

**Interim Constitution of  
the Liquor Charter  
Steering Committee**

## **Preamble**

**WHEREAS** the Liquor Charter Steering Committee is established to draft the Liquor Charter which will guide the companies' contribution to transformation within the liquor sector. The Steering Committee shall be in place until the Liquor Charter Council is in place.

### **1. Definitions**

**"the Act"** means the Broad-Based Black Economic Empowerment Act, 2003 (Act no 53 of 2003);

### **2. Principles governing the Liquor Charter**

- 2.1 The steering committee should table the charter to be gazetted as a section 9 sector code to the Minister of Trade and Industry.
- 2.2 Consensus shall be the way decisions are reached in the charter process.

### **3. Functions**

The Steering Committee functions are as follows :-

- a) To provide guidance and support to the working groups to achieve consensus
- b) To finalise the charter for submission to the Minister of Trade and Industry.

### **4. Powers**

The Steering Committee has all the powers necessary in order to enable it to fulfill its functions as set out in paragraph 3, including the power to –

- a) conduct research or cause research to be conducted on Broad-based BEE elements within the sector;
- b) establish working groups and/or sub-committees to deal with specific matters as and when required;
- c) co-opt experts to serve on or advise working groups.

## 5. Membership of the Steering Committee

- 5.1 The membership of the Steering Committee shall comprise of the following stakeholder groups:-
- a) ~~Business-Manufacturers and Distributors~~ Caucus
  - b) Civil Society Caucus
  - c) Government Caucus
  - d) Labour Caucus
  - e) ~~Small-Business-Retailers~~ Caucus???
- 5.2 Each caucus will appoint one person to represent the caucus as a contact person.
- 5.3 The number of representatives on the steering committee from each caucus shall be a maximum of 6 people subject to review when necessary.
- 5.4 The chairing of the different meetings shall rotate between the different caucuses. The order of rotation shall be the Business, Labour, Government and Civil Society.
- 5.5 Members of Steering Committee will be appointed until the Liquor Charter is submitted for the Broad-based Black Economic Empowerment Act section 9 gazetting as a sector code.

## 6. Qualification for membership of the Steering Committee

- 6.1 Each caucus shall appoint its representatives on the Steering Committee
- 6.2 A person may not be appointed or continue as a member of the Steering Committee if that person:-
- a) is an un-rehabilitated insolvent;
  - b) has at any time been removed from an office of trust on account of misconduct;
  - c) is, in any other respects, not a fit and proper person for membership.

## 7. Procedure for the appointment of members of Committee

- 7.1 All Steering Committee members shall be appointed by the relevant caucuses after deliberations within each caucus.

7.2 The members of all caucuses must demonstrate their representivity within their caucus to the dti, who should confirm in writing that they are satisfied with the stakeholder representivity.

## **8. Termination of membership from the Steering Committee**

8.1 A member of the Steering Committee ceases to be a member when that person:-

- a) resigns;
- b) is no longer eligible to be a member in terms of paragraph 6;
- c) is removed from office in terms of paragraph 8.2.

8.2 The Steering Committee may remove a member appointed in terms of paragraph 76 of this Constitution if:-

- a) the member is absent from two consecutive meetings of the Steering Committee without the apology, except on good cause shown;
- b) the Steering Committee is of the view that the person is no longer a fit and proper person to be a member of the Committee on the following grounds
  - i. as they no longer represent their relevant caucus or.
  - ii. they no longer have the appropriate stakeholder representivity as confirmed by the dti

## **9. Meetings of Steering Committee**

9.1 The Steering Committee shall set and/or confirm dates for two subsequent meetings after every meeting.

9.2 The agreed-upon meetings may only be cancelled or postponed at least 10 working days prior to the meeting upon agreement by the members of the Steering Committee.

9.3 The Steering Committee meetings shall alternate between Johannesburg and the Western Cape.

## **10. Quorums and decisions**

- 10.1 The meetings shall have quorum based on the representatives present at the meeting provided that the notice of meeting is at least 10 working days prior to the meeting.
- 10.2 The Steering Committee will endeavour to reach consensus in its decision-making. Consensus shall mean an agreement between all caucuses. If there is no consensus then a third party facilitator shall be engaged to assist all the caucuses to reach agreement.
- 10.3 An external facilitator has to be an outside and independent person to facilitate meetings when disputes or deadlocks arise in the Steering Committee.

## **11. The duration of the Steering Committee**

- 11.1 The steering committee should be in place until the earlier of the submission of the charter to the Minister of Trade and Industry or the termination of the charter process after the failure of the dispute resolution mechanism set out in paragraph 15.
- 11.2 The deadline for the completion of the charter should be ??? 2008

## **12. Functioning of the Working Groups**

- 12.1 The working groups shall be as follows:
  - a) Ownership
  - b) Human Resources Development
  - c) Preferential Procurement
  - d) Socio-economic and Enterprise Development
- 12.2 All caucuses should be represented on all the working groups.
- 12.3 The working groups shall appoint a convener for the specific group at their first meeting.
- 12.4 The working groups have to reach consensus on the issues around the BEE elements allocated to them.
- 12.5 The working groups have to refer issues on which they fail to reach consensus on to the Steering Committee for final resolution along with a full motivation of the various views.

- 12.6 The working group may commission expert input, if necessary, subject to the approval of the Steering Committee.
- 12.7 The meetings shall have quorum based on the representatives present at the meetings provided that the notice of meeting is at least 10 working days prior to the meeting.
- 12.8 There shall be an attendance register and minutes kept of the working groups.

### **13. Administration and finances**

- 13.1 Each caucus must fund itself. The under-resourced stakeholders can request funding from the dti.
- 13.2 If there is failure in the proposal set out in paragraph 13.1, a request shall be forwarded to employers to assist the under-resourced participants with travelling costs. Details of the estimated costs need to be determined by the under-resourced participants to be tabled to the Steering Committee.
- 13.3 The venue costs of meetings would be met by the Business caucus.
- 13.4 Technical advisory services shall be provided by Empowerdex to all caucuses.
- 13.5 The Steering Committee's secretariat functions shall be performed by South African Breweries.
- 13.6 The secretariat must:-
  - a) keep full and proper records of all income and expenditure of the Steering Committee;
  - b) keep accurate minutes of all Steering Committee meetings and circulate these to Steering Committee members;
  - c) make all the necessary logistical arrangements for Steering Committee and Working Group meetings;
  - d) carry out any other task assigned to the secretariat by the Steering Committee.

### **14. Submission of the Charter for section 9 gazetting**

- 14.1 The different caucuses shall sign off the charter before it is submitted to the Minister of Trade and Industry
- 14.2 The Steering Committee shall make the necessary preparations for the handover of the relevant documentation relating to the drafting of the charter as well as the deliberations of the Steering Committee to the Charter Council that will be established as part of the Section 9 gazetting.

**15. Dispute Resolution Mechanism**

- 15.1 An external facilitator, who is independent from the different caucuses, shall facilitate meetings when disputes or deadlocks arise in the Steering Committee.
- 15.2 Should no consensus be reached after the intervention of the external facilitator, then the different caucuses may decide to terminate the charter process.