

Funds Availability Schedule

Last modified date: September 28, 2026

1. About This Schedule

Karat is a financial technology company and not a bank. Banking services are provided through Grasshopper Bank, N.A. (“GHB”) and First Internet Bank of Indiana (“FirstIB”), Members FDIC. The FDIC's deposit insurance only protects against the failure of an FDIC-insured bank.

This Funds Availability Schedule explains when deposits to your Karat Business Deposit Account are normally available for withdrawal or use. Your Account is a commercial account intended solely for business purposes. It is not intended for personal, family, or household use.

Your schedule depends on which bank issued your Account. You can identify your Bank in the Karat application, on your account statement, or by contacting Karat Concierge.

The day we receive your deposit is not always the day the funds become available. A deposit may appear in your ledger or pending balance before it is included in your available balance. Do not rely on deposited funds until the Karat application shows that they are available.

If this Schedule conflicts with your Bank's account agreement, an approved program disclosure, or applicable law, the controlling agreement or law applies.

2. Business Days and When We Receive a Deposit

A Business Day generally means a day other than Saturday, Sunday, or a federal holiday. A deposit made after the applicable cutoff or on a day the Bank is not open is treated as received on the next Business Day.

Bank	When the Deposit Day Is Determined
GHB	A deposit received and accepted before the applicable GHB cutoff on an open Business Day is treated as deposited that day. A later deposit is treated as deposited on the next Business Day.

Bank	When the Deposit Day Is Determined
FirstIB	A deposit made before 5:00 p.m. Eastern Time on an open Business Day is treated as deposited that day. A deposit made later, on a weekend, or on a federal holiday is treated as deposited on the next Business Day.

Incoming domestic USD wires and incoming ACH credits are not subject to this cutoff time.

Deposit-processing cutoffs determine the Deposit Day. They do not guarantee that funds will be available that day.

FirstIB outgoing domestic wire requests. FirstIB must receive and verify a domestic wire request by 3:00 p.m. Eastern Standard Time (EST). Requests received at or after this cutoff may be processed that Business Day or treated as received at the opening of the next Business Day. Submit a complete request sufficiently before the cutoff to allow verification; submission before the cutoff alone does not guarantee same-day execution. This wire-request cutoff is separate from the 5:00 p.m. Eastern Time deposit cutoff and does not determine when an incoming wire becomes available.

3. Grasshopper Bank, N.A. Accounts

3.1 Standard Availability

Deposit Type	When Funds Are Normally Available
Electronic direct deposit or incoming ACH credit	Same Business Day GHB receives the deposit
Incoming domestic wire	Same Business Day GHB receives the wire
Incoming international wire	When GHB receives, accepts, and posts the wire to your available balance. International wires may take longer to post than domestic wires because of currency conversion and intermediary bank processing.
Incoming real-time payment, including RTP or FedNow when enabled	When GHB receives, accepts, and posts the payment to your available balance

Deposit Type	When Funds Are Normally Available
Internal transfer between eligible Karat accounts	When GHB posts the transfer to your available balance
Mobile check deposit	Available only after GHB confirms the funds are available. A check received before 4:00 p.m. Eastern time is eligible for same-day processing.
RDC scanner or web check deposit	Available only after GHB confirms the funds are available. A check received before 5:00 p.m. Eastern time is eligible for same-day processing.
Lockbox check deposit, when enabled	A check received before 12:00 p.m. Eastern time is eligible for same-day processing. Funds follow GHB's standard deposit schedule unless GHB provides a separate schedule.
Foreign check or check accepted for collection	After GHB receives final payment from the bank on which the check is drawn

GHB's general policy is to make eligible cash and check deposits available on the first Business Day after the day of deposit. Some checks may not be available until the second Business Day. For checks subject to the Regulation CC first-dollar rule, at least the first \$275 is available on the first Business Day after deposit. Karat does not support every deposit type described in GHB's general account agreement.

3.2 New Grasshopper Bank, N.A. Accounts

During the first 30 days of a new GHB account relationship, check deposits that do not qualify for special availability may be delayed until the ninth Business Day after the Business Day of deposit. Deposits entitled to special availability retain the timing stated in the GHB agreement.

3.3 Grasshopper Bank, N.A. Check Deposit Important Information

Mobile and RDC check deposits are not subject to Regulation CC funds availability requirements under GHB's RDC terms. GHB may release funds sooner or hold them longer based on the account relationship, transaction history, item risk, emergency conditions, and

other relevant factors. A successful image transmission or deposit confirmation does not mean that the check has finally cleared or that funds are available.

4. First Internet Bank of Indiana Accounts

FirstIB's remote deposit capture (RDC) program, including mobile check deposits, is not subject to Regulation CC's funds availability requirements. Availability for these check deposits is governed by your First Internet Bank of Indiana Business Deposit Account Agreement and the schedule below.

4.1 Standard Availability

Deposit Type	When Funds Are Normally Available
Incoming direct deposit or third-party ACH credit	When FirstIB receives and posts the deposit to your available balance, and no later than the next Business Day after the Banking Day of receipt unless a permitted delay applies
Incoming domestic wire	When FirstIB receives, accepts, and posts the wire to your available balance, and no later than the next Business Day after the Banking Day of receipt unless a permitted delay applies
Incoming international wire	When FirstIB receives, accepts, and posts the wire to your available balance. International wires may take longer to post than domestic wires because of currency conversion and intermediary bank processing.
Incoming real-time payment, including RTP or FedNow when enabled	When FirstIB receives, accepts, and posts the payment to your available balance
Internal transfer between eligible Karat accounts	When FirstIB posts the transfer to your available balance
ACH debit used to transfer funds from a connected U.S. bank account	Generally within two Business Days after the Banking Day on which the funds are deposited

Deposit Type	When Funds Are Normally Available
Mobile or other RDC check deposit	Generally within seven Business Days after the Business Day of deposit

FirstIB may make funds available sooner based on the account relationship, transaction history, and other relevant factors.

4.2 First Internet Bank of Indiana Check Deposit Cutoff

You may submit check images through FirstIB's mobile check deposit service at any time. A check image submitted after 5:00 p.m. Eastern Time on a Business Day, or on a day that is not a Business Day, is treated as deposited on the next Business Day.

An image is received when you receive a confirmation through the service. This confirms receipt of the image, not that the transmission is error-free or complete. Your transaction history will show when FirstIB has accepted and credited the deposit. Acceptance and credit do not by themselves mean the funds are available for use; availability follows the schedule above and any applicable hold. Credit remains provisional until final collection and may be reversed if the check is returned, even after the funds have become available.

4.3 Unsupported First Internet Bank of Indiana Deposit Methods

Do not mail cash or checks to FirstIB. FirstIB does not accept mailed deposits for the Karat Program and generally does not accept foreign currency. Check deposits are available only through RDC for approved customers and eligible items.

5. Longer Delays May Apply

Funds may be delayed beyond the normal schedule. If a delay applies, we or your Bank will tell you when the funds are expected to be available.

5.1 Grasshopper Bank, N.A. Longer Delays

GHB may delay a check deposit when:

- Your aggregate check deposits exceed \$6,725 on one Business Day;
- GHB reasonably believes a check may not be paid;

- You redeposit a check that was previously returned unpaid;
- Your Account is or has been repeatedly overdrawn or has frequent returned deposits;
- An emergency or event beyond GHB's control interrupts processing;
- The check is foreign, double-endorsed, accepted for collection, or otherwise ineligible for the standard schedule;
- Your Account is new; or
- Another exception permitted by law or your GHB agreement applies.

The amount of a daily check deposit over \$6,725 may generally be delayed until no later than the seventh Business Day after deposit. Certain other checks or new-account deposits may be delayed until the ninth Business Day. GHB will provide the applicable availability date.

5.2 First Internet Bank of Indiana Longer Delays

FirstIB may delay funds when:

- FirstIB believes a deposited check will not be paid;
- Check deposits total more than \$6,725 on one day;
- A returned check is redeposited;
- Your Account has been repeatedly overdrawn during the previous six months; or
- An emergency, such as a computer or communications failure, occurs.

FirstIB will notify you if it delays availability for one of these reasons. Funds subject to these exceptions generally will be available no later than the seventh Business Day after the day of deposit, subject to your agreement and applicable law.

6. Returned Deposits and Provisional Credit

Even after funds are available and you withdraw or use them, a check or electronic transfer may be returned, rejected, reversed, or found not to have finally settled. Your Bank may reverse a temporary or provisional credit and debit your Account for the returned amount. You are responsible for returned deposits and any resulting negative balance.

Your Bank may reject a deposit, place a legal or compliance restriction on funds, or make funds unavailable because of fraud review, sanctions requirements, legal process, account restrictions, or other authority under your Account agreement. These restrictions may follow a different timeline from a funds availability hold.

7. Contact Us

If you need to know when a particular deposit will be available, contact Karat Concierge:

- Email: concierge@trykarat.com
- Text: (323) 747-7086
- Website: <https://www.trykarat.com>

Please have your Account and deposit details available. Karat Concierge can explain the availability date provided by your Bank but cannot promise an early release or override a Bank hold.