

Mela Payment Services Addendum

Effective Date: May 1, 2025

This Payment Services Addendum ("**Addendum**") supplements and is incorporated into the Mela Finance Inc. Terms & Conditions ("**Platform Terms**"). Capitalized terms not defined herein have the meanings given in the Platform Terms.

IMPORTANT — READ CAREFULLY: By enabling, accessing, or using any Payment Service (defined below) you ("**Customer**") agree to be bound by this Addendum on behalf of yourself and any business or individual for whom you act. If you do not accept every provision, do not use the Payment Services.

1 Definitions

Term	Meaning
ACH Network	The Automated Clearing House electronic funds-transfer system governed by NACHA rules.
Card Network	Visa U.S.A. Inc. and any successor or affiliated debit or credit card system.
Chargeback	A transaction disputed by a payer that is reversed through the Card Network or ACH return process.
Funding Source	A U.S. deposit account, debit card, or supported stablecoin wallet you link to fund Payment Services transactions.
Merchant Payee	A business or individual that receives funds from you via a Payment Service.
Payment Service(s)	Collectively, (a) ACH origination, (b) Card-network push or pull transactions, (c) domestic or international wire transfers, (d) in-app person-to-merchant (P2M) payments, (e) person-to-person (P2P) transfers, (f) remittance transfers, (g) stablecoin-to-USD conversion deposits, and (h) any successor or ancillary payment rail Mela enables.
Processor	Any third-party ODFI, acquirer, card issuer, stablecoin custodian, open-banking aggregator, or money-transmission intermediary engaged by Mela to provide a Payment Service.

2 Relationship of the Parties

1. **Program Manager.** Mela provides a technology platform and acts as a limited agent of Customer to communicate payment instructions to the Partner Bank and Processors. Mela is **not** a bank, money-transmitter, or card issuer. Depository and card services are furnished by the Partner Bank.
 2. **No Fiduciary Duty.** Mela does not accept a fiduciary role with respect to Customer or the Payee. All Payment Services are provided on a debtor–creditor basis.
 3. **Processors.** Customer consents to Mela’s use of multiple Processors (e.g., Stripe Payments Company, Dwolla Inc., Checkout Automation Inc., etc.). Mela may replace or add Processors at its discretion without prior notice, provided service levels remain materially consistent.
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3 Eligibility & On-Boarding

1. **KYC & KYB.** Before enabling Payment Services, Customer must complete identity verification, provide any required beneficial-ownership information, and—if acting as a business—submit corporate formation documents, EIN, and controller/officer attestations.
 2. **Risk Review.** Mela may conduct ongoing creditworthiness, sanctions, fraud, and industry-risk assessments. Customer shall furnish additional information within **five (5) business days** of request. Failure to comply may result in suspension.
 3. **High-Risk Categories.** Mela may, in its sole discretion, decline to enable Payment Services for businesses in prohibited or high-risk sectors (e.g., money services, adult content, gambling, virtual-asset exchanges) even if such businesses are lawful.
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4 Funding Sources & Settlement

1. **Authority to Debit.** Customer authorizes Mela and the Partner Bank to debit each Funding Source in the amount of any Payment Service transaction, plus applicable fees, returns, or Chargebacks, per the ACH Authorization Agreement or card agreement on file.
2. **Stablecoin Deposits.** Stablecoin contributions are converted to USD pursuant to Section 5 of the Platform Terms; conversion occurs before settlement to the Payee. Customer bears all blockchain-network fees and price-instability risk until conversion completes.
3. **Reserve Account.** Mela may establish and fund a non-interest-bearing reserve to secure Customer’s current or future obligations, especially if (a) Chargebacks exceed **1.0 %** of volume in any 30-day period, (b) Customer’s financial condition deteriorates, or

(c) Mela deems Customer's industry high-risk. Mela will provide notice of any reserve and the calculation method.

4. **Settlement Timing.** Unless suspended for risk review, ACH credits to Payees generally settle **T+2 banking days**; Card push-to-card payouts typically settle within minutes but may take up to **one (1) hour**; wires follow Fedwire or SWIFT schedules. Times are estimates.
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5 Transaction Limits, Holds & Reversals

1. **Pre-Set Limits.** Mela may impose per-transaction, daily, or rolling limits on Payment Services. Limits are displayed in-app and may change without prior notice for security or regulatory reasons.
 2. **Manual Review.** Mela may place any transaction in **Pending** status while it verifies funding, screens for fraud, or awaits Processor approval. Customer will receive a notification if additional information is required.
 3. **Reversals.** Mela may reverse or recall credits (a) if the underlying debit is returned unpaid, (b) to correct duplicate or erroneous entries, or (c) under Card Network or NACHA dispute rules. Customer authorizes all debits or credits necessary to effect such reversals.
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6 Compliance Obligations

1. **NACHA & Card Rules.** Customer will comply with the NACHA Operating Rules, Card Network rules, OFAC regulations, FinCEN guidance, and any Processor-specific requirements provided by Mela.
 2. **Restricted Activities.** Customer shall not:
 - split payments to circumvent limits;
 - miscode merchant category or transaction purpose;
 - engage in transactions involving illegal goods, sanctions violations, or fraud;
 - process payments on behalf of, or re-sell Payment Services to, third parties without Mela's prior written consent.
 3. **Recordkeeping.** Customer must retain transaction records, invoices, and authorizations for **at least five (5) years** and produce them to Mela within **72 hours** of request.
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7 Fees & Chargebacks

1. **Fee Schedule.** Customer agrees to pay all Payment Services fees, pass-through network assessments, and third-party costs as listed in the then-current **Mela Fee Schedule**, which Mela may amend upon **30 days' electronic notice** unless a shorter period is permitted by law.
 2. **Chargeback Liability.** Customer is solely liable for Chargebacks, ACH returns, and related fines. Mela may debit any Funding Source or reserve for such amounts. Customer must respond to Chargeback retrieval requests within **ten (10) calendar days**.
 3. **Excessive Chargebacks.** If Chargeback ratio exceeds Network tolerances, Mela may (a) increase reserve, (b) raise fees, (c) suspend certain Payment Services, or (d) terminate this Addendum.
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8 Security & Data Protection

1. **PCI-DSS.** If Customer stores, processes, or transmits cardholder data, Customer must at all times be compliant with the Payment Card Industry Data Security Standard.
 2. **Encryption.** All payment credentials transmitted through Mela's infrastructure are encrypted using industry-standard protocols (TLS 1.2+ in transit and AES-256 at rest).
 3. **Tokenization.** Mela or its Processors may tokenize funding credentials; Customer shall use only such tokens when interacting with the Mela API or dashboard.
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9 Suspension & Termination

1. **Suspension.** Mela may immediately suspend Payment Services if (a) Customer breaches this Addendum, (b) a Processor or regulatory authority so directs, (c) Mela suspects fraud or unlawful activity, or (d) Customer's financial condition materially deteriorates.
 2. **Termination.** Either party may terminate this Addendum for any reason upon **thirty (30) days' notice**. Termination of the Platform Terms automatically terminates this Addendum. Sections intended to survive (e.g., Chargeback liability, indemnification, dispute resolution) remain in effect.
 3. **Outstanding Obligations.** Termination does not affect entries in flight, Chargebacks, fees, or any reserve that must be held for potential returns (which may be retained for up to **180 days** or longer if required by law or Network rules).
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10 Representations, Disclaimers & Indemnification

1. **No Warranty.** Payment Services are provided “AS IS” without warranties of any kind. Mela disclaims all implied warranties to the maximum extent permitted by law.
 2. **Indemnification.** Customer shall indemnify and hold harmless Mela, the Partner Bank, and all Processors from any loss, cost, claim, or liability arising out of (a) Customer’s breach of this Addendum, (b) Chargebacks, returns, or fines attributable to Customer, or (c) Customer’s violation of applicable law or Network rules.
 3. **Liability Cap.** Mela’s aggregate liability under this Addendum will not exceed the total Payment Services fees actually paid by Customer in the **six (6) months** preceding the event giving rise to the claim, subject to broader limitations in the Platform Terms.
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11 Arbitration & Governing Law

Any dispute arising under this Addendum is governed by Delaware law and will be resolved exclusively under the **Arbitration & Class-Action Waiver** set forth in Section 12 of the Platform Terms, which Customer hereby reaffirms.

12 Miscellaneous

- **Order of Precedence.** If there is a direct conflict between this Addendum and the Platform Terms, this Addendum controls for Payment Services matters.
 - **Amendments.** Mela may amend this Addendum by providing at least **30 days’ notice** via email or in-app notification, except where a shorter notice is required to comply with law or Network rules. Continued use of Payment Services after the effective date constitutes acceptance.
 - **Assignment.** Customer may not assign this Addendum without Mela’s written consent. Mela may assign to an affiliate or successor without notice.
 - **Severability.** If any provision is held invalid, the remaining provisions remain in full force.
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13 Acceptance & Signature

By selecting “**Enable Payments**” in the Mela dashboard, signing below, or otherwise manifesting assent, Customer acknowledges that Customer **has read, understands, and agrees** to this Payment Services Addendum.

* Electronic signatures (including typed names or digital click-through acceptance) are legally binding and enforceable under the U.S. E-SIGN Act.

