

Karat Rewards Program Terms

Last modified date: October 16, 2026

These Karat Rewards Program Terms (these “Terms”) are provided to you (“you” or “your”) by Karat Financial Technologies Incorporated (collectively “Karat,” “we,” or “us”) and govern the rewards Karat offers on eligible purchases made with your Karat Business Charge Card (the “Charge Card”), on eligible purchases made with your Karat Visa® Business Banking Card (the “Banking Card”), and on eligible deposit account balances (the “Rewards Program”). By accepting these Terms, you agree to participate in the Rewards Program and consent to these Terms. These Terms supplement our general [Terms of Use](#) (the “General Terms”), which also apply to the Rewards Program. These Terms are incorporated by reference into, and form a part of, the General Terms. In the event of a conflict between these Terms and the General Terms, these Terms will supersede and control but only with respect to the Rewards Program. All capitalized terms used but not defined in these Terms have their respective meanings as set forth in the General Terms. All services provided by us under these Terms, including the Rewards Program and related services, are considered “Services” under the General Terms.

THE GENERAL TERMS CONTAIN A MANDATORY INDIVIDUAL ARBITRATION AND CLASS ACTION/JURY TRIAL WAIVER PROVISION THAT REQUIRES THE USE OF ARBITRATION ON AN INDIVIDUAL BASIS TO RESOLVE DISPUTES, RATHER THAN JURY TRIALS OR CLASS ACTIONS.

THE REWARDS PROGRAM IS OWNED, OPERATED, AND FUNDED SOLELY BY KARAT. IT IS NOT A BANK PRODUCT OR SERVICE. KARAT’S PARTNER BANKS DO NOT SPONSOR, OFFER, ADMINISTER, OR FUND THE REWARDS PROGRAM, AND ARE NOT RESPONSIBLE FOR ANY REWARDS, INCLUDING CHARGE CARD REWARDS, BANKING CARD REWARDS, AND BANK ACCOUNT REWARDS. BANKING CARD REWARDS ARE PAID BY KARAT AND ARE NOT PAID BY ANY BANK OR CARD NETWORK. BANK ACCOUNT REWARDS ARE PAID BY KARAT AND ARE NOT INTEREST PAID BY ANY BANK.

1. The Rewards Program

The Rewards Program covers three products: (a) rewards on eligible purchases made with your Charge Card, described in Section 2 (“Charge Card Rewards”); (b) cash back on eligible

purchases made with your Banking Card, described in Section 3 (“Banking Card Rewards”); and (c) rewards on eligible balances in your deposit account, described in Section 4 (“Bank Account Rewards”). In these Terms, “Bank” means the partner bank that issues your Charge Card or holds your deposit account, as applicable, “Bank Account” means each deposit account you open through Karat with a Bank, the Banking Card is the card issued with your Bank Account, and “Linked Bank Account” means each U.S. bank account at another financial institution that you have linked to your Karat account, as described in the General Terms.

What You Earn: The Rewards Program currently offers the following: (a) on your Charge Card, one (1) point per dollar on Eligible Purchases under Flat Rewards, unless you participate in Category Rewards or the Max Program as described in Section 2; (b) on your Banking Card, if your Bank Account is eligible, cash back equal to one percent (1%) of Eligible Banking Card Purchases, as described in Section 3; and (c) on your Bank Account, Bank Account Rewards at 0.00% on checking accounts and 1.00% on ATP accounts, as described in Section 4. Each is subject to the eligibility requirements, exclusions and account standing requirements in these Terms. Karat Premium members may receive different Bank Account Rewards rates under the Karat Premium Program Terms of Service.

Acceptance: You accept these Terms when you apply for a Charge Card or a Bank Account through Karat. Section 2 applies only while you have an approved Charge Card, and Sections 3 and 4 apply only while you have a Bank Account. If you later apply for the other product, these Terms will apply to that product as well, and we may ask you to accept the then-current version of these Terms at that time.

Your Product Agreements: Your Charge Card is governed by the [Karat Business Charge Card Agreement](#) (the “Charge Card Agreement”). If your Bank Account is held at First Internet Bank of Indiana, your Bank Account and Banking Card are governed by the [First Internet Bank of Indiana Business Deposit Account Agreement](#) (the “FirstIB Deposit Account Agreement”). If your Bank Account is held at Grasshopper Bank, N.A., your Bank Account and Banking Card are governed by the [Grasshopper Bank Deposit Account Agreement](#), the [Grasshopper Bank Business Deposit Account Agreement Disclosures](#), and the [Grasshopper Bank Debit Cardholder Agreement](#) (together, the “Grasshopper Deposit Account Agreements”). In these Terms, “Deposit Account Agreement” means the FirstIB Deposit Account Agreement or the Grasshopper Deposit Account Agreements, whichever governs your Bank Account.

Karat Premium: These Terms cover the rewards available to all Karat customers. If you are a member of the Karat Premium program, the separate [Karat Premium Program Terms of Service](#) govern the Karat Premium program and any benefits available to its members. These Terms do not cover Karat Premium.

2. Charge Card Rewards

A. Eligibility and Earning Rewards

This Section 2 applies to you if you have an approved Charge Card account. Only Eligible Purchases made using a Bank Product that we designate as eligible for the Charge Card rewards program (the “Charge Card Rewards Program”) earn Rewards. Currently, only the Charge Card is eligible.

You can earn and accrue points that you can redeem for cash back rewards in the form of a credit to your Charge Card or for other redemption options we make available from time to time (“Rewards”) on eligible purchases (and, under Category Rewards, in eligible merchant categories), as each is determined by us in our sole discretion (“Eligible Purchases”), charged to your Charge Card and posted to your Rewards account (“Rewards Account”). In addition to the points you earn under your earning option, you may earn points as may be authorized by Karat from time-to-time for special programs, promotions or transactions that may be offered for limited time periods and for which additional terms and conditions may apply.

The number of points you earn depends on the earning option that applies to your Rewards Account. Karat offers three earning options: Flat Rewards, described in Section 2(B), Category Rewards, described in Section 2(C), and the Max Program, described in Section 2(D). Only one earning option applies to your Charge Card account at a time. Category Rewards and the Max Program are available only to accounts we designate as eligible, and Flat Rewards applies unless you opt into one of them. If you stop participating in, or are removed from, Category Rewards or the Max Program, Flat Rewards applies. We may make any earning option available or unavailable to any account, or close any earning option to new enrollment, at any time in our sole discretion. Points may be redeemed as described in Section 2(G).

B. Flat Rewards

Under Flat Rewards, you earn one (1) point for every dollar of Eligible Purchases charged to your Charge Card. Points are calculated on the U.S. Dollar amount of each Eligible Purchase, rounded as described in Section 2(F). Flat Rewards applies to your Charge Card account automatically when your Charge Card account is approved. No opt-in is required.

C. Category Rewards

If Category Rewards is available to your account, you opt into Category Rewards by selecting up to three merchant categories in your Rewards Account in which to earn Rewards. If you do not select merchant categories, Category Rewards does not apply to you. Eligible Purchases in each selected merchant category currently earn between one (1) and three (3) points per dollar, and the earning rate for each merchant category is shown in your Rewards Account. You may change your selected merchant categories yourself in your Rewards Account once every six (6) months, or at such other frequency as we may permit from time to time. Your initial selection takes effect when you make it. Later changes to your selections may take up to one (1) month to be reflected in your Rewards Account. Karat reserves the right to remove merchants from the Charge Card Rewards Program in its sole discretion including when required by local laws, rules, or regulations. Merchants who accept the Charge Card are assigned a merchant code, which is determined by the merchant or its processor in accordance with card brand procedures based on the kinds of products and services they primarily sell. As such, even though a merchant may sell retail items that may be similar to retail items sold by another merchant, the merchants may not have the same merchant code, and therefore the purchases at the merchants may not be included in the same category for the purposes of earning Rewards. Purchases must be submitted by merchants using the identified merchant category codes to qualify for earning Rewards. We are not responsible for incorrectly coded transactions. The merchant categories available to you, and the categories you have selected, are shown in your Rewards Account. Because Rewards are earned by merchant category code rather than by individual merchants, we do not publish a list of eligible merchants. You may stop participating in Category Rewards at any time by cancelling your selections or by notifying us. If Category Rewards is no longer available to your account when you stop participating, you may not be able to select merchant categories again.

D. Max Program

We may also offer an alternative rewards program (the “Max Program”) to accounts we designate as eligible. Participation requires your affirmative opt-in through a method we make available from time to time. We determine eligibility for the Max Program and may approve, deny or remove your participation at any time at our sole discretion.

Under the Max Program, Rewards are earned on all Eligible Purchases regardless of merchant category, at the rates described below depending on the rate tier that applies to your account and the account used for repayment, and merchant category selections do not apply. To earn Rewards under the Max Program, you must enroll in daily automatic payments and authorize us to debit your Bank Account, meaning the deposit account provided to you through Karat, or a Linked Bank Account for the outstanding balance on your Charge Card each day. You will designate the account to be debited and may designate a backup account. We evaluate eligibility on a daily basis.

Standard Rates: Eligible Purchases earn two (2) points per dollar if repayment is made from your Bank Account, and one (1) point per dollar if repayment is made from a Linked Bank Account.

Enhanced Rates: Eligible Purchases earn three (3) points per dollar if repayment is made from your Bank Account, and two (2) points per dollar if repayment is made from a Linked Bank Account.

Accounts enrolled in the Max Program before October 1, 2026 receive Enhanced Rates. Accounts enrolled on or after that date receive Standard Rates unless we designate the account for Enhanced Rates. We determine which rate tier applies to your account and may make Enhanced Rates available to additional accounts at any time at our sole discretion. If you stop participating in, or are removed from, the Max Program and later re-enroll, Standard Rates apply unless we designate otherwise.

If a repayment attempt from your Bank Account is unsuccessful and the balance is instead repaid from a Linked Bank Account, Eligible Purchases for that day earn the Linked Bank Account rate for your rate tier. If the full outstanding balance is not repaid the same day, transactions posted that day earn no Rewards. There is no partial, prorated or retroactive earning under the Max Program. The rate tier and earning rates that apply to your account are shown in your Rewards Account.

Points earned under the Max Program are credited in a pending state and are not redeemable until thirty (30) days after the date of successful same-day repayment, after which they are posted to your Rewards Account. The Max Program earning rates, eligibility criteria and structure are subject to change at any time.

E. Eligible Purchases

All offers made available to you are temporary and may become unavailable without notice. Cash advances, purchases of cash equivalents of any kind, balance transfers, convenience check amounts, purchases we believe to have been made by or for a consumer purpose, foreign transactions, Charge Card fees, interest charges, ATM transactions, cash withdrawals or cash back transactions, credit insurance, gambling fees, gaming chips, credit protection, debt cancellation charges and unauthorized or fraudulent transactions do not qualify as Eligible Purchases and do not earn Rewards. If a merchant category is not an eligible merchant category, or if we have removed a merchant from the Charge Card Rewards Program, you will not earn Rewards on transactions with such merchant. Additionally, purchases made through third parties, including online marketplaces and resellers, or using a third-party payment account will not be eligible for accruing Rewards. Questions concerning Eligible Purchases and what constitutes Eligible Purchases will be determined in the sole discretion of Karat. We may, in our discretion, award Rewards on a transaction that does not qualify as an Eligible Purchase, and doing so does not waive our right to exclude that type of transaction in the future.

If you return, charge back, cancel, dispute, or otherwise request a refund for an Eligible Purchase for which you have already received Rewards, we reserve the right to remove any related Rewards amount from your Rewards Account or withhold future Rewards to cover any such amount.

F. Your Rewards Account

Your Rewards Account shows the transactions that are eligible for Rewards and the points earned on each. We encourage you to frequently review your Rewards Account, accessible through the Karat user dashboard. There is no limit on the number of Rewards you can earn each year. The frequency, timing, content or layout of the Rewards Account information is subject to change from time-to-time at the discretion of Karat. Rewards cannot be combined with other discount or reward programs unless specifically authorized by us.

Crediting: Except as described for the Max Program in Section 2(D), the Rewards you earn during a statement period will be credited to your Rewards Account when you pay all amounts owing for that statement period by the payment due date shown on that statement. If you do not pay all amounts owing for a statement period by the payment due date, you may not receive the Rewards attributable to that statement period. Rewards previously posted to your Rewards Account and Rewards attributable to other statement periods are not affected. All transactions in U.S. Dollars for which Rewards are awarded to you will be rounded to the nearest cent for purposes of determining the amount of Rewards to be awarded.

If it has been more than thirty (30) days since the transaction and Rewards are not reflected on your Rewards Account summary, please contact customer service at concierge@trykarat.com. Inquiries must be made within sixty (60) days of the transaction. If you do not file your claim within sixty (60) days, Rewards earned or otherwise applied to your Rewards Account will be deemed accurate and you will have waived any claim for adjustment.

G. Redemption

You may redeem any Rewards credited to the Rewards Account by clicking the “Redeem” button on the Charge Card Rewards Program dashboard for your Rewards Account accessible via the Karat user dashboard.

Points may be redeemed for a credit to your Charge Card at the redemption rate shown in your Rewards Account at the time of redemption. As of the date of these Terms, 100 points may be redeemed for a \$1.00 credit, meaning each point is worth \$0.01 when redeemed for a credit. We may change the redemption rate at any time, and the redemption rate that applies will be shown in your Rewards Account before you confirm any redemption. We may also make other redemption options available from time to time, which may have different redemption values. The redemption value of any other option will be shown to you before you confirm the redemption.

Your Rewards will not be available for redemption until posted to your Rewards Account regardless of the date of the transaction for which Rewards are earned.

Rewards earned in connection with any authorized user will be consolidated and reported in a single Rewards Account. Consolidation of Rewards into one Rewards Account will be based upon the person, as determined by us, identified by name and social security number as the primary accountholder on each Charge Card. Rewards may only be redeemed through the

redemption options we make available to you from time to time. Rewards cannot be transferred or redeemed to any account outside of Karat, or converted to cash or any other form of payment. A redemption provides a specific U.S. Dollar value that is applied to the redemption option you select. Where a redemption is applied as a credit to your Charge Card account, it will generally be credited within two (2) business days of your redemption. If you do not receive your redemption within that timeframe, please contact us by emailing concierge@trykarat.com.

H. Restriction and Cancellation on Rewards and Forfeiture

Rewards do not expire, but they may be suspended or forfeited as described in this Section 2(H), Section 5 and Section 6.

If any amount owed on your Charge Card account is not paid in full by the Payment Due Date under the Charge Card Agreement (a "Past Due Balance"), any Rewards attributable to Eligible Purchases included in the Past Due Balance that have not been redeemed, including Rewards in a pending state, are forfeited and will be cancelled as of the moment the balance becomes past due. This includes Rewards under the Max Program where a same-day repayment is later returned, reversed or otherwise not completed. We may, in our sole discretion, reinstate forfeited Rewards if the Past Due Balance is paid in full.

Rewards are not your property and may not be assigned or transferred to any person (including upon death or as a part of a domestic relations matter). Rewards neither have cash value, surrender value, transfer value nor any other value of any kind until and to the extent they are actually redeemed by us. Rewards used by you for redemption will be those unredeemed Rewards that have been on the Rewards Account the longest time. All redemptions are final. The sale or barter of any Rewards, other than by us, is expressly prohibited.

3. Banking Card Rewards

A. Earning Banking Card Rewards

Banking Card Rewards are available only to Bank Accounts we designate as eligible, and we may make Banking Card Rewards available or unavailable to any Bank Account at any time in our sole discretion. If your Bank Account is eligible, you earn Banking Card Rewards on Eligible Banking Card Purchases and are enrolled automatically, with no opt-in required. Banking Card Rewards are one percent (1%) of the amount of your Eligible Banking Card Purchases. Banking

Card Rewards are paid in U.S. Dollars, are separate from Charge Card Rewards, and cannot be combined with or converted into points.

B. Eligible Banking Card Purchases

“Eligible Banking Card Purchases” means purchases of goods or services made with your Banking Card, or any Banking Card issued to an authorized user on your Bank Account, that post to your Bank Account, less any returns, refunds and credits. The exclusions in Section 2(E) apply to Banking Card Rewards in the same way they apply to Charge Card Rewards, with references to the Charge Card read as references to the Banking Card and references to Rewards read as references to Banking Card Rewards.

C. Calculation and Redemption

Banking Card Rewards are calculated as each Eligible Banking Card Purchase settles and are combined across your eligible Bank Accounts. Fractional cents are retained in your rewards balance, and the amount available for redemption is rounded down to the nearest cent. To allow time for returns, refunds and disputes, Karat holds Banking Card Rewards for sixty (60) days after the related purchase settles. After the hold period, you may redeem all or part of your available Banking Card Rewards through the Karat user dashboard, in whole cents, with a minimum of \$0.01. Karat will deposit the redeemed amount into the eligible checking account you select at the time of redemption. Banking Card Rewards are not deposited automatically and have no value until deposited to your Bank Account. Calculation and redemption of Banking Card Rewards are subject to Section 5.

D. Returns, Disputes and Adjustments

If an Eligible Banking Card Purchase is returned, refunded, charged back, disputed or reversed before the related Banking Card Rewards are deposited, we will reduce those Banking Card Rewards accordingly. If this happens after the related Banking Card Rewards have been deposited, we may deduct the related amount from your future Banking Card Rewards or debit it from your Bank Account. We may also correct, in the same way, any Banking Card Rewards deposited in error.

4. Bank Account Rewards

A. Eligibility

This Section 4 applies to you if you have a Bank Account in good standing, as described in Section 5. Karat may pay you Bank Account Rewards based on the balance of your Bank Account. Bank Account Rewards are offered and funded solely by Karat. They are not interest paid by the Bank, and your Bank Account is non-interest-bearing under your Deposit Account Agreement. The terms of Bank Account Rewards are the same at each Bank, but how we describe them depends on the Bank that holds your Bank Account, as described below.

B. Bank Accounts Held at Grasshopper Bank, N.A.

For Bank Accounts held at Grasshopper Bank, N.A. and governed by the Grasshopper Deposit Account Agreements, Bank Account Rewards are expressed as an annual percentage yield (“APY”). APY on Grasshopper accounts is paid by Karat, not by Grasshopper Bank, N.A.

C. Bank Accounts Held at First Internet Bank of Indiana

For Bank Accounts held at First Internet Bank of Indiana and governed by the FirstIB Deposit Account Agreement, Bank Account Rewards are paid by Karat, not by First Internet Bank of Indiana.

D. Rates

Bank Account Rewards rates depend on your account type. In these Terms, an “Automated Tax Planning account” or “ATP account” is a sub-account type of your Bank Account that is designated in the Karat platform for setting aside funds for taxes, and a “checking account” is any Bank Account, or portion of your Bank Account, that is not designated as an ATP account. Bank Account Rewards are calculated separately on the balances held in each account type.

Checking Accounts: The Bank Account Rewards rate on checking accounts is 0.00%.

Automated Tax Planning Accounts: The Bank Account Rewards rate on ATP accounts is 1.00%.

The Bank Account Rewards rates applicable to your Bank Account are shown in the Karat user dashboard.

E. Calculation and Crediting

We use the daily balance method to calculate Bank Account Rewards on your Bank Account. This method applies a daily periodic rate equal to $1/365$ of the applicable Bank Account Rewards rate to the collected balance in the Bank Account each day. Bank Account Rewards will begin to accrue no later than the next business day following the banking day on which the funds were deposited. Bank Account Rewards are compounded and credited on a monthly basis and deposited by Karat to your Bank Account by the 15th day of each month. Bank Account Rewards accrue and are paid only as described in Section 5.

5. Account Standing and Restricted Accounts

Your Charge Card account or Bank Account, as applicable, is in “good standing” when it is open, is not restricted, frozen, suspended or closed, is not under review for suspected fraud or other risk, and is not in default under these Terms, the General Terms or the agreement that governs it (the Charge Card Agreement for your Charge Card account, or the Deposit Account Agreement for your Bank Account), in each case as determined by us.

Charge Card Rewards: You do not earn Charge Card Rewards for any period in which your Charge Card account is not in good standing, and Charge Card Rewards will not be applied retroactively for that period. You may not redeem Charge Card Rewards while your Charge Card account is not in good standing. If your Charge Card account is closed for any reason, we may cancel any Charge Card Rewards that have not been redeemed. Section 2(H) describes additional circumstances in which Charge Card Rewards are forfeited.

Banking Card Rewards: You do not earn Banking Card Rewards on purchases that settle while your Bank Account is not in good standing, and Banking Card Rewards will not be applied retroactively for that period. You may not redeem Banking Card Rewards while your Bank Account is not in good standing. If your Bank Account is closed for any reason, any Banking Card Rewards that have not been redeemed are forfeited. If your Bank Account returns to good standing, you earn Banking Card Rewards again from that date going forward and may redeem them as described in Section 3.

Bank Account Rewards: Bank Account Rewards do not accrue for any day on which your Bank Account is not in good standing, and are not accrued retroactively for that period. If your Bank Account is not in good standing on the date Bank Account Rewards are calculated or

scheduled to be deposited, including because it has been closed, those Bank Account Rewards are forfeited, including any portion earned while your Bank Account was in good standing, and will not be deposited at a later date, even if your Bank Account later returns to good standing. If your Bank Account returns to good standing, Bank Account Rewards accrue again from that date going forward and are deposited on the normal schedule.

6. General Terms for All Rewards

This Section 6 applies to all rewards under the Rewards Program, including Charge Card Rewards, Banking Card Rewards and Bank Account Rewards.

Karat Account Standing; Suspension and Forfeiture: Your rewards across the Rewards Program depend on your compliance with these Terms, the General Terms, the Charge Card Agreement, the Deposit Account Agreement and any other agreement you have with Karat. We may temporarily or permanently suspend or end your participation in the Rewards Program, and may suspend, withhold, adjust or forfeit any or all of your Charge Card Rewards, Banking Card Rewards or Bank Account Rewards, regardless of the standing of any individual Charge Card account or Bank Account, if: (1) you violate, or you, your Charge Card or your Bank Account is in default under, any of those terms or agreements; (2) you engage in any fraudulent or other illegal activity in connection with the Rewards Program, or otherwise engage in activity that we deem to be abusive or “gaming” conduct under the Rewards Program; (3) you engage in fraud, abuse or misuse of any product or service we offer; or (4) you make any misrepresentation to us, in each case as determined by us in our sole discretion.

Changes to the Rewards Program and These Terms: We may terminate your participation in the Rewards Program at any time. We may change, suspend or end the Rewards Program or any part of it, including Charge Card Rewards, Banking Card Rewards, Bank Account Rewards and any earning rate, or amend these Terms, at any time for any reason or no reason, upon notice to you as described in the General Terms. Any changes to these Terms will be in effect as of the “Last modified” date referred to at the top of this page or such later date as may be specified in the updated Terms. Your continued participation in the Rewards Program after the modifications have become effective will be deemed your acceptance of the modified Terms.

Taxes: Redemptions and any rewards you receive, including Banking Card Rewards and Bank Account Rewards, may qualify as taxable income to you. You acknowledge and agree that you are responsible for determining, paying, withholding, filing, and reporting all taxes, duties, and

other governmental assessments associated with your activity in connection with the Rewards Program. We are not responsible for determining whether you owe taxes in connection with your participation in the Rewards Program or redemption or use of Rewards or for collecting, reporting, or remitting taxes arising from your participation in the Rewards Program or redemption or use of Rewards, except for our own income taxes and any reporting required of us by law. All rewards received are exclusive of any applicable withholding, sales, use, excise, value added, or other taxes.

Karat Operates the Rewards Program: The Rewards Program, including Rewards, Rewards Accounts, Banking Card Rewards and Bank Account Rewards, is owned, administered, funded and solely operated by Karat. Banks are not involved in, and are not responsible for any portion of, the Rewards Program (including Flat Rewards, Category Rewards and the Max Program), Rewards, Rewards Accounts, Banking Card Rewards, Bank Account Rewards or the distribution of any earned rewards. The Rewards Program is subject to all applicable laws and regulations and is void where prohibited. You represent and warrant that you will not access or use the Rewards Program to engage in any illegal, fraudulent, or other illicit activity.

Indemnification: In addition to any other indemnification obligations under the General Terms, you agree to indemnify and hold us and our third-party service providers and their respective affiliates, directors, officers, employees, agents and contractors harmless from and against any loss, damage, liability, cost, or expense of any kind (including attorneys' fees) arising from your or an authorized user's: (i) participation in the Rewards Program; or (ii) any fraud or misuse of the Rewards Program.

Exclusive Remedy: If we do not credit, or improperly deny, any reward or Rewards redemption to which you were otherwise entitled, then your exclusive remedy will be the issuance of the improperly denied reward or Rewards redemption, if available, or such other alternative benefit as we in our sole discretion may determine. Neither we nor any of our affiliates, agents or representatives have any other or additional liability to you or any other person for such error(s), subject to applicable law.