

# Corporate Governance challenges in state owned companies in Croatia: The Croatian Lottery case

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# CORPORATE GOVERNANCE FRAMEWORK

- ❖ Corporate governance and SOC
- ❖ Characteristics of corporate governance in SOCs
- ❖ Corporate governance framework of The Croatian Lottery



# CROATIAN LOTTERY: COMPANY PROFILE

- ❖ Tradition
- ❖ State-owned (100%), limited liability company
- ❖ Total number of employees: 1.365
- ❖ Sales network: 1.393 outlets (340 own shops), 16 slot machine clubs, 5 casinos
- ❖ Member of WLA (World Lottery Association) and AESL (Association of European State Lotteries)

# CROATIAN LOTTERY: VISION, MISSION & ORGANISATIONAL VALUES

## VISION

To be the games of chance market leader.  
To conduct and organise games entertaining for players and of benefit to the community in a responsible and reliable manner.

## MISSION

To exceed the expectations of its players by providing them with a vast range of its products, innovativeness, the application of new technological advances and quality service.  
To generate more funds for socially relevant causes and humanitarian activities by organising and conducting games of chance in a controlled and socially responsible manner.  
To create motivating working environment as the groundwork for business success by a continuous improvement of working conditions, encouragement of personal growth and implementation of an adequate compensation system.

## ORGANISATIONAL VALUES

### PROFESSIONAL QUALITY

We have the necessary know-how and skills. We conduct our business efficiently, with dedication and responsibility.

### HONESTY AND ETHICS

Our high regard for social and ethical norms is manifested through our fulfilment of the commitment towards players, our employees, the owner and the social environment.

### SOCIAL RESPONSIBILITY

We operate with full social responsibility. We want to meet the expectations of our players, employees, the owner and the social environment thus contributing to the improvement of the quality of life everybody aims at.

### GROWTH

The Croatian Lottery wants to be an organization that instructs, encourages and enables its employees to make progress. It also wants to enable the acquisition and the expansion of new know-how, to encourage team work, open and effective communication, as well as creativity, all aimed at individual and organizational growth.

# CROATIAN LOTTERY: CORPORATE GOVERNANCE FRAMEWORK

- ❖ Characteristics of the business activity of organizing games of chance
- ❖ EU Accession Process
- ❖ Technology and Market Changes



# CROATIAN LOTTERY: CORPORATE GOVERNANCE MECHANISMS (INTERNAL)

- ❖ Ownership concentration
- ❖ Supervisory Board
- ❖ Management Compensations
- ❖ Corporate reporting
- ❖ Relations with stakeholders groups



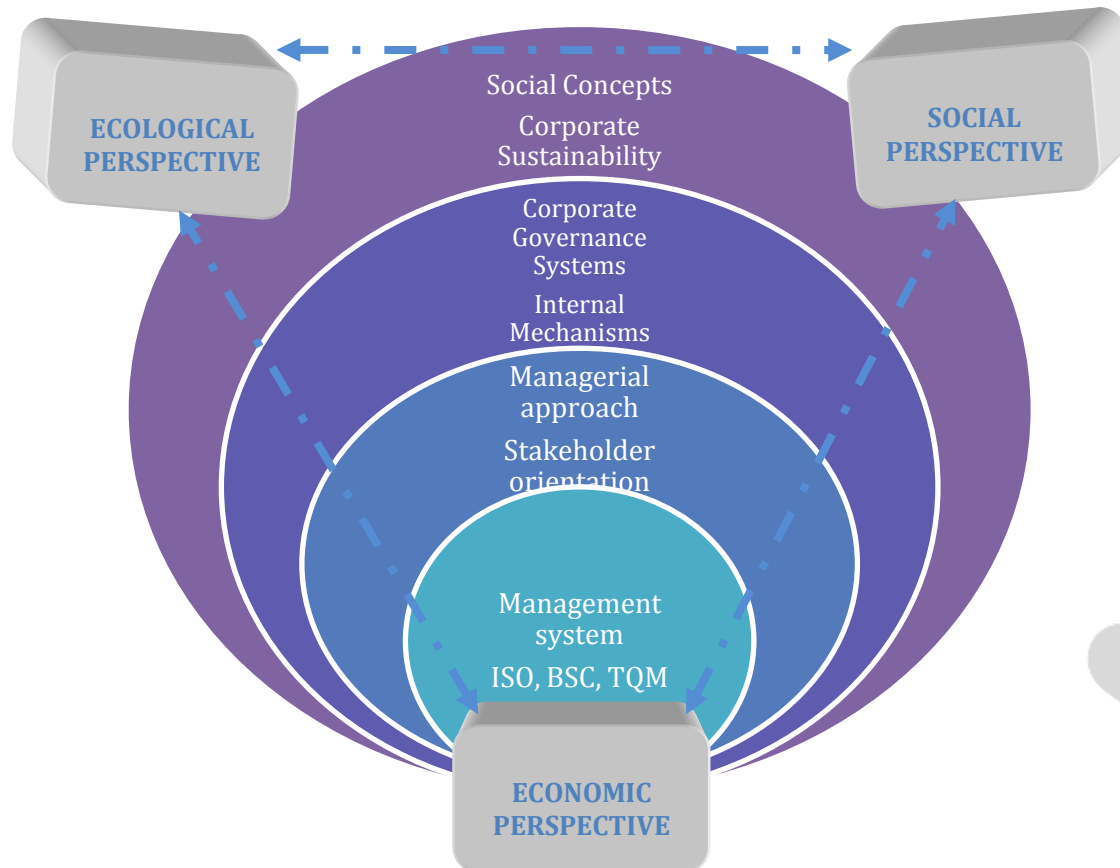
# CROATIAN LOTTERY: CORPORATE GOVERNANCE MECHANISMS (EXTERNAL)

- ❖ Legal and regulatory framework
- ❖ Corporate control market



# CONCLUSION

Integrated context of business management and corporate governance in SOC





Thank you

