



Karat Terms of Service
Last Updated: April 10, 2024

THESE KARAT TERMS OF SERVICE ("**TERMS**"), TOGETHER WITH ANY EXHIBITS, ADDENDA, OR ORDER DOCUMENTATION (EACH, WHERE APPLICABLE, AND COLLECTIVELY, "**AGREEMENT**"), GOVERN YOUR ACCESS AND USE OF THE SERVICES (AS DEFINED BELOW). IN THE EVENT OF ANY CONFLICT BETWEEN THE PROVISIONS OF THE TERMS AND ANY EXHIBITS, ADDENDA, OR ORDER DOCUMENTATION, THE LATER WILL CONTROL TO THE EXTENT OF SUCH CONFLICT.

BY PLACING AN ORDER REFERENCING THESE TERMS OR BY ACCESSING OR USING THE SERVICES (IF NOT SET FORTH ON THE INITIAL ORDER DOCUMENTATION, THE FIRST DATE ON WHICH ANY SUCH ACTION OCCURS, "**EFFECTIVE DATE**"), YOU ("**YOU**" "**YOUR**" OR "**CUSTOMER**") AND KARAT, INC. ("**KARAT**", "**WE**", OR "**US**") ARE ENTERING INTO A LEGALLY BINDING CONTRACT AS OF THE EFFECTIVE DATE AND YOU AGREE TO BE BOUND BY AND ABIDE BY THIS AGREEMENT.

IF YOU ARE ENTERING INTO THE AGREEMENT ON BEHALF OF A LEGAL ENTITY OR ON BEHALF OF A BENEFICIARY (AS APPLICABLE), YOU REPRESENT AND WARRANT THAT YOU HAVE THE AUTHORITY TO BIND SUCH ENTITY AND/OR ANY BENEFICIARY (AS APPLICABLE), IN WHICH CASE THE TERMS "**YOU**" AND "**YOUR**" AS USED HEREIN WILL REFER TO SUCH ENTITY AND BENEFICIARY (AS APPLICABLE). IF YOU DO NOT HAVE SUCH AUTHORITY, OR IF YOU DO NOT AGREE WITH THESE TERMS, YOU MUST NOT USE OR AUTHORIZE ANY USE OF THE SERVICES.

KARAT MAY MODIFY THESE TERMS FROM TIME TO TIME. IF KARAT MAKES ANY MATERIAL CHANGES TO THESE TERMS, AS DETERMINED BY KARAT AT ITS SOLE DISCRETION, KARAT WILL PROVIDE YOU WITH PRIOR WRITTEN NOTICE (INCLUDING, WITHOUT LIMITATION, BY POSTING THE MODIFIED TERMS WITH A BANNER NOTIFICATION ON ITS WEBSITE OR IN THE SERVICES AND/OR BY SENDING AN EMAIL TO THE LAST EMAIL ADDRESS PROVIDED BY YOU). BY AGREEING TO THE MODIFIED TERMS OR CONTINUING USE OF THE SERVICES AFTER THE EFFECTIVE DATE OF THE MODIFIED TERMS, YOU AGREE TO THE MODIFIED TERMS.

1. The Services

1.1 Grant of Rights. Subject to the terms and conditions of the Agreement, during the Term (as defined below), Karat will provide Customer with a revocable, non-exclusive, non-sublicensable, non-transferable right to access and use certain Karat Materials (as defined below) and the Karat web-based application ("**Karat Platform**," and collectively with the Karat Materials, "**Services**"), solely for Customer's internal business purposes. The "**Karat Materials**" include, without limitation, assessment methods, assessment content, instructional materials, service documentation, assessment recordings or transcripts, reports summarizing the results of an assessment (the "**Assessment Report**"), and other similar materials, data and/or information provided or produced by Karat hereunder.

1.2 Restrictions. Except as expressly set forth in the Agreement, Customer shall not (and shall not permit any third party to), directly or indirectly: (a) reverse engineer, decompile, disassemble, or otherwise attempt to discover the source code, object code, or underlying structure, ideas, or algorithms of the Services (except to the extent applicable laws specifically prohibit such restriction); (b) modify, translate, or create derivative works based on the Services; (c) copy, rent, lease, distribute, pledge, assign, or otherwise transfer or encumber rights to the Services; (d) use the Services for the benefit of a third party; (e) remove or otherwise alter any proprietary notices or labels from the Services or any portion thereof; (f) use the Services to build an application or product that is competitive with any Karat product or service; (g) interfere or attempt to interfere with the proper working of the Services or any activities conducted on the Services; or (h) bypass any measures Karat may use to prevent or restrict access to the Services (or other accounts, computer systems or networks connected to the Services).

1.3 User Accounts. Customer is solely responsible for all of Customer's activity in connection with the Services, including but not limited to uploading Customer Data (as defined below) onto the Karat Platform. Each Customer employee or agent who accesses the Services must establish their own account for such access. Customer is responsible for provisioning and managing its user accounts, for its users' actions through the Services and for their compliance with the Agreement. Customer will ensure that users keep their login credentials confidential and will promptly notify Karat upon learning of any compromise of user accounts or credentials. Customer is responsible for compliance with this Agreement by its users and for any and all (i) acts or omissions of the users with respect to the Services; (ii) activities that occur under any of the users' accounts; (iii) any actions, or unauthorized use, by user accounts or credentials. The actions of the users with respect to the Services shall be binding on Customer.

1.4 Beta Services. Karat may provide Customer access to and use of certain features, products or services in a free or paid beta program ("**Beta Services**"). Such Beta Services are provided on an early access, beta basis, and may contain bugs and errors. Customer assumes all risks and costs associated with Customer's use of the Beta Services, and Customer understands that Karat may change or discontinue the Beta Services at any time in its sole discretion. Notwithstanding anything to the contrary in this Agreement, Karat shall have no obligation to indemnify Customer for use of the Beta Services, and Karat's liability for any claims arising from Customer's use of Beta Services shall not exceed \$1000.

2. Fees and Payment Terms

2.1 Fees. Customer shall pay Karat the fees as set forth in the applicable order documentation ("**Fees**"). Fees will be due net 30 days after Customer's receipt of the applicable invoice. Past due invoices are subject to interest on any outstanding balance of the lesser of 1.5% per month or the maximum amount permitted by law. All Fees invoiced are non-cancelable, non-refundable (except as expressly set forth below) and are not subject to set-off.

2.2 Taxes. Fees and expenses are exclusive of taxes. Customer shall be responsible for all taxes associated with Services (excluding taxes based on Karat's net income).

3. Term and Termination

3.1 Term. The term of the Agreement (the "**Term**") shall commence as of the Effective Date set forth on the initial order documentation and shall continue until terminated in accordance with this section.

3.2 Termination. Either party may terminate the Agreement (a) at any time, with written notice, after the expiration or termination of all orders (subject to Customer's obligation to pay in full any amounts still due), or (b) for cause if the other party has breached any of its material obligations under this Agreement and has failed to cure such material breach within thirty (30) days after receiving written notice of such material breach from the other party. If Karat terminates for Customer's material breach, Customer shall remain responsible for the Fees, if any, due for the remainder of the Agreement. If Customer terminates for Karat's material breach, Customer shall receive a refund of Fees paid, prorated based on the effective date of termination.

3.3 Survival. Except as set forth herein, all obligations of each party hereunder, and all rights granted hereunder shall terminate upon the expiration or termination of the Agreement; provided that the following sections of the Terms will survive any such expiration or termination: Sections 3.1, 4-6, 7.2, 8-10.

4. Confidentiality

4.1 Confidential Information. During the Term, a party ("**Recipient**") may be provided information of the other party ("**Discloser**") that the Discloser designates as confidential or the Recipient knows or reasonably should know is considered by the Discloser to be confidential or proprietary in nature ("**Confidential Information**"). The Recipient agrees, during and after the Term, not to use any of the Discloser's Confidential Information except for the purposes of this Agreement and not to disclose such information to any third party or to assert an ownership interest in such information. Further the Recipient agrees to take all reasonable precautions to prevent unauthorized or inadvertent disclosure of such, and to be responsible for any breach of these obligations by its officers, directors, contractors, or employees hereunder. Notwithstanding anything to the contrary, Confidential Information does not include

information available to the public without restriction on its use, information rightfully provided to the Recipient by a third party under no duty to the Discloser to maintain it in confidence, information rightfully in the Recipient's possession without restriction on use or disclosure prior to disclosure by the Discloser, or information independently developed by the Recipient without use of or reference to the Discloser's Confidential Information. Recipient may disclose any information that it is required to disclose in response to a court order, subpoena or other legally binding process; provided that, to the extent legally permissible, the Discloser is provided prior written notice of, and an opportunity to contest, such requirement. Neither party will disclose the terms and conditions of this Agreement to any third party, except to their bona fide prospective investors and/or acquirers. For the avoidance of any doubt, the Karat Materials (exclusive of all of Customer's Confidential Information contained therein) are Karat's Confidential Information.

4.2 Use of Customer Name. Notwithstanding anything to the contrary, Customer hereby grants Karat the limited right to use Customer's name and logo (a) as necessary to perform the Services, and (b) to list Customer as a customer of Karat on its website, marketing materials and/or public presentations, and the right to use the Customer logo for these purposes; provided that (i) Customer is listed in substantially the same manner as other similarly situated customers of Karat; and (ii) Karat's use of Customer's name and logo is in compliance with Customer's standard trademark usage guidelines as provided to Karat from time-to-time.

5. Data Protection and Use

5.1 Use of Customer Data. "**Customer Data**" means any data, content or materials transmitted via the Karat Platform by Customer to Karat. Notwithstanding anything to the contrary, Customer acknowledges and agrees that Karat may access, use and modify Customer Data for the purposes of (a) providing the Services and any support or consultation services to Customer and (b) generating Aggregated Anonymous Data. "**Aggregated Anonymous Data**" means any data that has been aggregated or otherwise anonymized and which cannot be linked specifically to Customer or any individual Candidate or otherwise reidentified. Notwithstanding anything to the contrary, information that Karat directly collects from individuals subject to a Karat assessment ("**Candidates**" and "**Candidate Data**" respectively) will not be considered Customer Data.

5.2 Data Processing Addendum. To the extent that, in connection with the Services, Customer provides any Customer Data that contains "Personal Data" as defined in the Karat Data Processing Addendum ("Karat DPA"), the Karat DPA available at <https://karat.com/DPA/> shall apply. The Karat DPA is hereby incorporated into this Agreement by reference. Any terms not defined in this paragraph will have the meanings given to them in the Karat DPA.

5.3 Data Security. Karat will implement and maintain commercially reasonable and industry standard administrative, physical, organizational and technical safeguards designed to prevent unauthorized use, access, processing, destruction, loss, alteration or disclosure of any Customer Data. Such safeguards will include, at minimum, an industry standard information security program to safeguard such Customer Data as well as procedures to help ensure that only those with a "need to know" have access to such Customer Data. Karat will take commercially reasonable measures to investigate, contain and mitigate any incident that has or potentially has compromised the security, confidentiality or integrity of any Customer Data. Karat will also implement the security measures outlined in the Karat DPA with respect to any Personal Data within Customer Data.

5.4 Data Retention and Deletion. Unless otherwise agreed herein, Karat may delete all Customer Data after 30 days following the expiration or termination of the Agreement, subject to an exception in accordance with its standard backup or record retention policies or as required by law, subject to Section 4.1 (Confidentiality) and any DPA.

6. Intellectual Property

6.1 Licenses. Karat acknowledges that Customer owns all right, title, and interest Customer's Confidential Information and Customer Data. Karat owns and retains all right, title, and interest in and to the Karat Platform, the Karat Materials (exclusive of all Customer Data contained therein), Karat's Confidential Information, and all software, products, works, and other intellectual property and moral rights related thereto or created or provided by Karat in connection this Agreement, including any copies and derivative works of the foregoing. No rights or licenses are

granted except as expressly and unambiguously set forth in this Agreement. Subject to the terms and conditions of this Agreement, Karat hereby grants Customer a perpetual, worldwide, non-transferable, non-exclusive license to use the Assessment Reports, solely for the purpose of Customer's internal business purposes. For the avoidance of any doubt, Customer shall limit use of Assessment Reports by Customer or Customer's other vendors to use for Customer's internal business purposes only.

6.2 Feedback. If Customer gives Karat feedback regarding improvement or operation of the Services, Karat may use the feedback without restriction or obligation. Customer's provision of feedback does not give Customer any intellectual property or any other right, title, or interest in or to any aspects of the Services. All feedback is provided "AS IS" and Karat will not publicly identify Customer as the source of feedback without Customer's permission.

7. Warranties and Disclaimers

7.1 Compliance with Laws. Customer and Karat shall use or perform the Services in compliance with all applicable local, state, national and foreign laws, treaties and regulations (including those related to employment law and data privacy).

7.2 Disclaimer. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, KARAT MAKES NO WARRANTIES OF ANY KIND WITH RESPECT TO THE SERVICES, ALL OF WHICH ARE PROVIDED "AS IS". EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, KARAT DOES NOT WARRANT THAT ANY OF THE ABOVE OR THE RESULTS OF THE SERVICES ARE ACCURATE OR WILL MEET CUSTOMER'S REQUIREMENTS OR WILL COMPLY WITH CUSTOMER'S POLICIES. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, KARAT HEREBY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, NON-INFRINGEMENT, ACCURACY, INTERFERENCE WITH QUIET ENJOYMENT AND ANY WARRANTIES ARISING FROM COURSE OF DEALING, USAGE OR TRADE PRACTICE.

8. Limitation of Liability

8.1 No Consequential Damages. NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, EXEMPLARY, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OR LOSSES RELATING TO ANY OF THE SERVICES, WHETHER SUCH LIABILITY IS BASED ON CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), PRODUCT LIABILITY OR OTHERWISE, EVEN IF SUCH DAMAGES WERE FORESEEABLE OR EITHER PARTY HAD BEEN ADVISED IN ADVANCE OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE.

8.2 Limitation of Damages. IN NO EVENT SHALL THE LIABILITY OF EITHER PARTY FOR ALL CLAIMS OF ANY KIND ARISING FROM THIS AGREEMENT EXCEED, IN THE AGGREGATE, THE GREATER OF (I) TOTAL FEES PAID OR PAYABLE BY CUSTOMER TO KARAT PURSUANT TO THE ORDER DOCUMENTATION UNDER WHICH A CLAIM AROSE IN THE TWELVE (12) MONTHS PRIOR TO THE EVENT GIVING RISE TO THE CLAIM OR (II) \$1,000. MULTIPLE CLAIMS SHALL NOT EXPAND THIS LIMITATION. THE LIMITATION OF DAMAGES CONTAINED HEREIN REFLECT THE ALLOCATION OF RISK AMONG THE PARTIES AND SHALL SURVIVE AND APPLY EVEN IF ANY LIMITED REMEDY SPECIFIED IN THIS AGREEMENT IS FOUND TO HAVE FAILED OF ITS ESSENTIAL PURPOSE.

8.3 Exceptions. The limitations contained in Sections 8.1 and 8.2 shall not apply to limit a party's liability for claims resulting from such party's breach of Section 4.1 (Confidentiality) (not resulting from a data breach) or liability that cannot be limited by Law.

9. Indemnification

9.1 Indemnification by Customer. Customer agrees to defend, indemnify, and hold Karat harmless from and against all third-party claims asserted against Karat, and any judgment or liability imposed against Karat pursuant to such claims, to the extent such claims arise out of (a) Customer Data or (b) Customer's hiring and/or employment activities and/or decisions.

9.2 Indemnification by Karat. Karat agrees to indemnify, defend and hold harmless Customer from and against all third party claims asserted against Customer, and any judgment or liability imposed against Customer pursuant to

such claims, to the extent such claims allege that the Services infringe or violate any third party's intellectual property rights; provided that the obligations of Karat do not apply to the extent such claims arise from (i) materials not created or provided by Karat (including without limitation any Customer Data), (ii) materials made in whole or in part in accordance to Customer specifications, (iii) materials modified after delivery by Karat, (iv) materials combined with other products, processes, platforms or materials not provided by Karat (where the alleged claim arises from or relates to such combination), (v) Customer continuing allegedly infringing activity after being notified thereof or after being informed of modifications that would have avoided the alleged infringement, or (vi) Customer's use of the Services not strictly in accordance herewith.

9.3 Procedures. Each party's indemnification obligations hereunder shall be conditioned upon the indemnitee providing the indemnitor with: (a) prompt written notice of all indemnifiable claims (provided that a failure to provide such notice shall only relieve the indemnitor of its indemnity obligations if the indemnitor is materially prejudiced by such failure); (b) sole control over the defense and settlement of all indemnifiable claims (provided that the indemnitee may participate in such defense and settlement at its own expense); and (c) reasonable information and assistance in connection with such defense and settlement (at the indemnitor's expense). The indemnifying party shall not, without the indemnified party's prior written consent, enter into any settlement agreement which (a) admits guilt, fraud, liability or wrongdoing of the indemnified party, (b) requires the indemnified party to commit to action or to refrain from action, or (c) provides for any damages other than money damages for which the indemnified party is indemnified.

10. Miscellaneous

The Agreement shall be construed and interpreted in accordance with the internal laws of the State of Washington, without regard to its conflict of laws principles. The Agreement represents the entire agreement between Customer and Karat with respect to the subject matter hereof, and supersedes all prior or contemporaneous agreements, communications, and proposals (whether oral, written or electronic) between Customer and Karat with respect thereto. All notices under the Agreement shall be sent via electronic mail to the contact for each party set forth on the most recent order documentation, and shall be deemed to have been duly given when receipt is electronically confirmed. Either party may update its address set forth above by giving notice in accordance with this section. Except as otherwise provided herein, the Agreement may be amended only by a writing executed by both parties. Except for payment obligations, neither party shall be liable for any failure to perform its obligations hereunder where such failure results from any cause beyond such party's reasonable control, including, without limitation, the elements; fire; flood; severe weather; earthquake; denial of service attacks or similar attacks; Internet failure; acts of God and the public enemy; acts of war; acts of terrorism; riots; and civil or public disturbances. Neither party may assign any of its rights or obligations hereunder without the other party's consent; provided that (a) each party may assign the Agreement without such consent to a successor-in-interest in connection with a sale of all or substantially all of such party's business or assets relating to the Agreement, and (b) Karat may utilize subcontractors in the performance of its obligations hereunder. Karat will be directly responsible for performance of its obligations hereunder by its subcontractors. No agency, partnership, joint venture, or employment relationship is created as a result of the Agreement and neither party has any authority of any kind to bind the other in any respect. Each party acknowledges and agrees that due to the unique nature of the other party's Confidential Information, there can be no adequate remedy at law for any breach of such party's confidentiality obligations, which breach may result in irreparable harm to such other party, and therefore, that upon any such breach or any threat thereof, such other party shall be entitled to appropriate equitable relief, without the requirement of posting a bond, in addition to whatever remedies it might have at law. If any provision of the Agreement is held to be unenforceable for any reason, such provision shall be reformed only to the extent necessary to make it enforceable. The failure of either party to act with respect to a breach of the Agreement by the other party shall not constitute a waiver and shall not limit such party's rights with respect to such breach or any subsequent breaches.

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