

**CONSTITUTION OF
THE CANNACLUB
STOKVEL**

2024/2025 Season

(As updated and adopted
by The CannaClub TCC
Administrator Co-Op during
November 2024, and as
currently published for
members
input/participation, to be
effective from 01
December 2024.)



THECANN

TCC CO-OP CONSTITUTION 2025

THECANNACLUB.

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GRR^{CC}
GARDEN ROUTE RETREAT
PROPERTY MANAGEMENT
& ACCOUNTING SERVICES



**GREEN
HERIZON^{CC}**
CULTIVATION MANAGEMENT & DEVELOPMENT



Misuyolo (Pty) Ltd.



**ITHUNGA
DEVELOPMENT**



the d
Department
Trade, Indu
REPUBLIC



**SCISSOR
SISTERS**
PROCESSING CO-OP



**FIRST NATION
ORGANICS**
CULTIVATION CO-OP



NATURAL



SWEEDIES

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SOCIAL MED

PREAMBLE to The CannaClub Stokvel (TCC)

CONSTITUTION with regards to the current legal status.

We, the founding members and all subsequent members of The CannaClub (“**The CannaClub**”) Stokvel

1 recognise that:

- 1.1 the right to privacy enshrined in section 14 of the Constitution of the Republic of South Africa, 1996 (“**the SA Constitution**”) encompasses the right of consenting adults to cultivate, use and possess Cannabis in private for purposes of their personal consumption in private (“**the privacy-based Cannabis rights**”);¹
- 1.2 the privacy-based Cannabis rights do not extend to any activities connected with dealing in Cannabis or profiting from the sale or other trade of Cannabis – that such activities remain strictly illegal in terms of Drugs and Drugs Trafficking Act 140 of 1992 (“**Drugs Act**”);
- 1.3 notwithstanding—
 - 1.3.1 the cogent, overarching guidelines outlined in the Constitutional Court’s *Prince* Privacy Judgment concerning the lawful exercise of the privacy-based Cannabis rights; and
 - 1.3.2 the fact that Parliament has finalized the Cannabis for Private Purposes Act 03 June 2024, which provides a more permanent and sensible legal framework for the lawful means, modalities and parameters for the exercise of the privacy-based Cannabis rights,
- 1.4 there is presently still a lacuna regarding specific laws for private Cannabis Clubs, dispensaries and transportation,
- 1.5 this present legal lacuna unjustly compels many existing and consenting adult Cannabis users – who seek the requisite knowledge, skills and resources of others in accessing their constitutional rights to privately cultivate and personally and privately consume Cannabis – to resort to organized and other criminal, unregulated and unsafe activities in order to exercise their constitutionally protected right to consume Cannabis in private, a result that the learned judges in the *Prince* Privacy judgment could not have intended;

2 therefore, believe that:

- 2.1 a reasonable (logical, practical and legitimate) and necessary implication of the *Prince* Privacy Judgment and Cannabis for Private Purposes Act, is that people who satisfy The CannaClub membership criteria must be permitted to transparently exercise their corollary right to freedom of association enshrined in section 18 of the SA Constitution and

¹ *Minister of Justice and Constitutional Development and Others v Prince; National Director of Public Prosecutions and Others v Rubin, National Director of Public Prosecutions and Others v Acton and Others* [2018] ZACC 30 (“**the Prince Privacy Judgment**”).

voluntarily establish and participate in conscious, educational and community-driven, non-profit associations, such as The CannaClub, which functions as a private Cannabis Social Club—

- 2.1.1 in conformity with the European Guidelines for Cannabis Social Clubs developed by the European Coalition for Just and Effective Drug Policies (ENCOD), which in turn—
 - 2.1.1.1 require the cultivation, processing and consumption of Cannabis to all take place at the private premises of the Cannabis Social Club; and
 - 2.1.1.2 prohibit franchising of and any form of dealing at the Cannabis Social Club;
 - 2.1.1.3 require that the Cannabis Social Club be non-profit based and have active community empowerment or involvement initiatives; and
 - 2.1.1.4 as a *Stokvel and Co-Operative*, distinguishable in numerous material and demonstrable respects from the ‘Grow Club Model’,
- 3 and have established The CannaClub as a non-profit co-operative, with its own legal personality separate from those of its members, with the public purpose objectives and other corporate and operational governance and related mechanisms and safeguards provided in the body of this Constitution.

4 Updates to South African Legal Environment :

- 4.1 On 03 June 2024, the Cannabis for Private Purposes act was published.
- 4.1.1 It is noteworthy to mention that this act defines a private area as : *“ any part or portion of communal land as defined in section 1 of the Communal Land Rights Act, 2004 (Act No. 11 of 2004), which, in terms of the rules or custom of a community or the standard rules contemplated in section 19(5) of that Act, is a place which is exclusively used to cultivate or use cannabis in a private place, by an adult person as a member of such a community;”*
- 4.2 On 23 August 2023 a SAPS national directive regarding Cannabis was issued. A summary of this directive can be found [here](https://www.thecannaclub.co.za/post/saps-issues-directive-to-halt-cannabis-related-arrests-clarifying-south-africa-s-cannabis-laws) (<https://www.thecannaclub.co.za/post/saps-issues-directive-to-halt-cannabis-related-arrests-clarifying-south-africa-s-cannabis-laws>) - , and the actual directive can be found [here](https://drive.google.com/file/d/1GMDUb7EK2u8UWSobJv2v7arQModKL7J2/view) (<https://drive.google.com/file/d/1GMDUb7EK2u8UWSobJv2v7arQModKL7J2/view>).
- 4.3 It is noteworthy to mention that this directive also supports communal cultivation. Section 6.1.5 *“More than one person may have ownership rights over personal or private Cannabis.”*
- 4.4 *This directive also supports traditional healers - Section 6.1.4 “Cannabis dispensed by a traditional, cultural, or religious healer in small quantities is privately and personally possessed”*

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1. NAME

- 1.1. The co-operative hereby constituted is called 'TCC Stokvel' ("**The CannaClub**").
- 1.2. Prior to the adoption of this Constitution, The CannaClub was called 'The CannaClub and Growers Co-op'. However, the decision was taken in terms of article/s B.9] of The CannaClub's previous Constitution dated 01 November 2021 ("**the old Constitution**"), in terms of a resolution of the Management Committee dated 29 October 2022, and again 01 December 2024], to change the name of The CannaClub from 'The CannaClub and Growers Co-op' to 'TCC Stokvel T/A The CannaClub'.
- 1.3. This Constitution, which, in terms of article B.9 of the old Constitution and associated Management Committee resolution dated 01 December 2024, replaces the old Constitution, reflects the new name of The CannaClub, 'TCC Stokvel'.
- 1.4. The TCC management system & TCC Constitution is upgraded annually in advance for the next season.
- 1.5. The TCC 2024/2025 constitution which, in terms of article B.9 of the TCC 2023 Constitution and associated Management Committee resolution dated 01 December 2024, replaces the TCC 2023/2024 Constitution.

2. BODY CORPORATE

The CannaClub is a co-operative in the form of a non-profit voluntary association with its own legal identity and which—

- 2.1. exists in its own right, separately from its members and office-bearers;
- 2.2. continues to exist even when its membership changes and there are different office-bearers;
- 2.3. may own property and other possessions, distinct from those of its members, to which its members do not have rights solely by virtue of their being members;
- 2.4. may enter into legal agreements and conduct lawful business in pursuit of its objectives; and
- 2.5. may sue and be sued in its own name.
- 2.6. Operates as a private Stokvel Co-operative & Club.

3. OBJECTIVES

The CannaClub is a private, closed and nonprofit organization established with the public benefit objectives of enabling its members to responsibly exercise their corollary, indivisible and entrenched constitutional rights to privacy and freely associating by voluntarily collaborating with The CannaClub, and pooling funds dedicated to achieve the goals of TCC, which are to : Medicate, Educate, Inspire, Empower through :

- 3.1. private production of their own value-for-money, organic, variety specific Cannabis ("**Stokvel Cannabis**") that is—
 - 3.1.1. primarily and continuously cultivated, harvested, dried, cured, processed and packaged under the responsibility of and via the efforts exerted by The CannaClub and its Key Service Providers, with a level of skill and expertise reasonably to be expected of a person with germane expert Cannabis knowledge and experience outlined in terms of Membership Agreements concluded between all members and The CannaClub; and
 - 3.1.2. periodically cultivated and harvested through the active participation of the members themselves, by invitation of The CannaClub and under the supervision and guidance of The CannaClub and its relevant Key Service Providers, in terms of educational initiatives designed to empower the members to actively participate in the safe and responsible cultivation and

- consumption of their organically grown and quality controlled Cannabis, more fully described in article 12 of this Constitution;
- 3.2. personal and private withdrawal and consumption – use and enjoyment – of their Stokvel Cannabis—
 - 3.2.1. flower once cultivated, harvested, dried, cured, processed and packaged,
 - 3.2.2. on the basis of predefined, per gram (non-profit-based) withdrawal or reimbursement fees (“**reimbursement fees**”) as per the Grower’s Mandate described in article 11 of this Constitution,
 - 3.2.3. at no risk to the member of crop failure or non-performance given that membership is free and reimbursement only occurs at the point of withdrawal;
- 3.3. continuous improvement of the operations, administration, and maintenance of, and the experience at The CannaClub;
- 3.4. education of members about the health and legal risks and benefits associated with the private cultivation and consumption of Cannabis; The CannaClub will continue to develop formal education through Cheeba Africa, the TCC YouTube and other media platforms, and to develop free online education which TCC makes available on it’s website;
- 3.5. pro-active championing of The CannaClub’s social responsibility to help with redressing the imbalances of the past, by—
 - 3.5.1. establishing empowerment opportunities for black people in the Cannabis industry; and
 - 3.5.2. allowing, empowering and enabling other micro-, small- and medium-sized Private Cannabis Clubs and the full value chain behind or in support of them, throughout SA,
 - 3.5.3. in a manner that reduces criminality, and engenders the responsible and conscious, healthy and safe, private and engaged cultivation and consumption of Cannabis, while building community and promoting personal development and positive socio-cultural cohesion.
 - 3.5.4. actively promoting legacy/ traditional cultivating communities such as the Pondoland people, the Khoi-San, and the Rastafari.

4. INCOME AND PROPERTY

- 4.1. The CannaClub will keep a record of everything it owns, including all property and assets.
- 4.2. Any income and property of The CannaClub shall be used solely for the promotion of its objectives stated in article 3 above.
- 4.3. No portion of the income or property of the CannaClub shall be paid or distributed directly or indirectly to any person or to any member, office-bearer or service provider of The CannaClub except as—
 - 4.3.1. reasonable compensation for services actually rendered to The CannaClub; or
 - 4.3.2. reimbursement of actual costs or expenses reasonably incurred on behalf of The CannaClub, circumscribed by the budgets, targets and mandates defined in this Constitution.
- 4.4. Members, office-bearers and service providers of The CannaClub have no rights in the property or other assets of The CannaClub solely by virtue of their being members, office-bearers or service providers of The CannaClub.

5. ACCOUNTING AND FINANCES

- 5.1. The CFO has opened the following bank account in the name of The CannaClub, for the execution of The CannaClub's financial transactions:

Bank: *First National Bank*
Account holder: *TCC Stokvel*
Account number: *62804687434*
Branch: *Plettenberg Bay*
Branch code: *210-514*

- 5.2. It is the CFO's obligation to:

- 5.2.1. control the day to day finances of The CannaClub, keeping proper records and books of account, which accurately reflect the affairs of The CannaClub;
- 5.2.2. Arrange annual financial statements for The CannaClub and it's Co-Ops.
- 5.2.3. Provide a DTI directive for inspection.
- 5.2.4. ensure that all reimbursement fees paid by members or other monies payable to The CannaClub are duly deposited into The CannaClub's bank account; and
- 5.2.5. cash-up daily and make weekly payments to The CannaClub's Key Service Providers.

- 5.3. Signing power will be held by 2 (two) persons duly nominated in writing by the TCC Administrator Co-Op.
- 5.4. All transactions executed in the name of The CannaClub must be authorized and signed by at least 1 (one) of the nominated persons.
- 5.5. If The CannaClub has funds that can be invested into initiatives or projects unrelated to the achievement of The CannaClub's objectives, the funds may only be invested in particular social, cultural, artistic or scientific initiatives upon approval by resolution of the TCC Administrator Co-Op.
- 5.6. The financial year of The CannaClub ends at the end of February each year.

6. TRANSPARENT ACCOUNTING AND ZERO PROFIT BASE

- 6.1. The CannaClub's TCC Administrator Co-Op, Key Service Providers as well as any interested person approved by the CFO for that specific purpose can have online direct access to the management system, including the TCC POSTER POS & database which provides management i.t.o the following ;
- 6.1.1. Membership registration/ withdrawals/ history
 - 6.1.2. TCC Clubhouse inventory/ Hospitality functionality / Clubhouse management Shift register
 - 6.1.3. TCC Packaged store inventory - reflects product in packaged format.
 - 6.1.4. TCC Processing stores - reflects products in pre packaged format :
 - 6.1.4.1. Burping store
 - 6.1.4.2. Drying store
 - 6.1.4.3. Pre packaged store

- 6.2. The Stokvel Cannabis is at all times collectively owned by the members of The CannaClub.
- 6.3. Membership in The CannaClub is free. Members do not pay any once-off or ongoing subscription or membership fees whatsoever.
- 6.4. The only contributions required from members are the withdrawal fees payable, as and when members elect, based on their own quality assessment, to withdraw Stokvel Cannabis products, as per article 6.5 below.
- 6.5. All reimbursement fees payable by members upon withdrawal of their portions of the Stokvel Cannabis (as per the Grower's Mandate in article 11 below) are distributed to The CannaClub's TCC Administrator Co-Op and Key Service Providers for the achievement of The CannaClub's objectives as per the Reimbursement Percentage Table included as Annexure A to this Constitution, i.e. as reasonable compensation for their contributions towards the:
 - 6.5.1. operation and administration of The CannaClub; and
 - 6.5.2. management of the Stokvel Cannabis crop and the production of the Stokvel Cannabis flower and products.
 - 6.5.3. which contributions are provided in advance in good faith of recovering such from the disbursement of Stokvel Member's reimbursement fees as prescribed by this constitution.

7. SUPPLY MEETS DEMAND

- 7.1. In order to enable The CannaClub and its cultivating Key Service Providers to accurately plan ahead for the members' personal Cannabis consumption demands, the CFO or Club administrator shall provide :
 - 7.1.1. 12-month projections of Stokvel Cannabis stock demand, based on The CannaClub's POSTER point of sale system & database history, at least twice per year.
 - 7.1.2. 3 month projections which make more accurate predictions, based on the previous 3 months historical data as mentioned above, as forecasted for the next 3 months.
- 7.2. Stokvel Cannabis stock produced in excess of the CFO's abovementioned projections is:
 - 7.2.1. automatically rendered redundant; and
 - 7.2.2. destroyed by composting; or
 - 7.2.3. donated to empowerment initiatives approved by resolution of the cultivator concerned.
- 7.3. Due to the natural and organic degradation of Cannabis, Stokvel Cannabis flower stock automatically becomes redundant after 18 (eighteen) months from when it was first made available to members. Such redundant stock is treated in the same manner as described in articles 7.2.1 - 7.2.3 above.
- 7.4. No member shall be able to withdraw more than 100g of Stokvel flower per day.

8. POWERS OF THE CANNA CLUB

In exercising the requisite power and authority required in order to achieve the objectives stated in article 3 above, The CannaClub shall have the same powers as that of a co-op under South African law, including but not limited to the powers to:

- 8.1. institute or defend any legal or other proceedings in its own name and to settle any claims against it;

- 8.2. prudently invest funds of The CannaClub as determined in reasonable consultation with the members;
- 8.3. appoint and employ staff and hire professional and other services for The CannaClub as it may consider necessary from time to time upon such terms and conditions as it may consider appropriate;
- 8.4. accept and (traceable and transparently) apply donations made to The CannaClub in advancement of The CannaClub's objectives;
- 8.5. raise funds or to invite and receive contributions;
- 8.6. open and operate accounts with registered banks and financial institutions;
- 8.7. alienate, attain, maintain, manage, lease, sell, encumber or in any way deal with property and assets of The CannaClub;
- 8.8. donate or transfer the property and assets of The CannaClub to public benefit organizations with similar objectives;
- 8.9. obtain financing from third parties where necessary or desirable in order to advance the objectives of The CannaClub;
- 8.10. make and vary investments and re-invest the proceeds of such investments on condition that any investments made by The CannaClub shall be for the advancement of its objectives;
- 8.11. encumber the property or assets of The CannaClub as security for borrowing;
- 8.12. execute any act or deed in any deeds registry, mining titles or other public office;
- 8.13. make rules for the proper management of The CannaClub and other necessary or desirable policies including, but in no way limited to, a privacy policy, an official TCC Management System which includes comprehensive standard operating procedures ("**SOP**");
- 8.14. delegate all of the management and executive powers ordinarily vested in the board of directors of a company to the Management Committee; and
- 8.15. carry out all the powers and authority of The CannaClub in South Africa and in any other part of the world.

9. MANAGEMENT COMMITTEE

- 9.1. Powers: Subject to and in accordance with the terms of this Constitution, the Management Committee—
 - 9.1.1. may exercise the powers of The CannaClub; and
 - 9.1.2. shall manage and control the affairs of The CannaClub, exercising all of the management and executive powers that are normally vested in the board of directors of a company.
- 9.2. Composition: The Management Committee comprises:
 - 9.2.1. the TCC Administrator Co-Op of the Management Committee ("**the TCC Administrator Co-Op**"), which comprises a minimum of 2 (two) and a maximum of 5 (five) members, as the duly appointed agents of The CannaClub membership base, tasked with the executive functioning of The CannaClub; and
 - 9.2.2. the duly appointed representative of each of The CannaClub's Key Service Providers, which are tasked with providing the essential non-executive services required for the proper functioning of The CannaClub, all of whom are reimbursed for their services rendered to The CannaClub, in line with the Reimbursement Percentage Table (Annexure A), when members withdraw Stokvel Cannabis.

- 9.3. The TCC Administrator Co-Op comprises the following individuals whom have all been duly appointed in terms of a resolution of the Management Committee:
- 9.3.1. Herman van der Watt - Chief Executive Officer ("CEO"), with the following responsibilities:
- 9.3.1.1. to prepare the agenda for and to chair Management Committee meetings;
 - 9.3.1.2. to ensure that The CannaClub's Management System & and other estate rules and SOPs are followed;
 - 9.3.1.3. to approve money withdrawals with the CFO;
 - 9.3.1.4. to explore opportunities for enhancing The CannaClub's infrastructure, activities, goals and practices;
 - 9.3.1.5. to spearhead strategic planning and collective thinking during Management Committee meetings;
 - 9.3.1.6. to prepare and provide work documents to Management Committee members, where all relevant input can be inserted and duly considered;
 - 9.3.1.7. to assist The CannaClub to achieve harmony, personal and collective fulfillment and the realization of best efforts by—
 - 9.3.1.7.1. making decisions inspired by participative management and shared consciousness;
 - 9.3.1.7.2. inspiring, mentoring, training, motivating, empowering and assisting officers and Key Service Providers of The CannaClub wherever possible;
 - 9.3.1.8. to act in the best interest of all members;
 - 9.3.1.9. to develop effective, clear and common-sense, long-term strategic, operational, empowerment and marketing strategies/ management systems for The CannaClub; and
 - 9.3.1.10. to represent The CannaClub in legal disputes;
- 9.3.2. Herries van der Watt – General Manager & Club Ambassador ("GM"), with the following responsibilities:
- 9.3.2.1. The CannaClub depends for its long term existence on the quality of the members' experience and thereby on the level of service provided by The CannaClub's Key Service Providers; accordingly, the GM's main objective is to manage and secure quality, long-term internal relations, member-club loyalty and to help develop a lasting club legacy;
 - 9.3.2.2. to assume the CEO's responsibilities when the CEO is not available, or when tasked to do so by the CEO;
 - 9.3.2.3. to represent The CannaClub in all major events, functions, media actions, and to develop intimate, long-term relationships with all key role players and stakeholders of the industry;
 - 9.3.2.4. to ensure that all operational aspects, including cultivation, processing and Clubhouse operations are conducted professionally, according to the TCC Management System, properly and cohesively;

- 9.3.2.5. to act in the best interest of all members; and
- 9.3.2.6. to approve money withdrawals with the CFO;
- 9.3.3. Heidi van der Watt – Chief Financial Officer (“CFO”), with the following responsibilities (in addition to the responsibilities listed elsewhere in this Constitution):
 - 9.3.3.1. to keep an accurate record of The CannaClub’s activities and membership register;
 - 9.3.3.2. to have full signing powers for contracts and others transactions entered into by The CannaClub;
 - 9.3.3.3. to effect and manage service provider and other payments;
 - 9.3.3.4. to be responsible for all general administrative, accounting and bookkeeping duties;
 - 9.3.3.5. to provide TCC POSTER POS & database training to The CannaClub Clubhouse management and all relevant service providers/ office bearers;
 - 9.3.3.6. to ensure adequate storage of The CannaClub documents and Membership Agreements in line with laws relating to the protection of personal information;
 - 9.3.3.7. to manage the ClubHouse/ Bar fund for the development of the Clubhouse;
 - 9.3.3.8. to conduct weekly audits of The CannaBar and monthly audits of packaged product stores;
 - 9.3.3.9. to generate general reports and analyses as required by the TCC Administrator Co-Op;
 - 9.3.3.10. to generate bi-annual, 12-month forecasts of The CannaClub members’ demand for Stokvel Cannabis flower, based on POSTER POS & database history; and
 - 9.3.3.11. to act in the best interest of all members; and
 - 9.3.3.12. Daniel van Boxel has been appointed as TCC and DankiPa administrator to ensure legal compliance and safekeeping of records and agreements.
- 9.3.4. Albertus van Jaarsveld – Public Relations Officer (“PRO”), with the following responsibilities:
 - 9.3.4.1. to act as PRO for The CannaClub, the TCC Administrator Co-Op, the Management Committee, service providers, and members;
 - 9.3.4.2. to maintain communication to ensuring that all members / relevant parties are informed of all relevant activities of The CannaClub;
 - 9.3.4.3. to ensure the development, weekly maintenance and updating of members of The CannaClub activities via all major social media platforms;
 - 9.3.4.4. to consolidate or obtain centralized communications with all members and relevant interested parties;

- 9.3.4.5. to promote: the good name of The CannaClub; loyalty to its brand and to develop a long lasting & enduring legacy of The CannaClub; and
- 9.3.4.6. to act in the best interest of all members.
- 9.3.4.7. Currently also appointed as TCC Club administrator with SOP's as directed by the TCC Management System.
- 9.3.4.8. Management & control of all TCC Clubhouse Merchandise and resulting responsibilities i.t.o inventory control, purchases, etc. as directed by the agreements contained in the TCC Management system regarding TCC Merchandise.
- 9.3.5. Daniel van Boxel - Administrator with the following responsibilities :
 - 9.3.5.1. Formalize all business documentation upgrades/ changes and registrations:
 - 9.3.5.1.1. Facilitate the appointment of a new juristic trustee.
 - 9.3.5.1.2. Upgrade and formalize the formal documents of: Trust, GRRcc, Green Herizon, TCC Stokvel Co-op and the SMME's/ service providers of TCC.
 - 9.3.5.1.3. To maintain and securely store the above documentation.
 - 9.3.5.1.4. To securely store all passwords/ access codes in case of an emergency.
 - 9.3.5.1.5. To securely store all Membership agreements of the various entities.
 - 9.3.5.1.6. To ensure that there are formal agreements between, and registrations of, all parties on the DankiPa estate.
 - i. The trust and GRRcc.
 - ii. GRRcc and Green Herizon.
 - iii. The members of the DankiPa Co-op.
 - iv. GRRcc and the CannaClub.
 - v. Between The CannaClub and its members.
 - vi. Between The CannaClub & its service providers.
 - 9.3.5.1.7. Manage the investment scheme of the H&H Trust:
 - i. Setup and formalize the DankiPa green coin investment scheme.
 - ii. Issue and manage DankiPa green coin share certificates to DankiPa Green Coin members/ beneficiaries/investors when required.
 - iii. Audit the Share dividends.

9.4. Vacancies:

- 9.4.1. The office of a Management Committee member shall be vacated if that member:
- 9.4.1.1. resigns in writing;
 - 9.4.1.2. is no longer a Key Service Provider or member of The CannaClub, as the case may be, for whatever reason;
 - 9.4.1.3. becomes incapable by reason of mental illness;
 - 9.4.1.4. satisfies one of the grounds listed in section 69(8) of the Companies Act 71 of 2008 for the disqualification of a director of a company;
 - 9.4.1.5. has breached any of her or his fiduciary duties owed to The CannaClub, which are the same as those fiduciary duties owed by directors of a private company;
 - 9.4.1.6. is removed by written agreement between the CEO and GM; or
 - 9.4.1.7. in the opinion of the TCC Administrator Co-Op, reflected in a unanimous resolution adopted by the TCC Administrator Co-Op (excluding the vote of the Management Committee member in question, where relevant), becomes unfit and/or incapable of acting as such.
- 9.4.2. Neither the TCC Administrator Co-Op, on the one hand, nor the CEO and GM, on the other hand, shall be obliged to furnish reasons for decision/s regarding removal of Management Committee members in terms of article 9.4.1.6 or 9.4.1.7, respectively, except to the member removed.
- 9.4.3. Should a position on the TCC Administrator Co-Op become vacant, such vacancy is filled by written appointment by the CEO and GM, CEO and CFO, or GM and CFO

9.5. Procedures at Management Committee Meetings

- 9.5.1. Management Committee meetings are by default chaired by themselves and held when required.
- 9.5.2. The CEO may convene a meeting of the Management Committee at any time upon reasonable notice given to the members of the Management Committee.
- 9.5.3. Management Committee meetings must be convened:
- 9.5.3.1. at least once per quarter;
 - 9.5.3.2. upon reasonable notice at the written, special request of any member of the TCC Administrator Co-Op; and
 - 9.5.3.3. at the request of any of the members of The CannaClub where, in the CEO's sole discretion (reasonably exercised), it is required for the resolution of the concern or complaint in question.
- 9.5.4. Management Committee Meetings are ordinarily conducted face-to-face but may be conducted through electronic means where such electronic means are required to ensure the presence of Management Committee members.
- 9.5.5. A minimum of 75% of the Management Committee members must be present for the valid commencement of a Management Committee meeting.

- 9.5.6. Non-members of the Management Committee will not be allowed to sit in entire meetings, unless invited by the TCC Administrator Co-Op.
- 9.5.7. The authority necessary for the transaction of any business by the Management Committee shall be vested in the CEO or the GM, or in any other Management Committee member delegated by them for the specific transaction, provided that:
 - 9.5.7.1. the CFO must authorize and action any payments on behalf of The CannaClub at any given time; and
 - 9.5.7.2. any goods or money received must be handed over to the CFO on behalf of The CannaClub at the first opportunity.
- 9.5.8. Each member of the Management Committee shall have one (1) vote on matters put to a vote at meetings of the Management Committee.
- 9.6. Resolutions of The CannaClub
 - 9.6.1. Questions arising for decisions at Management Committee meetings shall be decided by way of resolutions, in relation to which—
 - 9.6.1.1. each member of the Management Committee has 1 (one) vote;
 - 9.6.1.2. matters are decided—
 - 9.6.1.2.1. first by unanimous agreement between members of the TCC Administrator Co-Op;
 - 9.6.1.2.2. by a majority of Management Committee votes where the above mentioned unanimity is not attained; and
 - 9.6.1.2.3. where the number of votes for and against a particular resolution is equal among the Management Committee, the CEO has a casting or second vote.
 - 9.6.2. A resolution signed by the CEO and CFO, or by the GM and CFO or by the CEO and the GM shall be as valid as if passed at a duly convened meeting of the Management Committee.
- 9.7. All meetings will be audio recorded and stored, which shall be available at all times for inspection by any management committee member of The CannaClub on reasonable notice.
- 9.8. Where, in the opinion of the CEO or the GM, any question or issue - to be decided in terms of a resolution of the Management Committee or TCC Administrator Co-Op - may cause or in fact causes division or conflict among the members of the Management Committee or the TCC Administrator Co-Op, as the case may be, the CEO may request the advice of the members of The CannaClub's Advisory Board ([described in section 4.2 of The CannaClub Management System](#)) for purposes of preventing or settling such actual or potential division or conflict.
- 9.9. Conflicting Interests: Any actual, potential or perceived conflict of interest on the part of any Management Committee member, on a matter pertaining to The CannaClub, must be disclosed in writing to the Management Committee. Such Management Committee members may be requested by the Management Committee to state her/his position in the matter or to respond to pertinent questions but shall not vote or use his/her influence on the matter.
- 9.10. Confidentiality: All matters pertaining to litigation, security measures, contractual negotiations, employment matters and any other matters deemed confidential by the Management Committee must be treated as confidential and only the actual decisions may be disclosed to the general public.

10. MEMBERSHIP

- 10.1. In order to participate in the ownership of and proportionate withdrawal of Stokvel Cannabis, one ought to become a member of The CannaClub.
- 10.2. Membership in The CannaClub is strictly private and only granted to adults who visit The CannaClub Clubhouse in person and register by—
 - 10.2.1. presenting personal details including:
 - 10.2.1.1. a valid form of identification (original ID document, passport or driver's license) for purposes of verifying the applicant's existence and majority age;
 - 10.2.1.2. date of birth;
 - 10.2.1.3. mobile telephone number; and
 - 10.2.1.4. email address;
 - 10.2.1.5. Section 2 of the TCC Management system describes Membership operations/ SOPs and agreements
 - 10.2.2. becoming familiar with this Constitution including its objectives and goals, The CannaClub Clubhouse Rules, and other documentation deemed necessary by the Management Committee from time to time;
 - 10.2.3. being invited by the Clubhouse manager (or any TCC Administrator Co-Op member) on duty to become a member of The CannaClub;
 - 10.2.4. warranting that they conform to The CannaClub's membership criteria, that they:
 - 10.2.4.1. are existing and consenting adult Cannabis users;
 - 10.2.4.2. wish to lawfully exercise their constitutional rights – to privately and in association with others – cultivate and consume their own Cannabis; and
 - 10.2.4.3. seek access to the educational support, guidance and expertise, adequate land, water and equipment required in order to cultivate their own Cannabis in private for purposes of their personal and private consumption; and
 - 10.2.4.4. wish to assist TCC in achieving primarily it's goals i.t.o education & empowerment.
 - 10.2.5. duly signing and executing the Membership Agreement with The CannaClub in the presence of the Clubhouse manager (or TCC Administrator Co-Op member) on duty.
- 10.3. The Clubhouse manager (or any TCC Administrator Co-Op member) on duty then formally approves the new member's registration and inducts the new member as a member of The CannaClub by—
 - 10.3.1. concluding – signing and executing – the Membership Agreement with the new member on behalf of The CannaClub;
 - 10.3.2. adding the new member's name to The CannaClub members register/ TCC POSTER POS & database;
 - 10.3.3. which assigns the new member a unique membership number; and
- 10.4. In order to maintain their membership at The CannaClub, members are required to abide by:

- 10.4.1. this Constitution;
- 10.4.2. their Membership Agreements; and
- 10.4.3. the TCC Clubhouse Rules & code of conduct.
- 10.4.4. be in support of the goals of The CannaClub.
- 10.5. The CannaClub Clubhouse Rules, which must at all times be prominently on display in The CannaClub Clubhouse, may be amended by the Management Committee by resolution at a Management Committee meeting.
- 10.6. Membership automatically terminates upon:
 - 10.6.1. the death of a member (and any money owed to such member vests in their deceased estate);
 - 10.6.2. written notice of resignation from a member;
 - 10.6.3. the determination by the Management Committee, following a reasonable investigatory process, that the member has breached a provision of their Membership Agreement, this Constitution or The CannaClub Clubhouse Rules.
- 10.7. Under no circumstances is membership in The CannaClub transferable from a member to a non-member.
- 10.8. The TCC POSTER POS & database keeps an updated register of all of the members of The CannaClub.

11. GROWERS MANDATE AND MEMBER EXPECTATIONS

- 11.1. The growers mandate provides the targets, expectations and limits of The CannaClub members' reimbursement considerations.
- 11.2. Members expect that the cultivating Key Service Providers and all the other Key Service Providers provide their best efforts to supply the Stokvel Cannabis demand in a responsible, inclusive, professional, inspiring, empowering and consistently reliable manner, in a safe non-judgemental and uplifting environment.
- 11.3. Members expect their Stokvel Cannabis and The CannaClub operations to be legal. Accordingly—
 - 11.3.1. the members' demand shall not include any Stokvel Cannabis in excess of the limits outlined in article 7 above;
 - 11.3.2. The CannaClub shall not attempt to flower more than one Stokvel Cannabis plant per member, at any stage; and
 - 11.3.3. The CannaClub shall not attempt to flower more than 1000 (one thousand) Stokvel Cannabis plants on-site at any point in time, which implies the limitation of the membership base at some future point in time, or the establishment of off-site cultivators.
 - 11.3.3.1. *Note : In terms of indoor or greenhouse cultivation, 1 plant shall mean 1 square meter of cultivation area, irrespective of the amount of plants, since cultivation techniques can vary greatly, but the yield not so much.*
 - 11.3.4. No TCC off-site cultivators will be appointed, unless approved by the TCC Independent Cultivator Co-Op and TCC Administrator Co-Op.
 - 11.3.5. Section 7 of the TCC Management system describes the TCC cultivation management/ agreements/ SOP's.
- 11.4. Members expect their Stokvel Cannabis flower to be organically cultivated, harvested, dried, trimmed & manicured, well cured, sealed & packaged, securely stored and

professionally provided at the CannaBar at The CannaClub Clubhouse, in lieu of the reimbursement fees, as defined below.

- 11.5. If members are satisfied with and wish to withdraw their Stokvel Cannabis flower produced through the best plant management efforts exerted by The CannaClub and its Key Service Providers, they commit to pay the following reimbursement fees for the applicably cited method of cultivation:

11.5.1. Strain specific reimbursement fees:

- 11.5.1.1. R40-R80 per gram for organic outdoor flower;
- 11.5.1.2. R80-R120 per gram for organic greenhouse flower; and
- 11.5.1.3. R100 - R120 for living soil organic Green Door flower
- 11.5.1.4. R150 - R180 per gram for hydroponic/ living soil organic indoor flower;

11.5.2. Primary processing: A range of artisanal hand crafted products, including:

- 11.5.2.1. R10-R20 per gram for grinded flower; and
- 11.5.2.2. R35-R150 per hand-rolled joints, spliffs, blunts etc. and
- 11.5.2.3. any products made from the skud (waste) of the Stokvel Cannabis plants, such as: Bong bags, value packs, Cannagars, Hash, Rosin, Dab, at a fair rate – as agreed upon by the Management Committee.

- 11.6. The abovementioned reimbursement fees are predefined by The CannaClub a season in advance.

- 11.7. Members appoint The CannaClub to act as their agent and thereby exert best efforts with a level of skill and expertise reasonably to be expected of a person with appropriate expert Cannabis cultivation knowledge and experience in order to:

- 11.7.1. ensure the supply and delivery of the demand of the members' expectation to or beyond such expectation; and
- 11.7.2. manage The CannaClub's operations and the reimbursement fees to Key Service Providers.

12. MEMBERS CULTIVATION AND OTHER PARTICIPATION

- 12.1. Any member of The CannaClub has free access to—

- 12.1.1. onsite education sessions every Friday at 09h00-11h00;
- 12.1.2. The CannaClub's online cultivation workshop modules; and
- 12.1.3. WhatsApp support, member input and feedback for cultivating members.
- 12.1.4. Regular Members Participation Events as promoted on social media.
- 12.1.5. Bi-weekly industry & culture related educational video content via The CannaClub's well established YouTube channel

- 12.2. All members are invited for social functions, which include participation in active cultivation sessions, during—

- 12.2.1. the cultivation cycle of the Stokvel Cannabis plants, for example when—

- 12.2.1.1. taking clones from mothers - baby time;
- 12.2.1.2. transplanting clones for vegetation - junior time;
- 12.2.1.3. planting of planters in the outdoor patch - juvenile & adult time; and

- 12.2.1.4. defoliating and plant management projects;
 - 12.2.1.5. harvesting;
 - 12.2.2. Cannabis Cup/ festival events;
 - 12.2.3. The CannaClub member functions & events, where members collaborate and which provides exposure to local DJs & artists (also on social media) in season.
- 12.3. Members also participate in the cultivation of their Stokvel Cannabis crop via social media and online activities and updates, including:
 - 12.3.1. a bi-weekly members update on YouTube;
 - 12.3.2. daily members updates on Facebook and/or Instagram;
 - 12.3.3. a live stream video feed of cultivation areas on The CannaClub website (under development);
 - 12.3.4. The CannaClub website with vast educational material, links and blog articles; and
 - 12.3.5. WhatsApp support and member input and feedback for cultivating members.
- 12.4. Practical cultivation experience and training are available from time to time as indicated on the TCC website, or as provided by our educational partners such as Cheeba Africa or Musiyolo (Pty) Ltd.

13. CHANGES TO THE CONSTITUTION

- 13.1. A unanimous vote of the TCC Administrator Co-Op, reflected in a written, unanimous resolution of the TCC Administrator Co-Op, is required to change, amend or replace this Constitution.
- 13.2. The TCC Constitution & Management system is updated yearly to define TCC Members reimbursement fees & cultivation mandates.
- 13.3. The CannaClub is Harambe Solutions endorsed i.t.o. the TCC Management System & TCC Constitution. Harambe solutions is the foremost legal, systems & compliance consultants for Cannabis Clubs in South Africa in our opinion.
- 13.4. The CEO shall provide the other TCC Administrator Co-Op members with:
 - 13.4.1. the TCC Administrator Co-Op resolution in terms of which the change, amendment or replacement is proposed; and
 - 13.4.2. the proposed change, amendment or replacement of this Constitution; and
 - 13.4.3. a notice period of no less than 7 (seven) calendar days to consider and either:
 - 13.4.3.1. approve and sign the proposed resolution or new constitution; or
 - 13.4.3.2. justify a rejection of the proposed resolution /constitution.
- 13.5. The dissolution or winding-up of The CannaClub may not be effected via a change of, amendment to or replacement of this Constitution.
- 13.6. This Constitution, which, in terms of article B.9 of the 2023 Constitution and associated Management Committee resolution dated 1 March 2024, replaces the 2023 Constitution, and shall be reflected by unanimous agreement through work documents.

14. DISSOLUTION/WINDING-UP

- 14.1. The CannaClub may only be dissolved by written, unanimous resolution between the CEO, GM and CFO.

- 14.2. In the event that The CannaClub is dissolved, any remaining assets (after The CannaClub's debts, liability and commitments have been discharged) shall not be paid to or distributed amongst members, but shall be transferred by donation to some other non-profit association which the CEO, GM and CFO consider appropriate.

15. INDEMNITY

- 15.1. Subject to the provisions of this Constitution or any applicable law, members of the Management Committee, office-bearers or Key Service Providers of The CannaClub shall be indemnified by members of The CannaClub for all acts done by them in good faith on behalf of such members.
- 15.2. Subject to the provisions of this Constitution or any applicable law, no member of the Management Committee or other office-bearers or Key Service Provider of The CannaClub shall be liable for the acts, receipts, omissions, neglects or defaults of any other member of the Management Committee or other office-bearers or Key Service Provider of The CannaClub for any loss, damage or expense suffered by The CannaClub, which occurs in the execution of the duties of his or her office, unless it arises as a result of his or her dishonesty, or failure to exercise the degree of care, diligence and skill required by law.

16. DISPUTES

- 16.1. In the event of a serious disagreement between the members of the Management Committee regarding the interpretation of this Constitution, then any Management Committee member shall be entitled to declare a dispute. Such declaration shall be in writing, state the issue in dispute, and be addressed to the TCC Administrator Co-Op.
- 16.2. The TCC Administrator Co-Op shall consider such a declaration within 2 (two) weeks of receiving it. Should the TCC Administrator Co-Op not be able to resolve the dispute to the satisfaction of the majority of the Management Committee within the aforementioned 2 (two) weeks, the dispute shall be referred to a mediator.
- 16.3. Should the dispute be referred to a mediator, the person(s) declaring the dispute and a majority of the TCC Administrator Co-Op must agree on a suitable mediator (by way of a resolution of the TCC Administrator Co-Op) and to the costs of such mediation.
- 16.4. The mediation (and the dispute) is concluded (and settled) once the mediator's recommendation is reflected in a binding agreement entered into by the parties to the dispute, which sets out (among other things) the manner in which the dispute is to be fully and finally settled, and implications for non-compliance by one of the parties with the agreement.

Declaration and execution.

We, the members of the TCC Administrator Co-Op of The CannaClub, acting as administrators of the TCC Stokvel hereby unanimously adopt this Constitution:

	Signed at _____
Chief Executive Officer	
Herman van der Watt	
ID Number [670117503184]	On this _____ day of _____ 2023

	Signed at _____
General Manager	
Herries van der Watt	
ID number: [9503095222083]	On this _____ day of _____ 2023

	Signed at _____
Chief Financial Officer	
Heidi van der Watt	
ID number: [6907140258088]	On this _____ day of _____ 2024

	Signed at _____
Public Relations Officer	
Albertus van Jaarsveld	
ID number: [9010175114081]	On this _____ day of _____ 2024

	Signed at _____
Administrator	
Daniel van Boxel	
ID number: [5106115029084]	On this _____ day of _____ 2024

ANNEXURE A - REIMBURSEMENT RATES		
Payable	Description/ Reference	Disbursement %
<u>The Advisory Board</u>	See section 4.2 of The CannaClub Management System	0%
<u>The TCC Administrator Co-Op</u>		20%
CEO - Chief Executive Officer	See article 9.3.1 of The CannaClub Management System	(5%)
CFO - Chief Financial Officer	See article 9.3.2 of The CannaClub Management System	(5%)
GM - General Manager	See article 9.3.3 of The CannaClub Management System	(5%)
PRO - Public Relations Officer	See article 9.3.4 of The CannaClub Management System	(5%)
<u>The Management Committee</u>		
<u>Cultivation</u>		40%
Outdoor Cultivation: Green Herizon/ First Nation Organics.	Cultivation contractor and facility provider - see section 7 of The CannaClub Management System	(20% / 20%)
Greenhouse Cultivation: Green Herizon/ Natural Highs	Cultivation contractor and facility provider - see section 7 of The CannaClub Management System	(12% / 28%)
Greendoor Cultivation: Green Herizon/ The Green Code.	Cultivation contractor and facility provider - see section 7 of The CannaClub Management System	(10% / 30%)
Indoor Cultivation: by Green Herizon & 33 Bio Science.	Cultivation contractor and facility provider - see section 7 of The CannaClub Management System	(12% / 28%)
<u>Processing & Packaging : First Nation Organics</u>	Cannabis processing - see sections 6 of The CannaClub Management System	10%
<u>Club House Management</u>	Clubhouse Management - see section 5 of The CannaClub Management System	10%
<u>Rental of TCC Premises</u>	See sections 5 of The CannaClub Management System	10%
<u>Packaging and print Material</u>	Materials used to package the Stokvel Cannabis products	4%
<u>Provisional Fund</u>	As per this Constitution and The CannaClub Management System	6%

Note : The Reimbursement percentages will be disbursed directly to the correct secondary co-operative. The Co-operative will provide a PAYE payslip indicating the tax deductions, unless members are provisional tax payers.

Annexure B
Signed Membership Agreements of The CannaClub members
(available on demand)