

## **BENEFICIENT**

### **COMPENSATION POLICY**

The Board of Directors (the “Board”) of Beneficient (the “Company”) has approved and adopted the following compensation policy (the “Policy”) with respect to the employees of the Company and its Subsidiaries (as herein defined) (collectively referred to as the “Company Group”). This Policy shall be effective as of the date of the consummation of the transactions contemplated by that certain Business Combination Agreement dated September 21, 2022, by and among The Beneficient Company Group, L.P., Avalon Acquisition, Inc. and the other parties thereto (such date, the “Effective Date”).

1. Purpose.

The purposes of this Policy are as follows: (i) promote the Company Group’s goals and work plan for the long-term benefit of the Company Group’s stakeholders; (ii) compensating and providing long-term incentives to Employees (as defined below); and (iii) establishing an acceptable limit on the overall annual compensation payable to Employees while continuing to create incentives for Employees by compensating the Employees within the terms and provisions of this Policy.

2. Definitions. The following terms used in this Policy shall have the following meanings:

“Base Salary” means an Employee’s annual base salary, annualized hourly wage rate, overtime, commissions, and pay during vacations or other authorized leaves of absence paid by any member of the Company Group during a Fiscal Year, including amounts not currently includible in gross income by reason of the Employee’s election to defer such amounts under a cafeteria plan, flexible spending account, 401(k) plan or other deferred compensation plan of the Company or any other member of the Company Group, but excluding any Bonus, Equity-Based Award and Benefits.

“BCH” means Beneficient Company Holdings, L.P., or any successor thereto.

“BCH Equity Compensation” means, with respect to each Employee that holds, either directly or indirectly (including, for the avoidance of doubt, through a Related Entity), an interest in BCH, all allocations to such Employee (or Related Entity) with respect to such interest during any Fiscal Year pursuant to Section 5.04(c)(i) or Section 5.04(d)(i) of the BCH LPA.

“BCH LPA” means the Eighth Amended and Restated Limited Partnership Agreement of Beneficient Company Holdings, L.P. dated as of June 7, 2023.

“Benefits” means medical, dental, life and disability insurance benefits provided to an Employee, and to an Employee’s spouse and dependents, in which the Employee was entitled to participate, whether or not the Employee or the Employee’s spouse or dependents participated.

“Bonus” means any cash performance-based bonus, year-end cash bonus or other cash bonus paid by the Company or any other member of the Company Group to any Employee during

a Fiscal Year, including amounts not currently includible in gross income by reason of the Employee's election to defer such amounts under a cafeteria plan, flexible spending account, 401(k) plan or other deferred compensation plan of the Company or any other member of the Company Group.

"Budgeted Annual Compensation" means, for each Fiscal Year, the total Compensation that would be paid or granted by the Company Group to all individuals for service as an Employee with respect to any Fiscal Year in the absence of the Annual Compensation Cap established by this Policy.

"Class A Common Stock" means the Class A Common Stock, par value \$0.001, of Beneficient.

"Class B Common Stock" means the Class B Common Stock, par value \$0.001, of Beneficient.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Compensation" means with respect to each Employee for any Fiscal Year, the aggregate amount or value of the Base Salary, Bonus, Equity-Based Compensation and BCH Equity Compensation paid or granted to such Employee for such Fiscal Year.

"Compensation Committee" means the Compensation Committee of the Board, or such other committee of the Board as the Board may from time to time designate.

"Date of Grant" means the effective date on which an Equity-Based Award is made to an Employee as set forth in the applicable award agreement.

"Employee" means a common law employee (as defined in accordance with the regulations and revenue rulings then applicable under Section 3401(c) of the Code) of the Company or any other member of the Company Group; provided, however, in the case of individuals whose employment status, by virtue of their employer or residence, is not determined under Section 3401(c) of the Code, "Employee" shall mean an individual treated as an employee for local payroll tax or employment purposes by the applicable employer under applicable law for the relevant period. For the avoidance of doubt, "Employee" shall not include (i) non-employee directors on the Board, and (ii) any consultants or independent contractors of the Company or any other member of the Company Group.

"Equity-Based Award" means any stock options, restricted stock or equity awards, stock or equity appreciation rights, restricted stock or equity units, dividend equivalent rights, or other forms of equity awards made by the Company or any other member of the Company Group to any Employee under any equity-based compensation plan during a Fiscal Year, but excluding any form of partnership interest or equity in BCH issued to any Employee, in the Employee's capacity as a partner in BCH, pursuant to the terms of the BCH LPA.

"Equity-Based Compensation" means, with respect to each Fiscal Year for each outstanding Equity-Based Award held by an Employee, an amount equal to the Grant Date Fair

Value of such Equity-Based Award multiplied by the percentage of such Equity-Based Award that vests during such Fiscal Year.

“Fiscal Year” means the fiscal year of the Company.

“GAAP” means accounting principles generally accepted in the United States from time to time, applied on a basis substantially consistent with the audited financial statements of the Company.

“Grant Date Fair Value” means, such respect to an Equity-Based Award, the grant date fair value as determined in accordance with the Financial Accounting Standards Board Accounting Standards Codification 718 (“ASC 718”), or any successor thereto, as of such Equity-Based Award’s Date of Grant.

“Gross Revenues” means, with respect to any Fiscal Year, the gross revenues of the Company and its Subsidiaries (exclusive of any trust that is considered a Subsidiary solely because it is a consolidated subsidiary for financial reporting purposes) calculated on a consolidated basis for such Fiscal Year in accordance with GAAP.

“Person” means any individual, estate, corporation, partnership, limited partnership, limited liability company, limited company, joint venture, trust, unincorporated or governmental organization or any agency or political subdivision thereof.

“Related Entity” means any Person that is directly or indirectly controlled by an Employee or in which such Employee and the Employee’s family members are among classes of economic beneficiaries, whether or not such Employee or such Employee’s family members are entitled to economic distributions from such Person.

“Subsidiary” means, with respect to the Company, (a) a corporation of which more than 50% of the voting power of shares entitled (without regard to the occurrence of any contingency) to vote in the election of directors or other governing body of such corporation is owned, directly or indirectly, at the date of determination, by the Company, by one or more Subsidiaries of the Company or a combination thereof, (b) a partnership (whether general or limited) in which the Company or a Subsidiary of the Company, at the date of determination, (i) owns more than 50% of the partnership interests of such partnership (considering all of the partnership interests of the partnership as a single class), directly or indirectly, or (ii) otherwise controls such partnership, directly or indirectly, (c) any other Person (other than a corporation or a partnership) in which the Company, one or more Subsidiaries of the Company, or a combination thereof, directly or indirectly, at the date of determination, (i) has at least a majority ownership interest, (ii) has the power to elect or direct the election of a majority of the directors or other governing body of the Company, or (iii) otherwise controls the Company or (d) any other Person the financial information of which is consolidated by the Company for financial reporting purposes under GAAP, exclusive of any trust that is a consolidated subsidiary for financial reporting purposes including, without limitation, a “custody trust,” “collective trust,” “liquid trust” and “funding trust.”

“Unpaid Compensation” means, for each Fiscal Year, the amount by which the Budgeted Annual Compensation exceeds the Annual Compensation Cap for such Fiscal Year.

### 3. Annual Compensation Limit.

(a) The aggregate value of all Compensation paid or granted, as applicable, by the Company and any other member of the Company Group to all individuals for service as an Employee with respect to any Fiscal Year of the Company during the term of this Policy will not, except as otherwise provided in this Section 3, exceed sixty percent (60%) of the Gross Revenue for the immediately preceding Fiscal Year (such limit, the “Annual Compensation Cap”); provided, that if the Gross Revenue for the initial six-month period of any Fiscal Year, on an annualized basis, would exceed the Gross Revenue for the immediately preceding Fiscal Year, the Annual Compensation Cap for such Fiscal Year shall be sixty percent (60%) of the annualized Gross Revenues for such Fiscal Year. Notwithstanding the foregoing, an amount equal to (i) the aggregate value of all Salaries, Bonuses and Benefits paid or provided, as applicable, by the Company Group to all individuals for service as an Employee during any Fiscal Year of the Company, and (ii) the Equity-Based Compensation attributable to any Fiscal Year for Equity-Based Awards granted in prior years (collectively, the “Permitted Annual Compensation”) may exceed the Annual Compensation Cap and may be paid by the Company Group. For the avoidance of doubt, the Annual Compensation Cap shall not be applicable to any payments or distributions payable, either directly or indirectly, to any Employee from any Person that is not a member of the Company Group, with such excluded Persons to include, without limitation, Bradley Capital Company, L.L.C.

(b) If the Budgeted Annual Compensation to be paid or granted by the Company Group to all individuals for service as an Employee with respect to any Fiscal Year during the term of this Policy exceeds the applicable Annual Compensation Cap, then the Unpaid Compensation shall be deferred and will not be payable for such Fiscal Year. The Compensation Committee (or any subcommittee thereof), and such officers of the Company to whom the Compensation Committee may delegate such authority with respect to Employees that are not subject to Section 16 of the Securities Exchange Act of 1934, as amended, shall have the discretion to determine how any required reduction in the Budgeted Annual Compensation shall be effected among the Employees and the various forms of Compensation as necessary to comply with the applicable Annual Compensation Cap. Any Unpaid Compensation for any Fiscal Year may, at the discretion of the Compensation Committee, be carried forward and paid or granted, as applicable, in future Fiscal Years to the extent that the amount of such Unpaid Compensation plus the amount of the Compensation otherwise payable in such subsequent Fiscal Year does not exceed the Annual Compensation Cap for such subsequent Fiscal Year.

### 4. Term.

This Policy will have an initial term commencing on the Effective Date and continue through December 31, 2024 (the “Initial Term”). Upon the expiration of the Initial Term, this Policy shall automatically renew and extend for successive twelve (12) month periods (each a “Renewal Term”) unless the Board, in accordance with the provision of Section 5, determines not to renew the Initial Term or any Renewal Term.

5. Amendment and Waiver.

The (a) terms and provisions of this Policy may be amended (including, for the avoidance of doubt, any increase to the Annual Compensation Cap) and any provisions of this Policy may be waived, and (b) the Board may elect not to renew and extend the Initial Term or any Renewal Term, in each case, only with the approval of (i) a majority of the members of the Board, and (ii) for so long as the holders of the Class B Common Stock have the right, voting as a separate class, to elect a majority of the members of the Board, a majority of the members of the Board that are elected by the holders of the Class A Common Stock and Class B Common Stock, voting together as a single class; provided, that at such time as the holders of the Class B Common Stock no longer have the right, voting as a separate class, to elect members of the Board, then this Policy may be amended, and any provisions hereof waived, upon the approval of a majority of the members of the Board.