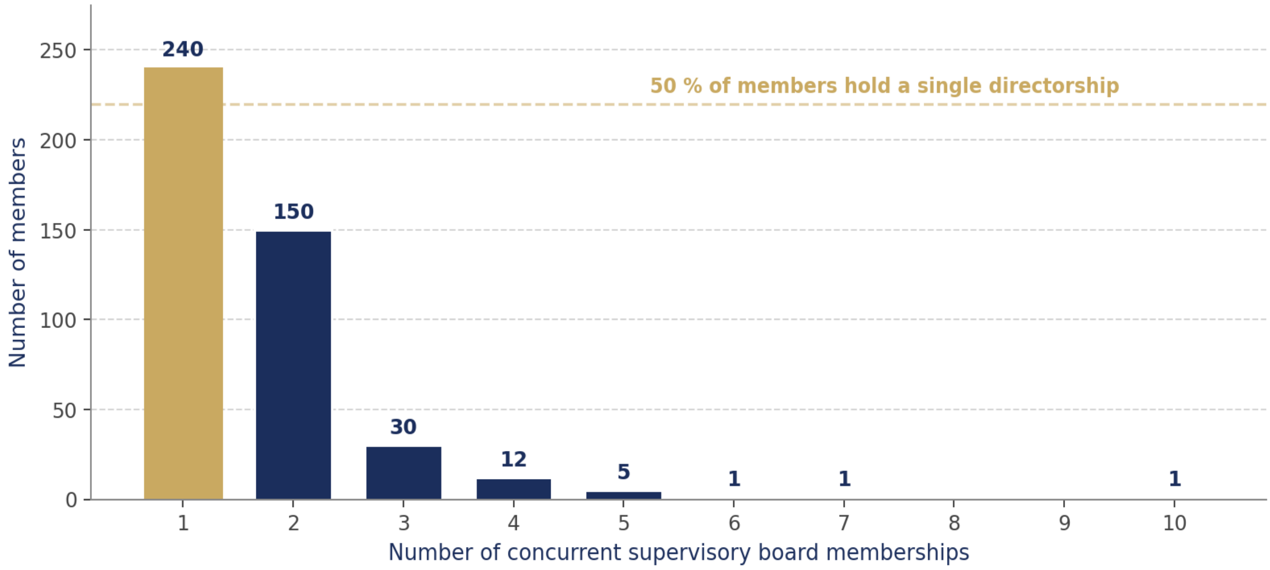

Figure 5. Distribution of members by the number of supervisory boards on which they sit concurrently (n = 440 members).

The average supervisory board member in Croatia sits on 1.65 supervisory boards. Half of all members (50 %) hold a single directorship — a pattern conventionally associated with undivided commitment to a single company. A third of supervisory boards (34 %) are composed exclusively of members who hold only one directorship — characteristic of boards with relatively low embedding in the wider director network.

The maximum number of concurrent supervisory board memberships held by a single individual is 10. Such cases are exceptionally rare; yet they often play a disproportionate role in the network of corporate governance, as it is through them that information, working standards and, on occasion, the very same patterns of decision-making travel between boards.

> ***Half of all supervisory board members are committed to a single company — the other half are connected by networks of overlapping loyalties.***

08

Board committees and internal structure

Board committees — audit, remuneration, nomination and other specialised committees — are the institutional mechanism by which in-depth scrutiny of specific areas is ensured before a matter reaches the full board. Their presence or absence is a useful proxy for the maturity of a company's corporate governance system.

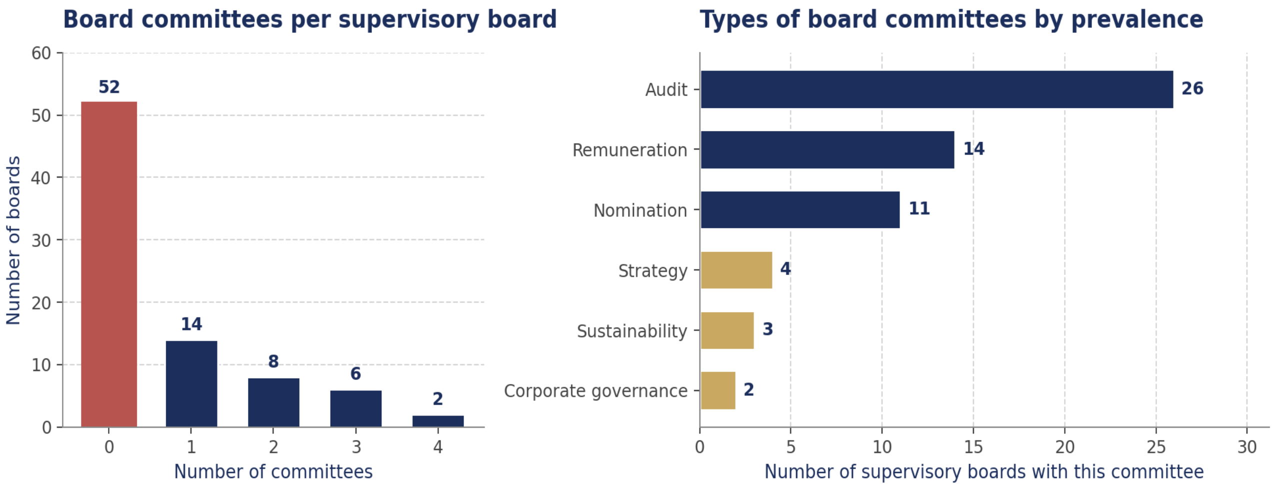

Figure 6. Number of board committees per supervisory board (left) and frequency of occurrence of the different types of committee (right).

The empirical picture is divided. The average number of committees per supervisory board is 0.7, with a maximum of four committees, found in two of the companies analysed. At the same time, 52 companies out of 82 (63 %) have not established a single board committee.

The most common committee is the audit committee — an expected finding, given that for certain categories of company the establishment of an audit committee is required by law. The remuneration and nomination committees follow, completing the traditional triad of Western European governance models. The more specialised committees — strategy, sustainability and corporate governance committees — appear less frequently and predominantly in companies exposed to international or regulatory standards.

What the absence of committees signals

Sixty-three per cent of Croatia's largest companies discharge their oversight function without a single specialised board committee — meaning that all materially different questions (audit, remuneration, appointments, strategy, sustainability) are deliberated by the same plenary body. This is not necessarily a sign of weakness, particularly in smaller boards, where the number of members already makes further division of labour difficult. In larger boards, however, the absence of committees points to an incomplete institutionalisation of the supervisory function.

09

Tenure and continuity

The duration of tenure on a supervisory board is a classic double-edged corporate governance indicator. Excessively long tenure can erode critical distance and routinise oversight; tenure that is too short, by contrast, prevents the building of the substantive knowledge of the company that meaningful supervision of management requires.

5.7	4.7	31
years mean tenure per board member	years mean tenure at board level	years longest recorded tenure

The mean tenure across all members of the supervisory boards analysed is 5.7 years. This corresponds almost exactly to two standard four-year terms, suggesting that re-appointment has become a customary practice. The longest tenure recorded for a single member is 31 years: more than three decades of continuous service on the supervisory board of the same company.

The mean tenure at board level — calculated as the average tenure of all members of a given board — is 4.67 years. The gap between this and the individual mean (5.7 years) indicates that the typical Croatian supervisory board combines more experienced members with longer service and newer arrivals who pull the board-level average downwards.

> ***Thirty-one years of continuous service on the supervisory board of the same company is not a record of institutional stability; it is a question for debate about the renewal of the supervisory function.***

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Educational background

The educational qualifications of supervisory board members do not by themselves determine the quality of board oversight, but they provide the starting framework for judging whether the board commands a sufficiently heterogeneous mix of competencies to engage with the contemporary business environment. The analysis covers all 440 members of the supervisory boards in the sample.

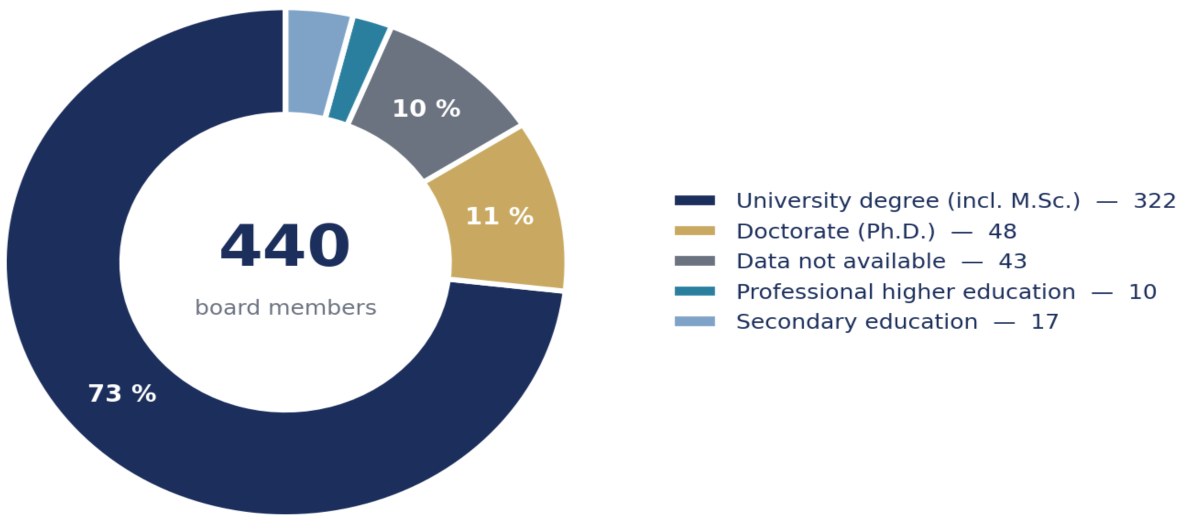

Figure 7. Educational background of supervisory board members (n = 440).

The majority of members hold a university degree (including members with a Master of Science qualification) — 322 individuals, or some 73 % of the total. Among the most highly qualified, a group of 48 members with a doctorate stands out, representing almost 11 % of the membership. This is an exceptionally high share by international comparison; it reflects the academic tradition of Croatian supervisory boards and the common practice of appointing university professors to corporate bodies.

The sample also includes 17 members with secondary education, the majority of whom serve on the boards as employee representatives — a category which, within the two-tier model, brings an important voice from the broader workforce into corporate decision-making. Finally, for 43 members educational data were not publicly available — a finding which in itself speaks to the level of transparency of certain companies.

Doctorates on supervisory boards

The high share of holders of a doctorate (11 %) reflects two intertwined traditions: academic expertise as a source of legitimacy for the supervisory role, and university mobility, through which professors of economics, law and the technical disciplines periodically cross the boundary into the corporate sphere. The question that remains open for future editions of the Board Monitor is whether doctoral qualifications are distributed evenly across sectors, or concentrated in state-owned or regulated companies.

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Concluding observations

The first edition of the CCGM Board Monitor offers, on the basis of 82 supervisory boards and 440 of their members, a reasonably clear picture of the state of affairs. It is a picture of a system that is institutionally in place — the two-tier model prevails, the average board size aligns broadly with theoretical recommendations, and the educational profile of members is high — but in which several structural features warrant sustained attention in the years to come.

Five takeaways for further reflection

Independence of the chair. The fact that 88 % of supervisory board chairs are non-independent indicates that the Croatian corporate system still builds the balance between oversight and management predominantly on the personal integrity of individuals, rather than on structural safeguards of independence.

Gender balance. An overall share of 25 % women represents progress on earlier decades, yet it conceals 28 % of supervisory boards without a single woman — disparities that point to the need for a sector-differentiated approach.

Institutional depth. Sixty-three per cent of supervisory boards without a single board committee means that specialised division of labour within the oversight function has yet to become the rule rather than the exception.

Accumulation of mandates. Individual cases of up to ten concurrent directorships and the 31-year tenure record open the question of the limits of reasonable commitment and of the renewal of the supervisory function.

Transparency of data. The very fact that educational data were not publicly available for 43 members of supervisory boards in Croatia's largest companies points to clear scope for improvement in corporate transparency.

All of these observations, it should be repeated, are not final judgments but points of departure. The value of monitoring will emerge in time: through annual iterations of the same protocol, applied to the same class of companies, we shall be able to distinguish transient variation from durable patterns. Only after several years of systematic comparison will we be in a position to speak of a direction of travel — and the direction of travel, as noted at the outset, is what has both the greatest informational and the greatest normative weight in corporate governance.

> ***The first edition of the CCGM Board Monitor is a point of departure. The true value of the monitor will reveal itself in the years to come, when individual findings combine into a clear, comparable and measurable trajectory of development.***

The CCGM Board Monitor is published annually by the Croatian Corporate Governance and Management Society. The next edition is expected in the spring of 2027.