

Mela Finance Inc. Terms and Conditions

Last Updated: May 1, 2025

1. Introduction and Acceptance of Terms

Welcome to Mela Finance Inc. (“**Mela**,” “**we**,” “**us**,” or “**our**”). These Terms and Conditions (“**Terms**”) form a legal agreement between you (“**you**” or “**User**”) and Mela Finance Inc., a Delaware corporation, governing your use of Mela’s services and products. By creating a Mela account or using any Mela services, you acknowledge that you have read, understood, and agree to be bound by these Terms, as well as our Privacy Policy and any additional terms and policies referenced herein. If you do not agree, you must not use the Mela services.

Our Services: Mela provides a financial technology platform offering full-reserve USD accounts and Visa® debit cards through our Partner Bank (defined below). Our services include account access via mobile app/website, domestic and international payments (P2P and P2M), remittance transfers, stablecoin deposit conversion to USD, financial analytics tools (via open banking connectivity), and related customer support (collectively, the “**Services**”). These Terms, together with any supplemental agreements (such as the Cardholder Agreement issued by our Partner Bank, if separate) and any fee schedules or usage guidelines we provide, constitute the entire agreement governing the Services (the “**Agreement**”).

By using the Services, you **accept** and agree to these Terms. You also consent to receive communications from us electronically. You can request a copy of these Terms or the Privacy Policy at any time by contacting us.

Notice: These Terms contain important legal provisions that affect your rights, including a binding **Arbitration Clause and Class Action Waiver** (see **Section 22** below). Please read these Terms carefully. **IF YOU DO NOT AGREE TO THESE TERMS, DO NOT USE THE SERVICES.**

2. Definitions

For purposes of this Agreement, the following terms have the meanings below:

- **Account:** Your full-reserve USD deposit account provided through the Partner Bank and accessible via Mela’s platform.
- **Partner Bank:** The licensed banking institution chartered in Puerto Rico that holds your deposits and issues the debit Card (see Section 3). The Partner Bank is an International Financial Entity regulated by the Puerto Rico Office of the Commissioner of Financial

Institutions (OCIF).

- **Card:** The Mela Visa debit card linked to your Account balance (including any virtual or physical cards) issued by the Partner Bank under Visa U.S.A. Inc. license.
- **Full-Reserve:** A banking model where 100% of customer funds are held in reserve and not lent out. Mela's Accounts are full-reserve, meaning we do **not** engage in fractional reserve lending.
- **P2P:** Person-to-Person transfers – payments or transfers made by you to or from another individual's account.
- **P2M:** Person-to-Merchant payments – transactions where you pay a merchant or business from your Account (other than via your Card).
- **Stablecoin:** A cryptocurrency pegged to the U.S. Dollar (USD) that we support for deposits (e.g., USDC, USDT, etc.). Supported Stablecoins, and networks for deposit, will be specified in the Mela app.
- **Services:** As defined in Section 1, all the features, functionalities, and financial services provided through Mela's platform and the Partner Bank.

Other capitalized terms may be defined elsewhere in the text.

3. Mela's Role and Your Account

Not a Bank: Mela is a financial technology company, **not a bank**. Mela partners with a Puerto Rico–chartered banking institution (the **Partner Bank**) to offer the Account and Card services. The Partner Bank holds your deposits and is authorized to offer banking services under Puerto Rico law. Mela itself does not take deposits or make loans; we provide the technology platform and act as program manager and service provider for the Account and Card program [revolut.com](https://www.revolut.com). The Partner Bank is the issuer of your deposit account and debit card, and certain transactions or services (such as international remittances) are processed by the Partner Bank.

No FDIC Insurance: Because the Partner Bank is an International Financial Entity and not an FDIC-insured depository institution, your Mela Account is **not FDIC-insured**. This means **no government deposit insurance** protects your funds in the event of the Partner Bank's insolvency. However, Mela operates on a full-reserve basis: **all customer funds are held 1:1 in reserve** and safeguarded. Specifically, the Partner Bank holds your funds in cash reserves, including via its treasury or custodial accounts with JPMorgan Chase Bank, N.A. (or similar major institution). Your funds are kept separate from Mela's corporate funds and are not used for lending or investments. **Important:** While these measures are intended to safeguard your

money, they do not constitute a guarantee, and you bear the risk of loss if the holding institution or Partner Bank fails, since no FDIC or government insurance applies.

No Interest; No Lending: Your Account does not earn interest (0% APY) and is not a savings or investment product. Because we hold your funds in reserve and do not lend them out, you will not receive interest or share in any earnings that the reserves may generate. Mela and the Partner Bank do not act as fiduciaries or investment advisors with respect to your deposits – this Agreement and the deposit relationship **do not create a fiduciary relationship**.

Structure: Legally, when you deposit funds (whether via cash transfer or Stablecoin conversion, as described in Section 5), those funds are held by the Partner Bank for your benefit. Mela provides the interface for you to access and instruct transactions against those funds. By using the Services, you appoint Mela as your agent to communicate your instructions to the Partner Bank and to provide you Services associated with the Account. Mela has no ownership interest in your deposit; your money remains yours at all times, subject to rights of set-off for any fees or obligations you owe under this Agreement.

Not a Security Account: Your Mela Account is not a brokerage account or securities account. It is not subject to SIPC protection. It is purely a payment/demand deposit account (full-reserve) for holding and transferring USD funds.

Relationship to Other Agreements: These Terms govern the overall Mela Services. Certain services are also subject to additional agreements or disclosures: for example, the Visa Card may have a **Cardholder Agreement** issued by the Partner Bank, and electronic fund transfers are subject to our Electronic Funds Transfer disclosures in Section 13. In the event of any conflict between these Terms and any specific service agreement (such as the Cardholder Agreement), the specific agreement will govern for that service. By accepting these Terms, you also agree to any such supplemental terms.

4. Eligibility and User Requirements

Who Can Use Mela: You must be at least 18 years old (or the age of legal majority in your jurisdiction) to open a Mela Account. By opening an account, you represent and warrant that you are 18 or older and capable of entering into a binding contract. The Services are available to residents of the United States (except residents of Puerto Rico, as required by Puerto Rico law for our Partner Bank's operations) and to residents of other countries where we operate or where use of the Services is permitted. **Non-U.S. residents** may open an account, subject to compliance with U.S. laws and the laws of their country. We may restrict or prohibit accounts for residents of certain countries or regions due to legal or risk considerations. **We will not open accounts for any person in a country sanctioned by the U.S. Office of Foreign Assets Control (OFAC) or other applicable sanctions authorities** (for example, countries such as Cuba, North Korea, Iran, Syria, or other sanctioned regions). By using Mela, you affirm that you are not located in, under the control of, or a national/resident of any such prohibited jurisdiction and that you are not on any government watchlist or prohibited persons list.

Personal Use; Accurate Information: The Mela Account is for your personal use (or if opening a business account, for use by the authorized business – business accounts, if offered, will have additional terms). You agree to provide true, accurate, and complete information about yourself during the account opening process and to promptly update such information if it changes. This includes your legal name, residential address, email, phone number, date of birth, Social Security Number (SSN) or other taxpayer ID (for U.S. persons), or passport/national ID and any other information we require. **Know-Your-Customer (KYC) Compliance:** To help fight financial crime and comply with U.S. law (such as the USA PATRIOT Act), we must verify your identity before opening an account. You agree to provide all information and documentation we request for identity verification and KYC screening (for example, government-issued photo ID, proof of address, tax forms, etc.). We may also ask for information on the source of funds or the purpose of transactions as part of our anti-money laundering (“AML”) compliance. If you do not provide or update required information, or if we cannot verify your identity to our satisfaction, we may refuse to open an account, limit your access, or close/suspend your account.

U.S. Tax Compliance: If you are a U.S. citizen or tax resident, you must provide your SSN or Tax Identification Number and any required IRS forms (e.g., W-9 certification) so that we can meet U.S. tax reporting obligations. Non-U.S. persons may be required to provide a Form W-8BEN or similar to certify foreign status. We may be required by law to withhold taxes from your account if you fail to provide necessary tax documentation (though currently the Account pays no interest, this could be relevant for other payments or future features).

One Account; No Transfers of Ownership: Each individual may open only one personal account (unless we approve additional). Your account is solely for you; you may not transfer or assign your account to any other person. You must not allow non-authorized individuals to use your account. If we offer joint accounts or custodial accounts in the future, those will be subject to additional terms.

Continued Eligibility: Our Services and eligibility criteria may be subject to change. We reserve the right to refuse to open an account or provide Services to anyone for any reason not prohibited by law. Having an account with Mela is not a right; it's a privilege that we can revoke if you violate these Terms or if required by law. You agree that we may close or suspend your account if you no longer meet eligibility requirements or if your circumstances or status pose undue risk to Mela (see Section 18 on suspension/termination).

5. Funding Your Account and Stablecoin Deposits

You can deposit funds into your Mela Account through various methods that we support. The currently available deposit methods include (subject to change):

- **Bank Transfers:** You may transfer USD into your Account from another bank (e.g., via ACH transfer or wire transfer). We will credit your Account after we have received the funds from the external bank. ACH transfers typically take a few business days; wire

transfers usually same-day if sent before cutoff.

- **Stablecoin Deposits:** Mela accepts certain supported USD-backed stablecoins from you as a method to fund your Account. The currently supported Stablecoins (and the blockchain networks we support for deposit) will be listed in the Mela app/website (for example, USD Coin (USDC) on Ethereum or other networks, Tether (USDT), PayPal USD (PYUSD), etc.). **When you deposit a supported Stablecoin to Mela, we (through our Partner Bank or agents) will automatically convert that Stablecoin into U.S. Dollars and credit the USD amount to your Account.** In other words, you cannot maintain a cryptocurrency balance in your Mela Account – any crypto deposit will be converted to USD upon receipt. We currently convert supported Stablecoins at a 1:1 rate to USD (1 unit of Stablecoin = \$1 USD) **provided the Stablecoin is functioning normally and maintaining its peg.** (We do not charge a conversion fee for Stablecoin deposits beyond any network fees, but note that this could change or third-party processors might charge fees – see below.) Once converted, the USD funds are treated like any other deposit in your Account.

Stablecoin Deposit Conditions: When depositing Stablecoins, you agree to the following important conditions and risks:

- **Use Supported Address/Network:** You must send the Stablecoin to the exact deposit wallet address and on the specific blockchain network that we designate for that coin. **Sending coins to the wrong address or using an unsupported blockchain network will result in a permanent loss of those funds** – neither Mela nor the Partner Bank has any obligation or ability to recover Stablecoins sent to an incorrect address or wrong network. For example, if we provide you an address for USDC on the Ethereum network and you send USDC on a different chain or send a different token, those funds may be irretrievable. You assume all liability for any such mistake.
- **Conversion Timing:** We aim to convert Stablecoin deposits to USD instantly or near-instantly upon confirmed receipt of the crypto transaction. However, the conversion process depends on blockchain network confirmation times and third-party liquidity providers. Generally, we will credit your Account with USD as soon as the Stablecoin transfer has the required confirmations and our conversion partner executes the swap to USD. In most cases this happens within minutes, but external factors (network congestion, etc.) could cause delays.
- **Third-Party Conversion Service:** You authorize Mela and the Partner Bank to use one or more third-party cryptocurrency custody or payment processing service providers to facilitate receipt of your Stablecoin and conversion to USD. This means your Stablecoin might be received into a wallet managed by a third-party on our behalf, who then converts it to USD (through an exchange or other mechanism) and sends USD to the Partner Bank. By depositing Stablecoin, you consent to this process. We will only work with reputable providers, but you acknowledge the conversion involves third-party

services. Once the USD is received by the Partner Bank, it will be credited to your Account. If for any reason the conversion service fails or is significantly delayed, we will notify you and the Stablecoin amount may either be returned to you or credited to your account later than expected.

- **Stablecoin Risks:** Stablecoins are a form of digital asset and **are not issued or guaranteed by Mela or the Partner Bank**. While we only accept certain popular stablecoins that are intended to maintain a 1:1 USD peg, **we do not guarantee the Stablecoin's value**. In extreme circumstances (e.g., a stablecoin losing its peg or becoming non-transferable due to network issues), we may refuse to accept a deposit or may not be able to convert at 1:1. You agree that **you bear all risks associated with the Stablecoin until it is converted to USD**. If a stablecoin transfer does not reach us, or if the stablecoin's issuer or network fails, Mela is not liable for any loss. Likewise, if we receive your stablecoin but its market value has materially deviated from \$1, if the reference market price on Coinbase and Kraken is below \$0.98 for >30 minutes we reserve the right to credit your account based on the prevailing market value or to return the stablecoin to you, at our discretion. We will make reasonable efforts to inform you in such case.
- **AML and Compliance on Crypto Deposits:** All Stablecoin deposits will be subject to the same compliance checks as other deposits. **We will perform blockchain analytics and other AML checks on the originating wallet address and transaction**. If the funds appear to come from sources that do not meet our compliance standards (e.g., a wallet linked to illicit activity or sanctions), or if you are not the beneficial owner of the source wallet, **we may reject the deposit and return the Stablecoin to the sender's address**. In such cases, we will not credit any USD to your account. You agree that Mela and the Partner Bank are not liable for any losses due to returning Stablecoins under these circumstances, beyond providing you with proof of the return transaction (e.g., transaction hash).
- **Fees:** Mela does not charge a fee for receiving a Stablecoin deposit and converting it to USD (aside from any subscription requirements for having an account that allows crypto deposits). However, you are responsible for any fees imposed by the blockchain network (miner/gas fees) when sending the Stablecoin. In the future, we reserve the right to charge a conversion fee or spread, but any such fee would be disclosed to you (for example, in an updated fee schedule on our website).

Other Deposit Methods: We may enable additional methods such as remote check deposit, cash deposits via partners, etc., in the future. Any such methods will be subject to posted terms and possibly third-party fees. (As of now, we do **not** support deposits via physical cash or paper checks sent to us – any checks or cash sent to us will be returned or destroyed; please use electronic methods.)

Deposit Rejections: We reserve the right to reject any deposit to your account at our sole discretion. This could occur, for example, if we suspect fraud or unauthorized access, if the deposit exceeds limits, or due to compliance reasons. If we reject a deposit, we will attempt to return the funds to the source (or to you) as appropriate.

Deposit Availability: Cut-off Times and Availability: Deposits are generally credited on the same Business Day if received by certain cut-off times. Our general cut-off time for most deposit types is 3:00 PM Eastern Time on business days. Deposits received after that or on non-business days may be processed the next business day. ACH transfers may have holds; wire transfers are usually available once received. Stablecoin deposits are available after conversion (typically within minutes after sufficient confirmations). We may hold certain deposits for additional verification if necessary (we will let you know if so). Refer to our Funds Availability Policy (if provided separately or in Section 11 for remittances) for more details.

6. Account Balance and Use of Funds

Available Balance: Your Account balance (visible in the app) represents the amount of USD funds available for your use. You should only initiate transactions (payments, withdrawals, transfers) up to your available balance. We do not extend credit and generally do not allow overdrafts. In the unlikely event your account goes negative (e.g., due to a fee or charge processed when your balance was insufficient), you agree to repay the negative amount immediately, and we reserve the right to deduct funds from any new deposits or to use collection efforts for any owed amounts.

No Fractional Reserve Lending: As noted, Mela and the Partner Bank hold your funds in reserve. We will not lend out your deposits to any third party. This means your money is intended to be readily available for withdrawal or transfer on demand (subject to any security holds or legal constraints).

Safeguarding of Funds: The Partner Bank keeps customer funds in pooled custodial accounts with its correspondent banks (like JPMorgan Chase) or similar low-risk liquid assets. These accounts are separate from the Partner Bank's operating funds and from Mela's funds, in an effort to protect your money. You acknowledge that your funds may be commingled with other customers' funds in omnibus accounts, but proper records are maintained to track your individual balance. In the event of the Partner Bank's liquidation, it is intended that your funds would be segregated for your benefit (though, again, no FDIC insurance applies).

Account Statements: We will provide you with periodic account statements electronically, detailing your transactions and balance. Typically, an e-statement will be available monthly (assuming activity) via the Mela app/website. You may also view your recent transactions at any time in the app. These electronic statements are considered delivered to you when made available. If you desire a paper statement, you may request one, but a fee may apply. It's important that you review your transaction history and statements promptly and report any

unauthorized or erroneous transactions within the timeframes described in Section 13 (generally 60 days for errors).

Joint or Business Accounts: If we later offer joint accounts (co-owned by two individuals) or business accounts, those will be governed by additional terms. Unless specifically offered, you should assume your account is individual and non-transferable.

Funds Ownership: The funds in your Account are legally yours. Except for our rights to deduct fees, resolve errors, or as required by law or these Terms, we will not prevent you from accessing your balance. However, certain situations can restrict your access temporarily (for example, if we suspect fraud, have not completed KYC on a large deposit, or if a legal hold or garnishment is placed on your account). We will communicate with you as permitted in such cases (unless legally prohibited).

7. Subscription Plans, Fees, and Refunds

Subscription Tiers: Mela offers its account services under different subscription plans or tiers. Some basic functionality may be available with a free account tier, while premium features (such as higher limits, advanced analytics, priority support, or other perks) are available under paid subscription plans. The details of our current plans and their benefits are provided on our website or app and may change from time to time.

By opening a Mela account, you may be enrolled in a free basic plan by default. If you choose to upgrade to a paid subscription plan (for example, a “Premium” tier), you agree to the billing terms of that plan. Key terms include:

- **Billing Cycle:** Paid subscriptions will be billed on a recurring basis, either **monthly** or **annually**, depending on the plan you select. The billing period will be disclosed at sign-up. For example, if you select a monthly plan, you will be charged each month on a recurring date; for an annual plan, you will be charged once for the full year up front.
- **Payment Method:** You authorize Mela to automatically charge the subscription fee to your Mela Account balance or any linked payment method you provide. Typically, we will deduct the fee from your Account balance. You must ensure you have sufficient funds to cover the fee on each billing date. If we allow an external card or ACH for subscription payments and you provide those details, you authorize us to charge that external payment method.
- **Auto-Renewal:** Subscriptions **renew automatically** at the end of each billing cycle (e.g., on the same day each month or year) **until you cancel**. This means your subscription will continue indefinitely unless and until you properly cancel. By subscribing, you agree to this auto-renewal. We will notify you of any changes in the subscription price or terms in advance as required by law.

- Cancellation:** You may cancel a paid subscription at any time by contacting customer support or using any available cancellation feature in the app. If you cancel, **the cancellation will take effect at the end of your current paid-up billing period**. We do not typically provide prorated refunds for mid-period cancellation. For example, if you paid for a month on the 1st and cancel on the 15th, you will retain premium access until the 1st of the next month, but will not receive a refund for the remaining days of the month. After the period ends, your account will be downgraded to the free/basic tier (or closed if you choose to close it).
- No Refunds:** Subscription fees (and other fees) are generally **non-refundable**. Once charged, you will not be refunded for the period covered, except in the following situations: (a) if we terminate your subscription early without cause, we may provide a pro-rata refund for the unused portion; or (b) where required by law to offer a refund. If you believe you were charged in error (e.g., double-charged), contact us and we will review. Otherwise, all charges are final. If you cancel a multi-month or annual plan early, we are not obligated to refund the unused portion (consider choosing monthly if unsure about a long-term commitment).
- Upgrading/Downgrading:** If you upgrade to a higher tier, the change may take effect immediately, and we may charge a prorated fee for the remainder of your current cycle or start a new cycle (we will inform you of how the upgrade billing works at that time). If you downgrade to a lower tier, the change will typically occur after your current paid period ends (to avoid losing the value of what you already paid). We may restrict frequent plan changes (for example, not allowing more than one upgrade/downgrade within a billing cycle)[revolut.com](https://www.revolut.com).
- Free Trials and Promotions:** Mela may occasionally offer free trials or discounted introductory offers for premium tiers. Any such offer will be subject to its specific terms. For example, a 30-day free trial might automatically convert to a paid subscription unless you cancel before the trial ends. You are responsible for tracking the trial period; we will endeavor to send a reminder, but we are not obligated. Only one trial per user unless stated otherwise.
- Fees for Services:** Aside from subscription fees, certain transactions or services may carry fees. We maintain a **Fee Schedule** on our website/app (the Fee Schedule available at mela.finance/legal/fees). For example, there might be fees for outgoing wire transfers, foreign currency conversions, card replacement, ATM usage, etc., which apply regardless of subscription tier (or are waived for certain tiers). All such fees, if any, will be disclosed to you. By using the service that incurs a fee, you agree to pay that fee. Common fees (for illustration) could include: international wire transfer fee (e.g., \$X per transfer), expedited card shipping fee, etc. We strive to keep our fee structure transparent.

- **Changes to Fees:** We reserve the right to change our subscription pricing or any fees. If we increase a fee or introduce a new fee, we will notify you in advance in accordance with Section 17 (Changes). If you do not agree to the new or increased fees, you may terminate the service before the change takes effect (e.g., cancel the subscription or stop using the feature). Your continued use after the effective date of changes constitutes acceptance of the new fees.
- **Taxes:** Our fees do not include any taxes that may apply. If any sales, VAT, GST, or similar taxes are applicable to your subscription or fees, we may collect those as required by law, or you are responsible for paying them.

Refund Rights (if any): As noted, refunds are generally not provided. However, if you reside in a jurisdiction that provides for a statutory cooling-off or cancellation period for subscription services, we will honor such rights. For example, **EU/EEA residents** may have the right to cancel a distance contract for services within 14 days of commencement and receive a refund of payments made (this is a “cooling-off” period under EU consumer law)[europa.eu](https://european-council.europa.eu/media/400076/EN/attachment/data/form/attachment). If you qualify and wish to exercise such right, you must contact us in writing within 14 days of activating a paid subscription. Note that if you already started using the premium services, we reserve the right to charge (or not refund) a pro-rated amount for the period of service used before cancellation. This paragraph only applies to the extent required by applicable consumer protection law in your country of residence and only for first-time subscription sign-ups (renewals are generally not subject to cooling-off periods).

Insufficient Funds for Fees: You must maintain an adequate balance to cover fees. If on a billing date your Account lacks sufficient funds, we may attempt to charge any other payment method you have on file. If payment fails, we may, at our discretion, downgrade your account to the free tier, suspend some services, or retry the charge later. We will notify you if a payment fails and provide a short grace period. During a grace period, we may suspend premium features but not immediately close your account. If fees remain unpaid, we reserve the right to terminate your premium services and, if necessary, use collection efforts for overdue amounts.

8. Using Your Account – General Terms

Once your Account is opened and funded, you can use the Mela Services to access and move your money. The following general terms apply to account usage:

8.1. Accessing the Services: You may access your Account and Services through the Mela mobile application or web dashboard (the “App”). You are responsible for maintaining the security of your login credentials and devices (see Section 14 on Security). The App will allow you to view your balance, transaction history, initiate transfers, manage your Card, and use other features we offer (such as budgeting tools or open-banking financial insights). You must have a compatible device and internet connection. We grant you a personal, limited,

non-transferable license to use our App solely for accessing your account; we retain all rights in the App and platform. You agree not to misuse the App or reverse-engineer our software.

8.2. Deposits and Withdrawals: You may deposit and withdraw funds as described herein. Withdrawals can be made via ACH transfer out, wire transfer out, transfer to external accounts, Stablecoin withdrawal (if we later support converting USD back to Stablecoin – currently not offered), spending on your debit Card, or cash withdrawal at ATMs using the Card. Some withdrawal methods (like wire or ACH) may require you to link an external bank account in your name. By initiating a transfer out, you authorize us and the Partner Bank to debit your Mela Account and send funds to the designated recipient or account. Ensure external account details are correct; we are not liable for errors if you provide incorrect routing or account numbers.

8.3. Payments and Transfers: The Account allows various types of payments:

- **Person-to-Person (P2P) Transfers:** You can send money to or request money from other individuals. If both parties have Mela accounts, the transfer may occur internally within our system (fast transfer). If you send to someone who does not have Mela, we may send them a notification (email or SMS) and provide a method to claim the funds (such as signing up for Mela or providing bank details for us to ACH them the money). If the recipient does not claim the funds within a certain period (e.g., 10 days), we will cancel the transfer and return the money to your account. **See Section 9 for more details on P2P terms and risks.**
- **Person-to-Merchant (P2M) Payments:** You may pay participating merchants directly from your Account (aside from using the debit Card). For example, a merchant's invoice or point-of-sale might present you a QR code or a payment link that lets you pay via your Mela balance. These transfers may be executed as internal transfers if the merchant has Mela, or via ACH or other payment networks if external. **See Section 10 for P2M-specific terms.**
- **Bill Payments:** We may offer a bill-pay feature allowing you to schedule payments to businesses (like utilities or service providers). These typically use ACH or check issuance. If offered, you must input accurate payee info and schedule the payment sufficiently in advance. We are not liable for late fees if you schedule a payment without allowing enough time (we'll give guidelines). If a check is used, ensure the payee negotiates it timely; uncashed checks may be voided after 90 days.
- **Remittances (International Transfers):** You can send money to recipients in other countries (in local currency or USD) through our remittance service. These are generally processed by the Partner Bank or its correspondents. Details in Section 11.
- **External Account Transfers:** You may link an external bank account in your name and transfer funds between Mela and that account (ACH transfers in/out). You must own any external account you link. By linking, you authorize us to (via our ACH processor or Partner Bank) initiate credit or debit entries to that external account upon your

instructions.

- **Open Banking / External Data:** If you use our financial analytics tools, you might link your accounts from other financial institutions (open banking). With your permission, we will fetch data (balances, transactions) from those external accounts to show you a consolidated financial view or provide insights. This may require entering your credentials for the other institution or using a third-party data aggregator. By doing so, you authorize us and our third-party providers to access that account's information. See Section 16 for data use terms. We might also allow third-party apps to access your Mela account data with your consent (like an API or open banking interface) – you would control such access via settings.
- **Limits:** For security and compliance, we impose limits on transactions. These include daily and monthly limits on P2P transfers, payment transactions, ATM withdrawals, deposits, etc. For example, we might have a daily ATM withdrawal limit (e.g., \$500), a daily P2P send limit (e.g., \$2,000), and so forth. Your limits may vary based on your subscription tier and verification status. We will inform you of applicable limits in the app or on our website (often under “Limits” or “Fees and Limits” sections). We may allow you to request a higher limit for certain transactions (subject to review). Exceeding established limits may result in transaction rejection.
- **Prohibited Activities:** You agree **not** to use your Mela Account or Services for any unlawful or prohibited purpose. This includes but is not limited to: gambling transactions (where prohibited by law), the purchase or sale of illegal goods or substances, fraud, money laundering, financing of terrorism, securities transactions that violate laws, or sending/receiving funds on behalf of third parties not disclosed to us. Certain types of businesses or transactions may also be prohibited or require pre-approval (e.g., cryptocurrency exchanges, money services, adult content, online gambling, etc.). We reserve the right to block or reverse any transaction that we believe violates this provision or expose us to risk, and to close your account for violations.
- **Compliance Screening:** All transactions are subject to screening (for OFAC sanctions, AML, fraud, etc.). This may cause occasional delays in processing. If a transaction is flagged, we may place it on hold and contact you for additional information or verification, or refuse to process it if required by law. We will report transactions to regulators as required (e.g., filing reports for large cash transactions or suspicious activities) without informing you, as per law.
- **Communications:** You will receive notifications of your transactions via the app and/or email. We may also send security alerts (e.g., if we detect unusual activity). It's important to keep your contact info updated (especially email and phone) so you receive these.

8.4. Using the Debit Card: Your Mela Visa Debit Card is linked to your Account balance. When you use the Card to make a purchase or ATM withdrawal, the funds will be debited from your Account usually immediately or once the transaction posts. By activating and using the Card, you agree to the card terms (which may be outlined in a separate Cardholder Agreement provided with your card). Key points on Card usage:

- The Card can be used anywhere Visa debit cards are accepted, subject to your available balance and any daily spending or withdrawal limits.
- It is **not a credit card**; you are spending your own funds. No interest is charged, and no minimum payment – transactions deduct from your balance.
- If you attempt a transaction that would exceed your balance (or limits), it may be declined. We generally do not allow overdrafts. In rare cases, a transaction may be authorized while you have sufficient funds but by the time it settles your balance is lower (e.g., a delayed batch transaction or offline transaction); this could result in a negative balance which you must repay.
- Keep your PIN secure. You'll need it for ATM withdrawals and possibly for certain chip-and-PIN transactions. You may set or change your PIN via the app.
- **ATM Withdrawals:** You can use the Card at ATMs to withdraw cash. ATM owners may charge a fee (out of our control). Mela might reimburse some ATM fees for premium subscribers (if stated explicitly in your plan) or charge its own fee for certain withdrawals – see fee schedule. Daily ATM withdrawal limits apply.
- **Foreign Transactions:** If you use your Card outside the U.S. or in a currency other than USD, the transaction will be converted to USD by Visa's network at their exchange rate on the processing date. We do not add any foreign transaction fee on top (unless otherwise stated – currently we aim for no extra FX fee). The Visa network's rate typically includes a small spread. You can view the rate on your statement. Some merchants or ATMs may offer to do conversion (Dynamic Currency Conversion) – usually it's better to let Visa handle it.
- **Card Holds:** Certain merchants (like gas stations, hotels, car rentals) may place a temporary hold on your account for an estimated amount that is higher than the actual purchase (e.g., a gas pump might pre-authorize \$100). We deduct that hold from your available balance until the final transaction amount is settled, typically within a few days. During that time, you cannot use the held amount. Once the transaction posts, any excess hold is released.
- **Unauthorized Card Use:** If your physical card is lost or stolen, or you suspect the card number has been compromised, you must notify us immediately (see Section 13 on error/unauthorized reporting). You are protected from liability for unauthorized use of

your card if you report promptly, per Regulation E and Visa's zero liability policy. In general, if you report within 2 business days of learning of the loss, your liability is limited to \$50, and if you report after 2 days but within 60 days of your statement, your liability could be up to \$500; beyond 60 days, you could be responsible for all fraudulent charges. We adhere to these laws and Visa rules, which often provide **zero liability** for promptly reported fraud. See Section 13 for details.

- We may issue digital (virtual) cards in addition to a physical card for online use, and features like locking your card or managing travel notices via the app.
- The Card remains property of the issuer (Partner Bank). We or the Bank may cancel or suspend your card at any time for security or misuse reasons. If you or we close your account, you must cease using the card and destroy it.

8.5. Our Services and Third Parties: In providing the Services, we may use third-party service providers (for example, for payment processing, identity verification, card issuing, data aggregation, etc.). You agree that we can share your information as needed with these providers to deliver the Services (see Privacy in Section 16). While we select and oversee these providers, Mela is ultimately responsible to you for the performance of the Services under this Agreement. However, we are not responsible for any third-party services that you might use independently of Mela (for instance, if you use a third-party budgeting app that connects to Mela via open banking, any issues with that app are between you and the third party).

In summary, use your Account responsibly and legally. If you ever have questions about permitted use or how to do something, please contact us.

9. Person-to-Person (P2P) Transfers

Mela's P2P feature allows you to send money to, or receive money from, other individuals for personal, non-commercial purposes. This is similar to services like PayPal, Venmo, etc., and is intended primarily for friends, family, and people you trust. By using P2P, you agree to the following terms:

- **Sending Money:** To send money to another person, you may select them from your contacts (if they have a Mela account) or enter their email or phone number. If the recipient already has a Mela account, the funds may be transferred immediately and made available in their account. If the recipient is not yet on Mela, we will send them a notification and instructions on how to claim the money (for example, by signing up for Mela and passing verification, or by providing bank details for an ACH transfer). You understand that if the recipient does not take the necessary action to claim the money within the specified time (e.g., 14–30 days business days), the transfer will be canceled and the funds returned to your account.

- **Receiving Money:** When someone sends you money on Mela, you'll be notified. If you have a Mela account, the money will typically be credited to your balance right away (in a pending status) and fully available once any necessary checks are done. If someone sent you money and you are not on Mela, you'll need to sign up and verify your identity to claim it. If you choose not to, the sender will get the money back after the claim window expires.
- **No Fees for P2P:** At this time, Mela does not charge fees for P2P transfers. (If that changes, we'll let you know.) Please note that if you fund a P2P payment via an external source (for example, if in the future we allowed a credit card funding, that might incur fees from that card – but currently, P2P is funded from your Mela balance only.)
- **Speed and Finality:** Transfers between Mela accounts happen in real-time and are generally final. **Please double-check the recipient information and amount before confirming a P2P payment.** Once you send money, **we may not be able to cancel or reverse the transfer** if it's already been claimed by the recipient. If the recipient is new and hasn't claimed, you might have the ability to cancel the payment in the app *before* they claim it. But if they are an existing user, the money moves immediately.
- **No Buyer Protection:** P2P payments are like handing cash to someone – they are meant for personal transfers (splitting a bill, gifting, paying a friend back, etc.). They are **not** intended for purchasing goods or services from strangers. **Mela is not liable for problems with any underlying transaction** between you and the recipient. For example, if you send money to someone purportedly selling you concert tickets and they don't deliver the tickets, that is a dispute between you and that person. Mela will **not** refund you simply because you didn't receive what you expected – since you authorized the payment. **Only truly unauthorized payments are covered** by our error resolution policy (Section 13). We strongly advise you **not to use P2P for commerce** with people you don't know. Use your debit card for goods/services when possible, as cards have chargeback protections. Or use an escrow service. By using P2P, you acknowledge this risk.
- **Scams and Fraud Warnings:** Be vigilant for scams. If someone you don't personally know asks you to send money via Mela (or any P2P service), there is a risk it's a scam. Common scams include someone impersonating a friend or authority, romance scams, fake sales, or overpayment scams. **You are responsible for losses if you are tricked into sending a P2P payment.** We may try to flag or warn about suspected scam transactions, but we cannot guarantee to catch them. Once you send money to a scammer, it may be very difficult to recover. Always double-check with your actual friend via a known contact method if you get an unusual request.
- **Limits:** P2P transfers are subject to size and frequency limits as mentioned earlier. For new users or unverified accounts, limits might be lower until certain criteria are met.

These limits help manage risk.

- **Cancellation and Refusal:** We reserve the right to cancel a P2P transfer or refuse to execute it if it violates our terms or policies. For example, if we suspect the transfer itself is fraudulent or unauthorized, we might stop it to protect you or others. We may also block a user from using P2P if we detect abuse.
- **Reversals:** In general, once a P2P is completed, it's final. However, in rare cases, if a payment was made in error (e.g., you sent \$500 but meant to send \$50) and the recipient agrees to return it, we can assist in reversing with both parties' consent. Also, if a payment is clearly fraudulent (e.g., someone hacked your account and sent money out), we will investigate and, if confirmed unauthorized, will reimburse you under Reg E protections (see Section 13). We will then attempt to recover from the recipient if possible. By using Mela, you agree to cooperate in good faith if you receive funds erroneously or fraudulently (for instance, you might be required to return money that did not belong to you).
- **Use of Memo/Notes:** You may add a note or description to your P2P transfers (e.g., "Dinner 8/5" or "Happy Birthday"). Do not include sensitive personal data in these notes (they may be visible to the other party and to Mela staff). Notes are for reference only and not binding on us.
- **Notifications:** We may send email or SMS to recipients when you send them money (especially if they are not on Mela). By providing us a recipient's contact, you confirm you have their consent to send such notification or that it's not unsolicited spam.

Remember, **keep P2P personal and prudent**. If you encounter any issues or unauthorized P2P activity, notify us immediately so we can assist.

10. Person-to-Merchant (P2M) Payments

Mela's P2M feature allows you to pay participating merchants or businesses directly from your Account balance (without using your Card). This could be used for commerce, such as paying an invoice from a small business that also uses Mela, or scanning a merchant's QR code at a point of sale to transfer funds.

How P2M Works: If a merchant is set up to receive Mela payments, they might present you with a QR code, a payment link, or a merchant identifier (like a username or merchant code). Using the Mela app, you can scan the QR or enter the merchant's details, input the amount to pay, and confirm the payment. The funds will move from your Account to the merchant's account (if the merchant is on Mela) or will be delivered to the merchant via another payment rail (if the merchant is not directly on our system, we might send an ACH or other transfer to

them). In many cases, merchants who accept Mela will have accounts with our Partner Bank, enabling instant internal transfers.

Confirmation: When you make a P2M payment, you should receive a confirmation in the app. The merchant may also provide you a receipt. Once you authorize and confirm the payment, it is generally final (same principles as P2P apply).

No Card Network Protections: A P2M transfer is **not the same as a card transaction**. It does **not** come with Visa/Mastercard chargeback rights. It is more akin to a cash payment or bank transfer. Only use P2M for merchants you trust. If you have an issue with a purchase (e.g. product not delivered or service not rendered), you must resolve it with the merchant. Mela is not responsible for the quality or non-delivery of goods/services paid for via P2M. We will not arbitrarily reverse a valid authorized payment absent a clear error or fraud.

Errors and Disputes: If you think a P2M payment was made incorrectly (for example, you were charged the wrong amount or you did not authorize it), you should notify us and we will investigate under the error resolution terms (Section 13). If it turns out to be unauthorized, you'll be protected as with any other unauthorized transfer. But if it was authorized and the dispute is about the goods/services, that is between you and the merchant (similar to how a cash transaction works). We can't force a merchant to refund you absent their agreement or a lawful order.

Merchant Refunds: Merchants might be able to issue you a refund through the Mela system (crediting your account). If you return a product or cancel a service, ask the merchant to initiate a refund. Once they do, you should see the credit in your account. If a considerable time passes and you don't see an expected refund, let us know; we can try to trace it or confirm if it was issued.

Receipts: For P2M transactions above \$15, the merchant should give you a receipt (electronically or paper) per EFTA rules. You'll also see the transaction in your account activity.

Recurring Payments: If you authorize a recurring P2M debit (for example, a monthly subscription to a service where the merchant pulls money from your Mela account), that would likely be handled via an ACH or similar mechanism. Ensure you only give such authorization to trusted parties. You have the right to revoke a recurring payment authorization by notifying the merchant and us at least 3 business days before the next scheduled transfer. Section 13 covers stop payments on preauthorized transfers. If a merchant debits a different amount than agreed or an unexpected schedule, you should get notice from them 10 days in advance or as otherwise agreed.

Use of P2M: P2M is intended for legitimate commerce. Merchants have their own agreements with Mela or our partner for accepting payments. As a consumer, you must not attempt to use P2M to pay a merchant for anything illegal or in a way to circumvent laws (e.g., we prohibit using Mela to pay for illegal online gambling, illicit substances, etc.). We monitor transactions and will take action if prohibited uses are found.

Liability: If you send a P2M payment to the wrong merchant (mis-scanned or typo), or send the wrong amount, work with the receiving party to resolve – we may not be able to retrieve the money if it went to someone else as instructed. Always review the payment details on the confirmation screen.

Merchant Relationship: Mela is not the seller of any goods or services you pay for via P2M. We do not provide any warranties or assume liability for those goods/services. All such disputes should be addressed with the merchant. That said, we care about your experience; if a merchant is defrauding users or there is a pattern of complaints, we may intervene by disabling that merchant's access to Mela payments and/or assisting law enforcement. Please report any merchant misuse of Mela.

In summary, treat P2M payments like handing over cash or doing a bank transfer to a merchant. Be sure you trust the merchant and amount before confirming.

11. Remittance Services (International Money Transfers)

Mela offers international remittance services enabling you to send money from your Account in the U.S. to recipients (individuals or businesses) in other countries. These services are provided in conjunction with our Partner Bank (and its correspondents or licensed partners) which is an authorized money transfer provider. Remittances are subject to stringent regulatory protections and disclosures, particularly under U.S. law (Regulation E, Subpart B – “Remittance Rule”). The following terms apply specifically to remittance transfers (defined as electronic transfers of funds more than \$15 requested by a consumer primarily for personal, family, or household purposes to a recipient in another country):

- **Initiating a Remittance:** To send a remittance, you will need to provide certain information about the recipient and the transfer, such as the recipient's full name and address, the recipient's bank account details or mobile wallet (if transferring to account/mobile), the recipient's country, the amount to send (in USD or the target currency), and possibly the reason for transfer (some corridors require purpose codes). We may also present you options, like delivery method (bank deposit, cash pickup, mobile money, etc.) and currency. Once you input the details, we will show you a **Disclosure** before you confirm the transfer, as required by law. This disclosure will include important information such as: the amount you are sending in USD, any fees and taxes you will pay, the exchange rate applied (if currency is converted), the amount the recipient will receive in local currency (or USD if sent as USD), the date by which funds will be available to the recipient, and instructions for cancellation and error resolution.
- **Fees and Exchange Rates:** We will clearly disclose any fees we charge for the remittance and any fees charged by our Partner Bank or intermediaries (if known). We endeavor to provide competitive exchange rates. The rate will be locked in at the time of transfer request – what you see is what the recipient gets, as long as the transfer is completed. The exchange rate may include a margin above the mid-market rate; this is

essentially part of the service fee. No other hidden fees should be deducted from the recipient (unless the disclosure indicates a local receiving fee, but typically we try to avoid that). In some cases, certain local intermediary banks might charge a fee despite our efforts; if that occurs and wasn't disclosed, that might constitute an error which we'd address (see Error Resolution).

- **Transfer Time:** We will also tell you when the funds are estimated to be available to the recipient. Many transfers are available within minutes or hours (especially if instant or same-day service to certain countries). Others might take 1-3 business days or more, depending on the corridor and method. The disclosed date will be a good-faith estimate. We will not be responsible for delays beyond that date due to circumstances beyond our control (e.g., delays in the recipient's bank or due to legal compliance reviews), but if we significantly miss the date, you may have rights under the error resolution rules to receive a refund or compensation.
- **Delivery Method:** Remittances can often be delivered in various ways:
 - **Bank Deposit:** money goes directly into the recipient's bank account.
 - **Cash Pickup:** recipient can pick up cash at an agent location.
 - **Mobile Wallet:** delivered to a mobile money account.
 - **Home Delivery:** in some countries, cash can be delivered physically. We will indicate what methods are available for the destination and any differences in fees or timing.
- **Right to Cancel: You have the right to cancel a remittance transfer for a full refund, provided you act quickly.** Under U.S. law, you have up to 30 minutes after payment authorization to request cancellation, as long as the funds have not yet been picked up or deposited into the recipient's account. We will honor cancellation requests made within this timeframe. To cancel, you should immediately contact our customer support (via phone is best for speed, or via the app if a cancel option is available) and state that you want to cancel the transfer. We will then refund the total amount you paid, including any fees, within 3 business days of your cancellation request, provided the transfer wasn't already completed.
 - If more than 30 minutes have passed, or the transfer has already completed, our ability to cancel is not guaranteed. We will try to assist if possible (for example, if the funds haven't been picked up, sometimes we can still cancel), but we cannot promise a refund after the window.
 - Note: If you schedule a remittance for a future date (if that feature exists), you likely have until 30 minutes after the scheduled execution time, but it's safest to

cancel well before the scheduled date.

- **Error Resolution:** If you believe there was an error with your remittance transfer, you have specific rights:
 - You must report any error **within 180 days** of the promised date of availability. An “error” can include situations like: the wrong amount was received (different from what was disclosed), a computational mistake, funds not made available by the disclosed date, or failure to properly cancel a transfer when requested. (It can also include if you provided the wrong account number or info and the money went to the wrong person – a “sender error” – in some cases we might help recover or not count it as our error if we sent exactly per your instructions.)
 - To report an error, contact us as soon as possible. Provide your name, contact, the recipient’s name, the date and amount of transfer, and why you think there’s an error. We may require this in writing or via email following an oral report.
 - We will investigate and get back to you within **90 days** of your report (legally we must investigate in 90 days for remittances, although we aim to resolve much sooner). We will inform you of the investigation result and whether an error was found. During the investigation, we may ask you for additional information/documentation.
 - If an error occurred, we will **correct the error** promptly. This usually means either refunding you the necessary amount or sending additional funds to the recipient to correct a deficiency. By rule, if an error is found, we must correct it within 1 business day or as soon as reasonably practicable after determining the error. For example, if the recipient got \$50 less than they should have, we can either resend the \$50 or refund you so you can decide next steps.
 - If no error is found or it was caused by incorrect information you provided, we will send you a written explanation. You have the right to request the documents we relied on in the investigation.
 - **Important:** If you provided an incorrect account number or recipient identifier and the money went to the wrong account, that’s not considered an error on our part if we processed it as instructed. However, if you notify us, we will attempt to recover the funds. If we cannot, we are required by rule to inform you of that in our investigation results. We are not automatically liable for money sent to the wrong account due to your mistake, though we’ll make a good-faith effort to help.
- **Liability and Refunds:** Aside from error resolution cases, generally if a remittance fails to be delivered, we will refund you. For instance, if the recipient’s bank rejects the transfer and returns the funds, we’ll credit your account for the principal amount (and

usually the fees as well, since service wasn't completed). If a cash pickup isn't collected within the allowed window and the money is returned, we refund you.

- We and our Partner Bank will not be liable for failures or delays due to circumstances beyond our control – such as war, natural disasters, strikes, internet/communication outages, or if the receiving institution is operating in a limited capacity – but we'll do our best to keep you informed and work through issues.
 - We also are not liable for consequential damages (like if you sending money late caused some other loss) beyond the remedies provided by law and these Terms.
- **Remittance Limits and Monitoring:** We may impose special limits on remittances for compliance reasons. For example, we might restrict certain corridors or amounts unless we get more info from you. Large remittances might require additional verification of source of funds or purpose.
- **Compliance with Foreign Laws:** The recipient and you must comply with any local laws applicable. Some countries have limits on how much can be received or require the recipient to show ID for cash pickup. The recipient might have to register with the payout provider. If a recipient fails to comply or pick up, that's not on Mela, but we'll help coordinate any issues.
- **State Licensing (if applicable):** Although our Partner Bank is facilitating these transfers (and banks are generally federally regulated rather than state-licensed), if any state specific money transmission licenses apply, please see the Appendix or our website for licensing information and consumer complaint contact info.
- **Prohibited Remittances:** We do not support remittances to sanctioned individuals or entities or certain high-risk countries. We screen all transfers and will cancel any that violate sanctions or laws. We may also block remittances that appear linked to illegal activity. You must not attempt to send remittances on behalf of third parties or as part of any money transfer scheme.
- **Consumer Protection:** We want you to use remittances safely. Be cautious of international scams (like someone you met online asking for money abroad). The remittance protections (cancellation right, etc.) are there to help but might not get your money back if you willingly send to a scammer and don't realize until later. Always double-check the recipient info and trustworthiness.

We pride ourselves on transparent, quick, and secure cross-border transfers. If you have any questions before sending, ask us. We will also provide you with a *receipt* after you finalize a remittance, repeating the key details and including info on your rights.

12. Arbitration and Dispute Resolution

Please read this section carefully. It affects your legal rights by requiring arbitration of most disputes instead of court litigation. By accepting these Terms, you agree to this arbitration clause and class action waiver.

12.1. Agreement to Arbitrate: You and Mela agree that **any dispute, claim, or controversy arising out of or relating to this Agreement or the use of the Services** shall be resolved through **final and binding arbitration**, rather than in court, except as specified below. “Dispute” includes any disagreement between us, whether based in contract, tort, statute, fraud, misrepresentation, or any other legal theory.

This arbitration agreement is governed by the U.S. Federal Arbitration Act (FAA) and shall survive termination of your relationship with Mela.

12.2. Initial Dispute Resolution: Most disputes can be resolved informally by contacting Mela Customer Support. You agree to attempt in good faith to resolve any dispute by contacting us and giving us an opportunity to resolve your concern before initiating arbitration. If the dispute is not resolved within 30 days from the time you raise it with us, you or Mela may then proceed to arbitration.

12.3. Arbitration Procedures: The arbitration will be administered by the **American Arbitration Association (AAA)** under its **Consumer Arbitration Rules** (if you are an individual using the Services for personal use) or the Commercial Arbitration Rules (if not). You can find AAA’s information and rules at www.adr.org. If AAA is unavailable or unwilling, we may agree on another reputable arbitration provider or arbitrator.

- The arbitration shall be conducted by a single, neutral arbitrator. **Filing:** To begin an arbitration, you must submit a Demand for Arbitration to AAA (available on AAA’s website) and send a copy to us at our Notice Address (see Section 24 for contact info).
- **Hearing Location:** If you are a consumer, the arbitration hearing (if any, as the arbitrator may decide a dispute based on written submissions) will take place in a location reasonably convenient for you. If we cannot agree on a location, the arbitrator will decide. The arbitrator may also allow remote participation (via telephone or video) upon request.
- **Fees:** If your claimed damages are \$75,000 or less, we will pay all AAA filing, administration, and arbitrator fees. If your claim exceeds \$75,000, the fees will be allocated per AAA rules. However, we will not seek to recover our attorney’s fees or arbitration fees from you even if we prevail, except in cases where the arbitrator finds your claim frivolous or brought in bad faith (under the standard of applicable law). Likewise, you agree not to seek attorney’s fees or costs unless the law or contract expressly allows it.

- **Authority of Arbitrator:** The arbitrator shall apply the same substantive law and statutes of limitations as a court would (or as specified in this Agreement). The arbitrator can award any relief that a court of competent jurisdiction could, including individual injunctive relief and attorneys' fees if provided by law. The arbitrator's award will be final and binding on both parties and may be entered as a judgment in any court with jurisdiction.
- **Exceptions:** Either party may bring an individual claim in **small claims court** instead of arbitration if it qualifies, so long as it is filed and maintained on an individual basis (not consolidated with others' claims). Also, this arbitration clause does not prevent either party from seeking a **temporary injunction or other provisional remedies** in aid of arbitration from a court (for example, Mela may seek a court order to stop you from misusing the Services in violation of these Terms).

12.4. Class Action Waiver: All arbitrations shall be conducted on an **INDIVIDUAL (and not a class-wide) basis**. You and Mela **waive any right** to have any Dispute heard as a class action, collective action, or representative action. **The arbitrator shall have no authority to consolidate or join the claims of other persons or parties who may be similarly situated, or to preside over any form of a class, collective, or representative proceeding.** You and Mela agree that each may bring claims against the other **only in an individual capacity**, and not as a plaintiff or class member in any purported class or representative proceeding. This waiver of class actions is an essential part of this arbitration provision. If this class action waiver is found unenforceable, then the entirety of this Section 12 (Arbitration) shall be null and void, and the dispute must be brought in court, subject to Section 23 (Governing Law & Venue).

12.5. 30-Day Right to Opt Out: If you do not wish to be bound by this Arbitration and Class Waiver clause, you may opt out. To do so, you must send us a written notice of your decision to opt out by mail. The notice must include your name, address, the email or phone number associated with your Mela account, and a clear statement that you want to opt out of the arbitration agreement. The notice must be postmarked (or emailed, if we allow that) within **30 days of the first opening of your account** or acceptance of these Terms (whichever is earlier). Send the opt-out notice to the Notice Address provided in Section 24. If you opt out, this arbitration provision will not apply to you, but the rest of the Terms will continue to apply. Opting out will not affect any other agreements with us.

12.6. Severability of Arbitration Provisions: Except for the class action waiver in Section 12.4, if any part of this arbitration agreement is deemed invalid or unenforceable, it shall not invalidate the remaining portions of the arbitration agreement. However, if the class action waiver is deemed unenforceable, the entire arbitration agreement is void (as noted above).

12.7. Survival: This arbitration agreement and class waiver survive the termination of your account or relationship with Mela, and remains binding even if you stop using the Services.

Notice: BY AGREEING TO ARBITRATION, YOU AND MELA ARE GIVING UP THE RIGHT TO SUE IN COURT AND HAVE A JUDGE OR JURY HEAR YOUR CASE, AND YOU ARE GIVING UP THE RIGHT TO PARTICIPATE IN A CLASS OR REPRESENTATIVE ACTION. Arbitration is typically more limited, more efficient, and less costly than litigation, and has limited discovery and appeal rights.

If you have any questions about our arbitration provision, please contact us. We want you to clearly understand your rights.

13. Electronic Fund Transfers and Error Resolution

Because the Mela Account is used for electronic fund transfers (EFTs) of money, the following disclosure and terms are provided as required by the federal Electronic Fund Transfer Act (EFTA) and its Regulation E. This section applies to consumer accounts (not business accounts). It outlines your rights and obligations for unauthorized or erroneous transactions, as well as our procedures for resolving errors.

13.1. Types of Electronic Transfers Covered: The EFTs subject to these protections include: deposits and withdrawals via ACH, ATM withdrawals, debit card transactions (point-of-sale purchases), P2P transfers, P2M payments, remittances, transfers through the app to external accounts, and any other transactions initiated electronically through your Mela Account. (Wires are not EFTA-covered, but we still handle them carefully.)

13.2. Documentation of Transfers: You will receive an electronic **monthly statement** for any month in which an EFT occurs (otherwise at least quarterly if no activity). The statement will list all your EFT transactions, including date, amount, and description. You can view your account history at any time via the app. After an EFT, you may also receive an immediate confirmation or receipt (e.g., email receipt for a remittance, on-screen confirmation for a transfer, receipt from ATM for cash withdrawals over \$15). Save those for your records. If you see any discrepancy, contact us promptly.

13.3. Preauthorized Transfers:

- **Preauthorized Credits (Direct Deposits):** If you arrange to have regular deposits made to your Account (like payroll direct deposit), you can check your balance or transaction history to confirm the deposit. We will also include it on your statement. We do not issue separate notices for each deposit (unless required for some reason).
- **Preauthorized Payments (Auto Debits):** If you authorize a third party to periodically deduct payments from your Account (like a recurring bill), you can stop any of these payments by notifying us at least **3 business days** before the scheduled transfer. Provide us details of which payment to stop (e.g., “Auto debit to Gym Membership \$50 on 15th of each month”). We may require written confirmation of your stop-payment request within 14 days if you initially call. If you order us to stop one of these payments

at least 3 business days before it's due and we do not do so, we will be liable for your losses or damages resulting from the failure.

- **Notice of Varying Amounts:** If your recurring electronic payments can vary in amount, the entity you're paying should notify you at least 10 days before each payment of the amount and date, unless you agreed to a range or only to be notified if outside a range.

13.4. Your Responsibility for Unauthorized Transfers:

- **Unauthorized EFT Definition:** An unauthorized EFT is a transfer from your account that you did not authorize and that was initiated by someone else. It does not include situations where you gave someone permission to use your account (until you revoke it), nor transactions by Mela or Partner Bank that error but are not by an external person, nor does it include merely a disagreement with a merchant about quality (that's not unauthorized use).
- **Lost/Stolen Card or Compromised Credentials:** If you suspect your physical Card is lost or stolen, or your Mela account login or PIN has been compromised, or that someone has fraudulently used your account, **tell us AT ONCE**. The best way is to call our support immediately. Acting fast can limit your loss.
 - If you notify us **within 2 business days** after learning of the loss/theft of your access device or information, your liability for unauthorized transfers is capped at \$50.
 - If you **do NOT** tell us within 2 business days, and we could have stopped someone from using your account without permission had you told us, you could be liable for up to \$500 of unauthorized use. (That is \$50 for the first two days, and potentially \$500 total if delay beyond 2 days.)
 - Additionally, if you don't report an unauthorized transfer that appears on your statement **within 60 days** after we sent/posted the statement, you may be liable for **all** transfers after that 60-day period that could have been prevented had you alerted us timely. We can extend that time if a good reason (like extended hospital stay) kept you from notifying us.
 - For example, if a \$200 unauthorized charge appears on your January statement and you don't notice or report it until June, you could lose that \$200 *and* anything that happened between March (60 days after statement) and June before you told us.
 - These are federal law limits. **Visa Zero Liability:** Separately, Visa's policy may protect you such that you owe \$0 for unauthorized card transactions if you report quickly. We will abide by whichever is more protective of you. In practice, we

often waive the \$50.

- **Contact in Event of Unauthorized Transfer:** If you believe your Card, PIN, or account has been compromised or that an unauthorized EFT has occurred, contact us immediately. You can reach us by phone at +15717211145 or email support@mela.finance. We may require you to confirm details in writing.

13.5. Our Liability for Failure to Complete Transfers: We will make commercially reasonable efforts to complete your properly initiated transfers. However, there are some situations where we will not be liable, for example:

- If you don't have enough available funds in your account to cover the transfer (through no fault of ours).
- If the transfer would exceed a limit or you've already hit a frequency cap, etc..
- If our system or an ATM or network was not working properly and you knew of the breakdown when you started the transfer.
- If circumstances beyond our control (fire, flood, power outage, hacking incident, etc.) prevent the transfer, despite reasonable precautions.
- If your account is subject to legal process or other hold restricting the transfer.
- If you provided incorrect information for the transfer (e.g., wrong account number for recipient).
- There may be other exceptions stated in our Agreement or permitted by law.

If the failure was due to our error and none of the exceptions apply, we may be responsible for your direct losses or damages. We do not, however, guarantee every transfer and are not liable for consequential damages arising from a delay or failure unless required by law.

13.6. Error Resolution Procedure:

In case of errors or questions about your electronic transfers, **contact us as soon as you can** if you think your statement or transaction history is wrong, or if you need more information about a transfer listed. **You must contact us no later than 60 days** after we sent you the FIRST statement on which the problem or error appeared.

- When you contact us, provide: (1) Your name and account number, (2) the dollar amount of the suspected error, and (3) a description of the error or the transfer you are unsure about, explaining as clearly as possible why you believe it is an error or why you need

more info.

- If you initially call us, we may require you to send your complaint or question in writing within 10 business days. We will inform you if we need that.
- We will determine whether an error occurred within **10 business days** after you contact us (20 business days if the transfer involved a new account (first 30 days open) or a foreign-initiated transfer or point-of-sale debit)), and we will correct any error promptly. If we need more time, we may take up to **90 calendar days** to investigate (90 days for new accounts, foreign, or POS debit card transactions). If we do this, we will **provisionally credit** your account within 10 business days for the amount you think is in error, so you have use of the money during the investigation. (We may not provisionally credit for errors regarding new accounts, foreign or POS transfers until day 20, as allowed by law.)
- If we ask you to put your complaint in writing and do not receive it within 10 business days, we may not provide provisional credit.
- We will inform you of our results. If we determine there was no error, we will send you an explanation in writing (or email). You may ask for copies of the documents we used in our investigation. If we provided provisional credit and determine no error, we will debit the provisional amount from your account and notify you of the date and amount. If that causes an overdraft, you'll need to repay it.
- If we find an error, we will correct it – which may include refunding fees or crediting/deducting appropriate amounts so your account reflects the correct balance as if the error never occurred.

13.7. Special Rules for Card Transactions: You may have additional rights under Visa's rules for card transactions. For example, you might dispute a transaction with a merchant (a chargeback) if goods weren't delivered. Those rights are separate from EFTA error resolution (which covers fraud/processing errors). We may facilitate card dispute rights as a courtesy. Contact us if you have an issue with a card purchase – if it's unauthorized, we handle under Reg E; if it's a dispute of quality, we guide you through a Visa dispute when possible.

13.8. Contact for Error Resolution: You can reach our support for error questions at 571-721-1145 or support@mela.finance, or write to: Mela Finance Inc – Error Resolution, 8 The Green #20124 Dover, DE, 19901, United States. When you contact, provide the info as above.

13.9. Business Days: Our "Business Days" are Monday through Friday, excluding federal holidays. So if something happens on a Saturday, for these timelines, the clock typically starts Monday.

We take unauthorized transactions and errors seriously. We'll work with you to investigate and resolve issues as quickly as possible. Your cooperation (providing any requested affidavits, police reports for theft, etc.) can help expedite resolution.

14. Account Security and Fraud Prevention

14.1. Security of Credentials: You are responsible for maintaining the confidentiality of your Mela account credentials, including your username, password, PIN, and any biometric access if enabled on your device. **Do not share your login or PIN** with anyone. If you believe your credentials have been stolen or compromised, change them immediately and notify us. We will never ask you for your password over email or phone (we may ask for certain info to verify your identity when you contact us, but be cautious of phishing attempts).

14.2. Device Protection: If you use our mobile app, you should secure your mobile device with a passcode or biometric lock. Enable remote-wipe or tracking features in case your device is lost. Treat your mobile device as you would your wallet – someone with access to it might access your finance apps if not locked.

14.3. Our Security Measures: We implement a variety of security measures (encryption, multi-factor authentication, fraud monitoring, etc.) to protect your account. However, we need your cooperation in using those measures. We may require two-factor authentication (2FA) for certain actions; you must not disable security features that we require or recommend. We might send you alerts for suspicious login attempts or transactions – please pay attention to them.

14.4. Fraud Monitoring and Holds: We monitor accounts for suspicious activity. If we detect unusual patterns, login from new locations, large transfers that seem out of character, etc., we may place a temporary hold on transactions or your account while we contact you to verify. We realize this can be an inconvenience, but it's to protect you and us. We ask for your understanding and prompt response if we reach out under such circumstances. If we cannot reach you and suspicion remains, we may keep restrictions until resolved.

14.5. Freezing/Blocking Account: Mela reserves the right to freeze (suspend) or even close your account immediately, without prior notice, if we suspect fraud, unauthorized use, or violations of law or these Terms. This can include if we believe your account is being used by someone else, or if your activities pose risk to us or our other customers. In cases of suspected financial crime or security threats, we may be limited in what we can disclose to you (to avoid tipping off criminals). We will do our best to inform you that your account is suspended, unless directed otherwise by law enforcement or regulators.

14.6. Identity Theft: If you believe you are a victim of identity theft involving Mela (e.g., someone opened a Mela account in your name without permission), contact us immediately. We will work with you to close fraudulent accounts and take remedial action. We might require proof like an identity theft report.

14.7. No Illegal Use: You agree not to use your account or our Services for any unlawful purpose. This includes refraining from any activity that would constitute fraud (e.g., kiting, using stolen cards to fund your account), money laundering, or evading sanctions. If you do, we will terminate your account and you may be reported to authorities. Also, do not use Mela in furtherance of any activity that could harm the platform (e.g., introducing viruses, performing denial of service attacks, attempting to hack other accounts, etc.). Such behavior will also result in termination and possibly legal action.

14.8. Cooperation in Investigations: In the event of suspected fraud or security incidents, you agree to cooperate with Mela, Partner Bank, law enforcement, and any third-party investigators as needed. This may include providing statements, signing affidavits, or allowing law enforcement to access information. For example, if we or law enforcement suspect that your account was compromised by malware on your phone, you might be asked to have your device forensically analyzed (in serious cases). We know that's sensitive, and it's voluntary, but lack of cooperation could affect claim resolutions.

14.9. Contact Information: Keep your phone number and email up to date in your profile. If we detect fraud, we need to reach you. If you don't respond, we might have to keep your account locked for your protection. Also, outdated contact info can lead to you not seeing important notices (including potential data breach notifications, etc.).

14.10. Phishing and Impersonation: Beware of scammers pretending to be Mela. Official communications will come from our verified email domains or via in-app messages. We will not call you out of the blue and ask for sensitive info like your full password. If you receive any suspicious communication claiming to be from Mela, let us know at security@mela.finance. Always navigate to our official app or website yourself, don't click random links claiming account issues.

Your vigilance, combined with our safeguards, will keep your account safe. Security is a shared responsibility.

15. Compliance, AML and Sanctions Policy

Mela is committed to complying with all applicable laws and regulations, including anti-money laundering (AML), countering the financing of terrorism (CFT), "Know Your Customer" (KYC) rules, and economic/trade sanctions.

15.1. Identity Verification: As mentioned, we must verify the identity of all users. We may use third-party verification services to confirm your identity and screen your name against government watchlists (e.g., OFAC's SDN list). By using Mela, you give us permission to obtain and store information from these services. If we cannot verify you or if your name is a potential match to a prohibited party, we will not open or may suspend your account.

15.2. Source of Funds and Purpose: We may at times request information on the source of the funds you deposit or the purpose of certain transactions. For example, if you suddenly

receive a large wire, we might ask you for documentation (like an invoice or sale agreement) to ensure it's legitimate. Or if you start sending high remittances, we might ask the reason (family support, investment, etc.). You agree to provide truthful and prompt responses to such inquiries. If you do not, we may have to restrict your account.

15.3. Monitoring and Reporting: All transactions through Mela are subject to monitoring for unusual or suspicious patterns. We are required by law to file **Suspicious Activity Reports (SARs)** to the U.S. Financial Crimes Enforcement Network (FinCEN) if we detect certain activities that might signify money laundering, fraud, or other financial crimes. We are **prohibited from telling you** if a SAR is filed (so if something seems odd, we can't confirm a SAR or you'd get in trouble too). Similarly, for large currency transactions or international transports of funds, we might have to file Currency Transaction Reports or other reports. By using our Service, you acknowledge that we will comply with these obligations and that our compliance may include delayed processing or refusal of transactions (if needed to examine or report them).

Mela (or its Partner Bank) is registered with FinCEN as a money services business and is regulated by relevant authorities. We must follow the Bank Secrecy Act (BSA) and related laws.

15.4. Sanctions: You agree not to use Mela to conduct transactions with any person, entity, or country that is subject to U.S. or other applicable sanctions. This includes not attempting to send or receive money from individuals on the Specially Designated Nationals (SDN) list or entities in comprehensively sanctioned countries (currently, for example: Cuba, Iran, North Korea, Syria, the Crimea region, etc.). Our systems screen transactions. If a transaction hits a sanctions trigger, we will block and potentially report it. If you become a sanctioned person during our relationship, we must freeze or close your account.

15.5. Law Enforcement Requests: If we receive any lawful subpoena, summons, or other request for information or for freezing of funds from a government authority, we will comply to the extent required (after verifying legitimacy). We may not be able to inform you if the law forbids (for example, a national security letter). But if not prohibited, we might let you know. You understand that your data and funds may be shared or seized pursuant to such legal orders, and you hold Mela harmless from any liability in such cases.

15.6. Prohibited Businesses: If you are using a personal account, it should not be used to operate a business. If you have a business, you should seek a business account. Even for business accounts, some industries are prohibited or restricted by our policies. Without limitation, you cannot use Mela for: money services/money transmitter businesses unless authorized, unlawful online gambling, drug paraphernalia or illicit drug sales, counterfeit goods, fraud schemes, pyramid or Ponzi schemes, pornography involving minors (strictly illegal) or any adult content that violates law, sale of weapons in jurisdictions that prohibit such, or any activity requiring a license that you lack. We reserve the right to prohibit other categories at our discretion (see Acceptable Use Policy if available). If we suspect your account is being used for prohibited business, we will act accordingly (suspension/closure).

15.7. Geographic Restrictions: As stated, we cannot serve individuals in certain countries. If you move to a country or region that is restricted, you agree to notify us and possibly close your account (we can assist in returning funds). Using the account while in a prohibited jurisdiction is a violation of this Agreement. We may use IP address checks or other methods to enforce geo-restrictions.

15.8. Additional Verification: From time to time, we may need to re-verify your identity or obtain additional KYC documents. For instance, regulations might require us to keep customer information up-to-date. You agree to comply with any such requests. If you fail to respond or provide updated KYC, we may suspend your account until resolved.

15.9. Termination for Compliance Reasons: If at any point we determine that continuing to provide you Services would violate the law or our risk tolerances (for example, if you appear to be engaging in money laundering or if you become a politically exposed person requiring enhanced checks that you fail), we may terminate your account. Where possible, and legally allowed, we may give you notice and an opportunity to clarify or appeal, but we might not if law prevents or situation is critical.

15.10. Auditing: We (and our Partner Bank and regulators) have the right to audit your account activity for compliance. This usually doesn't involve you directly, but on occasion we might ask you to provide confirmation of a particular transaction as part of an audit.

By using Mela, you confirm that all funds you deposit are from legitimate sources and that you will not use the account to hide or move illicit funds. You also confirm that you will only use Mela for transactions that comply with all applicable laws.

16. Data Privacy and Sharing

Your privacy is important to us. Please review our **Privacy Policy** (available on our website) which explains how we collect, use, disclose, and protect your personal information. By agreeing to these Terms, you also acknowledge our Privacy Policy.

Key points regarding data:

- **16.1. Personal Information Collection:** We collect personal information when you sign up and use the Services. This includes information you provide (like your name, address, ID documents), information from device usage (IP address, device ID), financial information (transaction history, linked account numbers), and information from third parties (such as identity verification services or credit bureaus if applicable). We use this information to operate the Services, comply with legal obligations, prevent fraud, and improve user experience.
- **16.2. Privacy Policy:** Our Privacy Policy describes categories of data collected, purposes, and your rights. For example, it covers how you can access or correct info, and how you can opt-out of certain marketing communications. It also explains our use

of cookies or similar technologies.

- **16.3. Sharing with Partner Bank and Service Providers:** You authorize Mela to share necessary information with the Partner Bank and other third-party service providers who help deliver our Services. This includes sharing your personal and transactional info with the Partner Bank for account and card issuance (they have privacy obligations too), with card networks (for fraud monitoring), with KYC/AML vendors (for verification and screening), with payment processors (to execute transfers), and data storage providers (cloud hosting). We ensure via contracts that our service providers use your data only for intended purposes and safeguard it appropriately.
- **16.4. Sharing with Other Users:** If you use features like P2P or P2M, some of your information might be shared with the counterparty. For example, when you send someone money, they might see your name and possibly your email/phone (whatever needed to identify the source). If you are a merchant receiving P2M, the payer might see your business name and possibly location. We limit data shared to what is reasonably necessary.
- **16.5. Open Banking / Third-Party Access:** If you choose to link outside accounts to Mela (to view balances or for analytics), you'll be providing login credentials for those accounts to a third-party aggregation service we use (if applicable). We will ask your consent for this. Conversely, if you authorize an external financial app to access your Mela account data (using an API or by providing your Mela credentials, though we discourage sharing credentials), you are allowing that third party to retrieve your information. We are not responsible for what third-party services do with information you authorize them to have. Use caution and only connect with reputable services.
- **16.6. Marketing and Communication:** We may use your contact info to send you service-related notices (which are not optional – e.g., security alerts, legal updates) and marketing communications (which you can opt out of). We might also show your first name or success story on our website with permission. We do not sell your personal data to third parties for profit. We might, however, use data in aggregate form for business insights or share anonymized data.
- **16.7. Data Security:** We employ administrative, technical, and physical safeguards to protect your personal data. For instance, we encrypt sensitive info, we restrict access to staff on a need-to-know basis, and we undergo security audits. However, no system is 100% secure. You also have a role in protecting your data (as discussed in Security section).
- **16.8. Data Transfers:** Mela is a U.S.-based service. If you are using it from outside the U.S., understand that your data will be transferred to and stored in the U.S. and perhaps other jurisdictions where our service providers are (which may include cloud servers in other countries). The data protection laws of those countries might differ from your home

country. By using Mela, you consent to such cross-border transfers. We will handle your data in accordance with our Privacy Policy regardless of location.

- **16.9. Retention:** We will retain your information as long as needed to provide services and as required by law (for example, financial regulations often require keeping records for 5 years after account closure). Even if you close your account, we may retain data to comply with laws, prevent fraud, resolve disputes, or enforce our agreements.
- **16.10. GDPR/CCPA and Other Rights:** If you are a resident of certain jurisdictions like the EU or California, you may have specific rights regarding your personal data (like the right to access, delete, or port). Our Privacy Policy outlines how those rights can be exercised and provides contact info for privacy requests. As a quick note, since we need certain data to provide a financial account, deletion of data may require closing your account.
- **16.11. Telephone Communications:** By providing a phone number, you consent to receive autodialed or pre-recorded calls and texts from us or on our behalf at that number for service-related matters (e.g., fraud alerts or verification codes). You can opt out of marketing texts separately by replying STOP. Standard messaging rates apply. Calls may be monitored or recorded for quality/training.
- **16.12. Confidentiality of Account Information:** We will not disclose information about your account or transactions to anyone except: as needed to complete transactions or provide services; to comply with law or court orders; to verify existence and condition of your account for a credit bureau or third party (with your authorization or as per law); to our employees, auditors, service providers in the course of their duties; with your consent; or as outlined in our Privacy Policy.

If you have any questions about our privacy practices, please consult the Privacy Policy or reach out to our Data Protection Officer (if applicable) or customer support.

17. Changes to Terms and Services

17.1. Right to Change Terms: Mela may modify these Terms or any supplemental terms (the Fee Schedule available at mela.finance/legal/fees) from time to time. We typically do this to reflect changes in our Services, adjust to new laws, or for any legitimate business reason. When we make changes, we will provide you with notice appropriate to the significance of the change and as required by law. For example, if we increase fees or introduce a new type of fee, or make a change that reduces your rights or increases your responsibilities, we will notify you in advance, usually at least 30 days before the change is effective (via email or app). For less impactful changes (like clarifications or new features that don't impose more obligations on you), we may post the new terms on our website and note the effective date.

We will not change the arbitration clause or class waiver without giving you a chance to opt out (if we ever did, but we currently anticipate keeping it stable).

For changes governed by Regulation E (electronic fund transfers), we will give advance notice in accordance with Reg E (typically 21 days' notice for adverse changes in terms, unless an immediate change is required for security reasons). Similarly, for any change in a term or condition of your account required to be disclosed by law (like fees, liability, etc.), we will follow the applicable regulation for notice.

17.2. Acceptance of Changes: Continued use of the Services after the effective date of a change constitutes your acceptance of the revised Terms. If you do not agree to a change, you have the right to close your account before the change's effective date, and the prior Terms will apply to your account through closure (except to the extent the change in terms was required by law or applies retroactively by its nature).

17.3. Changes to Services: We are constantly improving and adding to our Services. We may add new functionalities, or we may discontinue or change certain features. For example, we might introduce a new payment method or remove an old one, adjust limits, or discontinue a rewards program. We reserve the right to make such changes without prior notice if they do not negatively affect your use or are beneficial. If a change could significantly affect how you use the service or your ability to use it, we'll notify you (e.g., discontinuing a feature you actively use, we'd try to give heads-up).

All new features or services that are rolled out will be subject to these Terms (and possibly additional terms if the feature warrants it, which we'd present to you).

17.4. Severability of Changes: If any change to Terms is found to be unlawful or unenforceable, the Terms prior to that change will govern to the extent necessary (unless otherwise specified).

17.5. Emergency Changes: Occasionally, for security or legal compliance, we might have to make a change that impacts you with less or no notice. For instance, if a new vulnerability or fraud trend emerges, we might immediately limit or disable certain functionalities to protect users. These types of changes can be made immediately and without notice when required by law or to maintain security of the system or your account. We'll notify after the fact if appropriate.

We encourage you to periodically review the Terms (we'll always post the latest version date at the top). If you have any questions or concerns about changes, please contact us.

18. Suspension, Termination, and Account Closure

18.1. Your Right to Close Account: You may close your Mela Account at any time by contacting us through the app or support channels. We may provide a feature to initiate closure in the app. Upon closure, we will terminate your access to the Services, cancel your Card (you must destroy any physical cards), and prepare to return any remaining funds to you. Before closing, you should withdraw or transfer out your remaining balance. Alternatively, upon your request, we can return funds via a method of our choosing (ACH to your linked bank, issuing a cashier's check to your address on file, etc.). No termination fee is charged, but monthly subscription fees already paid are not typically refunded (as per Section 7). Ensure all pending transactions have settled or you may remain liable (e.g., any pending card charges could still post).

Closing your account will not affect any rights or obligations incurred prior to closure. For example, if you owe fees or have a dispute, those survive. If your account has a negative balance, you must resolve it before or at closure.

18.2. Our Right to Suspend/Close: As noted earlier, Mela may suspend or terminate your account for various reasons:

- Violation of these Terms or any policy.
- Suspected fraud, unauthorized activity, or security compromise.
- If you become ineligible (e.g., move to a restricted country or underage).
- Prolonged inactivity (see 18.4).
- To comply with law or a court/order.
- If we decide to discontinue the Services entirely or in your region.

Termination can be with or without notice depending on circumstances (we strive to give notice and reason, but in some cases like suspected fraud or security, we might act first and inform later). Mela and Partner Bank also reserve the right to close your account at their discretion even absent a breach (but we wouldn't do so arbitrarily; there would typically be a reason such as risk management or business decision). If we terminate without cause, we will give you a reasonable opportunity to withdraw funds before closing (unless legal constraint).

18.3. Effect of Termination: Upon termination by either party:

- Your right to use the Services stops, and any licenses or access rights end.
- You must cease using the debit Card and any Mela app features.

- We will settle any pending transactions if possible. Recurring payments or scheduled transfers will be canceled if possible (it's your responsibility to replace those arrangements).
- Any funds remaining will be returned to you (minus any amounts due to us).
- If there are any disputes or ongoing investigations, those continue.
- Sections of these Terms which by nature should survive (like arbitration, governing law, liability limitations, etc.) will survive.

18.4. Dormancy and Unclaimed Property: If your account is inactive for a long period, we may designate it as “dormant.” Inactivity means no user-initiated transactions (excluding fee deductions or interest postings if any) for a certain period (commonly 12 months). We will attempt to contact you via email or other contacts on file if your account becomes dormant. Dormant accounts may be subject to additional verification when you return (for security).

Moreover, if your account remains unclaimed (we have had no contact and mail/email gets no response) for a period defined by state law (varies, often around 3 or 5 years), we may be required to escheat (send) the remaining funds to the state of your last known address as “unclaimed property.” We will make efforts to notify you before that happens, per legal requirements. After escheatment, you would have to claim the funds from the state’s unclaimed property department. To avoid this, keep your info up to date and periodically log in or use your account.

18.5. Death or Incapacity: In the event Mela is notified of your death or legal incapacity, we may freeze the account until instructions are received from an authorized representative (like executor, power of attorney, etc.). Your account doesn’t automatically terminate upon death; it can be handled as part of your estate. The authorized party should contact us and provide necessary documentation (death certificate, probate documents, etc.). We’ll release funds to the entitled persons as legally directed. If we aren’t aware of death and an authorized user continues to use the account (like if you gave someone login prior), we reserve the right to recover any improper payments and the estate or individuals may be liable.

18.6. Termination of Service/Program: If Mela decides to cease operations or cease offering accounts (for instance, if we dissolve the business or lose our banking partnership), we will give you as much notice as reasonably practicable to withdraw your funds and find alternative services. We may assist by transferring your accounts to another financial institution if feasible (with notice and consent as needed). In any case, your money will be returned. We will work to minimize disruption.

18.7. Account Reactivation: If we suspended your account, and later issues are resolved (e.g., you provided requested documents or we concluded an investigation clearing you), we may

reactivate your account. We have discretion on reactivation and may impose conditions (like changed limits or watch status).

18.8. Outstanding Obligations: Termination does not relieve you of obligations incurred prior. You remain responsible for any fees owed or negative balances. We reserve the right to pursue collection for unpaid amounts. We may also report unpaid debts to credit bureaus or take legal action if significant.

We value you as a customer and hope to never reach termination in conflict. Usually, terminations are amicable (you simply decide to leave). If there's an issue, we prefer to work it out rather than abruptly end things, except where absolutely necessary for safety/compliance.

19. Disclaimers of Warranty

19.1. "As Is" Service: Mela provides the Services on an "AS IS" and "AS AVAILABLE" basis, without any warranties of any kind, either express, implied or statutory. Use of the Services is at your own risk. While we strive for excellence, we do not guarantee that the Services will be uninterrupted, error-free, or secure at all times or that any defects will be corrected in a timely manner.

19.2. No Implied Warranties: To the maximum extent permitted by law, we specifically disclaim all implied warranties or conditions of merchantability, fitness for a particular purpose, non-infringement, title, and any warranties that may arise from course of dealing or usage of trade. Mela does not warrant that the information displayed in our app (such as balance, transaction details) is absolutely accurate or up-to-date at every millisecond (though we aim to keep it updated). Minor delays or discrepancies can occur.

19.3. No Warranty on Third-Party Services: We make no warranty as to any third-party service or product (including the Partner Bank's services) that is not provided directly by Mela. For example, if you access a credit score tool, budgeting tool, or any third-party offer through our app, those are not warranted by us. Similarly, we don't warrant continuous availability of the banking partners or networks we rely on (ACH network, Visa network, etc.), though if any fail, we'll do our best to find alternatives.

19.4. Not Financial Advice: Any financial insights, recommendations, or analytics provided by our open banking tools or support staff are for informational purposes only. We are not a registered investment advisor or tax advisor. We do not warrant or guarantee that following any suggestions will improve your finances or credit. **Nothing in our app should be considered legal, tax, or financial advice.** Always use your own judgment or consult a professional.

19.5. No Warranty of Funds Safety Beyond What is Stated: We have explained how we safeguard funds, but we are not insuring your funds. Except as explicitly stated (e.g., for interest features if any, via program banks), there's no insurance guarantee. We disclaim any warranty that your funds could never be lost (in an extreme banking failure scenario). We do promise to handle funds with due care, but that is not a guarantee.

19.6. Technology and Security: While we employ security measures, we do not warrant that the Services are immune from every unauthorized access, malware, or virus. Any material downloaded or obtained through the use of our Services is done at your own discretion and risk. You are solely responsible for any damage to your device or loss of data that results.

Some jurisdictions do not allow the exclusion of certain warranties. If those laws apply, some of the above disclaimers may not apply to you. In such cases, any warranties required by law are limited to the shortest period and broadest scope allowed.

We prefer to be honest that we cannot promise perfection. Our commitment is to do our best to provide great service, and when issues arise, to be transparent and fair (as described in error resolution, etc.). But we must legally say that outside what we explicitly promise, you cannot hold us to unwritten expectations.

20. Limitation of Liability

20.1. Limited Damages: To the fullest extent permitted by law, in no event shall Mela, its Partner Bank, affiliates, officers, directors, employees, or agents be liable to you for any **indirect, incidental, special, consequential or punitive damages** whatsoever arising out of or related to this Agreement or your use of the Services. This includes, without limitation, damages for lost profits, lost data, loss of goodwill, business interruption, or other intangible losses, even if we have been advised of the possibility of such damages.

20.2. Cap on Direct Liability: To the extent we are found liable for any claim, our liability is limited to the **actual amount of monetary damages you incur, not to exceed the total amount of fees paid by you to Mela in the six (6) months prior to the event giving rise to the claim, or \$100 (USD), whichever is greater.** For example, if you paid \$5/month in fees for 6 months (\$30 total) and something happened, our liability might be capped at \$100 (since \$100 is greater than \$30). If you paid \$20/month in fees for 6 months (\$120), the cap might be \$120 (since that's greater than \$100). This limitation applies to all causes of action in the aggregate, not per claim.

20.3. Exceptions: The above limitations (Sections 20.1 and 20.2) do not limit liability for **fraud, gross negligence, or intentional misconduct** by Mela, nor for any injury to the extent it cannot be excluded or limited by law (for example, some states do not allow limitation of liability for personal injury caused by negligence). Additionally, the cap does not apply to the extent you have incurred losses due to unauthorized transactions covered by EFTA/Reg E— in such case, our liability is governed by law and the terms of Section 13, which could obligate us to make you whole for unauthorized debits beyond these caps.

20.4. No Liability for Third-Party Obligations: Mela is not liable for the obligations of the Partner Bank (except to the extent required by law or separately agreed). For example, if the Partner Bank failed to honor its obligation to hold your funds (hypothetically), your claim would be primarily against that bank. We're not trying to dodge, but explaining corporate structure.

Similarly, any actions or omissions of Visa or other networks, or merchants, are not Mela's liability. We do not assume liability for any products or services purchased with the Mela account or card. Any disputes about those are between you and the seller.

20.5. Release: If you have a dispute with one or more other users (e.g., a P2P recipient) or a merchant, you release Mela (and our affiliates and agents) from any and all claims, demands, and damages of every kind arising out of or connected with such disputes. For instance, if you send money to someone and there's a disagreement or you believe you were scammed, you may have a claim against that person, but you release us from liability except as otherwise covered by unauthorized transaction rules.

20.6. Applicability: These limitations apply whether the alleged liability is based on contract, tort, negligence, strict liability, or any other basis, even if we have been advised of the possibility of such damages. The allocation of risk is an essential element of the bargain between you and us; absent these limitations, the terms and fees might be different.

Some states or countries do not allow the exclusion or limitation of certain damages, so some of the above may not apply to you. In such cases, our liability shall be limited to the maximum extent permitted by the applicable law.

Remember, you have certain rights under law (like Reg E for unauthorized charges). We are not limiting those rights. We are mainly limiting unpredictable or large damages and clarifying that we're not responsible for events largely outside our control (like how other companies behave, or general internet issues).

21. Indemnification

You agree to **indemnify, defend, and hold harmless** Mela, the Partner Bank, and our respective affiliates, directors, officers, employees, and agents (the "Indemnified Parties") from and against any and all third-party claims, losses, liabilities, damages, taxes, expenses, or costs ("Claims"), including reasonable attorneys' fees, arising out of or related to:

- **Your breach** of these Terms or any policy referenced herein.
- **Your violation of any law or regulation** or rights of a third party in connection with your use of the Services.
- **Any fraud or willful misconduct** by you or under your account (for example, if you knowingly allow someone to use your account for illegal activity, or if you dispute a charge knowing it was legitimate, etc.).
- **Any transaction dispute** between you and a third party (for example, a dispute with a payee or payor using Mela, where the third party decides to take action against Mela for

whatever reason).

- **Your use of the Services** in a manner not authorized or intended (like using an automation script that causes issues, or using the service for an unauthorized purpose that causes us harm).

For instance, if someone else (say, a regulatory fine or another user) holds Mela responsible due to something you did in violation of this Agreement, you will cover those losses.

We will notify you promptly of any such Claim, and you may assume control of the defense (with counsel reasonably satisfactory to us), provided that you give us assurances of your financial ability to indemnify. We reserve the right to participate in the defense at our own expense (and to choose counsel) if we deem your control not adequately protecting our interests or if you decline to assume defense. You may not settle any Claim in a manner that admits fault by Mela or imposes obligations on Mela without our prior written consent.

This indemnification will survive termination of your account or this Agreement.

22. Arbitration and Class Action Waiver

(Covered above in Section 12, included as reference here to ensure comprehensiveness as requested.)

Binding Arbitration: You and Mela agree to resolve most disputes through binding arbitration on an individual basis, not in court. See Section 12 above for full terms of the arbitration agreement. By accepting these Terms, you and Mela both waive the right to trial by jury or to participate in a class action lawsuit or class-wide arbitration. You have a 30-day opt-out window if you do not agree to arbitrate (Section 12.5). This arbitration provision is important to understanding how legal disputes will be handled. Please refer to Section 12, which is incorporated here by reference, for details.

(We reference it again here for emphasis and completeness, but the full terms are in Section 12 to avoid repetition.)

23. Governing Law and Venue

23.1. Governing Law: This Agreement and any dispute or claim (whether in contract, tort or otherwise) arising out of or related to this Agreement or your use of the Services shall be governed by and construed in accordance with the **laws of the State of Delaware, USA**, except to the extent federal law applies (including the Federal Arbitration Act for the interpretation and enforcement of the arbitration clause) and except to the extent that Delaware law is preempted by or inconsistent with applicable federal law. Delaware laws are chosen as the governing law because Mela is a Delaware-incorporated entity. However, if you reside

outside the U.S., you may have certain consumer protection rights under the law of your country that cannot be waived by contract; nothing in this Agreement seeks to deprive you of those protections to the extent they apply by law.

23.2. Venue for Litigation: Subject to the arbitration clause above, if for any reason a dispute proceeds in court rather than arbitration (e.g., you opted out of arbitration, or a court finds the arbitration clause unenforceable), such dispute shall be brought exclusively in the **state or federal courts located in the State of Delaware**. Both you and Mela consent to the personal jurisdiction of those courts for litigating such disputes. You and Mela waive any objection to venue in those courts and any claim that such forum is inconvenient. (If you are a consumer in the EU or certain other jurisdictions, mandatory law might allow you to sue in your home jurisdiction – this Section does not override such rights where they apply.)

23.3. Jury Trial Waiver: To the extent any dispute is litigated in court, **you and Mela each waive any right to a jury trial**, opting instead for the dispute to be resolved by a judge. (This is moot if arbitration is used, since no jury there either.)

23.4. Service of Process: You agree that we may serve process on you in the manner allowed for communications under this Agreement (for example, by email or mail to the addresses you provided), and you will be deemed served when sent (to the maximum extent permitted by law).

23.5. Other Jurisdictions: We make no representation that the Services are appropriate or available for use in any particular jurisdiction. If you choose to access or use the Services from a location outside the United States, you do so at your own initiative and are responsible for compliance with local laws, if and to the extent local laws are applicable. Regardless, the law governing this contract is as stated (Delaware), which means contract interpretation and disputes revolve around US law, though local public policy (like a local mandatory law for consumers) might be taken into account by a forum.

In summary, U.S. (specifically Delaware) law governs, and disputes are to be resolved individually via arbitration, or in Delaware courts if court involvement occurs.

24. Miscellaneous Provisions

24.1. Entire Agreement: This Agreement (including any documents incorporated by reference, such as the Privacy Policy, Cardholder Agreement, fee schedule (the Fee Schedule available at mela.finance/legal/fees), and any supplemental terms for specific features) constitutes the **entire agreement** between you and Mela regarding the Services. It supersedes all prior and contemporaneous agreements, understandings, or representations, whether written or oral, about the Services. In case of conflict between these Terms and any other document, these Terms will generally control, except where a supplemental service agreement expressly overrides these Terms for that service.

24.2. No Waiver: Our failure to enforce any right or provision of this Agreement shall not constitute a waiver of future enforcement of that right or provision. Similarly, a waiver of any

term on one occasion will not be deemed a waiver of any other term or of the same term on another occasion. For example, if we do not enforce a fee one time, it doesn't mean we waive it going forward.

24.3. Severability: If any provision of this Agreement is held to be invalid, illegal, void, or unenforceable by a court or arbitrator of competent jurisdiction, then that provision shall be deemed severed from this Agreement and shall not affect the validity or enforceability of the remaining provisions. The remainder of the Agreement will continue in effect. If a provision is deemed invalid only in part or only in certain jurisdictions, it remains effective to the maximum extent allowed in others or in part.

24.4. Assignment: You may **not assign or transfer** any rights or obligations under this Agreement without Mela's prior written consent. Any attempted assignment by you in violation of this section is null and void. Mela may assign or transfer our rights and obligations under this Agreement to an affiliate or in connection with a merger, acquisition, sale of assets, or by operation of law, or otherwise at our discretion. We'll notify you of any such assignment if it results in a change of service provider or entity for Mela. This Agreement inures to the benefit of and is binding on the parties' respective successors and permitted assigns.

24.5. Relationship of the Parties: You and Mela are independent contractors. This Agreement does not create any joint venture, partnership, employment, or agency relationship between us. You are not permitted to represent that you have any such relationship or that you are authorized to bind us in any way. Mela, the company, provides a platform; the Partner Bank provides the banking services. You are a customer of the Partner Bank for deposit account purposes, and a user of Mela's platform. But none of that makes you or us an agent of the other (beyond the limited agency you grant us to operate your instructions with the bank, which is as described and not a general agency).

24.6. Communications and Notices:

- **Electronic Communications:** This Agreement and any notices or other communications regarding your account or the Services may be provided to you electronically, and you consent to receive communications from us in electronic form. Electronic communications may be posted on our website or app, or sent via email to the address we have on file, or through other electronic means (like SMS for certain alerts). All communications in electronic format will be considered "in writing" and received by you when sent or posted. It is your responsibility to keep your contact information current (email, phone, mailing address).
- **Notice to You:** We may send notices to you at the mailing address or email address in our records, or via in-app notification. If sent by email or mail, notice is deemed delivered 3 business days after mailing. If by email or app, upon sending/posting.
- **Notice to Us:** You can contact us or send legal notices to us at:
Mela Finance Inc., a Delaware corporation

8 The Green #20124
Dover, DE, 19901, United States

Attn: Legal Department/Notices.

You may also email official notices to legal@melafinance.com (but for service of process, we prefer physical mail).

- **Customer Service:** For general support, use support@melafinance.com or in-app chat or our customer service line 571-721-1145. Note that contacting our support is not the same as providing legal notice for things like disputes or breach; for those, use the formal notice channels.

24.7 State-Specific Disclosures (and other regulators)

The following disclosures are provided pursuant to state or territorial law. If you are a resident of one of the jurisdictions listed below and have a complaint that you have been unable to resolve directly with Mela Finance Inc., you may contact the corresponding regulatory agency at the address or telephone number provided:

- **California Residents** – Department of Financial Protection & Innovation (DFPI)
Consumer Services Office
2101 Arena Boulevard, Sacramento, CA 95834
Toll-Free:** 1-866-275-2677** (1-866-ASK-DFPI)
dfpi.ca.gov
- **New York Residents** – New York State Department of Financial Services (NY DFS)
Consumer Assistance Unit
One State Street, New York, NY 10004-1511
Help Line:** 1-800-342-3736**
dfs.ny.gov/consumer
- **Texas Residents** – Texas Department of Banking
Consumer Assistance Activities
2601 North Lamar Boulevard, Austin, TX 78705-4294
Toll-Free:** 1-877-276-5554**
dob.texas.gov
(First contact Mela at the phone or email shown in § 24.6. If the complaint remains unresolved, you may contact the Department of Banking.)
- **Puerto Rico** – Oficina del Comisionado de Instituciones Financieras (OCIF)
PO Box 11855, San Juan, PR 00910-3855
Tel:** (787) 723-3131**
ocif.pr.gov

- **Nationwide** – Consumer Financial Protection Bureau (CFPB)
PO Box 27170, Washington, DC 20038
Toll-Free: ** 1-855-411-2372**

24.8. Headings and Interpretation: Section headings in this Agreement are for convenience only and do not govern the meaning or interpretation of any provision. In case of ambiguity, these Terms will not be presumptively construed for or against any party as the drafter. The words “including” or “include” mean “including without limitation.” Singular includes plural and vice versa as context requires.

24.9. Language: These Terms are in English. Any translation is provided for convenience. In the event of any conflict between the English version and a translation, the English version controls.

24.10. Force Majeure: Mela is not liable for any delays or failure in performance of any part of the Service (including processing transactions) to the extent such delay or failure is caused by events beyond our reasonable control, such as acts of God, war, terrorism, civil unrest, government action, labor disputes, internet or power outages, or other similar events.

24.11. Feedback: If you provide us with any feedback or suggestions regarding the Services, you agree that we may use such feedback for any purpose without compensation to you, and you hereby grant us a non-exclusive, perpetual, irrevocable, royalty-free license to incorporate and use the feedback in any manner.

24.12. Contact Information: Mela Finance Inc. can be reached by email at support@mela.finance or by mail at 8 The Green #20124 Dover, DE, 19901, United States, by email at support@mela.finance, or by phone at 571-721-1145. For card issues, contact Mela Finance Inc.

By using the Services, you acknowledge that you have read and agree to these Terms and Conditions. If you do not agree with any part of these Terms, you should not use the Services and, if you already have an account, you should close it.

Thank you for choosing Mela Finance. We are excited to provide you with a secure, full-reserve banking experience and are here to support you along the way. If you have any questions about these Terms or need further clarification, please contact us.