

Grasshopper Bank Business Deposit Account Agreement Disclosures

Karat Business Deposit Account Program

Last updated: September 22, 2025

The following Grasshopper Bank Business Deposit Account Agreement Disclosures (the “Disclosures”) applies to the demand deposit account (the “Account”) issued by Grasshopper Bank, N.A. (the “Bank”), member of the Federal Deposit Insurance Corporation (“FDIC”). These Disclosures are incorporated by reference into the Grasshopper Bank Master Services Agreement, including the Deposit Account Terms and Conditions (the “Agreement”) and Grasshopper Bank Commercial Debit Card Terms and Conditions (the “Cardholder Agreement”). Karat Financial Technologies Incorporated (“Program Partner”) is responsible for assisting the Bank with the administration of the Karat Business Deposit Account Program (the “Program”). Program Partner provides administrative and customer support services related to your Account. Program Partner is not a bank and does not hold or manage your deposits. All banking services are provided by Bank, a member FDIC. Capitalized terms not otherwise defined herein are ascribed the same meaning as set forth in the Agreement. In the event of a conflict between the terms of these Disclosures and the Agreement or the Cardholder Agreement, these Disclosures will supersede and control but only with respect to the Program.

1.1 How to Contact Us

For most matters, you should email us at concierge@trykarat.com and contact us via the website. You may also contact us by texting or calling us at (323) 747-7086 or in-app via Intercom. The Program Partner’s website is available at trykarat.com.

For questions or concerns about any debit card-related transactions; if your debit card, debit card number, or PIN is lost, stolen, or misplaced; please contact Karat Concierge directly by texting or calling us at (323) 747-7086 or emailing us at concierge@trykarat.com.

For questions or concerns about any non-card transactions, including, but not limited to: (i) suspected errors or unauthorized EFTs; or (ii) if you would like to place a stop payment request for preauthorized transfers, please contact us at concierge@trykarat.com or the website.

If applicable, for questions or concerns about checking your current interest rate; or closing your Account, please contact us at concierge@trykarat.com or the website.

For questions or concerns about updating your name, address, or other contact information; identity theft; reporting account takeover; checking the status of a transaction; or providing instructions regarding a transaction, such as direct deposits and other incoming ACH transactions, please contact us at concierge@trykarat.com.

1.2 Account Types and Tiers

We offer two (2) types of Accounts: Karat Basic and Karat Premium. There are three (3) tiers per Account type: Standard Volume, Large Volume, and Ultra Large Volume.

The Karat Basic account is the default account type and is free, with no monthly fee. Karat Basic Accounts, including all tiers, offer virtual and physical debit cards

and access to Karat's Creator Studio community in Discord. Karat Basic accountholders can also send domestic wires for \$20.00 per transaction.

Karat Premium accounts are paid accounts. To maintain a Karat Premium Standard Volume or Large Volume Account type, you must pay a \$20.00 monthly maintenance fee. We will waive the Karat Premium monthly maintenance fee if you agree to any active and applicable promotional discounts that Karat may be running. Karat Premium Accounts, including all tiers, offer virtual and physical debit cards, free outbound wire transactions, exclusive access to Karat's VIP events, and access to Karat's Creator Studio community in Discord. By signing up for a Karat Premium account, you also agree to the Karat Premium Program Terms of Service available at <https://www.trykarat.com/karat-premium-terms-of-service>.

The account tier you are placed in, Standard Volume, Large Volume, or Ultra Large Volume (Basic or Premium), is determined by:

- Account activity. If you are utilizing more than eighty percent (80%) of your daily or monthly limits you will be placed in a Large Volume tiered account. Similarly, if you are requesting more than three (3) overrides of your account limits in a six (6) month period, we will move you to a Large Volume tiered account.
- Review of external linked bank accounts. Via six months of accountholder submitted external bank account statements or review of Plaid-linked accounts, we will determine if you are eligible for a higher tier based on the frequency of wire transfers and user requested ACH volume or the frequency of requests to have account limits temporarily increased.
- [Ultra Large Volume only] Depositing and maintaining a minimum balance as disclosed to you by Karat and changed from time to time. Karat retains the right to change the minimum balance required and will communicate the change as such.

If your account is a Large or Ultra Large Volume Tier (Basic or Premium), you can be moved back to the Standard Volume tier if:

- Your account has been flagged for two or more fraudulent occurrences in the prior evaluation period.
- The total dollar amount of losses your account suffers equates to ten percent (10%) or more of the daily or monthly limit in that category.
- You use less than ten percent (10%) of your account limits in at least two (2) categories for two (2) consecutive months.
- Your average daily balance dips below the account balance requirement, if applicable.

The type of Account and tier that you are placed in may affect your transaction limitations and/or interest as set forth in the Disclosures. We may reevaluate your Bank Account from time to time, which may result in your Account being assigned to a new tier. We will notify you if your tier assignment changes. Unless otherwise stated in the Disclosures, all terms contained in the Agreement apply equally to all Accounts.

Details about FDIC Insurance: Your deposits are held at Bank, an FDIC member institution, and are insured by the FDIC up to \$250,000 per depositor, per ownership category.

1.3 Paperless Account

To open an Account, you must agree to go "paperless." This means that you must (a) provide us with and continue to maintain a valid email address and (b) accept electronic delivery of all communications

that we need or decide to send you in connection with your Account by agreeing to the ESIGN Consent

Document, available at <https://www.trykarat.com/electronics-communications-agreement>. You consent to receive legally required disclosures and other communications from Bank and Program Partner electronically. Required deposit account disclosures will be provided by the Bank.

1.4 How To Open an Account

You may open an Account by visiting the Program Partner's website at [trykarat.com](https://www.trykarat.com) and following the instructions there.

1.5 Minimum Deposits and Balances

There is no minimum deposit required to open an Account and no minimum balance you need to maintain in your Account.

1.6 Interest Disclosures

1.6.1 Karat Basic (Standard, Large, and Ultra Large Volume)

This Account is not interest-bearing. No interest will be paid on this Account.

1.6.2 Karat Premium (Standard, Large, and Ultra Large Volume)

This Account is not interest-bearing. No interest will be paid on this Account.

However, we may offer you rewards in the form of annual percentage yield (APY) on your Account. Please review the Karat Premium Program Terms of Service available at <https://www.trykarat.com/karat-premium-terms-of-service> for more information.

1.7 Confidentiality and Our Privacy Policy

Information about your Account and your transactions is collected by pursuant to the Agreement. The Program Partner's privacy policy is available at <https://www.trykarat.com/privacy-policy>.

By applying for an Account, you authorize Program Partner to collect and share your information with Bank for the purpose of evaluating your application, verifying your identity, and complying with applicable laws, including the Bank Secrecy Act.

1.8 Deposits Into Your Account

You may make deposits into your Account using any of these methods described below. Bank is the issuer of the Account and Program Partner only provides administrative and customer support services related to your Account.

We do not charge you any fees for making deposits. Transactions are subject to limits on the amount and frequency. These limits are designed to be flexible in order to protect the security and integrity of the Program, including protecting you and all other users of the Program. These limitations may be based on confidential fraud and risk criteria that are essential to the Bank's or Program Partner's management of risk and the protection of you and the integrity of the Program and may be modified at the Bank's or Program Partner's sole discretion without advance notice.

Deposit Method	Limitations for Your Account
Direct Deposits and other ACH transfers initiated by a third party*	<u>All Account Types</u> No limits
Internal transfers between eligible Accounts managed by the Program	<u>All Account Types</u> No limits
Direct payments/ACH debits via ACH Origination Service <i>(Deposits resulting from payment requests initiated from your Account)</i> <i>And</i> ACH transfers to your Account from a connected U.S. bank account with another institution**	<u>Karat Standard Volume (Basic & Premium)</u> \$50,000/day \$200,000/month <u>Karat Large Volume (Basic & Premium)</u> \$200,000/day \$1,000,000/month <u>Karat Ultra Large Volume (Basic & Premium)</u> \$1,000,000/day \$5,000,000/month
Domestic wire	<u>Karat Standard Volume (Basic & Premium)</u> \$50,000/day \$100,000/month <u>Karat Basic Large Volume (Basic & Premium)</u> \$200,000/day \$500,000/month <u>Karat Ultra Large Volume (Basic & Premium)</u> \$1,000,000/day \$5,000,000/month
International wire	<u>Karat Standard Volume (Basic & Premium)</u> \$50,000/day \$100,000/month <u>Karat Basic Large Volume (Basic & Premium)</u> \$200,000/day \$500,000/month <u>Karat Ultra Large Volume (Basic & Premium)</u> \$1,000,000/day \$5,000,000/month
* The recipient's name on any direct deposit or ACH must match the name on the Account or the deposit may be returned to the originator. ** You may transfer funds between your Account and another bank account. The connected bank account must be located in the United States.	

1.9 Our Funds Availability Policy

It is our policy to make deposits to your Account available for withdrawal according to the table provided in the "Funds Availability Policy" section of the Agreement, except where limited by the Bank and/or Program Partner pursuant to the Agreement.

Your Account supports the following types of deposits:

If you make or receive a deposit via...

Internal transfers between eligible Accounts managed by the Program
Direct Deposits and other ACH transfers initiated by a third party
Domestic wire
International wire

1.10 Withdrawals From Your Account

You, or, if applicable, an Authorized User, may withdraw funds up to the amount of your available balance less applicable fees using any of the methods below and subject to the following limits. Transactions are subject to limits on the amount and frequency. These limits are designed to be flexible in order to protect the security and integrity of the Program, including protecting you and all other users of the Program. These limitations may be based on confidential fraud and risk criteria that are essential to the Bank's or Program Partner's management of risk and the protection of you and the integrity of the Program and may be modified at the Bank's or Program Partner's sole discretion without advance notice.

Withdrawal Method	Limitations for Your Account
Internal transfers between eligible Accounts managed by the Program	<u>All Account Types</u> No limits
ACH transfers from your Account to another bank account via ACH Origination Service <i>And</i> ACH transfers from your Account from a connected U.S. bank account with another institution	<u>Karat Standard Volume (Basic and Premium)</u> \$50,000/day \$500,000/month <u>Karat Large Volume (Basic and Premium)</u> \$200,000/day \$1,000,000/month <u>Karat Ultra Large Volume (Basic & Premium)</u> \$1,000,000/day \$5,000,000/month
ACH transfers to a merchant or other third party you authorize to withdraw from your Account using your routing number and account number	<u>All Account Types</u> No limits
ATM withdrawals per banking card	<u>Karat Standard Volume (Basic and Premium)</u> \$2,500/day <u>Karat Large Volume (Basic and Premium)</u> \$2,500/day
Domestic wires	*\$100 minimum per wire transfer <u>Karat Standard Volume (Basic and Premium)</u> \$50,000/day \$100,000/month <u>Karat Large Volume (Basic and Premium)</u> \$200,000/day \$500,000/month <u>Karat Ultra Large Volume (Basic & Premium)</u> \$1,000,000/day \$5,000,000/month

International wires	*\$100 minimum per wire transfer <u>Karat Standard Volume (Basic and Premium)</u> \$20,000/day \$100,000/month <u>Karat Large Volume (Basic and Premium)</u> \$100,000/day \$1,000,000/month <u>Karat Ultra Large Volume (Basic & Premium)</u> \$1,000,000/day \$5,000,000/month
Point-of-sale (POS) transactions, online purchases, and other transactions at merchants using your banking card	<u>Karat Standard Volume (Basic and Premium)</u> \$10,000/day <u>Karat Large Volume (Basic and Premium)</u> \$50,000/day <u>Karat Ultra Large Volume (Basic and Premium)</u> \$50,000/day
Point-of-sale (POS) transactions, online purchases, and other transactions at merchants across all banking cards associated with your account	<u>Karat Standard Volume (Basic and Premium)</u> \$10,000/day <u>Karat Large Volume (Basic and Premium)</u> \$50,000/day <u>Karat Ultra Large Volume (Basic and Premium)</u> \$50,000/day

1.11 Overdraft Services

We do not offer overdraft services or charge fees for overdrafts or non-sufficient funds. We typically will return or decline to process a transaction (including, where applicable, ATM and debit card transactions) if it exceeds your available balance.

However, it is still possible for you to overdraft your Account, such as when we settle authorized debit card transactions, as discussed in the Agreement, or if a deposit you make is returned.

You must make a deposit immediately to cover any negative balance, including a negative balance resulting from an overdraft. If your Account has a negative balance for sixty (60) calendar days or more, we may close your Account. We reserve the right to close your Account at an earlier date, as permitted by law.

Disputes related to your Account with Bank are subject to the Agreement, including the arbitration provisions therein, and disputes relating to Program Partner's services are subject to Program Partner's Terms of Use, including the arbitration provisions therein.

1.12 Fee Schedule

Fee Description	Fee Amount and Frequency	Additional Details
Karat Premium monthly maintenance fee	\$20.00/month	You will be charged this fee to maintain your Premium Account status. This fee may be waived if an average monthly balance of \$35,000 is maintained. Please review Karat's Premium Program Terms of Service, available at https://www.trykarat.com/karat-premium-terms-of-service , for more information.
Karat Basic domestic outbound wire fee	\$20.00/sent wire	You will be charged this fee for each domestic outbound wire you send from a Karat Basic account. This fee will not be charged for Karat Premium accounts (or if such fee is charged, we will reimburse you).
International outbound wire fee	\$40.00/sent wire	You will be charged this fee for each international outbound wire you send from a Karat account, regardless of tier.
International transaction fee	One percent (1%) of the transaction	You will be charged this fee for any ATM or POS transactions conducted outside the United States or online transactions conducted with a merchant outside the United States.

Out-of-network ATM transaction fee	Fees vary with each ATM provider	You may be charged a fee, including for balance inquiries, by the operator of an out-of-network ATM. This fee will be reimbursed for Karat Premium members on a monthly basis.
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1.13 Types of EFTs Supported by Your Account

Your Account supports the following types of EFTs:

- Direct deposits
- Domestic wires
- Transfers to or from your Account and a connected bank account.
- Transfers to or from your Account by a third party, such as payments you make to a vendor or employee, or payments you receive from a customer or client.
- Transfers to or from your Account to a merchant or other third party by providing the third party with your debit card or debit card information.
- Purchases or other transactions using your debit card.
- ATM deposits or withdrawals using your debit card.

1.14 ACH Origination Service Applicability

ACH origination services ("ACH Origination Services") are enabled for your Account; therefore, the applicable sections of the Agreement covering ACH Origination Services apply to your Account. Specifically, your Account enables ACH transfers from your Account to another bank account via ACH Origination Services.

1.15 Wire Transfers Applicability

Wire transfers are enabled for your Account; therefore, the applicable sections of the Agreement covering wire transfer services apply to your Account. Specifically, your Account enables both inbound and outbound wires.

1.16 Debit Card Applicability

Debit cards are enabled for your Account; therefore, the Cardholder Agreement (<http://trykarat.com/debit-cardholder-agreement>) applies to your Account.

1.17 Authorized Users Applicability

You authorize each person you designated as an authorized person or Authorized User to be added to your Account as an Authorized User. You understand that as an Authorized User such designated person may be permitted to access all or some Account functions and features, including using and obtaining information from and about the Account, initiating Account disputes, changing the mailing address, using any Card issued to such person and using the Account, and reporting a Card lost or stolen. An Authorized User is not responsible for payments. You further authorize us to issue a card to access your Account to the Authorized User, and you agree you are responsible for such card use by the Authorized User. You must ensure each Authorized User consents to the [Authorized User Terms & Conditions](#) and you agree to supervise each Authorized User's use of the Account or any access device to the Account. For any such person, you certify that such person is at least 18 years old (or the age of legal majority in such person's jurisdiction (if different than 18)), and you further represent that you have conducted reasonable diligence to determine such person is at least 18 years old (or the age of legal majority in such person's jurisdiction

(if different than 18)).

You may designate Authorized Users to initiate transactions on your behalf or take any action under the Agreement and Cardholder Agreement that you may have taken, and any action taken by an Authorized User shall be fully binding on you. You may not permit an Authorized User to initiate a transfer, payment order or transaction in the absence of proper supervision and safeguards. If you permit another person to have access to the Card or Account, this will be treated as if you authorized such use and you will be liable and responsible for all transactions and fees incurred by those persons and such persons' use of each Card and Account. You are the Card owner and are responsible for any actions or omissions of Authorized User (s). You may terminate the authority of any Authorized User at any time by giving us prior notice of termination. To terminate access of an Authorized User to a Card or Account, call the toll-free number on the back of your Card or customer service at [Insert number] and you must follow-up not later than ten (10) business days with the written notification to revoke (cancel) permission for any person you previously authorized to use your Card or Account. Until we have received your written notice of such a revocation (cancelation) and have had a reasonable time to act upon the written notification of cancelation, you are responsible for all transactions and fees incurred by you or any Authorized User. If you tell us to revoke (cancel) another person's use of your Card or Account, we may revoke (cancel) your Card and Account credentials.

Except as otherwise provided by law, you shall be liable for any loss or damage to which your negligence contributed or which resulted in unauthorized, fraudulent, or dishonest acts by your current and/or former Authorized Users. Such liability includes instances when a current or former Authorized User effects one or more payment orders or transactions or improper use of security procedures to effect a payment order or transaction to your detriment.