

Summary of Terms

Offering of Series B Resettable Convertible Preferred Stock

This summary of terms (this “**Summary of Terms**”) is intended for discussion purposes only and does not represent or constitute an offer, undertaking or commitment on the part of any party to provide financing to Beneficient, a Nevada corporation (“**Beneficient**”), or any of its affiliates or any other person. All terms set out herein are non-binding and subject to each party’s due diligence, internal approvals and the execution and delivery of definitive transaction documentation (the “**Definitive Documentation**”).

Summary of the Offering

Issuer	Beneficient provides financial products and services through certain of its operating subsidiaries, which are comprised of its current and planned principal businesses units. Beneficient’s equity capitalization is composed of Class A common stock, par value \$0.001 per share (“ Class A Common Stock ”), Class B common stock, par value \$0.001 per share (“ Class B Common Stock ” and together with the Class A Common Stock, the “ Common Stock ”), and Series A Preferred Stock, par value \$0.001 per share. Holders of Class B Common Stock have the right to appoint the majority of the board of directors of Beneficient, and as a result, Beneficient is considered a Controlled Company under Nasdaq rules.
Investor(s)	Entities or individuals that are “accredited investors” within the meaning of Rule 501(a) of Regulation D under the Securities Act of 1933, as amended (the “ Securities Act ”), or not a “U.S. Person” as defined in Regulation S under the Securities Act and are “qualified institutional buyers” (as defined in Rule 144A under the Securities Act) (each, an “ Investor ”).
Security	Series B Resettable Convertible Preferred Stock (the “ Preferred Stock ”). Beneficient may issue multiple subseries of Preferred Stock hereunder, with Investors purchasing on different dates receiving a new subseries.
Terms of the Offering	Preferred Stock at a stated price per share of \$10.00 (the “ Stated Value ”) to be issued in exchange for Investors’ Alternative Assets (as defined below) on a dollar per dollar basis (each such exchange, an “ Exchange ”), based on the Purchase Price (as defined below) of the Alternative Assets (the “ Offering ”).
Liquidation Preference	In the event of any liquidation or sale of the Company, the holders of Preferred Stock shall be entitled receive, pro rata with the holders of the Common Stock, and any other shares of preferred stock of the Company identified as “Designated Preferred Stock,” a per share amount equal to such amount per share as would have been payable had all shares of Preferred Stock been voluntarily converted to Common Stock (without giving effect to the limitations set forth in the “Concentration Restriction” and “Maximum Issuance” sections herein) immediately prior to such liquidation or dissolution of the Corporation. The Preferred Stock shall be a series of Designated Preferred Stock.
Ranking	Each subseries of Preferred Stock will, with respect to dividend rights and rights upon liquidation, dissolution or winding up of the Company, rank: (a) <i>pari passu</i> to the Company’s common stock; (b) junior with respect to the Company’s Series A Convertible Preferred Stock; (c) senior, <i>pari passu</i> or junior with respect to any other series of preferred stock, as set forth in the Certificate of Designation with respect to such preferred stock; and (d) junior to all existing and future indebtedness of the Company.
Voluntary Conversion	Each share of Preferred Stock shall be convertible at the option of the holder thereof into a number of shares of Class A Common Stock based on the Conversion Rate then in effect.

Mandatory Conversion	<p>Each share of Preferred Stock will automatically convert into shares of Class A Common Stock at the then-applicable Conversion Rate on the last day of the month in which the fifth anniversary of the Closing Date occurs (“Mandatory Conversion Date”) so long as: (i) either the Company is current in its public reporting requirements or the Resale Registration Statement has become effective and is in full force and effect at the time of such mandatory conversion, provided that if the conditions of this clause (i) are not met on the Mandatory Conversion Date, each share of Preferred Stock shall automatically convert into shares of Class A Common Stock on the date where resales pursuant to Rule 144 under the Securities Act are available or the Resale Registration Statement has become effective, (ii) the issuance of the Class A Common Stock upon conversion does not exceed the 20% maximum issuance referenced under “Maximum Issuance” and (iii) to the extent a conversion would cause a holder to exceed the Maximum Percentage, the conversion of the portion of such conversion that would exceed the Maximum Percentage shall be delayed until the first business day the conversion of such portion would not exceed the Maximum Percentage.</p>
Conversion Price	<p>The initial conversion price shall be equal to the five-day trailing volume weighted average price (“VWAP”) of the Class A Common Stock determined as of the date of the first closing of the Investor following the signing date of the Definitive Documentation (as reset pursuant to the mechanics noted below, the “Conversion Price”). The Conversion Price shall be subject to potential reset as provided in the following paragraph as of the last day of the first full month following the Closing Date and then as of the last day of each month thereafter (each, a “Reset Date”). For the avoidance of doubt, if the Preferred Stock could not be automatically converted into shares of Class A Common Stock on the Mandatory Conversion Date due to the conditions set forth under “Mandatory Conversion”, then, to the extent any such share of Preferred Stock has not otherwise automatically converted into shares of Class A Common Stock, the Conversion Price for such shares shall be subject to additional potential resets as of the last day of each month following the Mandatory Conversion Date until all shares have been converted.</p> <p>On the relevant Reset Date, if the five day trailing volume weighted average price of the Class A Common Stock as of the Reset Date (the “Prevailing Market Price”) is less than the initial Conversion Price, the Conversion Price shall be adjusted on such Reset Date (taking into account any adjustments to the Conversion Price which may have occurred prior to the relevant Reset Date) to the Prevailing Market Price, provided that in no event shall the reset Conversion Price be lower than 75% of the initial Conversion Price, subject to customary adjustments. If the Prevailing Market Price is equal to or greater than the initial Conversion Price, the Conversion Price shall be adjusted on such Reset Date (taking into account any adjustments to the Conversion Price which may have occurred prior to the relevant Reset Date) to the initial Conversion Price. For the avoidance of doubt, in no event will the Conversion Price (taking into account any adjustments to the Conversion Price which may have occurred prior to the relevant Reset Date) exceed the initial Conversion Price.</p>
Conversion Rate	<p>The conversion rate shall be the Stated Value plus all declared and unpaid dividends divided by the Conversion Price in effect on such date (the “Conversion Rate”), subject to adjustment as described in “Conversion Price” and “Anti-Dilution Adjustments.</p>
Concentration Restriction	<p>Beneficient shall not effect the conversion of any of the Preferred Stock held by a holder, and such holder shall not have the right to convert any of the Preferred Stock held by such holder, to the extent that after giving effect to such conversion, such holder (together with any other attribution parties) collectively would beneficially own in excess of 4.99% (the “Maximum Percentage”) of the shares of Class A Common Stock outstanding immediately after giving effect to such conversion. The holder may agree under certain circumstances to increase the Maximum Percentage to 9.99% of the shares of Class A Common Stock outstanding immediately after giving effect to such conversion. For the avoidance of doubt, (i) Beneficient may effect partial conversions</p>

	of the Preferred Stock up to the Maximum Percentage and (ii) a holder of the Preferred Stock may waive any restriction related to the Maximum Percentage or otherwise set forth in this “Concentration Restriction” provision at any time, in her, his or its sole discretion.
Maximum Issuance	Absent shareholder approval as may be required under NASDAQ and/or SEC regulations, at no time will the number of shares of Class A Common Stock issuable upon conversion of the Preferred Stock exceed 20% of Beneficient’s outstanding shares of Class A Common Stock and Class B Common Stock on a combined basis, measured as of the date of the initial issuance of shares of Preferred Stock.
Anti-dilution Adjustments	The Conversion Rate will be adjusted to reflect any stock split, stock dividend, stock combination or other similar recapitalization of the Class A Common Stock or Preferred Stock.
Voting Rights	Holders of the Preferred Stock shall not be entitled to voting rights until the Preferred Stock is converted into Class A Common Stock provided however that the prior written consent of a majority of the outstanding shares of Preferred Stock shall be required in connection with any action by the Company to (a) amend or repeal any provision of, or add any provision to, its Certificate of Incorporation or bylaws, or file any certificate of designations or articles of amendment of any series of shares of preferred stock, if such action would adversely alter or change in any respect the preferences, rights, privileges or powers, or restrictions provided for the benefit of the Preferred Stock or (b) whether or not prohibited by the terms of the Preferred Stock, circumvent a right of the Preferred Stock under the Preferred Stock Certificate of Designation, provided that the issuance of additional series or subseries preferred stock of the Company shall not be construed as a circumvention of the rights of the Preferred Stock under this clause (b).
Dividend Rights	Dividends will be paid on the Preferred Stock on an as-converted basis when, as, and if paid on the Class A Common Stock.
Alternative Assets	Qualified limited partnership or other interests in professionally managed private investment funds or interests in other entities owned by Investor (“ <i>Alternative Assets</i> ”) that would be exchanged for Preferred Stock.
Net Asset Value	The net asset value (the “ <i>Net Asset Value</i> ”) of the Alternative Assets shall be equal to: <ul style="list-style-type: none"> (1) the net asset value and/or investment fair value as most recently reported by the asset manager of each asset comprising the Alternative Assets with respect to the quarter immediately preceding the Subscription Date or other agreed upon date (such date, the “<i>Reference Date</i>”) or such other value agreed upon by the parties; <i>plus</i> (2) the amount of any capital calls on the Alternative Asset funded by Investor (“<i>Funded Capital Calls</i>”) after the Reference Date and prior to the Closing Date (as defined below); <i>minus</i> (3) the amount of any distributions or dividends on the Alternative Assets (“<i>Distributions</i>”) received by Investor after the Reference Date and prior to the Closing Date.
Purchase Price	[\$___], or the Alternative Asset Percentage of Net Asset Value of the Alternative Assets for each \$10 in Stated Value of Preferred Stock.
Alternative Asset Percentage	That certain percentage as agreed upon by Beneficient and Investor.
Funding/Closing	Funding and closing of the purchase of the Preferred Stock in the Offering would be of Closing (the “ <i>Closing Date</i> ”).

**Transfer
Restrictions**

The Preferred Stock shall generally not be transferable without the approval of the Company, which approval may be granted or withheld in its sole discretion. The Preferred Stock will (and the shares of Class A Common Stock underlying the Preferred Stock may) not be registered under the Securities Act of 1933, as amended (the “*Securities Act*”), and may only be sold or transferred pursuant to an effective registration statement under the Securities Act or under an exemption from the registration requirements of Section 5 thereof.

**Registration
Rights**

The Company shall take commercially reasonable efforts following the closing of each Exchange to promptly, within 90 calendar days, file a registration statement on Form S-1 under the Securities Act (or other appropriate Form) registering the resale of the shares of Class A Common Stock underlying the Preferred Stock (the “*Resale Registration Statement*”) issued to the corresponding Investor pursuant to such Exchange and use commercially reasonable efforts to cause the Resale Registration Statement to become effective within 120 calendar days following the closing of such Exchange.