

## **LEGAL POSITION MEMORANDUM**

### **Craft Cannabis Club – Membership & Allocation Model**

#### **1. Nature of the Club**

Craft Cannabis Club (“the Club”) is a private, members-only association operating exclusively for adult Members. It is not open to the public and does not conduct any form of commercial cannabis trading. Its purpose is to allow Members, within the limits of the Cannabis for Private Purposes Act and the Constitutional Court’s privacy jurisprudence, to collectively fund the cultivation, sourcing, handling and allocation of cannabis strictly for private, personal use.

#### **2. No Retail Sale of Cannabis**

The Club does not sell cannabis, nor does it offer cannabis on a per-gram retail basis. Membership is structured around a funding and allocation model, not a commercial supply model. Accordingly:

- All fees are membership fees, not purchase prices.
- Cannabis is not sold to Members or the public.
- This distinction aligns with the constitutional requirement that adult private-use cannabis activity must remain non-commercial and confined to private spaces.

#### **3. Membership Fees: Base Fee + Usage-Based Contributions**

Membership Fees consist of two components:

1. Base Monthly Membership Fee – a fixed contribution granting access to the private Clubhouse, Member Portal, community space, and the Club’s private services.
2. Usage-Based Top-Up Fees – variable contributions made on a pay-as-you-go basis, determined by the Member’s own stated private-use requirements at the dispensary or online. These top-ups do not constitute a retail purchase. They are proportional contributions to the Club’s operational costs and to the Member’s relative share of communal cannabis resources.

#### **4. Allocation Model**

Cannabis is allocated only:

- to approved adult Members,
- in proportion to their Membership Fees and usage,
- within legal possession limits, and
- solely for private, personal use.

#### **5. Compliance With Applicable Law**

The Club’s model is designed to be consistent with:

- the Cannabis for Private Purposes Act,
- the Drugs and Drug Trafficking Act (to the limited extent still operational),
- the Constitutional Court’s decisions in *Prince* (2018) and related jurisprudence,
- the Consumer Protection Act, and
- the Club’s obligations under POPIA.

- The Club does not permit dealing, sale, donation or supply of cannabis to third parties. Any such conduct would constitute a criminal offence, and membership may be terminated immediately.

## **6. Privacy & Security**

All activities occur in a private, controlled environment (the Clubhouse and Member Portal). Member information is processed in compliance with POPIA. Cannabis is collected or delivered only to verified Members in private settings.

## **7. Enforcement, Suspension & Termination**

The Club may suspend or terminate membership immediately if a Member:

- contravenes cannabis laws,
- distributes cannabis to others,
- allows minors access to cannabis, or
- endangers the legal standing or safety of the Club.

## **8. Conclusion**

The Club's operating model is intentionally structured to avoid commercial dealing, uphold private-use principles, and remain compliant with the evolving South African cannabis legal framework. All cannabis is allocated privately, proportionally and non-commercially, and all fees are contributions to a private members' association, not payments for the sale of cannabis.