

Karat Premium Program Terms of Service

Last modified date: September 29, 2026

These Karat Premium Terms (these “Terms”) are provided to you (“you” or “your”) by Karat Financial Technologies Incorporated (collectively “Karat,” “we,” or “us”) and apply to you if you choose to join the Karat Premium program (“Karat Premium” or the “Program”). By accepting these terms, you agree to participate in the Program and consent to these Terms. These Terms supplement our general [Terms of Use](#) (the “General Terms”), which also apply to the Program. These Terms are incorporated by reference into, and form a part of, the General Terms. In the event of a conflict between the terms of these Terms and the General Terms, these Terms will supersede and control but only with respect to the 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 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.

KARAT PREMIUM IS AN OPTIONAL MEMBERSHIP PROGRAM 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 CHARGE ANY FEE FOR THE PROGRAM, AND ARE NOT RESPONSIBLE FOR ANY PREMIUM BENEFIT, INCLUDING BANK ACCOUNT REWARDS AND KARAT COUPONS. BANK ACCOUNT REWARDS ARE PAID BY KARAT AND ARE NOT INTEREST PAID BY ANY BANK.

1. The Program and the Karat Premium Fee

Karat Premium is an optional, paid membership program owned and operated by Karat, offered in addition to the Karat Rewards Program that is generally available to all Karat customers under the [Karat Rewards Program Terms](#) (the “Rewards Program Terms”). It is not a Bank Product, and no Bank sponsors, offers, or administers it. Karat offers deposit accounts through

its FDIC-insured partner banks. In these Terms, “Bank” means the partner bank that holds your deposit account, “Bank Account” means each deposit account you open through Karat with the Bank, “Banking Card” means the Karat Visa® Business Banking Card, the card issued with your Bank Account, and “Charge Card” means the Karat Business Charge Card. Your Bank Products have the same terms whether or not you join the Program. While you are an active member of the Program, the Premium Benefits in Section 2 apply in addition to, or in place of, the standard rewards in the Rewards Program Terms, as described in Section 2.

Opting In: Membership in the Program is opt-in only. You become a member only by choosing to join through the Karat Premium enrollment flow and accepting these Terms. You may cancel at any time as described in Section 4.

Karat Premium Fee: We will charge you \$20 per month, per organization, as further described in this section, for your membership in the Program (the “Karat Premium Fee”). The Karat Premium Fee is charged by Karat, not the Bank, and is not a deposit account fee. However, we will automatically waive your Karat Premium Fee for any month where your average daily balance across all of your Bank Accounts is \$35,000 or more. The average daily balance is calculated by adding the principal in your Bank Accounts for each day of the period and dividing that figure by the number of days in the period. Payment for your Karat Premium Fee can be made either with your connected Bank Account or your active Charge Card in good standing.

YOUR MEMBERSHIP IN THE KARAT PREMIUM PROGRAM WILL AUTOMATICALLY RENEW ON A MONTHLY BASIS UNLESS CANCELED, AND THE KARAT PREMIUM FEE WILL BE AUTOMATICALLY CHARGED TO YOUR LINKED BANK ACCOUNT ON FILE FOR YOUR ACCOUNT OR YOUR BANK ACCOUNT. The Karat Premium Fee is charged in arrears. That is, the monthly fee will be charged the month immediately following the month in which you enroll and each month thereafter, until you cancel your membership, in which case, the last monthly fee will be charged to your payment method in the month following the month in which you canceled.

In certain circumstances, your billing date may change. For instance, if we are unable to successfully charge your Linked Bank Account, or Bank Account, or Charge Card for the Karat Premium Fee on a given day (e.g., a Federal holiday or technical failures). Membership fees are fully earned upon payment.

If your Linked Bank Account details change, your payment method or Linked Bank Account provider may provide us with updated payment details. We may use these new details or details from other payment methods on file in order to help prevent any interruption to your Karat Premium membership. Please review the terms of the payment authorization you agree to when you start your Karat Premium membership and/or update your payment method. If you do not want to have your payment method or Linked Bank Account automatically updated, you can opt out of these services by contacting your financial institution, emailing us at concierge@trykarat.com, or texting us at (323) 747-7086. If you would like to use a different payment method or if there is a change in payment method, please update your billing information on your app or at app.trykarat.com/settings. All billing information you provide to us must be true and accurate and you represent that you are authorized to use the payment method in the manner contemplated here. If the payment method you provided to us for payment is declined or if a payment was not successfully made by you, you remain responsible for any uncollected amounts. If a payment is not successfully made, we may suspend your access to the Program, until we have successfully charged a valid payment method.

If we increase the cost of the Karat Premium membership, we will notify you prior to the increase of any such fee.

2. Premium Benefits

As part of your membership in the Program, you receive the following benefits (the “Premium Benefits”): (a) higher Bank Account Rewards rates; (b) reimbursement of outbound domestic wire transfer fees; (c) reimbursement of out-of-network ATM fees; (d) access to Karat’s AI Bookkeeping product; and (e) Karat Coupons, each subject to the terms provided herein. Karat may also offer Program members access to select events or communities reserved for Program members. Each Premium Benefit is described below. Premium Benefits may be updated and modified from time to time at our sole discretion without advance notice, and Premium Benefits can be discontinued, restricted, or otherwise modified at any time. Premium Benefits are not paid by the Bank. Karat, not the Bank, is solely responsible for providing these benefits.

Bank Account Rewards Rate: We may offer you rewards (“Bank Account Rewards”) based on the balance of your applicable Bank Account. As a Program member, you earn Bank Account Rewards at a higher rate than the standard rates in the Rewards Program Terms, and the higher member rate applies in place of the standard rate. The Bank Account Rewards will be variable

and may change from time to time. Such rewards are not interest paid by the Bank. They are promotional rewards offered and funded solely by Karat. The higher member rate applies only while you are an active member of the Program. Bank Account Rewards rates depend on your account type. 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. As of the date of these Terms, the Bank Account Rewards rate for Program members is based on the upper limit of the federal funds rate target range as established by the Federal Open Market Committee of the Federal Reserve, minus 80 bps, multiplied by 59% on checking accounts and by 93.2% on ATP accounts. As of December 10th, 2025, the topline of the federal funds target rate was 3.75%.

This means that the Bank Account Rewards rate for Program members is currently 1.75% on checking accounts and 2.75% on ATP accounts. You can access the current Bank Account Rewards rate applicable to your Bank Account through the website at trykarat.com or by emailing us at concierge@trykarat.com or texting us at (323) 747-7086.

For Bank Accounts held at Grasshopper Bank, N.A., 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., and is variable. For Bank Accounts held at First Internet Bank of Indiana, Bank Account Rewards are paid by Karat, not by First Internet Bank of Indiana, and are variable.

If applicable the Bank Account Rewards rate will be compounded and credited on a monthly basis and deposited by Karat to the Bank Account by the 15th day of every month. If you close your Bank Account, you will receive any Bank Account Rewards that have accrued as of the date your Bank Account is closed. We use the daily balance method to calculate the Bank Account Rewards on your Bank Account. This method applies a daily periodic rate equal to $1/365$ of the 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.

Outbound Domestic Wire Fee Reimbursement: While you are a Program member, Karat will reimburse the fee charged for each outbound domestic wire transfer sent from your Bank Account. Fees for international wire transfers are not reimbursed.

Out-of-Network ATM Fee Reimbursement: Karat does not charge a fee for ATM transactions, but the operator of an ATM may charge you a fee, including for balance inquiries. While you are a Program member, Karat will reimburse, on a monthly basis, fees charged by ATM operators for out-of-network ATM transactions made with your Banking Card.

Karat AI Bookkeeping: Access to Karat's AI Bookkeeping platform (the "Bookkeeping Platform") is restricted to active members of Karat Premium with accounts in good standing. The Bookkeeping platform is provided by Layer Financial Technologies Inc. (the "Bookkeeping Platform Service Provider") and usage of the Bookkeeping Platform is governed by their [Privacy Policy](#) and [Terms of Service](#). The information provided in the Bookkeeping Platform is for general informational purposes only and does not constitute tax, legal, or financial advice. Karat is not a tax professional. You should consult with a qualified tax advisor or other licensed professional regarding your specific situation.

Karat Coupons: Certain Premium Benefits, such as Karat Perks and Savings (and any other discount offerings and coupon books) (the "Karat Coupons"), are available to Program members. Karat Coupons are offered, funded, and administered solely by Karat and its third-party partners. Each Karat Coupon is subject to these Terms and to any restrictions stated in the offer. The Bank is not involved in, does not sponsor, and is not responsible for the Karat Coupons program.

3. Promotions

From time to time, Karat may offer you trial or other promotional memberships to Premium Benefits or the Program. Such trial or promotional memberships are subject to these Terms, except as otherwise stated in the promotional offer, including which customers are eligible for the promotional memberships or services. Only one trial or promotional membership is available per person, merchant or entity and may not be combined with any other promotion. Prior to the end of your free trial period or promotional membership period, we will notify you that your free trial period is coming to an end and will automatically charge you the applicable monthly membership fee to the Linked Bank Account or Bank Account. If you cancel your membership or enrollment in the Program before the free trial or promotional membership period has expired, we will not charge you for the subsequent Program membership term unless you restart your membership. We may change the monthly fee charged for membership at any time once

the promotional period has ended. Where the fee has increased, we will notify you prior to the renewal of your membership of the relevant fee increase.

4. Cancellation

If you do not want your membership to automatically renew, you can cancel your Karat Premium membership at any time using app.trykarat.com/settings or cancelling your Karat Premium membership through the Karat Premium membership settings page. You may cancel your membership at any time; however, you are responsible for the membership fee for the month in which you cancel (such amount to be charged and debited in arrears the following month), regardless of the date on which you cancel in such month. You will continue to enjoy the benefits of your Karat Premium membership through the end of the month in which you canceled.

5. Termination by Karat

We reserve the right to accept, refuse, or cancel your Karat Premium membership at any time in our sole discretion, as well as your participation in the Program. Without limiting our rights under the preceding sentence, we may also terminate your participation in the Program if: (1) you violate or are in default under these Terms or the General Terms or any agreement you may have with us; (2) you engage in any fraudulent or other illegal activity in connection with the Program, or otherwise engage in activity that we deem to be abusive or “gaming” conduct under the Program, as determined in our sole discretion; (3) you engage in fraudulent activity on any service or product we may offer or service; (4) we terminate your Account or the General Terms for any reason; (5) we terminate your participation in the Program; (6) you have failed to give us the information we need, or we have reason to believe that the information you have given us is false; (7) you owe us money and, despite us asking you to pay us, you have not done so within a reasonable period of time; (8) you declared bankruptcy; or (9) we must do so under any law, regulation, or court order.

6. Changes to the Program

We may change other terms or conditions applicable to the Program from time to time. 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 access or

use of the Program or Premium Benefits after the modifications have become effective will be deemed your acceptance of the modified Terms. You agree that you will abide by all such changes and that they will apply to you and the Program. If you disagree with the changes to your current Karat Premium membership terms, you may reject the modified terms by cancelling your membership. From time to time, we may offer additional benefits or features to Karat Premium members. These additional benefits or features may not be available to all members and may be subject to additional terms. We reserve the right to modify or terminate any additional benefits or features at any time and you agree that such additional perks or benefits are not guaranteed as part of your membership.

7. Miscellaneous

You may receive certain benefits under the Program that 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 Program. We are not responsible for determining whether you owe taxes in connection with your participation in the Program or for collecting, reporting, or remitting taxes arising from your participation in the Program, except for our own income taxes.

You represent and warrant that you will not access or use the Program to engage in any illegal, fraudulent, or other illicit activity. The Program is owned and administered by us, and not by the Bank, and is subject to all applicable laws and regulations. It is void where prohibited.

Your membership cannot be transferred or assigned. All interpretations of these Terms will be determined by us in our sole discretion.

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 Program; or (ii) any fraud or misuse of the Program.