DYADIC INTERNATIONAL, INC.
140 Intracoastal Pointe Drive, Suite 404
Jupiter, Florida 33477
(561) 743-8333

November 16, 2015

Dear Shareholder:

You are cordially invited to attend a special meeting of shareholders of Dyadic International, Inc. ("Dyadic"), to be held on Friday, December 11, 2015, at 12:00 p.m., Eastern Standard Time, at PGA National Resort & Spa, 400 Avenue of the Champions, Palm Beach Gardens, Florida 33418. A notice of the special meeting and the proxy statement follow.

On November 9, 2015, Dyadic and Dyadic International (USA), Inc. ("Dyadic USA") entered into a transaction agreement with Danisco US Inc. ("Danisco") (the "Transaction Agreement"), pursuant to which Dyadic, Dyadic USA and Dyadic Nederland B.V. will sell to Danisco substantially all of their enzyme and technology assets, including the C1 platform, a technology for producing enzyme products used in a broad range of industries (the "Transaction"). In connection with the Transaction, Danisco will agree to grant back to Dyadic co-exclusive rights to the C1 technology for use in pharmaceutical applications, with the exclusive ability to enter into sub-license agreements in that field (subject to the terms of the license and subject to certain exceptions), provided that (i) Danisco will retain rights to utilize the C1 technology for use in pharmaceutical applications, including development and production of pharmaceutical products, for which it will make royalty payments to Dyadic upon commercialization and (ii) under certain circumstances, Dyadic may owe a royalty to either Danisco or certain licensor's of Danisco depending upon whether Dyadic elects to utilize certain patents either owned by Danisco or Danisco's licensors (the "Pharmaceutical License"). Following the completion of the Transaction, Dyadic intends to focus exclusively on its biopharmaceutical business.

Upon consummation of the Transaction, Dyadic and Dyadic Nederland B.V. will receive an aggregate of $75,000,000 in cash less (1) the aggregate amount payable to holders of Dyadic's secured indebtedness, which amounts are being paid at Dyadic's direction, and (2) $8,000,000 that will be held in escrow for a period of 18 months as a source of recovery by Danisco for certain indemnity claims and for working capital adjustments. The Company intends to use a minimum of $15 million of the Transaction proceeds to initiate a stock repurchase program. The timing and details of such stock repurchase program have not yet been determined. The total amount may vary depending on the adjustments described above and other factors described in the proxy statement.

At the special meeting, our Board of Directors will ask you to approve the Transaction pursuant to the Transaction Agreement, and to approve any adjournment of the special meeting. These proposals are discussed in additional detail in the proxy statement.

Our Board of Directors has unanimously approved the Transaction pursuant to the Transaction Agreement, and determined that the Transaction pursuant to the Transaction Agreement is fair to, and in the best interests of, Dyadic's shareholders. **Our Board of Directors recommends that shareholders vote "FOR" the proposal to**

approve the Transaction pursuant to the Transaction Agreement and "FOR" the proposal to adjourn the special meeting if necessary or appropriate.

With the affirmative recommendation of the Board of Directors, the Transaction may not be completed unless holders of at least a majority of the shares of Dyadic common stock outstanding and entitled to vote thereon at the special meeting vote to approve the Transaction pursuant to the Transaction Agreement. **Shareholders owning in the aggregate 9,032,431 shares of Dyadic common stock, or approximately 26.4% of the shares currently outstanding, including an affiliate of our Chief Executive Officer and Director, Mark A. Emalfarb, have entered into voting agreements pursuant to which, subject to certain limitations, they have agreed to, among other things, vote the shares controlled by them "FOR" the proposal to approve the Transaction pursuant to the Transaction Agreement.**

Only holders of record of Dyadic common stock at the close of business on November 13, 2015, will be entitled to vote at the special meeting. You may vote by internet, phone or mail whether or not you plan to attend the special meeting.

- *Vote by Internet*. Record holders can vote online prior to 7:00 p.m., Eastern Standard Time, on December 10, 2015. Go to www.cstproxyvote.com, which is available 24 hours a day until the deadline. You will need your "company ID", "proxy number" and "account number", all of which appear on the proxy card you received.

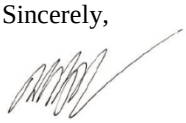
- *Vote by Telephone*. Record holders can vote by phone prior to 7:00 p.m., Eastern Standard Time, on December 10, 2015. Call (866) 894-0537, which is available 24 hours a day until the deadline. You will need your "company ID", "proxy number" and "account number", all of which appear on the proxy card you received.

- *Vote by Mail*. Record holders can vote by mail if they received a printed copy of the proxy card. Complete and return that proxy card in the postage-paid envelope provided. If you are a shareholder of record and you choose to vote by mail, your vote will be counted so long as it is received prior to the closing of the polls at the meeting, but we urge you to complete, sign, date and return the proxy card as soon as possible.

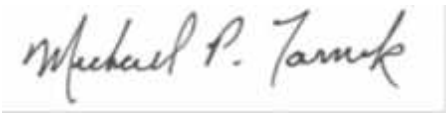
  You need only vote in one way (so that, if you vote by internet or telephone, you need not return the proxy card).

  We thank you for your consideration and continued support.

Sincerely,



Mark Emalfarb
President and Chief Executive Officer



Michael Tarnok
Chairman of the Board of Directors

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON DECEMBER 11, 2015

To the Shareholders:

A special meeting of shareholders of Dyadic International, Inc. ("Dyadic," "we," "us" or the "Company"), will be held on Friday, December 11, 2015, at 12:00 p.m., Eastern Standard Time, at PGA National Resort & Spa, 400 Avenue of the Champions, Palm Beach Gardens, Florida 33418, unless adjourned or postponed to a later date. The special meeting is being held for the following purposes:

1. To consider and vote upon a sale of substantially all of the enzyme and technology assets, including the C1 platform of Dyadic, Dyadic International (USA), Inc. ("Dyadic USA") and Dyadic Nederland B.V. to Danisco US Inc. ("Danisco") and its affiliate (the "Transaction") pursuant to the asset purchase and sale agreement, dated as of November 9, 2015, by and among Danisco, Dyadic USA and Dyadic (the "Transaction Agreement").

2. To consider and vote on a proposal to approve the adjournment of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to approve the Transaction pursuant to the Transaction Agreement at the time of the special meeting.

The Board of Directors of Dyadic has fixed the close of business on November 13, 2015 as the record date for the determination of shareholders entitled to notice of, and to vote at, the special meeting and any adjournments or postponements thereof. Each share of Dyadic common stock is entitled to vote on all matters that properly come before the special meeting and is entitled to one vote on each matter properly brought before the special meeting.

Shareholders owning in the aggregate 9,032,431 shares of Dyadic common stock, or approximately 26.4% of the shares currently outstanding, including an affiliate of our Chief Executive Officer and Director, Mark A. Emalfarb, have entered into voting agreements pursuant to which, subject to certain limitations, they have agreed to, among other things, vote the shares controlled by them "FOR" the proposal to approve the Transaction pursuant to the Transaction Agreement.

The attached proxy statement describes the proposed Transaction and related transactions and the terms of the Transaction Agreement. The proxy statement also describes the actions to be taken in connection with the Transaction and provides additional information about the parties involved. We encourage you to read the proxy statement in its entirety before you vote.

Whether or not you plan to attend the special meeting, please promptly cast your vote in one of the manner described below:

- *Vote by Internet*. Record holders can vote online prior to 7:00 p.m., Eastern Standard Time, on December 10, 2015. Go to www.cstproxyvote.com, which is available 24 hours a day until the deadline. You will need your "company ID", "proxy number" and "account number", all of which appear on the proxy card you received.

- *Vote by Telephone*. Record holders can vote by phone prior to 7:00 p.m., Eastern Standard Time, on December 10, 2015. Call (866) 894-0537, which is available 24 hours a day until the deadline. You will need your "company ID", "proxy number" and "account number", all of which appear on the proxy card you received.

- *Vote by Mail*. Record holders can vote by mail if they received a printed copy of the proxy card. Complete and return that proxy card in the postage-paid envelope provided. If you are a shareholder of record and you choose to vote by mail, your vote will be counted so long as it is received prior to the closing of the polls at the meeting, but we urge you to complete, sign, date and return the proxy card as soon as possible.

You need only vote in one way (so that, if you vote by internet or telephone, you need not return the proxy card).

You may revoke your proxy at any time prior to its exercise at the special meeting in the manner described in this proxy statement.

Completing a proxy now will not prevent you from being able to vote at the special meeting by attending in person and casting a vote. Your vote at the special meeting will supersede any previously submitted proxy. If your shares of Dyadic common stock are held in the name of your broker, bank or other nominee, you must bring an account statement or letter from the nominee indicating that you were the beneficial owner of the shares on the record date for the special meeting.

If you hold your shares through a broker, bank or other nominee and wish to vote your shares of Dyadic common stock at the special meeting, you must obtain a legal proxy from your broker, bank or other nominee.

If you fail to return your proxy or to attend the special meeting in person, your shares will not be counted for purposes of determining whether a quorum is present at the special meeting and will have the same effect as a vote "AGAINST" the proposal to approve the Transaction pursuant to the Transaction Agreement.

By order of the Board of Directors,
DYADIC INTERNATIONAL, INC.

Mark Emalfarb
President and Chief Executive Officer

Michael Tarnok
Chairman of the Board of Directors

November 16, 2015

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FORWARD-LOOKING STATEMENTS

This proxy statement contains forward-looking statements that involve risks and uncertainties, as well as assumptions that, if they do not fully materialize or prove incorrect, could cause our business, results or condition to differ materially from those expressed or implied by the forward-looking statements. The forward-looking statements include, without limitation, statements related to the timing and expected impact of the completion of the Transaction and related transactions. You can identify these and other forward-looking statements by the use of words such as "will," "may," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "intends," "potential," "continue," or the negative of those terms, or other comparable terminology.

Risks and uncertainties that may affect our business, results or condition include the failure of our shareholders to approve the Transaction pursuant to the Transaction Agreement, the occurrence of any event, change or other circumstance that could give rise to the termination of the Transaction Agreement, the outcome of any legal proceeding that may be instituted against us and others following the announcement of the Transaction Agreement, the failure to complete the Transaction for any other reason, the amount of the costs, fees, expenses and charges related to the Transaction, the effect of the announcement of the Transaction Agreement on our customer relationships, operating results and business generally, including the ability to retain key employees, disruption from the Transaction making it more difficult to maintain relationships with customers, employees or suppliers and other factors discussed in our publicly available filings, including information set forth under the caption "Risk Factors" in our December 31, 2014 Annual Report filed with OTC Markets on March 27, 2015. Any forward-looking statement made in this proxy statement speaks only as of the date on which we make it. New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us. We have no duty to, and do not intend to, update or revise the forward-looking statements in this proxy statement, except as may be required by law.

THE SPECIAL MEETING

We are furnishing this proxy statement to our shareholders as part of the solicitation of the proxies by our Board of Directors for use at the special meeting. This proxy statement provides our shareholders with the information they need to know to be able to vote or instruct their vote to be cast at the special meeting.

Date, Time and Place

The special meeting of Dyadic shareholders will be held on Friday, December 11, 2015, at 12:00 p.m., Eastern Standard Time, at PGA National Resort & Spa, 400 Avenue of the Champions, Palm Beach Gardens, Florida 33418, unless adjourned or postponed to a later date.

Record Date; Shareholders Entitled to Vote

The record date for the special meeting is November 13, 2015. Holders of record of shares of Dyadic common stock at the close of business on the record date are entitled to vote or have their votes cast at the special meeting. As of the record date, there were 34,180,630 shares of Dyadic common stock outstanding. Shareholders will have one vote for the Transaction and any other matter properly brought before the special meeting for each share of Dyadic common stock they owned on the record date.

Quorum

A quorum of shareholders is necessary to hold a valid meeting. Under our by-laws, the holders of a majority of the outstanding shares of Dyadic common stock entitled to vote, present in person or by proxy, will constitute a quorum.

The chairman of the meeting or the holders of a majority of the Dyadic common stock present or represented at the special meeting, whether or not a quorum is present, may adjourn the meeting without notice other than by announcement at the meeting of the date, time and place of the adjourned meeting, until the requisite number of shares are present or represented, provided that if the adjournment is for more than thirty (30) days or if after adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting will be provided.

If you submit a properly executed proxy card, even if you abstain from voting, your shares of Dyadic common stock will be counted for purposes of determining whether a quorum is present at the special meeting. In the event that a quorum is not present at the special meeting or additional votes must be solicited to approve the Transaction pursuant to the Transaction Agreement, it is expected that the special meeting will be adjourned or postponed to solicit additional proxies. If a new record date is set for the adjourned meeting, however, then a new quorum would have to be established at the adjourned meeting.

Proposal To Be Considered at the Special Meeting

As discussed elsewhere in this proxy statement, our shareholders will consider and vote on the following: (1) a proposal to approve the Transaction pursuant to the Transaction

Agreement, and (2) a proposal to adjourn the special meeting to a later date or time if necessary or appropriate, including to solicit additional proxies in favor of the approval of the Transaction and the Transaction Agreement if there are insufficient votes at the time of the special meeting to approve the Transaction pursuant to the Transaction Agreement (such proposals, collectively, the "Proposals"). You should carefully read this proxy statement in its entirety for more detailed information concerning the Proposals. You should also read in its entirety the Transaction Agreement and Pharmaceutical License, which are attached as Annex A and Annex B, respectively, to this proxy statement.

Our Board of Directors recommends that our shareholders vote "**FOR**" the proposal to approve the Transaction pursuant to the Transaction Agreement and "**FOR**" the proposal to adjourn the special meeting if necessary or appropriate, including to solicit additional proxies.

If you return a properly executed proxy card but do not indicate instructions on your proxy card, your shares of Dyadic common stock represented by the proxy card will be voted "**FOR**" the approval of the Proposals.

Shareholder Vote Required to Approve the Transaction pursuant to the Transaction Agreement at the Special Meeting

The proposal to approve the Transaction pursuant to the Transaction Agreement requires the affirmative vote of the holders of at least a majority of the shares of Dyadic common stock outstanding and entitled to vote thereon at the special meeting; provided, that if the Board of Directors changes its recommendation to shareholders regarding the proposal to approve the Transaction pursuant to the Transaction Agreement, the affirmative vote of the holders of at least sixty-six and two-thirds percent of the voting power of all of the then outstanding shares of Dyadic's voting common stock, voting together as a single class, will be required to approve the Transaction Agreement. As of the record date, there were 34,180,630 shares of Dyadic common stock outstanding. Shareholders owning in the aggregate 9,032,431 shares of Dyadic common stock, or approximately 26.4% of the shares currently outstanding, including an affiliate of our Chief Executive Officer and Director, Mark A. Emalfarb, have entered into voting agreements pursuant to which, subject to certain limitations, they have agreed to, among other things, vote the shares controlled by them "FOR" the proposal to approve the Transaction pursuant to the Transaction Agreement. The approval of the proposal to adjourn the special meeting if necessary or appropriate requires the affirmative vote of shares representing a majority of the voting power of the shares present in person or represented by proxy at the special meeting entitled to vote on such matter. In addition, even if a quorum is not present at the special meeting, the chairman of the meeting or the affirmative vote of holders of a majority of the Dyadic common stock present or represented at the special meeting may adjourn the special meeting to another place, date or time.

Abstentions and shares not in attendance and not voted at the special meeting will have the same effect as a vote "**AGAINST**" the proposal to approve the Transaction pursuant to the Transaction Agreement. We encourage all of our shareholders to vote their shares of Dyadic common stock pursuant to one of the methods set forth below under "—**Voting**."

Voting

Voting and Proxies

Shareholders at the close of business on November 13, 2015, can vote at the Special Meeting in person or via proxy in the manner described herein. Any shareholder who holds shares in street name through a broker, bank or other nominee should receive separate instructions from the firm holding his or her shares describing the procedure for voting those shares. If you hold your shares in the name of a broker, bank or other nominee, you should follow the instructions provided by your broker, bank or other nominee when voting your shares or to grant or revoke a proxy.

Shareholders of record may vote by proxy in four ways:

- *Vote by Internet*. Record holders can vote online prior to 7:00 p.m., Eastern Standard Time, on December 10, 2015. Go to www.cstproxyvote.com, which is available 24 hours a day until the deadline. You will need your "company ID", "proxy number" and "account number", all of which appear on the proxy card you received.

- *Vote by Telephone*. Record holders can vote by phone prior to 7:00 p.m., Eastern Standard Time, on December 10, 2015. Call (866) 894-0537, which is available 24 hours a day until the deadline. You will need your "company ID", "proxy number" and "account number", all of which appear on the proxy card you received.

- *Vote by Mail*. Record holders can vote by mail if they received a printed copy of the proxy card. Complete and return that proxy card in the postage-paid envelope provided. If you are a shareholder of record and you choose to vote by mail, your vote will be counted so long as it is received prior to the closing of the polls at the meeting, but we urge you to complete, sign, date and return the proxy card as soon as possible.

- *Vote in Person*. You may attend the special meeting and cast your vote in person.

You may vote by internet, phone or mail whether or not you plan to attend the special meeting.

You need only vote in one way (so that, if you vote by internet or telephone, you need not return the proxy card).

If you have any questions about how to vote or direct a vote in respect of your Dyadic common stock, you may contact Morrow & Co., LLC; Banks and Brokers should Call: (203) 658-9400 and Shareholders should Call Toll Free: (800) 206-5879.

Revocation of Proxies

Any proxy given by a Dyadic shareholder may be revoked at any time before it is voted at the special meeting by doing any of the following:

- delivering to our Corporate Secretary a signed notice of revocation stating that the first proxy is revoked;

- submitting a later-dated, signed proxy following the instructions provided on the proxy card; or

- attending the special meeting and voting in person.

In order to revoke and/or revote your shares, (1) if your shares are held in the name of your broker, bank or other nominee, you must bring an account statement or letter from the nominee indicating that you were the beneficial owner of the shares on the record date for the special meeting and (2) if you hold your shares through a broker, bank or other nominee and wish to vote your shares of Dyadic common stock at the special meeting, you must obtain a legal proxy from your broker, bank or other nominee. Attendance at the special meeting will not, in and of itself, result in the revocation of a proxy or cause your Dyadic common stock to be voted.

Solicitation of Proxies

We are soliciting the enclosed proxy card on behalf of our Board of Directors. In addition to solicitation by mail and posting this proxy statement on our website and on the OTC Market Portal, our directors, officers and employees may solicit proxies in person, by telephone, electronically, by mail or other means. These persons will not be specifically compensated for these services.

We will ask banks, brokers and other nominees to forward our proxy solicitation materials to the beneficial owners of Dyadic common stock held of record by the nominee holders. We will reimburse these brokers, banks and other nominees for their customary clerical and mailing expenses incurred in forwarding the proxy solicitation materials to the beneficial owners.

The entire expense of soliciting proxies is being borne by Dyadic. Costs of this proxy solicitation are currently estimated to be approximately $200,000. Costs related to the solicitation of proxies include expenditures for attorneys, advisors, printing, advertising, postage and related expenses and fees.

Dyadic has retained Morrow & Co., LLC to provide solicitation and advisory services in connection with this proxy solicitation. Morrow & Co., LLC will receive a fee not to exceed $8,000.00, together with reimbursement for its reasonable out-of-pocket expenses, and will be indemnified by Dyadic against certain liabilities and expenses, including certain liabilities under the federal securities laws. Morrow & Co., LLC will solicit proxies from individuals, brokers, banks, bank nominees and other institutional holders. Morrow & Co., LLC has advised Dyadic that approximately 20 of its employees will be involved in the proxy solicitation on behalf of Dyadic. Morrow & Co., LLC does not believe that any of its directors, officers, employees, affiliates or controlling persons, if any, is a “participant” in this proxy solicitation.

THE TRANSACTION

The discussion in this proxy statement of the Transaction and the principal terms of the Transaction Agreement is subject to, and is qualified in its entirety by reference to, the Transaction Agreement, a copy of which is attached to this proxy statement as Annex A. The discussion in this proxy statement of the principal terms of the Pharmaceutical License is subject to, and is qualified in its entirety by reference to, the Pharmaceutical License, a redacted copy of which is attached to this proxy statement as Annex B. You should read the entire Transaction Agreement and Pharmaceutical License carefully.

Information About the Transaction Parties

Dyadic International, Inc.

Dyadic International, Inc. is a global biotechnology company that uses its patented and proprietary technologies to conduct research, development and commercial activities for the discovery, development, manufacture and sale of enzymes and other proteins for the biopharmaceutical, bioenergy, bio-based chemical and industrial enzyme industries. Dyadic actively pursues licensing arrangements and other commercial opportunities to leverage the value of these technologies by providing its partners and collaborators with the benefits of manufacturing and/or utilizing the enzymes and other proteins which these technologies help produce.

Our principal executive offices are located at 140 Intracoastal Point Drive, Suite 404, Jupiter, Florida 33477, and our telephone number is (561)743-8333.

Danisco US, Inc., a wholly owned subsidiary of E. I. du Pont de Nemours and Company

Danisco is a wholly owned subsidiary of E. I. du Pont de Nemours and Company ("DuPont"). DuPont is a diversified world-class science and engineering company that has been operating in the global marketplace in the form of innovative products, materials, and services since 1802. DuPont collaborates with customers, governments, NGOs, and thought leaders, to help find solutions to such global challenges as providing enough healthy food for people everywhere, decreasing dependence on fossil fuels, and protecting life and the environment. For additional information about DuPont and its commitment to inclusive innovation, please visit www.dupont.com.

Danisco's principal offices are located at Building 356, Experimental Station, Wilmington, Delaware 19880 and the telephone number for media and public relations is (302) 996-8355.

Background of the Transaction

Our Board of Directors, which is comprised of five independent members and our Chief Executive Officer, regularly reviews and evaluates our operations, financial performance, industry conditions, long-term strategic plan and business strategy with the goal of enhancing shareholder value. As part of this ongoing process, our Board of Directors periodically has

reviewed potential strategic alternatives that may be available for Dyadic, including recapitalizations, strategic transactions and acquisition alternatives, including non-exclusive and exclusive licensing of our C1 Expression System technology.

As part of its ongoing strategic planning process, Dyadic engaged J.P. Morgan on April 10, 2012 to evaluate strategic alternatives and the ongoing capital requirements of Dyadic's business (the "Third-Party Solicitation Process"). As part of that process, J.P. Morgan approached 190 parties, consisting of 127 strategic parties and 63 financial sponsors, about a potential acquisition of all or a part of Dyadic. As a result of the Third-Party Solicitation Process, Dyadic received preliminary indications of interest from three parties with purchase prices ranging from $40 million to $75 million in cash for the entire Dyadic business. These proposals were evaluated together with other strategic alternatives, including the license of our C1 Expression System technology. The Third-Party Solicitation Process culminated in the BASF license agreement signed on May 15, 2013.

On September 3, 2013, Dyadic received a proposal from a third party ("Confidential Acquisition Party") to acquire Dyadic's business for $98 million in the form of cash and stock consideration, including the exclusive rights to Dyadic's pharmaceutical market but excluding certain ongoing litigation matters. After a due diligence process and contract negotiations over a three-month period, the Confidential Acquisition Party withdrew its interest on December 4, 2013. From January 2014 through December 2014, Dyadic and the Confidential Acquisition Party continued ongoing strategic discussions, which among various strategic alternatives included a potential joint venture and/or licensing arrangement. Strategic discussions with the Confidential Acquisition Party ended in December 2014.

On May 12, 2014, Mark Emalfarb met with a DuPont senior executive at the Bio World Congress to discuss, among other things, ways to create value for Dyadic's and DuPont's respective shareholders. From June 2014 through December 2014, Dyadic's management and certain members of DuPont's Industrial Bio-Science's team held a number of meetings and discussions regarding possible collaborations and strategic alternatives.

On June 5, 2014, Dyadic entered into confidential discussions with, and provided due diligence information to, a third party (the "Confidential Recapitalization Party") that was interested in providing sufficient capital to pay-off Dyadic's existing debt and fund its growth plan. In October 2014, our Board of Directors decided not to pursue such financing given the unattractive interest rate and other terms required by the Confidential Recapitalization Party.

Between May 2014 and February 2015, representatives of Dyadic contacted over 30 financial sponsors in an attempt to raise capital. On December 11, 2014, Dyadic also engaged Cowen and Company ("Cowen") to advise Dyadic in connection with its efforts to raise capital. Although Cowen contacted approximately 10 financial sponsors, Dyadic was unsuccessful in raising additional capital. In light of ongoing litigation matters involving Dyadic and the challenging financing environment, Dyadic implemented an internal cost reduction program, including a significant reduction in workforce, beginning in December 2014 and January 2015. After continued capital raising efforts, on March 9, 2015, Dyadic announced a capital raise of $2 million in private placement debt financing.

On November 18, 2014 and again on December 4, 2014, Dyadic engaged in discussions with DuPont regarding, among other things, a potential acquisition by DuPont of all or a part of Dyadic's industrial enzymes business.

On December 17, 2014, Dyadic commenced discussions and negotiations with a confidential third party (the "Confidential Licensee") regarding the potential terms of a licensing arrangement involving Dyadic's C1 Expression System technology. From December 2014 through April 2015, Dyadic and the Confidential Licensee continued such discussions and negotiations. By May 2015, substantive discussions and negotiations had ceased as a result of the Confidential Licensee's valuation of the license arrangement of approximately $7 million to $10 million and the challenging business environment for advanced biofuels. As a result, our Board of Directors evaluated and determined such valuation was inadequate and that the terms proposed by the Confidential Licensee were less attractive than the terms contemplated by DuPont's indication of interest described below.

On January 2, 2015, our Board of Directors held a special meeting to discuss, among other things, strategic alternatives for Dyadic, including a potential sale transaction or other strategic collaboration, and potential sources of capital. The discussion included an update from Mr. Emalfarb and Danai Brooks, Chief Operating Officer of Dyadic, regarding preliminary discussions with DuPont.

On January 26, 2015, our Board of Directors held a special meeting to continue discussions regarding potential strategic alternatives for Dyadic and potential sources of capital to strengthen Dyadic's balance sheet. During this meeting, Messrs. Emalfarb and Brooks reviewed with our Board of Directors a summary of potential transactions in which Dyadic might engage, including licensing arrangements and asset sales, the status of certain ongoing litigation matters and debt obligations of Dyadic. After further discussion, Mr. Tarnok, Chairman of the Board, requested that management provide an update on potential strategic alternatives for Dyadic and Dyadic's capital-raising efforts at the next Board meeting to be held on March 2, 2015.

Also on January 26, 2015, Dyadic and DuPont entered into a Confidential Disclosure and Material Transfer Agreement to permit such parties to exchange confidential due diligence information in connection with a potential transaction.

From January 2015 through March 2015, at the direction of our Board of Directors, Messrs. Emalfarb and Brooks approached an additional eleven strategic parties, including certain parties that actively participated in the Third-Party Solicitation Process, the Confidential Acquisition Party, and Danai Brooks' and Mark Emalfarb's other business contacts to gauge such parties' interest in potentially acquiring all or a part of Dyadic's business. As a result of these discussions, Dyadic received two preliminary indications of interest regarding the acquisition of Dyadic's industrial enzyme business, which both parties valued at approximately $7 million to $10 million. Our Board of Directors evaluated and determined such valuation was inadequate and that the terms proposed by the parties were less attractive than the terms contemplated by DuPont's indication of interest described below. All other parties declined to engage in further exploration of a potential transaction involving Dyadic's business.

On January 29, 2015, DuPont visited Dyadic's Jupiter Office to review its business and research & development operations, and to conduct due diligence on our C1 Expression System technology.

On February 11, 2015, in order to facilitate DuPont's due diligence review of our C1 Expression System technology, Dyadic and DuPont executed a research agreement (i) pursuant to which DuPont agreed to fund specific research experiments to be carried out at Dyadic Nederland B.V. and (ii) for DuPont to run C1 fermentations at DuPont facilities. Dyadic completed the funded research and submitted reports to DuPont on June 24 and 25, 2015, and DuPont completed testing of the C1 strain and enzymes at its own facilities by May 15, 2015.

On February 25, 2015 DuPont submitted a non-binding letter of intent to acquire Dyadic's enzyme and technology assets for $75 million in cash. The letter outlined a due diligence process and gave DuPont the right to exclusively negotiate with Dyadic for a period of 90 days.

On March 2, 2015, our Board of Directors held a meeting at which Messrs. Emalfarb and Brooks provided an update on discussions with DuPont and other potential licensees and/or acquirors, including a review of the non-binding indication of interest received from DuPont on February 25, 2015. After full discussion, our Board of Directors approved entering into a non-binding letter of intent, including a 60 day exclusivity period, with DuPont, subject to agreement on certain terms and conditions.

On March 7, 2015 Dyadic received a revised non-binding indication of interest from DuPont, which contemplated the acquisition of Dyadic's enzyme and technology assets for $75 million and a 90-day exclusive negotiating period. Management held discussions with our Board of Directors regarding such terms and conditions, and how to proceed further in the negotiations with DuPont.

As a result of our negotiations, the non-binding indication of interest was revised by DuPont on March 11, 2015, which addressed several of our concerns, including the terms of the exclusive negotiating period and ability of Dyadic to continue negotiations regarding certain potential licensing arrangements. Management held discussions with our Board of Directors regarding such terms and conditions and how to proceed further in the negotiations with DuPont.

After continued negotiations, another revised non-binding indication of interest was received from DuPont on March 27, 2015, which resulted in the final non-binding indication of interest dated March 26, 2015, which contemplated the acquisition of Dyadic's enzyme and technology assets for $75 million and, among other changes, reduced the exclusivity period from 90 days to 60 days and granted Dyadic the ability to continue negotiations regarding certain potential licensing arrangements. After discussing the non-binding indication of interest from DuPont, our Board of Directors authorized Mr. Emalfarb to countersign the indication of interest, which was countersigned by DuPont with an effective date of March 26, 2015.

From April 2015 through October 2015, DuPont conducted a due diligence review of Dyadic's C1 Expression System technology and the research capabilities of Dyadic Nederland B.V., and Dyadic's operations and general corporate matters, including matters relating to its

enzyme business, intellectual property, financial performance, business opportunities, manufacturing operations, human resources functions and ongoing research & development, and regulatory and environmental matters relating to Dyadic's business. As part of the due diligence process, Dyadic and DuPont held numerous calls and in-person meetings in the USA and The Netherlands.

On May 11, 2015, our Board of Directors met and was provided a comprehensive update on, among other matters, Dyadic's enzyme business, business development and license opportunities, Japan strategy and pending lawsuits and the status of the DuPont negotiations.

After the exclusive negotiating period provided for in DuPont's non-binding indication of interest expired on May 26, 2015, and after discussing the expiration of the exclusivity period with our Board of Directors, Messrs. Brooks and Emalfarb re-engaged in discussions and meetings with various potential licensees and certain parties regarding their interest in finalizing licensing arrangements and the purchase of certain assets of the Company. Other than the August 3, 2015 proposal from the Confidential Acquisition Party described below, no proposals were received following these discussions.

On May 29, 2015, members of DuPont's transaction team and other senior executives visited Dyadic to continue negotiations of the terms and conditions of the proposed Transaction.

On June 23, 2015, DuPont delivered a draft Transaction Agreement to Dyadic, which contemplated a potential license option for the C1 Expression System technology platform in the event that the proposed Transaction did not close. The concept was removed, at the request of Dyadic, in a subsequent draft of the Transaction Agreement as our Board of Directors determined an asset sale created more shareholder value than a licensing agreement with DuPont. In reaching this conclusion, our Board of Directors considered the Company's licensing strategy and concluded that continuing to license the C1 Expression System technology platform on a non-exclusive basis would enable and create competitors, potentially impacting the Company's own enzyme business strategy and limiting its growth opportunities in an adverse manner. Our Board of Directors concluded that this ultimately would make Dyadic a less likely candidate for a significant sale to DuPont or others.

During a meeting of our Board of Directors held on June 24, 2015, Messrs. Emalfarb and Brooks provided a detailed update on the discussions with DuPont, including outstanding matters relating to a potential transaction with DuPont and business development opportunities. After further discussion, our Board of Directors instructed Mr. Emalfarb to continue negotiating certain terms and conditions of a transaction with DuPont and to attempt to reach agreement on terms that our Board of Directors could further review and consider. Following this meeting, Dyadic formally engaged Cahill Gordon & Reindel ("Cahill") and Stibbe as its outside legal counsel and Houlihan Lokey Capital, Inc. ("Houlihan Lokey") as its financial advisor in connection with a potential transaction with DuPont. From this date until November 9, 2015, representatives of DuPont, Dyadic, Cahill, and Potter Anderson & Corroon LLP as counsel for DuPont, engaged in negotiations with respect to the Transaction Agreement and related documents.

From July 19, 2015 through July 22, 2015, Messrs. Brooks and Emalfarb attended "The BIO World Congress on Industrial Biotechnology", one of the largest industrial biotechnology conferences of the year. During this conference, Messrs. Brooks and Emalfarb met with over 48 companies to discuss alternative strategic opportunities in an attempt to develop viable alternatives to the Transaction with DuPont for our Board of Directors' consideration. Many of the companies stated their belief that our technology was too early stage, with C1-based products years away from commercialization, and other parties already had sufficient rights to C1, while other parties expressed an interest in obtaining a license to our C1 Expression System technology platform. While the discussion likely resulted in the Confidential Acquisition Party's renewed interest in acquiring Dyadic, our Board of Directors determined that Dyadic was unable to create sufficient near-term interest that might have resulted in a viable alternative to the proposed transaction with DuPont and concluded that pursuing a transaction with DuPont would create greater value and more certainty than pursuing a transaction with the Confidential Acquisition Party. On August 3, 2015, the Confidential Acquisition Party submitted a new unsolicited proposal to acquire Dyadic's business for $52 million in all stock consideration. No confidential information was exchanged as a result of this proposal as our Board of Directors again concluded that it was in the best interest of our shareholders to continue discussions with DuPont in an effort to finalize the proposed Transaction.

On August 4, 2015 and August 5, 2015, the DuPont legal and business teams met with Dyadic management and Cahill at Cahill's office in New York City to negotiate further the terms and conditions of the proposed Transaction.

After such meeting, Dyadic management had several additional discussions and meetings with our Board of Directors. After reviewing additional open items related to the proposed Transaction and receiving specific direction from our Board of Directors, Dyadic management and Cahill continued to negotiate further the terms and conditions of the proposed Transaction.

During a meeting of our Board of Directors held on August 10, 2015, Messrs. Emalfarb and Brooks provided an update on discussions with DuPont, including (1) DuPont's ongoing due diligence review, (2) open items under negotiation and (3) a timeline for, and action items necessary to effect, a potential transaction with DuPont. Also during this meeting, our Board of Directors decided to not pursue the August 3, 2015 unsolicited proposal from the Confidential Acquisition Party given, among other things, (a) the lower valuation for Dyadic reflected in such proposal as compared to the proposed purchase price that would be payable in a potential transaction with DuPont, (b) the ability for Dyadic to retain certain rights to our C1 Expression System technology in the pharmaceutical industry in the proposed transaction with DuPont, (c) the large stock component of the consideration contemplated by the Confidential Acquisition Party's proposal, (d) concerns regarding transaction certainty with respect to the Confidential Acquisition Party's proposal and (e) the additional due diligence that would likely be required before reaching agreement on the terms of a transaction with the Confidential Acquisition Party relative to the due diligence review that had been conducted by DuPont and the potentially extended length of the post-signing and pre-closing period that would be required in a transaction with the Confidential Acquisition Party relative to the potential transaction with DuPont. After further discussion, our Board of Directors instructed Messrs. Emalfarb and Brooks to continue negotiating with DuPont with the goal of reaching an agreement on terms that our Board of Directors could review and consider.

On August 20, 2015, our Board of Directors received a written update from management regarding the open items related to the proposed Transaction, which items were subsequently discussed in detail.

On October 6, 2015, DuPont provided Dyadic with notice that DuPont had received formal internal approvals necessary to proceed with the proposed transaction at a purchase price of $75 million in cash (the "Transaction Consideration"), subject to agreement on the terms and conditions of the Transaction Agreement and Pharmaceutical License pursuant to which Dyadic would have co-exclusive rights to use and license Dyadic's C1 Expression System technology in pharmaceutical applications.

On October 18, 2015, our Board of Directors met telephonically, during which meeting Cahill reviewed with our Board of Directors the status of negotiations regarding the terms of the proposed transaction with DuPont, including the terms and conditions of the Transaction Agreement and the Pharmaceutical License.

On October 21, 2015, our Board of Directors met in person and telephonically to review the status of the potential transaction with DuPont. During this meeting, Mr. Brooks reviewed with our Board of Directors certain financial information relating to Dyadic and the proposed Transaction, including management projections and potential use of the transaction proceeds. After Mr. Brooks' presentation, Dyadic's advisors joined the meeting. Cahill provided an update on the status of negotiations regarding the terms of the proposed transaction with DuPont, including the terms and conditions of the Transaction Agreement and the Pharmaceutical License. Houlihan Lokey discussed with our Board of Directors certain preliminary financial aspects of the proposed transaction.

On October 26, 2015, our Board of Directors engaged Abrams & Bayliss to independently advise our Board of Directors on the proposed transaction with DuPont and the Compensation Committee of our Board of Directors engaged Rimon PC to advise our Board of Directors on executive compensation matters in connection with the proposed transaction with DuPont.

On October 27, 2015, the Compensation Committee of our Board of Directors met telephonically with Rimon PC to further discuss certain executive compensation matters.

On October 30, 2015, our Board of Directors met telephonically with Abrams & Bayliss to further discuss the proposed transaction with DuPont.

On November 4, 2015, the Compensation Committee of our Board of Directors held an additional telephonic meeting with Rimon PC to further discuss certain executive compensation matters. At this meeting, the Compensation Committee approved, with one director abstaining due to the inability to make a decision at that time on the pending matters, the discretionary transaction bonuses and severance compensation to certain executive officers described in "— Interests of Dyadic Directors and Executive Officers in the Transaction."

On November 6, 2015, the Compensation Committee of our Board of Directors held an additional telephonic meeting with Rimon PC to further discuss certain compensation matters.

At this meeting, the Compensation Committee determined that the Transaction constitutes a "change of control" under the Company's stock option and restricted stock unit benefit plans. As a result, the Compensation Committee unanimously approved, in accordance with and pursuant to such plans, the vesting of all outstanding stock options and restricted stock units upon the consummation of the Transaction. The Compensation Committee also unanimously approved the awarding of discretionary transaction bonuses to certain independent contractors of Dyadic, as described in "—Interests of Dyadic Directors and Executive Officers in the Transaction."

On November 9, 2015, our Board of Directors met at the Company's headquarters in Jupiter, Florida to further evaluate the proposed Transaction. Messrs. Emalfarb, Brooks and Dubinski presented an overview of the sale process, the standalone business plan, certain financial information regarding Dyadic and the Transaction and an overview of opportunities in the biopharmaceutical industry. Cahill provided a summary of the final form of the Transaction Agreement, Pharmaceutical License and certain other ancillary transaction documents. Also at this meeting, at the request of our Board of Directors, Houlihan Lokey rendered to our Board of Directors an oral opinion (which was confirmed by delivery of Houlihan Lokey's written opinion, dated November 9, 2015, to our Board of Directors) to the effect that, as of such date and based on and subject to the procedures followed, assumptions made and qualifications and limitations on the review undertaken and other matters considered by Houlihan Lokey in connection with its opinion, the Transaction Consideration to be received by Dyadic pursuant to the Transaction Agreement was fair to Dyadic from a financial point of view.

After further discussion, it was the consensus of our Board of Directors that it should act with respect to the proposed transaction with DuPont, and certain related matters, at the meeting. Following extensive discussion, our Board of Directors unanimously (1) determined that the Transaction, the form, terms and provisions of the Transaction Agreement, including all exhibits and schedules attached thereto, and the transactions contemplated thereby are fair, advisable and in the best interests of, Dyadic and its shareholders, (2) approved and declared fair, advisable and in the best interests of, Dyadic and its shareholders the Transaction, the form, terms and provisions of the Transaction Agreement, including all exhibits and schedules attached thereto, and the transactions contemplated thereby, (3) directed that the Transaction pursuant to the Transaction Agreement be submitted to a vote Dyadic's shareholders entitled to vote thereon at a special meeting of Dyadic's shareholders, (4) recommended that Dyadic's shareholders approve the Transaction pursuant to the Transaction Agreement and (5) approved, on the recommendation of the Compensation Committee, the compensation matters described under "—Interests of Dyadic Directors and Executive Officers in the Transaction."

Following the meeting, our Board of Directors informed representatives of Cahill that the Transaction Agreement had been unanimously approved by our Board of Directors and that shareholders holding approximately 26.4% of the outstanding shares of Dyadic common stock were at that time willing to sign the Voting Agreements. The definitive Transaction Agreement and Voting Agreements were thereafter signed on November 9, 2015, and the Transaction was publicly announced on November 10, 2015.

Dyadic's Reasons for the Transaction

In evaluating the Transaction, our Board of Directors consulted with Dyadic's management and legal and financial advisors, and, in reaching its decision to approve the Transaction pursuant to the Transaction Agreement and recommend approval by Dyadic's shareholders of the Transaction pursuant to the Transaction Agreement, our Board of Directors considered the following substantive factors and potential benefits of the Transaction, each of which our Board of Directors believed supported its decision:

- the Transaction Consideration consists solely of cash, providing certainty, immediate value and potential liquidity to our shareholders;

- the belief of our Board of Directors, after a review of potential strategic alternatives and discussions with Dyadic management and its advisors, that the purchase price contemplated by the Transaction Agreement is more favorable to the shareholders of Dyadic than the potential value that might have resulted from other strategic opportunities potentially available to Dyadic, including further licensing Dyadic's C1 Expression System technology or separately selling our industrial enzyme business;

- the belief of our Board of Directors that, as a result of negotiations with Danisco, Dyadic and its representatives have negotiated the price that Danisco was willing to pay for Dyadic's business and that the terms of the Transaction Agreement include the most favorable terms to Dyadic in the aggregate to which Danisco and Dyadic were willing to agree;

- our Board of Directors' assessment that Dyadic was unlikely to be able to achieve a higher valuation than the Transaction by retaining assets, after considering the risks and uncertainties related to Dyadic's business including (1) our dependence on existing and future collaboration partners for revenue, (2) the challenges involved with entering into successful future collaborations, (3) Dyadic's limited experience and resources in independently developing, manufacturing, marketing, selling, distributing and registering commercial enzyme products, (4) Dyadic's dependence on its toll manufacturer as its sole-source manufacturer for substantially all of its commercial enzyme products and (5) the risk of potential competition from Chinese, Indian and other low cost non-GMO and GMO enzyme producers, in addition to competing against well-funded industry leaders, such as Novozymes, DuPont, DSM and our C1 licensee BASF;

- the volatility and drop in oil prices, and the belief that delays or cancelation in construction of second generation biofuel plants by our existing and potential licensees and partners, as well as the uncertainty around the U.S. Renewable Fuel Standard (RFS), has and may continue to negatively impact our biofuel enzyme business over the next several years;

- the risk that some or all of the existing debtholders will not extend the maturity of their loans; and if an extension is successful, the interest may be higher, additional

warrants may be issued, the strike price may be lowered and other terms of the loans may be less favorable to Dyadic;

- the risk that if a major licensing transaction or the settlement of the litigation against our formal legal counsel does not occur in 2016, Dyadic may have to attempt an additional capital raise, which may have unfavorable terms and negatively affect the share price;

- the dilution to shareholders if Dyadic were to obtain the infusion of capital that would be needed to help accelerate Dyadic's biopharmaceutical offerings. We expect that if the Transaction closes, Dyadic, through its co-exclusive license to the C1 Expression System technology, will be able to place greater focus on, and accelerate the development and application of, the C1 Expression System technology for use in the pharmaceutical industry. The proceeds from the Transaction will enable Dyadic to potentially achieve its research goals and objectives sooner than would otherwise be possible, and Dyadic will be able to enjoy enhanced operational flexibility and ultimately to create greater long-term value for shareholders;

- the potential for Dyadic to access Danisco's research and production capabilities in furthering Dyadic's biopharmaceutical efforts, and to potentially receive future royalties from Danisco in the field of biopharmaceuticals in accordance with the Pharmaceutical License;

- the opportunity to provide liquidity to shareholders in the form of a stock repurchase program of at least $15 million;

- the preservation of rights to and increased capital for the continued pursuit of our professional liability lawsuit against Greenberg Traurig, LLP, Greenberg Traurig, P.A., and Bilzin Sumberg Baena Price & Axelrod, LLP;

- the accelerated use of our tax loss carryforward against gains on the Transaction;

- the oral opinion of Houlihan Lokey rendered to our Board of Directors on November 9, 2015 (which was confirmed by delivery of Houlihan Lokey's written opinion, dated such date, to our Board of Directors) as to the fairness, from a financial point of view and as of such date, to Dyadic of the Transaction Consideration to be received by Dyadic pursuant to the Transaction Agreement, the full text of which is attached as Annex D to this proxy statement and describes the procedures followed, assumptions made and qualifications and limitations on the review undertaken and other matters considered by Houlihan Lokey in connection with its opinion (see "—Opinion of Dyadic's Financial Advisor"); and

- the ability of our Board of Directors to withdraw or modify its recommendation that Dyadic's shareholders approve the Transaction pursuant to the Transaction Agreement, in connection with a superior offer or certain intervening events,

subject to satisfaction of certain conditions and the payment of certain fees as set forth in the Transaction Agreement;

Our Board of Directors also considered the following risks and other potentially negative factors concerning the Transaction Agreement and the Transaction:

- the fact that Dyadic's shareholders will not participate, outside of the pharmaceutical field, in any potential future benefit from the C1 Expression System, intellectual property portfolio and future revenue from existing commercial products, pipeline products, and existing and any future collaborations and licenses from Dyadic's industrial enzyme business;

- the potential that the announcement of the Transaction may disrupt Dyadic's operations, relationship with collaboration partners, and its ability to retain employees for the remaining pharmaceutical business;

- the failure of the Transaction to be consummated may cause significant disruption to Dyadic's business including retaining existing customers and winning new customers, retaining employees, delay the development of new products, harm our relationship with our contract manufacturer and developing new strategic partners and licensees;

- Dyadic will have incurred significant transaction and opportunity costs related to attempting to consummate the Transaction; and

- the trading price of Dyadic share may be adversely affected.

In addition, our Board of Directors was aware of and considered the interests that our directors and executive officers have with respect to the Transaction that differ from, or are in addition to, their interests as shareholders of Dyadic, as described in the section entitled "— Interests of Dyadic Directors and Executive Officers in the Transaction" in this proxy statement. However, our Board of Directors believed that such different or additional benefits are attributable to services provided or to be provided by such officers or are customary for transactions such as the proposed transaction and/or determined on an arm's-length basis and were not offered in contemplation of the Transaction.

The foregoing discussion summarizes the material factors considered by our Board of Directors in its consideration of the Transaction and is not intended to be exhaustive. It also contains statements which are forward looking in nature and should be read in light of the factors set forth in the section entitled "FORWARD-LOOKING STATEMENTS" in this proxy statement. In view of the vast variety of factors considered by our Board of Directors, and the complexity of these matters, our Board of Directors did not find it practicable to quantify or otherwise assign relative weights to the foregoing factors. In addition, individual members of the Board of Directors may have assigned different weights to various factors. Our Board of Directors unanimously approved and recommended the Transaction Agreement and the Transaction based upon the totality of the information presented to and considered by it.

Post-Closing Business and Use of Proceeds from Transaction

In connection with the Transaction, Danisco will agree to grant back to Dyadic co-exclusive rights to the C1 technology for use in pharmaceutical applications, with the exclusive ability to enter into sub-license agreements in that field (subject to the terms of the license and subject to certain exceptions).

Dyadic has long believed that the pharmaceutical field is one of the most attractive opportunities in which to apply the C1 Expression System technology. We believe that the C1 Expression System technology platform has potential to be a safe and efficient expression system that may help speed up the development and production of biologics at flexible commercial scales. In particular, as the aging population grows in developed and undeveloped countries, Dyadic believes the C1 Expression System technology can help bring biologic drugs to market faster, in greater volumes and at lower cost to drug developers and manufacturers and, hopefully, to patients and the healthcare system.

The combination of a portion of the proceeds from the Transaction and additional industry and government funding that will be sought are expected to provide Dyadic the ability to focus on and accelerate the further development and optimization of the C1 Expression System technology in the area of biopharmaceuticals. The unique attributes of the C1 Expression System technology may create attractive licensing opportunities through operational efficiencies and reduced requirements for licensee capital expenditures.

In addition, Dyadic also intends to continue its existing programs with Sanofi Pasteur and its involvement within the EU-funded ZAPI program. We also intend to focus our research programs on the development and manufacturing of human and animal vaccines, monoclonal antibodies, biosimilars and/or biobetters, and other therapeutic proteins.

We also intend to use a minimum of $15 million of the Transaction proceeds to initiate a stock repurchase program. The timing and details of such stock repurchase program have not yet been determined. The total amount of proceeds that will be used to repurchase stock will be contingent on several factors, including the amount of debt required to be paid off in connection with the Transaction, the amount of Transaction-related expenses, the amount necessary to satisfy retained and contingent liabilities, the outcome of our ongoing litigation and the amount management determines will be required to fund the ongoing pharmaceutical business described above.

Recommendation of the Board of Directors

At its meeting on November 9, 2015, after due consideration, our Board of Directors met to consider the Transaction Agreement and unanimously (1) determined that the Transaction, the form, terms and provisions of the Transaction Agreement, including all exhibits and schedules attached thereto, and the transactions contemplated thereby are fair, advisable and in the best interests of, Dyadic and its shareholders, (2) approved and declared fair, advisable and in the best interests of, Dyadic and its shareholders the Transaction, the form, terms and provisions of the Transaction Agreement, including all exhibits and schedules attached thereto, and the transactions contemplated thereby, (3) directed that the Transaction pursuant to the Transaction

Agreement be submitted to a vote Dyadic's shareholders entitled to vote thereon at a special meeting of Dyadic's shareholders, (4) recommended that Dyadic's shareholders approve the Transaction pursuant to the Transaction Agreement and (5) approved, on the recommendation of the Compensation Committee, the compensation matters described under "—Interests of Dyadic Directors and Executive Officers in the Transaction."

As part of that approval, the Board of Directors unanimously voted to approve the Transaction, the Transaction Agreement and the other transactions contemplated by the Transaction Agreement, which means that the requirements of Section 3.08 of our amended and restated bylaws have been satisfied with respect to the Transaction.

Our Board of Directors recommends that you vote "FOR" the proposal to approve the Transaction pursuant to the Transaction Agreement and "FOR" the adjournment of the special meeting, if necessary, to solicit additional proxies.

Opinion of Dyadic's Financial Advisor

On November 9, 2015, Houlihan Lokey orally rendered to the Board of Directors its opinion (confirmed in writing by delivery of Houlihan Lokey's written opinion addressed to the Board of Directors dated November 9, 2015) to the effect that, as of that date and based on and subject to the procedures followed, assumptions made and qualifications and limitations on the review undertaken and other matters considered by Houlihan Lokey in connection with its opinion, the Transaction Consideration to be received by Dyadic pursuant to the Transaction Agreement was fair to Dyadic from a financial point of view. For purposes of Houlihan Lokey's analyses and opinion, the term "Dyadic entities" refers to Dyadic, Dyadic USA and Dyadic's other affiliates and the term "Business" refers to the assets and liabilities to be sold and assumed in the Transaction pertaining to the Dyadic entities' business of conducting research, development and commercial activities to facilitate the discovery, development, manufacture and sale of biocatalysts and related products.

Houlihan Lokey's opinion was directed to the Board of Directors (in its capacity as such) and only addressed the fairness, from a financial point of view and as of November 9, 2015, of the Transaction Consideration to be received by Dyadic pursuant to the Transaction Agreement and did not address any other aspect or implication of the Transaction or any other arrangements, understandings, agreements or documents. The summary of Houlihan Lokey's opinion in this proxy statement is qualified in its entirety by reference to the full text of its written opinion, which is attached as Annex D to this proxy statement and describes the procedures followed, assumptions made and qualifications and limitations on the review undertaken and other matters considered by Houlihan Lokey in connection with its opinion. However, neither Houlihan Lokey's opinion nor the summary of its opinion and the related analyses set forth in this proxy statement are intended to be, and do not constitute, advice or a recommendation to the Board of Directors, any security holder of Dyadic or any other person as to how to act or vote with respect to any matter relating to the Transaction or otherwise.

In connection with its opinion, Houlihan Lokey made such reviews, analyses and inquiries as it deemed necessary and appropriate under the circumstances. Among other things, Houlihan Lokey:

- reviewed a draft, dated November 9, 2015, of the Transaction Agreement and drafts dated or made available to Houlihan Lokey on November 9, 2015 of certain related documents;

- reviewed certain publicly available business and financial information relating to the Business that Houlihan Lokey deemed relevant;

- reviewed certain information relating to the historical, current and future operations, financial condition and prospects of the Business made available to Houlihan Lokey by Dyadic, including probability-weighted financial projections and other estimates relating to the Business for the fiscal years ending December 31, 2015 through December 31, 2020 under both a base case and an alternative upside case (and any adjustments thereto) prepared by or discussed with Dyadic management, and discussed with Dyadic management its assessments as to the relative likelihood of achieving the future financial results reflected in such alternative cases;

- spoke with certain members of Dyadic management and certain of its representatives and advisors regarding the businesses, operations, financial condition and prospects of the Business, the Transaction, the related transactions and related matters;

- compared the financial and operating performance of the Business with that of other public companies that Houlihan Lokey deemed relevant;

- considered the publicly available financial terms of certain transactions that Houlihan Lokey deemed to be relevant;

- reviewed the current and historical market prices and trading volumes for Dyadic common stock and the current and historical market prices and trading volumes of publicly traded securities of certain other companies that Houlihan Lokey deemed relevant; and

- conducted such other financial studies, analyses and inquiries and considered such other information and factors as Houlihan Lokey deemed appropriate.

Houlihan Lokey relied upon and assumed, without independent verification, the accuracy and completeness of all data, material and other information furnished, or otherwise made available, to Houlihan Lokey, discussed with or reviewed by Houlihan Lokey, or publicly available, and did not assume any responsibility with respect to such data, material and other information. In addition, Dyadic management advised Houlihan Lokey in consultation with the Board of Directors, and Houlihan Lokey assumed, that the financial projections and other estimates utilized in Houlihan Lokey's analyses (including any adjustments thereto), including estimates of Dyadic management as to costs associated with the Business as if it were a standalone business, were reasonably prepared in good faith on bases reflecting the best currently

available estimates and judgments of such management as to the future financial results and condition of the Business under the alternative cases reflected therein and the other matters covered thereby. Houlihan Lokey expressed no opinion with respect to any such projections or estimates utilized in its analyses or the assumptions on which they were based. Houlihan Lokey relied upon and assumed, without independent verification, that there were no changes in the businesses, assets, liabilities, financial condition, results of operations, cash flows or prospects of the Business since the respective dates of the most recent financial statements and other information, financial or otherwise, provided to Houlihan Lokey that would have been material to its analyses or opinion, that the financial projections and other estimates relating to the Business reviewed by Houlihan Lokey reflected all of (and only) the assets and liabilities to be sold and assumed in the Transaction and the related transactions (excluding revenue generated as a result of the Pharmaceutical License) and that there was no information or any facts that would have made any of the information reviewed by Houlihan Lokey incomplete or misleading. Houlihan Lokey also relied upon, without independent verification, the assessments of Dyadic management as to, among other things, (i) the related transactions, including with respect to the timing thereof and the assets, liabilities and financial and other terms involved, (ii) the potential impact on the Business of certain market, cyclical and other trends in and prospects for, and governmental and regulatory matters relating to, the biocatalyst industry, including biofuels and commodity pricing, which are subject to significant volatility and which, if different than as assumed, could have a material impact on Houlihan Lokey's analyses or opinion, (iii) existing and future technology, products, product candidates, related indications, services and intellectual property of the Business and the validity of, and risks associated with, such technology, products, product candidates, related indications, services and intellectual property (including, without limitation, the validity and life of patents or other intellectual property, the timing and probability of successful testing, development and commercialization of such products, product candidates and related indications, approval thereof by appropriate governmental authorities and the potential impact of competition), (iv) existing and future licenses (including the Pharmaceutical License) and other collaboration arrangements of the Business and (v) existing and future relationships, agreements and arrangements with, and the ability to attract and retain, key suppliers, customers and other commercial relationships of the Business. Houlihan Lokey assumed that there would be no developments with respect to any such matters that would be material in any respect to its analyses or opinion.

Houlihan Lokey relied upon and assumed, without independent verification, that (a) the representations and warranties of all parties to the Transaction Agreement and the related documents were true and correct, (b) each party to the Transaction Agreement and the related documents would fully and timely perform all of the covenants and agreements required to be performed by such party, (c) all conditions to the consummation of the Transaction and the related transactions would be satisfied without waiver thereof, and (d) the Transaction and the related transactions would be consummated in a timely manner in accordance with the terms described in the Transaction Agreement and the related documents, without any amendments or modifications thereto. Houlihan Lokey also relied upon and assumed, without independent verification, that (i) the Transaction and the related transactions would be consummated in a manner that complies in all respects with all applicable foreign, federal and state statutes, rules and regulations and other relevant documents and requirements, and (ii) all governmental, regulatory, and other consents and approvals necessary for the consummation of the Transaction

and the related transactions would be obtained and that no delay, limitations, restrictions or conditions would be imposed or amendments, modifications or waivers made that would be material in any respect to Houlihan Lokey's analyses or opinion. Houlihan Lokey further relied upon and assumed, without independent verification, at the direction of Dyadic, that escrowed amounts would be paid in full and any adjustments to or allocations of the Transaction Consideration and any liabilities retained by the Dyadic entities relating to the Business in connection with the Transaction and the related transactions would not be material in any respect to Houlihan Lokey's analyses or opinion. In addition, Houlihan Lokey relied upon and assumed, without independent verification, that the final Transaction Agreement when executed would not differ in any respect from the draft of the Transaction Agreement identified above.

Furthermore, in connection with its opinion, Houlihan Lokey was not requested to make, and did not make, any physical inspection or independent appraisal or evaluation of any of the assets, properties or liabilities (fixed, contingent, derivative, off-balance sheet or otherwise) of the Business, the Dyadic entities or any other business or party nor was Houlihan Lokey provided with any such appraisal or evaluation. Houlihan Lokey did not estimate, and expressed no opinion regarding, the liquidation value of the Business, the Dyadic entities or any other business or entity. This Opinion is based on analyses of the Business (excluding assets and liabilities to be retained by the Dyadic Entities) as a going concern in its entirety and Houlihan Lokey did not estimate, and express no opinion regarding, the value of the assets and liabilities to be sold and assumed in the Transaction and the related transactions individually or independent from the Business. At the direction of Dyadic, Houlihan Lokey's opinion made no assumption concerning, and therefore did not consider, the potential effects of any litigation, claims or investigations or possible assertion of claims, outcomes or damages arising out of any such matters and Houlihan Lokey assumed, at the direction of Dyadic, that any such litigation, claims or investigations or possible assertion of claims, outcomes or damages would not be material in any respect to Houlihan Lokey's analyses or opinion. Houlihan Lokey did not undertake any independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims or other contingent liabilities to which the Business, the Dyadic entities or any other business or entity is or may be a party or is or may be subject, or of any governmental investigation of any possible unasserted claims or other contingent liabilities to which the Business, the Dyadic entities or any other business or entity is or may be a party or is or may be subject.

Houlihan Lokey was not requested to, and did not, initiate any discussions or negotiations with, or solicit any indications of interest from, third parties with respect to the Transaction or any related transactions, the securities, assets, businesses or operations of the Dyadic entities or any other party, or any alternatives to the Transaction or any related transactions. Houlihan Lokey's opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to Houlihan Lokey as of, the date of its opinion. Houlihan Lokey did not undertake, and is under no obligation, to update, revise, reaffirm or withdraw its opinion, or otherwise comment on or consider events occurring or coming to Houlihan Lokey's attention after the date of its opinion. Houlihan Lokey also did not express any opinion as to the price or range of prices at which shares of Dyadic common stock will trade, or any other securities of any of the Dyadic entities may be transferable, at any time.

Houlihan Lokey's opinion was furnished solely for the use of the Board of Directors (solely in its capacity as such) in connection with its evaluation of the Transaction and may not be relied upon by any other person or entity (including, without limitation, security holders, creditors or other constituencies of Dyadic) or used for any other purpose without Houlihan Lokey's prior written consent. Houlihan Lokey's opinion should not be construed as creating any fiduciary duty on Houlihan Lokey's part to any party. Houlihan Lokey's opinion is not intended to be, and does not constitute, a recommendation to the Board of Directors, any security holder or any other party as to how to act or vote with respect to any matter relating to the Transaction, any related transactions or otherwise. Houlihan Lokey's opinion may not be disclosed, reproduced, disseminated, quoted, summarized or referred to at any time, in any manner or for any purpose, nor shall any references to Houlihan Lokey or any of its affiliates be made, without the prior written consent of Houlihan Lokey.

Houlihan Lokey was not requested to opine as to, and did not express an opinion as to or otherwise address, among other things: (i) the underlying business decision of the Board of Directors, the Dyadic entities, their respective security holders or any other party to proceed with or effect the Transaction or the related transactions, (ii) any aspects relating to the ongoing operations of the Dyadic entities (including, without limitation, any assets or liabilities retained by the Dyadic entities) following consummation of, or the use of proceeds from or pro forma effects of, the Transaction or any related transactions, (iii) the terms of any arrangements, understandings, agreements or documents related to, or the form, structure or any other portion, aspect or implication of, the Transaction (other than the Transaction Consideration to the extent expressly specified in Houlihan Lokey's opinion), the related transactions or otherwise, including, without limitation, any terms, aspects or implications of the Pharmaceutical License or the other related documents or indemnification, escrow or other agreements or arrangements to be entered into in connection with or contemplated by the Transaction, the related transactions or otherwise, (iv) any time value discount that might be applicable to the escrowed amounts, (v) the fairness of any portion or aspect of the Transaction or any related transactions to the holders of any class of securities, creditors or other constituencies of the Dyadic entities or to any other party, (vi) the relative merits of the Transaction or the related transactions as compared to any alternative business strategies or transactions that might be available for the Dyadic entities or any other party, (vii) the fairness of any portion or aspect of the Transaction or any related transactions to any one class or group of the Dyadic entities' or any other party's security holders or other constituents vis-à-vis any other class or group of the Dyadic entities or such other party's security holders or other constituents (including, without limitation, the allocation of any consideration amongst or within such classes or groups of security holders or other constituents), (viii) whether or not the Dyadic entities, their respective security holders or any other party are receiving or paying reasonably equivalent value in the Transaction or the related transactions, (ix) the solvency, creditworthiness or fair value of the Dyadic entities or any other participant in the Transaction or the related transactions, or any of their respective assets, under any applicable laws relating to bankruptcy, insolvency, fraudulent conveyance or similar matters, or (x) the fairness, financial or otherwise, of the amount, nature or any other aspect of any compensation to or consideration payable to or received by any officers, directors or employees of any party to the Transaction or the related transactions, any class of such persons or any other party, relative to the Transaction Consideration or otherwise. Furthermore, no opinion, counsel or interpretation was intended in matters that required legal, regulatory, accounting, insurance, tax

or other similar professional advice. Houlihan Lokey assumed that such opinions, counsel or interpretations had been or would be obtained from appropriate professional sources. Furthermore, Houlihan Lokey relied, with the consent of the Board of Directors, on the assessments of the Board of Directors, Dyadic and their respective advisors as to all legal, regulatory, accounting, insurance and tax matters with respect to the Business, the Dyadic entities, the Transaction, the related transactions or otherwise. The issuance of Houlihan Lokey's opinion was approved by a Houlihan Lokey committee authorized to approve opinions of this nature.

In preparing its opinion to the Board of Directors, Houlihan Lokey performed a variety of analyses, including those described below. The summary of Houlihan Lokey's analyses is not a complete description of the analyses underlying Houlihan Lokey's opinion. The preparation of such an opinion is a complex process involving various quantitative and qualitative judgments and determinations with respect to the financial, comparative and other analytical methods employed and the adaptation and application of these methods to the unique facts and circumstances presented. As a consequence, neither Houlihan Lokey's opinion nor its underlying analyses is readily susceptible to summary description. Houlihan Lokey arrived at its opinion based on the results of all analyses undertaken by it and assessed as a whole and did not draw, in isolation, conclusions from or with regard to any individual analysis, methodology or factor. While the results of each analysis were taken into account in reaching Houlihan Lokey's overall conclusion with respect to fairness, Houlihan Lokey did not make separate or quantifiable judgments regarding individual analyses. Accordingly, Houlihan Lokey believes that its analyses and the following summary must be considered as a whole and that selecting portions of its analyses, methodologies and factors, without considering all analyses, methodologies and factors, could create a misleading or incomplete view of the processes underlying Houlihan Lokey's analyses and opinion.

In performing its analyses, Houlihan Lokey considered general business, economic, industry and market conditions, financial and otherwise, and other matters as they existed on, and could be evaluated as of, the date of its opinion. No company, transaction or business used in Houlihan Lokey's analyses for comparative purposes is identical to the Business, the Dyadic entities or the proposed Transaction and the related transactions and an evaluation of the results of those analyses is not entirely mathematical. As a consequence, mathematical derivations (such as the high, low, mean and median) of financial data are not by themselves meaningful and in selecting the ranges of multiples to be applied were considered in conjunction with experience and the exercise of judgment. The estimates contained in the financial forecasts prepared by Dyadic management and the implied enterprise value reference ranges indicated by Houlihan Lokey's analyses are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by the analyses. In addition, any analyses relating to the value of assets, businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold, which may depend on a variety of factors, many of which are beyond the control of the Dyadic entities. Much of the information used in, and accordingly the results of, Houlihan Lokey's analyses are inherently subject to substantial uncertainty.

Houlihan Lokey's opinion was only one of many factors considered by the Board of Directors in evaluating the proposed Transaction and the related transactions. Neither Houlihan Lokey's opinion nor its analyses were determinative of the Transaction Consideration or of the views of the Board of Directors or Dyadic management with respect to the Transaction, the related transactions or the Transaction Consideration. The type and amount of consideration payable in the Transaction were determined through negotiation between Dyadic and DuPont, and the decision for Dyadic and Dyadic USA to enter into the Transaction Agreement was solely that of the Board of Directors.

The following is a summary of the material financial analyses performed by Houlihan Lokey in connection with the preparation of its opinion and reviewed with the Board of Directors on November 9, 2015. The order of the analyses does not represent relative importance or weight given to those analyses by Houlihan Lokey. The analyses summarized below include information presented in tabular format. The tables alone do not constitute a complete description of the analyses. Considering the data in the tables below without considering the full narrative description of the analyses, as well as the methodologies underlying, and the assumptions, qualifications and limitations affecting, each analysis, could create a misleading or incomplete view of Houlihan Lokey's analyses.

For purposes of its analyses, Houlihan Lokey reviewed a number of financial and operating metrics, as applicable, including, among other information, enterprise value, which is generally the value as of a specified date of the relevant company's fully-diluted equity market value plus debt outstanding, preferred stock and minority interests less the amount of cash and cash equivalents on its balance sheet, and revenue.

Unless the context indicates otherwise, enterprise values and equity values used in the selected companies analysis described below were calculated using the closing prices of the common stock of the selected companies listed below as of November 5, 2015, and transaction values for the selected transactions analysis described below were calculated on an enterprise value basis based on the announced transaction equity price and other public information available at the time of the announcement. The estimates of the future financial and operating performance of the Business relied upon for the financial analyses described below were based on probability-weighted financial projections and other estimates relating to the Business for the fiscal years ending December 31, 2015 through December 31, 2020 under both a base case (and any adjustments thereto) prepared by Dyadic management (the "base case forecasts") and an alternative upside case (and any adjustments thereto) prepared by Dyadic management (the "upside case forecasts"). The estimates of the future financial and operating performance of the selected companies and the estimates relating to the target companies or businesses in the selected transactions listed below were based on certain publicly available research analyst estimates and public filings for those companies and transactions.

Selected Companies Analysis. Houlihan Lokey reviewed certain data for selected companies, with publicly traded equity securities, that Houlihan Lokey deemed relevant (collectively, the "selected companies"). The financial data reviewed included enterprise values as a multiple of calendar year 2015 estimated revenue, as may have been calendarized to Dyadic's fiscal year-end of December 31. The selected companies included the following:

- Amyris, Inc.
- Balchem Corporation
- Chr. Hansen Holding A/S
- Clariant AG
- Codexis, Inc.
- Croda International plc
- Innophos Holdings, Inc.
- Koninklijke DSM N.V.
- Naturex S.A.
- Novozymes A/S

The overall low to high calendar year 2015 estimated revenue multiples observed for the selected companies were 1.04x to 9.52x (with a mean of 3.92x and a median of 3.45x). Houlihan Lokey then applied a selected range of estimated revenue multiples of 2.25x to 3.25x derived from the selected companies to corresponding data of the Business. This analysis indicated the following approximate implied enterprise value reference range for the Business, as compared to the Transaction Consideration:

Implied Enterprise Value Reference Range	**Transaction Consideration**
$34.0 million - $49.1 million	$75.0 million

Selected Transactions Analysis. Houlihan Lokey considered certain financial terms of certain transactions involving target companies that Houlihan Lokey deemed relevant (collectively, the "selected transactions"). The financial data reviewed included transaction values as a multiple of the target company's or business' next fiscal year estimated revenue. The selected transactions included the following:

Announcement Date	**Acquiror**	**Target**
07/29/2015	• Solvay SA	• Cytec Industries Inc.
06/08/2015	• Noveon Kalama, Inc.	• Innospec Widnes Limited
11/12/2014	• Golden Gate Capital	• ANGUS Chemical Company
09/11/2014	• Eastman Chemical Company	• Taminco Corporation
07/07/2014	• Archer Daniels Midland Company	• WILD Flavors GmbH
06/04/2014	• American Securities LLC	• Emerald Performance Materials, LLC
04/14/2014	• Symrise AG	• DIANA S.A.S.
03/31/2014	• Balchem Corporation	• Performance Chemicals & Ingredients Company
01/15/2014	• International Flavors & Fragrances Inc.	• Aromor Flavors and Fragrances Ltd.
12/17/2013	• D.D. Williamson & Co., Inc.	• Danisco USA, Inc. (food coloring product line and related processing equipment)

11/25/2013	• Frutarom Industries Ltd.	• Aroma SA
10/07/2013	• Solvay SA	• Chemlogics Group, LLC
09/20/2013	• BASF Corporation	• Verenium Corporation
07/29/2013	• Croda International Plc	• Sichuan Sipo Chemical Stock Co., Ltd.
02/20/2013	• Elementis Specialties, Inc.	• Hi-Mar Specialty Chemicals, LLC
01/02/2013	• Innophos, Inc.	• Triarco Industries, Inc.
11/08/2012	• Koninklijke DSM N.V.	• Fortitech, Inc.
05/18/2012	• Koninklijke DSM N.V.	• Ocean Nutrition Canada Limited
12/16/2011	• Apollo Global Management LLC	• Taminco NV

The overall low to high next fiscal year estimated revenue multiples observed for the selected transactions were 0.81x to 2.95x (with a mean of 2.06x and a median of 2.21x). Houlihan Lokey then applied a selected range of estimated revenue multiples of 2.25x to 3.75x derived from the selected transactions to the Business' calendar year 2015 estimated revenue. This analysis indicated the following approximate implied enterprise value reference range for the Business, as compared to the Transaction Consideration:

Implied Enterprise Value Reference Range	**Transaction Consideration**
$34.0 million - $56.7 million	$75.0 million

Discounted Cash Flow Analysis. Houlihan Lokey performed a discounted cash flow analysis of the Business by calculating the estimated present value of the standalone unlevered, after-tax free cash flows that the Business was forecasted to generate during the fiscal years ending December 31, 2016 through December 31, 2020 based both on the base case forecasts and the upside case forecasts. Implied terminal values of the Business were derived by applying to the Business' terminal year unlevered free cash flows a selected range of perpetuity growth rates of 4.0% to 6.0%. Present values (as of November 5, 2015) of cash flows and terminal values were calculated using a selected range of discount rates of 13.5% to 15.5%. This analysis indicated the following approximate implied enterprise value reference ranges for the Business, based both on the base case forecasts and the upside case forecasts, as compared to the Transaction Consideration:

Implied Enterprise Value Reference Ranges Based on:

Base Case Forecasts	Upside Case Forecasts	Transaction Consideration
$28.1 million - $42.6 million	$39.3 million - $61.0 million	$75.0 million

Other Factors. Houlihan Lokey also observed certain additional factors that were not considered part of Houlihan Lokey's financial analyses with respect to its opinion but were referenced for informational purposes, including, among other things, the following:

- volume-weighted average closing prices of Dyadic common stock during the one-day,

three-day, five-day, 10-day, 15-day, 20-day, 30-day, 60-day and 90-day periods ended November 5, 2015, which indicated an overall range of volume-weighted average closing prices of Dyadic common stock during such periods of approximately $0.96 per share to $0.99 per share, and the overall low and high closing prices of Dyadic common stock during the 52-week period ended November 5, 2015 of $0.80 and $1.53, respectively; and

- the average daily trading volume (based on trading activity for the 90-day period ended November 5, 2015) as a percentage of shares outstanding and float for the selected companies and Dyadic, which indicated overall low to high percentage ranges of 0.06% to 0.77% (with a mean of 0.35% and a median of 0.23% including Dyadic's average daily trading volume as a percentage of shares outstanding of 0.10%) and 0.10% to 1.79% (with a mean of 0.56% and a median of 0.42% including Dyadic's average daily trading volume as a percentage of float of 0.21%), respectively.

Other Matters. Houlihan Lokey was engaged by Dyadic to act as financial advisor to the Board of Directors in connection with the Transaction and to provide financial advisory services, including an opinion to the Board of Directors as to the fairness, from a financial point of view and as of such date, to Dyadic of the Transaction Consideration to be received by Dyadic pursuant to the Transaction Agreement. Dyadic engaged Houlihan Lokey based on Houlihan Lokey's experience and reputation. Houlihan Lokey is regularly engaged to provide financial advisory services in connection with mergers and acquisitions, financings, and financial restructurings. Pursuant to its engagement by Dyadic, Houlihan Lokey is entitled to an aggregate fee of $350,000 for its services, of which $250,000 became payable in connection with the preparation and delivery of Houlihan Lokey's opinion upon Dyadic's request and the balance became payable upon public announcement or disclosure of the Transaction following execution of the Transaction Agreement. No portion of such fees is contingent upon the successful completion of the Transaction. Houlihan Lokey also may receive a fee in connection with certain pre-closing services provided by Houlihan Lokey to Dyadic at the request of the Board of Directors in connection with certain alternate transactions involving the Dyadic entities, which fee would be contingent upon the successful completion of any such transaction. Dyadic also has agreed to reimburse Houlihan Lokey for certain expenses and to indemnify Houlihan Lokey, its affiliates and certain related parties against certain liabilities and expenses, including certain liabilities under the federal securities laws, arising out of or related to Houlihan Lokey's engagement.

In the ordinary course of business, certain of Houlihan Lokey's employees and affiliates, as well as investment funds in which they may have financial interests or with which they may co-invest, may acquire, hold or sell, long or short positions, or trade, in debt, equity, and other securities and financial instruments (including loans and other obligations) of, or investments in, the Dyadic entities, DuPont or any other party that may be involved in the Transaction and the related transactions and their respective affiliates or any currency or commodity that may be involved in the Transaction and the related transactions.

Houlihan Lokey and/or certain of its affiliates have in the past provided financial advisory services to DuPont for which services Houlihan Lokey and/or such affiliates have

received compensation, including, among other things, having provided certain financial advisory services to DuPont in connection with its spin-off of The Chemours Company, which transaction was completed in July 2015. Houlihan Lokey and certain of its affiliates may provide investment banking, financial advisory and/or other financial or consulting services to Dyadic, DuPont, other participants in the Transaction and the related transactions or certain of their respective affiliates in the future, for which Houlihan Lokey and such affiliates may receive compensation. Furthermore, in connection with bankruptcies, restructurings, and similar matters, Houlihan Lokey and certain of its affiliates may in the past have acted, may currently be acting and may in the future act as financial advisor to debtors, creditors, equity holders, trustees, agents and other interested parties (including, without limitation, formal and informal committees or groups of creditors) that may have included or represented and may include or represent, directly or indirectly, or may be or have been adverse to, Dyadic, DuPont, other participants in the Transaction or the related transactions or certain of their respective affiliates, for which advice and services Houlihan Lokey and such affiliates have received and may receive compensation.

Certain Financial Information

Financial Data

At the effective time of the Transaction, Dyadic and Dyadic Nederland B.V. will sell substantially all of Dyadic's, Dyadic USA's and Dyadic Nederland B.V.'s enzyme and technology assets, including its C1 platform, a technology for producing enzyme products used in a broad range of industries to Danisco, and Danisco will assume certain of Dyadic's, Dyadic USA's and Dyadic Nederland B.V.'s liabilities, for a cash purchase price of $75,000,000, which amount is to be reduced by (1) the aggregate amount payable to holders of Dyadic's secured indebtedness, which amounts are being paid at Dyadic's direction, and (2) $8,000,000 that will be held in escrow for a period of 18 months as a source of recovery by Danisco for certain indemnity claims and for working capital adjustments, as more fully described below under "THE TRANSACTION AGREEMENT". Approximately $3,000,000 million of the $75,000,000 purchase price will be allocated to the assets being sold by Dyadic Nederland B.V. and be paid directly to Dyadic Nederland B.V.

In connection with the Transaction, Danisco will agree to grant back to Dyadic co-exclusive rights to the C1 technology for use in pharmaceutical applications, with the exclusive ability to enter into sub-license agreements in that field (subject to the terms of the license and subject to certain exceptions), provided that (i) Danisco will retain rights to utilize the C1 technology for use in pharmaceutical applications, including development and production of pharmaceutical products, for which it will make royalty payments to Dyadic upon commercialization and (ii) under certain circumstances, Dyadic may owe a royalty to either Danisco or certain licensor's of Danisco depending upon whether Dyadic elects to utilize certain patents either owned by Danisco or Danisco's licensors. Dyadic will also retain its net operating losses, cash and cash equivalents and certain assets, as more fully described below under "THE TRANSACTION AGREEMENT". In addition, the Transaction Agreement provides that Dyadic will retain all of the potential rights and obligations associated with its ongoing professional services liability litigation against the law firms Greenberg, Traurig, LLP, Greenberg Traurig, P.A. and Bilzin, Sumberg Baena Price and Axelrod, LLP.

The Company has reclassified the revenues and expenses of the enzyme and technology assets, including its C1 platform, that are being sold to Danisco in the Transaction to "net income (loss) from discontinued operations-net of tax" and the related assets and liabilities to "assets held for sale" and "liabilities related to assets held for sale" for all of the periods presented in the Company's Consolidated Condensed Financial Statements (unaudited) at and for the nine-month period ended September 30, 2015 included in the Company's Quarterly Report for the nine-month period ended September 30, 2015 (the "Third Quarter Financial Statements"), which such Third Quarter Financial Statements are incorporated by reference herein. The Third Quarter Financial Statements include a statement of operations for the three and nine-month periods ended September 30, 2015 and 2014, balance sheets as of September 30, 2015 and December 31, 2014 and statements of cash flows for the nine-month periods ended September 30, 2015 and 2014, reflecting the sale of substantially all of Dyadic's enzyme and technology assets to Danisco, including its C1 platform, and the assumption by Danisco of certain of Dyadic's liabilities in the Transaction. In addition, Note 1 to the Third Quarter Financial Statements includes the details of

the assets, liabilities, income and expenses related to the enzyme and technology business, including its C1 platform, that are being sold and assumed in the Transaction.

Financial Forecasts

We provided selected, non-public financial forecasts prepared by our senior management to our Board of Directors in connection with its evaluation of the Transaction and to Houlihan Lokey for its use and reliance in connection with its financial analysis and opinion described under "—Opinion of Dyadic's Financial Advisor." Dyadic does not as a matter of course make public forecasts as to future performance or earnings and the portions of these financial forecasts set forth below are included in this proxy statement only because this information was provided to our Board of Directors and Houlihan Lokey. You should note that these financial forecasts constitute forward-looking statements. See "FORWARD-LOOKING STATEMENTS."

Dyadic advised the recipients of the financial forecasts that such forecasts are subjective in many respects. The financial forecasts are based on a variety of estimates and assumptions of our senior management regarding our business, industry performance, general business, economic, market and financial conditions and other matters, all of which are difficult to predict and many of which are beyond our control. In particular, these forward-looking statements were prepared on the assumption that Dyadic retained the assets and liabilities to be sold and assumed in the Transaction and remained in the same line of business as it was engaged prior to this Transaction, and also were based on numerous other assumptions, including but not limited to execution and market risks relating to our existing enzyme business, future revenues from new or expanded licenses, commercial and research milestones and royalties, the successful development, registration and launch of new enzyme products, and funded research and development by third parties. You should not regard the inclusion of these forecasts in this proxy statement as an indication that Dyadic or any of its affiliates or representatives considered or consider the forecasts to be necessarily predictive of actual future events, and you should not rely on the forecasts as such. Accordingly, there can be no assurance that the assumptions made in preparing the forecasts will or would have been realized. It is expected that there will be differences between actual and forecasted results, and actual results may be materially greater or less than those contained in the forecasts. We expect that the contribution of Dyadic's business to Danisco's consolidated results will be different from Dyadic's performance on a standalone basis. In addition, if the Transaction is not consummated, we may not be able to achieve these financial forecasts. None of Dyadic nor any of its affiliates or representatives has made or makes any representations to any person regarding the ultimate performance of Dyadic compared to the information contained in the forecasts.

The financial forecasts have been prepared by Dyadic's senior management. Neither Dyadic's independent auditors, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the financial forecasts set forth below, nor have they expressed any opinion or any other form of assurance with respect thereto. The financial forecasts were not prepared with a view toward public disclosure or compliance with the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. We do not intend to update these financial forecasts or to make other forecasts public in the future.

The Base Case forecast summarized below, which reflects the assets and liabilities being sold and assumed in the Transaction, excludes pharmaceuticals and was prepared by management to represent management's best currently available estimates and judgment as to future financial results. Such financial forecasts were based on a number of assumptions, including assumptions regarding revenues from the growth in our existing Non GMO enzyme business, future revenues from new or expanded licenses (including receipt of a projected $8.6 million payment for a C1 license from Danisco in 2016 in lieu of the Transaction based on prior negotiations with Danisco), commercial and research milestones and royalties, the successful development, registration and launch of new C1 based GMO enzyme products, and funded research and development by third parties.

The following summarizes the Base Case forecast which ascribed probability weightings of 50% for development and launch of new C1 products and probability weightings ranging from 0% to 100% for future revenues from existing, new or expanded licenses:

(in millions)	**FY 2015 Forecasts (1)**	**FY 2016 Forecasts**	**FY 2017 Forecasts**	**FY 2018 Forecasts**	**FY 2019 Forecasts**	**FY 2020 Forecasts**
Net Sales	$15.1	$24.5	$19.0	$24.1	$31.1	$37.4
Gross Profit	5.5	14.4	7.2	11.2	16.5	20.0
Operating Income	(1.3)	8.9	(0.3)	2.9	6.5	8.2
Unlevered Free Cash Flow(2)	(0.6)	8.8	(1.8)	2.2	5.9	7.2
EBITDA(3)	(1.0)	9.2	0.1	3.3	7.0	8.8

(1) Reflects actual results for first nine months, and estimates for last three months, of fiscal year 2015.
(2) Calculated as operating income less working capital for the specified period.
(3) Dyadic's earnings before interest, taxes, depreciation and amortization for the specified period.

In addition, Dyadic management prepared an Upside Case which ascribed a 100% probability of success assumption to certain C1-based product launches and higher probability weightings for certain other business initiatives than those contemplated by the Base Case.

Since the development and launch of our own C1-based products require upfront research and development and regulatory costs, among other upfront costs, the Base Case forecast is more profitable than the Upside Case forecast in fiscal years 2017 and 2018. The following summarizes the Upside Case forecast:

(in millions)	**FY 2015 Forecasts (1)**	**FY 2016 Forecasts**	**FY 2017 Forecasts**	**FY 2018 Forecasts**	**FY 2019 Forecasts**	**FY 2020 Forecasts**
Net Sales	$15.1	$24.5	$19.4	$24.6	$37.5	$47.8
Gross Profit	5.5	14.4	7.3	11.2	20.4	26.1
Operating Income	(1.3)	8.9	(0.4)	2.6	9.1	12.0
Unlevered Free Cash	(0.6)	8.8	(2.0)	1.9	7.5	10.2

Flow(2)						
EBITDA(3)	(1.0)	9.2	0.1	3.1	9.6	12.7

(1) Reflects actual results for first nine months, and estimates for last three months, of fiscal year 2015.
(2) Calculated as operating income less working capital for the specified period.
(3) Dyadic's earnings before interest, taxes, depreciation and amortization for the specified period.

Following the completion of the 3rd quarter of its fiscal year 2015, Dyadic updated its financial forecasts to include actual unaudited results for fiscal year 2015 and revised forecasts for fiscal year 2015. We provided the preliminary 2015 forecasts to Danisco on January 29, 2015.

(in millions)	**Preliminary FY 2015 Forecast(1)**	**Revised FY 2015 Forecasts with Unaudited Actuals**
Net Sales	$15.3	$15.1
Gross Profit	5.7	5.5
Operating Income	(1.0)	(1.3)

(1) Includes estimated revenue of approximately $0.3 million generated from the pharmaceutical business.

Interests of Dyadic Directors and Executive Officers in the Transaction

When considering the recommendation of our Board of Directors with respect to the proposal to approve the Transaction pursuant to the Transaction Agreement, you should be aware that our directors, executive officers and other key personnel have interests in the Transaction that may be different from, or in addition to, their interests as shareholders and the interests of shareholders generally. Our Board of Directors was aware of these interests during its deliberations on the merits of the Transaction and in deciding to recommend that you vote for the proposal to approve the Transaction pursuant to the Transaction Agreement at the special meeting.

Directors

Effective January 1, 2015, our Board of Directors revised our director compensation policy. Directors who are also employees or officers of the Company or any of its subsidiaries do not receive any separate compensation as a director. Non-employee directors receive an annual retainer for board service of $36,000, payable in the form of 80% cash, paid in equal monthly installments, and 20% restricted stock units having a cash value of $7,200, with the grant of such award to be made on January 2nd, or the first business trading day of the year. In addition to the annual board retainer, a director serving as Chairman of the Board shall receive an additional annual retainer of $12,000 payable in the form of 80% cash, paid in equal monthly installments, and 20% restricted stock units having a cash value of $2,400, with the grant of such award to be made on January 2nd, or the first business trading day of the year. In addition to the annual board retainer, an independent director who serves as Chairman of the Company's Audit Committee

shall receive an additional annual retainer of $9,600, payable in the form of 80% cash, paid in equal monthly installments, and 20% restricted stock units having a cash value of $1,920, with the grant of such award to be made on January 2nd, or the first business trading day of the year. The number of restricted stock units subject to an annual retainer is determined by dividing (x) the cash value of the annual retainer by (y) the average selling or market price for a share of common stock on each trading day during the 10 trading days ending on the date immediately prior to the grant date, with fractional shares rounded down to the nearest whole number of shares. Each annual retainer restricted stock award shall vest as to 25% of the units on the date of grant and increments of 25% of the units on the last day of each calendar quarter during the year, subject to the director's continued service through each quarterly vesting date.

In addition, non-employee directors receive stock options to purchase shares of our common stock. On the date a new director becomes a member of the board, each such independent director shall automatically receive an initial stock option award to purchase 30,000 shares of the common stock of the Company. The per share exercise price for the initial option shall be equal to the average selling or market price for a share on the date of grant.

Twenty five percent of the annual option shall vest and become exercisable on the date of grant, with the remaining portion vesting in equal installments of 18.75% of the shares on the first, second, third and fourth anniversaries of the date of grant of the annual option, subject to such director's continued board service through each applicable vesting date. In addition, for continuing board members, on January 2nd, or the first business trading day of the year, all independent directors shall automatically receive an option to purchase 25,000 shares. The per share exercise price for the annual option award shall be equal to the average selling or market price for a share on January 2nd, or the first business trading day of the year. Twenty five percent of the annual option shall vest and become exercisable on the date of grant, with the remaining portion vesting in equal installments of 18.75% of the shares on the first, second, third and fourth anniversaries of the date of grant of the annual option, subject to such director's continued board service through each applicable vesting date.

All non-employee directors also are reimbursed for their reasonable travel costs related to attendance at board and committee meetings.

Dyadic's Compensation Committee has determined that the Transaction constitutes a "change of control" under the Company's stock option and restricted stock unit benefit plans. As a result, the Board of Directors unanimously approved, in accordance with and pursuant to such plans, the immediate and automatic vesting of all outstanding Stock Options and Restricted Stock Units upon consummation of the Transaction, and, in the case of Stock Options, the same would become immediately exercisable. This would include those Stock Options and Restricted Stock Units held by directors as set forth in the table under the section titled "—Transaction Compensation" in this proxy statement. Our directors will not receive any additional compensation of any kind in connection with the consummation of the Transaction for their services as directors.

Officers

Certain of our executive officers and other key personnel are entitled to specified severance benefits pursuant to their employment agreements, the terms of which are described below. In addition, certain of our executive officers and other key personnel will be paid cash or equity awards as a result of discretionary decisions unanimously made by the Board of Directors upon the recommendation of the Compensation Committee, the terms of which are also described below.

Mark A. Emalfarb

We entered into an Employment Agreement with Mr. Emalfarb dated as of October 23, 2013 (the "Emalfarb Employment Agreement"). Pursuant to the Emalfarb Employment Agreement, Mr. Emalfarb agreed to serve as our President and Chief Executive Officer. The Emalfarb Employment Agreement has an initial term of three years and automatic renewals of two years at the end of each term, unless either party provides a notice of nonrenewal. Mr. Emalfarb's base salary is $425,000 and he is eligible for a discretionary annual bonus and stock options, as well as other benefits. Additionally, Mr. Emalfarb is entitled to a performance bonus equal to 20% of the value of the first $4,000,000 of any new revenue streams generated by the Company during his employment, for a maximum of $800,000. Mr. Emalfarb is also eligible to receive benefits at the same level as other executive employees of the Company. Mr. Emalfarb has agreed to certain restrictive covenants, including non-disclosure, non-solicitation for three years following termination of employment and non-competition for three years following termination of employment. Upon a termination by the Company without Cause or a resignation by Mr. Emalfarb for Good Reason, in each case as defined in the Emalfarb Employment Agreement, subject to his timely execution of a release of claims in favor of the Company, Mr. Emalfarb will be entitled to the following severance benefits: (i) continued payment of his base salary and provision of other benefits for a period of three years following termination of employment and (ii) full vesting acceleration of all stock options. Mr. Emalfarb will continue his employment under the terms of the Emalfarb Employment Agreement post-Closing, although the performance bonus thereof has been removed by amendment as described below.

In addition, Mr. Emalfarb, under the Emalfarb Employment Agreement, is entitled to terminate his employment with the Company for Good Reason (as defined in the Emalfarb Employment Agreement) within 12 months from the consummation of a change of control transaction (as defined in the Emalfarb Employment Agreement). If Mr. Emalfarb terminates his employment within such period, the Company is obligated to pay Mr. Emalfarb his Annual Base Salary and benefits as specified in the Emalfarb Employment Agreement, as of the date of termination and for a period of three years from the date of termination. Additionally, all of Mr. Emalfarb's stock options will be immediately vested.

The Board of Directors unanimously approved the payment to Mr. Emalfarb of a discretionary cash award of $750,000 upon consummation of the Transaction for, among other things, his work in originating the Transaction, which origination spared the Company from having to pay a finder's fee to an investment bank which is the customary process in sale of assets transactions, and taking into account the amount of the Transaction Consideration to be received by Dyadic, which our Board of Directors views favorably based on management's

forecasts for Dyadic and other factors considered by our Board of Directors. The Board also considered that Mr. Emalfarb, as a condition to consummation of the Transaction, would be entering into a three year non-competition agreement pursuant to which Mr. Emalfarb agrees not to engage in certain activities deemed to be competitive with Danisco's business (the "Non-Compete Agreement"), such prohibited activities are set forth in the Non-Compete Agreement. Further, the Board considered the fact that during the long and protracted negotiations with DuPont, the Company was unable to entertain certain third party proposals, which, if consummated, would have provided Mr. Emalfarb, pursuant to the provisions of the Emalfarb Employment Agreement, a performance bonus in excess of the discretionary amount awarded to him. The amount of the cash award is considered by the Board of Directors to be fair to the Company and its shareholders. Mr. Emalfarb has agreed to waive any claims he might otherwise have asserted against the Company relating to the performance bonus provision of the Emalfarb Employment Agreement.

In addition, the Board of Directors has agreed that the Company will indemnify (including the advancement of expenses) Mr. Emalfarb to the fullest extent permitted by law if Mr. Emalfarb is or becomes a party to or witness or other participant in, or is threatened to be made a party to or witness or other participant in, any claim by reason of (or arising in part out of) any event or occurrence related to the fact that Mr. Emalfarb is a party to the Non-Compete Agreement or Voting Agreement, except to the extent a final decision by a court having jurisdiction in the matter shall determine that Mr. Emalfarb has breached or otherwise violated the Non-Compete Agreement or Voting Agreement, or to the extent a court of competent jurisdiction determines in any proceeding instituted by Mr. Emalfarb to enforce or interpret the indemnification agreement that the material assertions made by Mr. Emalfarb in such proceeding was not made in good faith or was frivolous.

One of Mr. Emalfarb's affiliates is a holder of the Company's indebtedness. As described in "—Treatment of Secured Debt", the Company's indebtedness is required to be paid off (unless earlier converted) in connection with the consummation of the Transaction. The table set forth under the section titled "—Transaction Compensation" in this proxy statement describes the payments to be made to Mr. Emalfarb and Mr. Emalfarb's affiliate in respect of such indebtedness and other compensation described above.

Danai E. Brooks

We entered into an Employment Agreement with Mr. Brooks dated as of April 29, 2013 (the "Brooks Employment Agreement"). Pursuant to the Brooks Employment Agreement, Mr. Brooks agreed to serve as our Executive Vice President and Chief Operating Officer. The Brooks Employment Agreement does not have a specific term, but will renew daily such that it remains effective for a 12 month period at all times, unless we or Mr. Brooks provides notice of non-renewal. Mr. Brooks' base salary is $283,250 and he is eligible for a discretionary annual target bonus of up to 40% of his base salary. On April 29, 2013, in accordance with the terms of the Brooks Employment Agreement, the Compensation Committee of the Board of Directors granted Mr. Brooks (i) an option to purchase 400,000 shares of common stock at an exercise price of $1.83 per share that vests as to 1/48 of the shares subject to the option each monthly anniversary of the date Mr. Brooks commenced employment with us (the "Brooks Start Date"), subject to his continued service through each vesting date; and (ii) 69,000 restricted stock units

that vests as to 1/36 of the restricted stock units each monthly anniversary of the Brooks Start Date, subject to his continued service through each vesting date. Under the Brooks Employment Agreement, Mr. Brooks is entitled to a retention bonus of $100,000 that is paid 50% on each of the second and third anniversaries of the Brooks Start Date. Mr. Brooks is also eligible to receive benefits at the same level as other similarly situated employees of the Company. Mr. Brooks is subject to certain restrictive covenants, including non-disclosure for three years following termination of employment, non-solicitation for one year following termination of employment and non-competition for one year following termination of employment.

Upon a change of control of the Company, as defined in the Brooks Employment Agreement, if Mr. Brooks is still employed by the Company, he is entitled to (i) full vesting acceleration on all outstanding equity awards and (ii) a lump sum payment within 30 days of the closing of the change in control in an amount equal to the sum of one year of base salary and annual target bonus (predicated on his achievement of 100% of all of his performance goals), in each case in effect for the year of the change of control.

Upon a termination by the Company without Cause or a resignation by Mr. Brooks for Good Reason, in each case as defined in the Brooks Employment Agreement, subject to his timely execution of a release of claims in favor of the Company, Mr. Brooks will be entitled to the following severance benefits: (i) payment of a discretionary annual bonus for the year prior to termination and the year of termination; (ii) one year of base salary paid in 12 monthly installments; and (iii) 12 months of Company-paid COBRA premiums (collectively, the "Brooks Severance Benefits").

Additionally, if the Company enters into a Transaction Agreement (as defined in the Brooks Employment Agreement) during Mr. Brooks' employment or during the three month period following a termination without Cause or a resignation for Good Reason, Mr. Brooks shall receive the following: (i) 2% of the aggregate licensing fee and technology transfer and/or access fees, paid in a lump sum within 30 days of the Company's receipt of payment and (ii) if the Company forms a joint venture and the other entity contributes capital in the form of cash to the joint venture, 2% of such cash capital contribution paid in a single lump sum within 30 days of such capital contribution.

Mr. Brooks will be resigning from the Company for Good Reason upon the closing of the Transaction. As a result, Mr. Brooks will be entitled to receive the Brooks Severance Benefits, which will consist solely of one year of base salary and 12 months of Company-paid COBRA premiums, payable no later than forty-five days following the date of Mr. Brooks' separation from the Company. In connection therewith, Mr. Brooks has agreed to execute a release of claims in favor of the Company. The Board of Directors recognizes Mr. Brooks for his dedication, hard work and contributions to the business, including his assistance in facilitating the Transaction and aiding in the negotiation of favorable terms and conditions of the Agreement.

The table under the section titled "—Transaction Compensation" sets forth the payments to be made to Mr. Brooks.

Thomas L. Dubinski

We entered into an Employment Agreement with Mr. Dubinski dated as of August 1, 2014 (the "Dubinski Employment Agreement"). Pursuant to the Dubinski Employment Agreement, Mr. Dubinski agreed to serve as our Vice President Finance and Chief Financial Officer. The Dubinski Employment Agreement does not have a specific term, but will renew daily such that it remains effective for a 12-month period at all times, unless we or Mr. Dubinski provides notice of non-renewal. Mr. Dubinski's base salary is $200,000 and he is eligible for a discretionary annual target bonus of up to 40% of his base salary. Mr. Dubinski is also eligible to receive benefits at the same level as other similarly situated employees of the Company. Mr. Dubinski is subject to certain restrictive covenants, including non-disclosure for three years following termination of employment, non-interference for two years following termination of employment and non-competition for one year following termination of employment.

Upon a Change of Control of the Company, as defined in the Dubinski Employment Agreement, Mr. Dubinski's stock options automatically vest. If he resigns for Good Reason, as defined in the Dubinski Employment Agreement, within 24 months after the Change of Control, he is entitled to (i) accrued but unpaid annual base salary and accrued but unused vacation, in each case, through the date of resignation, (ii) annual base salary paid in 12 monthly installments, (iii) an amount equal to Mr. Dubinski's bonus from the prior year payable in accordance with the Company's normal payroll practices, and (iv) 12 months of continuing participation in the Company's health insurance and disability plans.

Upon a termination by the Company without Cause or a resignation by Mr. Dubinski for Good Reason, as defined in the Dubinski Employment Agreement, subject to his timely execution of a release of claims in favor of the Company, Mr. Dubinski will be entitled to the following severance benefits: (i) pro rata discretionary annual bonus for the year of termination based on actual achievement, (ii) six months of base salary paid in six monthly installments, and (iii) six months of continuing participation in the Company's health insurance and disability plans.

Mr. Dubinski will continue his employment under the terms of the Dubinski Employment Agreement post-Closing.

The Board of Directors has unanimously approved, upon and subject to the consummation of the Transaction, the issuance to Mr. Dubinski of such number of shares of restricted common stock that would constitute the difference in value between the $1.66 exercise price on his stock options to purchase 200,000 shares and the quotient derived by dividing (200,000 x $0.66) by the share price at the time of the award, acknowledging that Mr. Dubinski made significant personal sacrifices in relocating his family in the summer of 2014 from Illinois to Florida, his excellent service as a Company employee and to make up for the fact that the $1.66 exercise price of his stock options means that such stock options are "under water", all conditioned on his continuing employment with the Company post-Closing.

The table under the section titled "—Transaction Compensation" sets forth the payments to be made to Mr. Dubinski.

Richard H. Jundzil

We entered into an Employment Agreement with Mr. Jundzil dated as of June 1, 2011 (the "Jundzil Employment Agreement"). Pursuant to the Jundzil Employment Agreement, Mr. Jundzil agreed to serve as our Vice President - Operations. The Jundzil Employment Agreement does not have a specific term, but will renew daily such that it remains effective for a 12-month period at all times, unless we or Mr. Jundzil provides notice of non-renewal. Mr. Jundzil's base salary is $206,000 and he is eligible for a discretionary annual target bonus of up to 40% of his base salary. Mr. Jundzil is also eligible to receive benefits at the same level as other similarly situated employees of the Company. Mr. Jundzil is subject to certain restrictive covenants, including non-disclosure for three years following termination of employment, non-solicitation for two years following termination of employment and non-competition for one year following termination of employment.

Upon a termination by the Company without Cause, as defined in the Jundzil Employment Agreement, subject to his timely execution of a release of claims in favor of the Company, Mr. Jundzil will be entitled to severance of one year of base salary paid in 12 monthly installments (the "Jundzil Severance Benefits").

It is expected that Mr. Jundzil will assist the Company with the transition services it has agreed to provide to Danisco (at Danisco's expense) following the closing of the transaction, but that following such time, the Company will no longer have a position for Mr. Jundzil, and it is possible that Mr. Jundzil will receive an offer of employment or an offer to consult from Danisco. At such time, Mr. Jundzil will be entitled to receive the Jundzil Severance Benefits and, in connection therewith, Mr. Jundzil has agreed to execute a release of claims in favor of the Company. In addition, the Board of Directors unanimously approved the payment to Mr. Jundzil of a discretionary cash award of $50,000 upon termination of his employment without Cause, acknowledging his many years of service as an excellent employee and his achievements in 2015 toward meeting the goals and objectives established for him by the Company. Both payments will be payable no later than forty-five days following the date of Mr. Jundzil's separation from the Company.

The table under the section titled "—Transaction Compensation" sets forth the payments to be made to Mr. Jundzil.

Wim van der Wilden

We entered into a Consultant Agreement with Mr. van der Wilden on September 1, 2002 for an initial four month period with renewal options which have been exercised every year since 2003. Mr. van der Wilden is the General Manager of Dyadic Nederlands and is responsible for directing the Company's scientific operation in the Netherlands. As such, he played a key role in working with DuPont during its due diligence investigation; he is expected to play a key role for the Company post-Closing with respect to its pharmaceutical activities.

The Board of Directors exercised its discretion to compensate Mr. van der Wilden for his services with a cash award of $220,000, which equals 12 months of his current base annual compensation, payable no later than forty-five days following the date of Mr. van der Wilden's separation from the Company. In connection therewith, Mr. van der Wilden has agreed to

execute a release of claims in favor of the Company. It is possible that Mr. van der Wilden will receive an offer of employment or an offer to consult from Danisco.

The table under the section titled "—Transaction Compensation" sets forth the payments to be made to Mr. van der Wilden.

Jaap Visser

We entered into a Consultant Agreement with Mr. Visser on December 12, 2003 for an initial two year period with automatic yearly renewals. Mr. Visser is the Scientific Advisor for Dyadic Nederlands and has assisted Mr. van der Wilden for years with the Company's Dutch operations and with the DuPont due diligence investigation.

The Board of Directors exercised its discretion to compensate Mr. Visser for his services with a cash award of $51,000, which equals six months of his current base annual compensation, payable no later than forty-five days following the date of Mr. van der Wilden's separation from the Company. In connection therewith, Mr. Visser has agreed to execute a release of claims in favor of the Company. It is possible that Mr. Visser will receive an offer of employment or an offer to consult from Danisco.

The table under the section titled "—Transaction Compensation" sets forth the payments to be made to Mr. Visser.

Other Personnel

The Board of Directors exercised its discretion to compensate all other employees of the Company not addressed above with a cash award of one month of salary as severance for each year of service to the Company (capped at 12 months of salary), except for employees who accept employment by Dansico or who remain with the Company post-Closing. The Board of Directors also exercised its discretion to compensate certain employees of Dyadic Nederland B.V. not addressed above by creating a pool of 25,000 shares of restricted common stock to be disbursed as designated by Mr. Emalfarb, in recognition for their help in the development of the C1 technology and their help in the DuPont due diligence investigation.

In addition, the Company currently has 3,785,250 Stock Options outstanding and 198,766 Restricted Stock Units outstanding, including the amounts set forth in "—Transaction Compensation" and in "CERTAIN MATTERS REGARDING DYADIC COMMON STOCK" in this proxy statement. Dyadic's Compensation Committee has determined that the Transaction constitutes a "change of control" under the Company's stock option and restricted stock unit benefit plans. As a result, the Board of Directors unanimously approved, in accordance with and pursuant to such plans, the immediate and automatic vesting of all outstanding Stock Options and Restricted Stock Units upon consummation of the Transaction, and, in the case of Stock Options, the same would become immediately exercisable.

Transaction Compensation

This section sets forth the information for our directors, executive officers and other key personnel that is based on or otherwise relates to the Transaction, and in each case is subject to, and conditioned upon, the consummation of the Transaction.

Name		**Cash Payment**	**In-the-Money Accelerated Stock Options**	**Dollar Value of Accelerated Stock Options (1)(2)**	**Accelerated and Granted RSUs**	**Dollar Value of Accelerated and Granted RSUs (1)(3)**	**Estimated Cost of COBRA**	**Grand Total**
Management								
Mark A. Emalfarb, CEO (4)		$750,000	22,638	$4,528	--	--	--	$754,528
Danai Brooks, COO (5)		$283,250	--	--	9,583	$14,663	$23,000	$320,913
Thomas L. Dubinski, CFO (6)		--	--	--	86,275	$132,000	--	$132,000
Richard H. Jundzil, VP of Operations (7)		$256,000	25,000	$8,000	--	--	--	$264,000
Wim van der Wilden, General Manager, Dyadic Netherlands		$220,000	18,750	$6,000	--	--	--	$226,000
Jaap Visser, Scientific Advisor, Dyadic Netherlands		$51,000	1,875	$600	--	--	--	$51,600
Directors								
Dr. Robert D. Burke (8)		--	23,438	$12,000	--	--	--	$12,000

Dr. Seth J. Herbst (9)		--	23,438	$12,000	--	--	--	$12,000
Jack Kaye		--	22,500	$4,500	--	--	--	$4,500
Michael P. Tarnok		--	35,625	$13,369	--	--	--	$13,369
Stephen J. Warner (10)		--	23,438	$12,000	--	--	--	$12,000
Total		**$1,560,250**	**196,701**	**$72,996**	**95,858**	**$146,663**	**$23,000**	**$1,802,909**

(1) Based on the per share closing market price on November 13, 2015, which was $1.53.

(2) Represents the difference between the option strike price and the per share closing market price on November 13, 2015, which was $1.53, multiplied by the number of options.

(3) Represents the number of RSU's multiplied by the per share closing market price on November 13, 2015, which was $1.53.

(4) Excludes 37,500 out-of-the-money options with an average strike price of $1.71.

(5) Excludes 178,333 out-of-the-money options with an average strike price of $1.81.

(6) Excludes 150,000 out-of-the-money options with an average strike price of $1.66.

(7) Excludes 150,000 out-of-the-money options with an average strike price of $1.76.

(8) Excludes 23,438 out-of-the-money options with an average strike price of $1.76.

(9) Excludes 23,438 out-of-the-money options with an average strike price of $1.76.

(10) Excludes 23,438 out-of-the-money options with an average strike price of $1.76.

In addition, an affiliate of Mr. Emalfarb is a holder of the Company's Convertible Notes described under "—Treatment of Secured Debt—Convertible Subordinated Debt." Pursuant to the Transaction Agreement, to the extent any holders of the Convertible Notes have not elected to convert prior to the closing of the Transaction, the Company will be required to repay and terminate the outstanding Convertible Notes upon consummation of the Transaction. As a result, Mr. Emalfarb's affiliate may receive $1,020,164.20 (assuming no conversion of the Convertible Notes and receipt of payment in full of outstanding principal and accrued interest (assuming a December 31, 2015 closing date)) or 675,676 shares (assuming a full conversion of the Convertible Notes (assuming a December 31, 2015 closing date)). In addition, Mr. Emalfarb's affiliate will receive 168,919 shares of the Company assuming a full exercise of warrants received upon consummation of the Transaction (assuming a December 31, 2015 closing date).

Treatment of Secured Debt

Note Payable to Shareholder

As disclosed in Note 3 to the Third Quarter Financial Statements, the Company has a note payable to Lisa K. Emalfarb, which note matures on January 1, 2016. As of December 31, 2015, principal plus accrued and unpaid interest will be $1,459,061.51. The note is collateralized by the assets of the Company. Pursuant to the Transaction Agreement, the Company will be required to repay and terminate this note, including obtaining the release of all liens held by Lisa K. Emalfarb on the assets of Dyadic and Dyadic USA, upon consummation of the Transaction.

Convertible Subordinated Debt

As disclosed in Note 3 to the Third Quarter Financial Statements, the Company issued:

- convertible subordinated secured promissory notes on August 23, 2010 (the "2010 Notes"), the outstanding principal balance of which was $3,818,000 at both September 30, 2015 and December 31, 2014. The 2010 Notes pay interest quarterly at 8% per annum and are convertible into unregistered shares of the Company's common stock at a price of $1.48 per share; and
- convertible subordinated secured promissory notes on September 30, 2011 (the "2011 Notes", and together with the 2010 Notes, the "Convertible Notes"), the outstanding principal balance of which was $2,842,787 and $2,892,787 at September 30, 2015 and December 31, 2014, respectively. The 2011 Notes pay interest quarterly at 8% per annum and are convertible into unregistered shares of the Company's common stock at a price of $1.28 per share.

The Convertible Notes mature upon the earlier of the consummation of the Transaction and January 1, 2016. The Convertible Notes are collateralized by substantially all of the assets of Dyadic and Dyadic USA. Pursuant to the Transaction Agreement, to the extent any holders of the Convertible Notes have not elected to convert prior to the closing of the Transaction, the Company will be required to repay and terminate the outstanding Convertible Notes, including obtaining the release of all liens held by all holders of Convertible Notes on the assets of Dyadic and Dyadic USA, upon consummation of the Transaction.

The Convertible Notes also include a warrant provision in the event Dyadic opts to redeem the notes, in whole or in part, prior to the January 1, 2016 maturity date. The independent members of the Board of Directors have approved, subject to and conditioned upon, the consummation of the Transaction, the issuance of warrants to purchase common stock equal to 25% of the outstanding principal balance of the Convertible Notes and all unpaid accrued interest thereon at $1.48 per common share. The warrants will expire on the date that is one year after the date of the consummation of the Transaction.

On March 9, 2015, the Company completed a private placement of a $2,000,000 convertible subordinated secured promissory note (the "2015 Note"), the outstanding principal

balance of which was $2,000,000 at both September 30, 2015 and December 31, 2015. The 2015 Note pays interest quarterly at a rate of 10% per annum and is convertible at the holder's option into shares of Dyadic common stock at $1.28 per share. The 2015 Note will mature upon the earlier of the consummation of the Transaction and January 1, 2016. The 2015 Note is collateralized by substantially all of the assets of Dyadic and Dyadic USA. Pursuant to the Transaction Agreement, to the extent the holder of the 2015 Note has not elected to convert prior to the closing of the Transaction, the Company will be required to repay and terminate the outstanding 2015 Note, including obtaining the release of all liens held by the holder of the 2015 Note on the assets of Dyadic and Dyadic USA, upon consummation of the Transaction.

In the event all holders of the Convertible Notes and the 2015 Note elect to receive a cash repayment on the maturity date (assuming a December 31, 2015 maturity date), the aggregate cash payment would be $8,845,508.85, which includes principal and accrued but unpaid interest. In the event all holders of the Convertible Notes and the 2015 Note elect to convert at or prior to the maturity date (assuming a December 31, 2015 maturity date), 6,499,343 shares of the Company's stock would be issued. This would represent 19% of the shares of the Company's stock outstanding as of October 31, 2015. In addition, the issuance of warrants to holders of the Convertible Notes, assuming a full exercise of warrants by such holders, would result in the issuance of 1,147,821 shares of the Company (assuming a December 31, 2015 maturity date). This would represent 3.4% of the shares of the Company's stock outstanding as of October 31, 2015.

Dissenters' Rights

You will not experience any change in your rights as a shareholder as a result of the Transaction. None of Delaware law, our certificate of incorporation or bylaws provides for appraisal or other similar rights for dissenting shareholders in connection with the Transaction, and we do not intend to independently provide shareholders with any such right. Accordingly, you will have no right to dissent and obtain payment for your shares in connection with the Transaction. Our shares of common stock will remain publicly traded on the OTC Market following the closing of the Transaction.

Governmental and Regulatory Matters

At any time before or after the consummation of the Transaction, the Antitrust Division or U.S. Federal Trade Commission could take any action under the antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the Transaction or seeking divestiture of certain of Dyadic's or Danisco's assets. Private parties and State Attorneys General may also bring legal actions under the antitrust laws.

Certain United States Federal Income Tax Consequences

The following discussion summarizes the material U.S. federal, state and foreign income tax consequences that are expected to apply generally in connection with the sale of the assets of Dyadic and Dyadic USA.

The Transaction will result in a taxable gain to Dyadic for U.S. state and federal income tax purposes in an amount equal to the purchase price received less Dyadic's adjusted tax basis in the assets being sold. Dyadic's gain for U.S. federal income tax purposes is expected to be offset by available net operating losses, subject to applicable limitations. The Transaction is expected to result in some federal alternative minimum tax being imposed on Dyadic in the year of the sale despite our existing tax losses and credits. In addition, Dyadic expects that all or substantially all of the taxable gain resulting from the Transaction will be subject to state income tax, despite our existing tax losses and credits. Furthermore, Dyadic may be subject to income taxes in foreign jurisdictions on the gain from the Transaction in several of the jurisdictions where we maintain foreign subsidiaries. The Transaction also may result in Dyadic being subject to foreign, state or local sales, use or other taxes in jurisdictions in which Dyadic files tax returns or has assets.

THE FOREGOING DISCUSSION IS INCLUDED FOR GENERAL INFORMATION ONLY AND IS BASED ON THE LAW AS CURRENTLY IN EFFECT.

RISKS YOU SHOULD TAKE INTO ACCOUNT IN DECIDING HOW TO VOTE ON THE TRANSACTION PROPOSAL

You should carefully consider the special risk considerations described below as well as other information provided to you or referenced in this proxy statement in deciding how to vote on the Transaction proposal. The special risk considerations described below are not the only ones facing us. For a discussion of additional risk considerations, we refer you to the documents we post on our website from time to time and file with the OTC Markets, particularly our Annual Report for the fiscal year ended December 31, 2014. Additional considerations not presently known to us or that we currently believe are immaterial may also adversely affect our business operations. If any of the following special risk considerations actually occur, our business, financial condition or results of operations could be materially adversely affected, the value of our common shares could decline, and you may lose all or part of your investment.

If we fail to complete the Transaction, our business may be harmed.

We cannot assure you that the Transaction will be completed. The completion of the Transaction is subject to the satisfaction of a number of conditions, including, among others, (1) the requirement that we obtain shareholder approval of the Transaction and the Transaction Agreement and (2) that each of the holders of debt of Dyadic has consented to the Transaction and agreed to release such holder's liens on the assets being transferred pursuant to the Transaction. In addition, Danisco may terminate the Transaction Agreement if we do not cure breaches, if any, of a material provision of the Transaction Agreement within 30 days of notice of such breach. If we are unable to close the Transaction due to our uncured breach, we may owe contractual damages to Danisco that would likely exhaust our cash reserves. In addition, we expect to pay legal fees, accounting fees and proxy costs whether the Transaction closes or not. Any significant expenses or payment obligations incurred by us in connection with the Transaction could adversely affect our financial condition and cash position.

In addition, we cannot guarantee that we will be able to meet, in a timely manner or at all, the closing conditions of the Transaction Agreement. If we are unable to meet all of the closing conditions, Danisco is not obligated to purchase the assets of Dyadic, Dyadic USA and Dyadic Nederland B.V. We also cannot be sure that other circumstances, for example, a material adverse effect or a breach of certain representations or warranties prior to closing, will not arise that would allow Danisco to terminate the Transaction Agreement prior to closing.

If the Transaction is not approved or does not close, our Board of Directors will be forced to evaluate other alternatives, which may be less favorable to us than the Transaction. In that case, Dyadic would need to seek financing immediately, and such financing may not be available to it, or may be available on terms that are unfavorable, and are dilutive to existing shareholders. In addition, on January 1, 2016, Dyadic will be required to repay approximately $10,085,728.20 of outstanding indebtedness, and Dyadic does not anticipate that it will be able to repay such indebtedness unless it is able to secure new financing.

Under the Transaction Agreement, Dyadic will be required to pay to Danisco a termination fee of (A) $4,500,000, if, the Transaction Agreement is terminated by Danisco or Dyadic because (1) the closing has not occurred before the outside date or (2) the Transaction and the Transaction Agreement are not approved and adopted by our shareholders; and, if the events of (1) or (2) occur, after the date of the Transaction Agreement and prior to approval of the shareholders, an Acquisition Proposal has been made publicly known; and within 12 months after the termination of the Transaction Agreement, Dyadic consummates any Acquisition Proposal (whether or not it is the same Acquisition Proposal referred to above)(such termination fee is payable within two (2) business days of the consummation of such other Acquisition Proposal) and (B) $2,500,000 if, the Transaction Agreement is terminated by Danisco because of an Adverse Recommendation Change, a public announcement to make such change or a material breach by the Company of covenants related to Acquisition Proposal (such termination fee is payable within two (2) business days of the termination of the Transaction Agreement, subject to payment schedule as further described elsewhere in this proxy statement).

As a result of our announcement of the Transaction, third parties may be unwilling to enter into material agreements with us. New or existing customers and business partners may prefer to enter into agreements with our competitors who have not expressed an intention to sell their business because customers and business partners may perceive that such new relationships are likely to be more stable. Our employees may become concerned about the future of the business and lose focus or seek other employment. If we fail to complete the Transaction, the failure to maintain existing business relationships or enter into new ones could adversely affect our business, results of operations and financial condition.

In addition, if the Transaction is not consummated, our directors, executive officers and other employees will have expended extensive time and effort and will have experienced significant distractions from their work during the pendency of the Transaction and we will have incurred significant transaction costs, in each case, without any commensurate benefit, which may have a material and adverse effect on our stock price and results of operations.

The Transaction Agreement may expose us to retained and contingent liabilities.

Under the Transaction Agreement, we are retaining certain liabilities and are required to indemnify Danisco for the breach or violation of any representation, warranty or covenant made by us in the Transaction Agreement, subject to certain limitations. These liabilities could have a material adverse effect on our financial condition.

We will be prohibited from competing with our former business of developing, making, selling or engaging in activities related to the products that are subject of the Transactions or any related products or interfering or discouraging any customer or supplier from maintaining a business relationship with Danisco for five years from the date of the closing.

The Transaction Agreement provides that for a period of five years after the closing, we and our affiliates will not, (i) develop, make, have made, market, label, use, sell, have sold and/or import to any person the products sold in our business or any other products derived from the families of fungal expression systems expressly identified on a confidential exhibit to the Transaction

Agreement, (ii) own, manage, build, expand, acquire or operate or control any facilities that are used to manufacture such restricted products, (iii) own, manage, acquire, operate, control or participate in the ownership, management, operation or control of any business that is competitive with our industrial enzymes business, or (iv) take any action, including, without limitation contacting any customer or supplier of Danisco or any of its affiliates (to the extent relating to the industrial enzymes business), that is designed or intended to have the effect of interfering with or discouraging any customer or supplier of the business (whether or not under contract) from maintaining the same business relationships with Danisco after the closing.

We will be prohibited from soliciting or hiring certain employees who transfer to Danisco in connection with the closing for three years from the date of the closing.

Except as set forth in the Pharmaceutical License, the Transaction Agreement provides that for a period of three years after the closing, we and our affiliates will not, directly or indirectly, hire or solicit any employee or consultant set forth on a confidential schedule or that accepts employment with Danisco at closing, or encourage any such person, if any, to leave employment with Danisco or hire any such person who has left such employment with Danisco except pursuant to a general solicitation which is not directed specifically to any such employees, an employee whose employment has been terminated by Danisco or otherwise with Danisco's consent.

You are not guaranteed any of the proceeds from the Transaction.

The Transaction Consideration will be paid directly to Dyadic (in respect of the US assets) and Dyadic Nederland B.V. (in respect of the Netherlands assets). Although Dyadic currently intends to use at least $15,000,000 of the proceeds to provide liquidity to shareholders through a share repurchase program, the timing and total amount of such buyback are unknown at this time and subject to several factors. In addition, Dyadic could spend or invest the net proceeds from the Transaction in ways with which our shareholders may not agree. The expenditure or investment of these proceeds may not yield a favorable return.

We will be a very small public company with a large cash balance.

Once the Transaction is consummated, we will be focused on expanding our pharmaceutical business. We will continue to incur additional ongoing operating, research & development, litigation, and other expenses. As contemplated by the Pharmaceutical License, within 60 days of consummation of the Transaction, it is expected that Dyadic and Danisco will negotiate in good faith to agree upon commercially reasonable terms relating to a three (3) year research program funded by Dyadic (the "Service Agreement") to further develop and advance the C1 technology platform for its potential use as a safe and efficient expression system that may help speed up the development and production of biologics at flexible commercial scales. If this Service Agreement is entered into, we will not have the option to terminate this Service Agreement until 6 months following the date such Service Agreement is entered into.

Additionally, Dyadic will retain all of the potential rights and obligations associated with its ongoing professional services liability litigation against the law firms Greenberg, Traurig, LLP,

Greenberg Traurig, P.A. and Bilzin, Sumberg Baena Price and Axelrod, LLP. There is no assurance that we will reach a settlement agreement with any or all of the remaining defendants, or prevail in court if and when this litigation goes to trial as expected in 2016.

Further, large cash balances are often perceived to have inefficient capital structures, and may limit the potential investor base. We cannot guarantee that we will find ways to reinvest our cash that achieve returns in excess of a shareholder's expected returns.

Our ability to execute our strategy following the asset sale depends on our ability to attract and retain qualified employees.

Following consummation of the Transaction, Dyadic expects to focus on and accelerate the further development and optimization of the C1 technology to be applied in the area of biopharmaceuticals. However, we will initially have very few employees with experience in this field, none of our employees have experience in testing and gaining approvals with the Food and Drug Administration (the "FDA"), and being able to recruit employees, consultants or collaborators with the necessary expertise, skill set, and background may be difficult given our size and resources.

We are highly dependent on the success of our research and development programs, including but not limited to our ongoing research program with Sanofi Pasteur and our involvement within the EU-funded ZAPI program. We also will be dependent on our ability to attract and form collaborations with additional collaboration partners.

Following consummation of this Transaction, we will be totally reliant on outsourcing our research and development work to Danisco and potentially other third parties. We cannot assure that our current partners, Sanofi Pasteur and the ZAPI program, will decide on continuing to work with Dyadic using outsourced research and development. The future success of the enterprise will require finding additional personnel, consultants, and commercial and institutional partners.

A significant portion of our capital could be expended in pursuing business opportunities that are not successful.

Developing the C1 technology into a system to produce biologics will require significant time and resources, and has no guarantee of success. For a variety of reasons, many similar technologies have failed in developing into a commercially viable system. Even if a biologic produced from the C1 technology is eventually successful in entering the FDA approval process for a specific drug, we, or more likely our collaborators, may not be successful in our clinical trials. Further, we may also spend time and resources in unsuccessfully seeking research and business partners for our pharmaceutical business.

Additionally, if settlement attempts are not successful with all of the defendants in our ongoing professional services liability lawsuit, we may have a negative ruling in our litigation against former legal counsel that requires us to pay all or parts of the defendants legal costs and expenses.

THE TRANSACTION AGREEMENT

The following description of the Transaction Agreement describes the material provisions of the Transaction Agreement but does not purport to describe all of the terms of that agreement. The full text of the Transaction Agreement is attached to this proxy statement as Annex A and incorporated by reference into this proxy statement. You are urged to read the Transaction Agreement in its entirety because it is the legal document that governs the Transaction. Any capitalized terms used in this section and not otherwise defined shall have the meanings assigned to such terms in the Transaction Agreement.

The provisions contained in the Transaction Agreement are intended to govern the contractual rights and relationships, and to allocate risks, between Dyadic and Danisco with respect to the Transaction. The representations and warranties made by Dyadic and Danisco to one another in the Transaction Agreement were negotiated between the parties, and any inaccuracies in the representations and warranties may be waived by the intended beneficiary of the representations and warranties. Moreover, the representations and warranties are qualified in a number of important respects, including through the use of exceptions for certain matters disclosed by the party that made the representations and warranties to the other party.

The Transaction

The definitive asset purchase and sale agreement (the "Transaction Agreement"), together with the Dutch Agreement (described below), are the agreements under which Danisco US Inc., a Delaware corporation ("Buyer") a wholly-owned subsidiary of E.I. du Pont de Nemours and Company ("DuPont")(NYSE:DD), will acquire substantially all of the enzyme and technology assets, including the C1 platform, a technology for producing enzyme products used in a broad range of industries, of Dyadic, Dyadic USA and Dyadic Nederland B.V. (the "Transaction"). The Transaction Agreement requires that, following consultation with the Genencor International B.V. works council and agreement on amendments necessitated thereby, Genencor International B.V. ("Genencor"), a limited liability company organized and existing under the laws of the Netherlands and an affiliate of Danisco, and Dyadic Nederland B.V. enter into an asset purchase and sale agreement in connection with the Transaction, pursuant to which Genencor will purchase the assets of Dyadic Nederland B.V. (the "Dutch Agreement"). The terms and conditions set forth in the Dutch Agreement are substantially consistent with the terms of the Transaction Agreement. As a result, the terms Dyadic, Dyadic USA and Dyadic Nederland B.V. are collectively referred to in this section as "Sellers" and each individually as a "Seller."

In connection with the Transaction, Buyer will agree to grant back to Dyadic co-exclusive rights to the C1 technology for use in pharmaceutical applications, with the exclusive ability to enter into sub-license agreements in that field (subject to the terms of the license and subject to certain exceptions), provided that (i) Danisco will retain rights to utilize the C1 technology for use in pharmaceutical applications, including development and production of pharmaceutical products, for which it will make royalty payments to Dyadic upon commercialization and (ii) under certain circumstances, Dyadic may owe a royalty to either Danisco or certain licensor's of Danisco depending upon whether Dyadic elects to utilize certain patents either owned by Danisco or Danisco's licensors (the "Pharmaceutical License"). The

Transaction has been unanimously approved by Dyadic's Board of Directors (the "Board of Directors").

All the transactions contemplated by the Transaction Agreement and the other transaction documents (the "Contemplated Transactions") are subject to customary closing conditions, including the affirmative vote in favor of the Contemplated Transactions by Dyadic shareholders holding at least a majority of the shares of Dyadic common stock outstanding and entitled to vote thereon at the special meeting; provided, that if the Board of Directors changes its recommendation to shareholders regarding the proposal to approve the Contemplated Transactions (in accordance with the terms and conditions set forth under "—Acquisition Proposals; Board Recommendation" below), the affirmative vote of the holders of at least sixty-six and two-thirds percent of the voting power of all of the then outstanding shares of Dyadic's voting common stock, voting together as a single class, will be required to approve the Contemplated Transactions (the "requisite approval").

Purchase Price

The consideration for the sale of the assets of Sellers as further described below will consist of the purchase price of $75 million, payable in cash, less an escrow deposit of $8 million, plus or minus the net current assets adjustment as described below. The purchase price received by Sellers upon consummation of the Contemplated Transactions will be reduced by the aggregate amount payable to holders of Dyadic's secured indebtedness, which amounts are being paid at Dyadic's direction. Approximately $3 million of the $75 million purchase price will be allocated to the assets being sold by Dyadic Nederland B.V. and will be paid directly to Dyadic Nederland B.V.

Our closing net current assets will be calculated within 45 days after closing. If our closing net current assets is greater than the net current assets benchmark of $3.9 million, we will receive a cash payment from Buyer for the difference. If our closing net current assets is less than the net current assets benchmark, Buyer will be entitled to deduct the amount of the difference from the escrow account, and if the amount in the escrow account is not sufficient, to collect from Sellers the remaining amounts. The adjustments to the purchase price and the mechanism for such adjustments are more specifically described in the Transaction Agreement and elsewhere in this proxy statement.

Escrow Arrangements

The escrow amount of $8 million will be held in an escrow account and distributed in accordance with the terms of an escrow agreement. The escrow amount (plus any interest paid on such escrow amount), will be allocated for (i) damages suffered or incurred, if any, by Buyer Indemnified Persons and for which they are entitled to recover pursuant the terms of Transaction Agreement and Dutch Agreement; (ii) a net current assets adjustment described in the prior paragraph; and (iii) any unpaid research collaboration service fees owed to Danisco on behalf of Dyadic under the Pharmaceutical License which are more than thirty (30) days past due (the "Unpaid Research Collaboration Fees"). The remaining amounts of the escrow account, if any, will be released on the first (1^{st}) business day after the date that is eighteen (18) months after the Closing Date, as follows:

- to us, an amount equal to the positive difference, if any, of (A) the escrow account as of such date minus (B) the amount of any unresolved claims made by Buyer as of such date minus (C) the Unpaid Research Collaboration Fees; and

- to Buyer, an amount equal to the lesser of (A) the amount of the Unpaid Research Collaboration Fees, or (B) the escrow account as of such date minus any unresolved claims made by Buyer as of such date.

Any remaining amounts in the escrow account shall be released when all unresolved claims are complete.

Scope of Purchased Assets, Excluded Assets, Assumed Liabilities and Excluded Liabilities

The assets we propose to sell to Buyer consist of substantially all of our enzyme and technology assets (the "Purchased Assets"), including without limitation:

- all Transferred Intellectual Property and any and all rights to sue and recover damages for past, present and future infringement, dilution, misappropriation or other violation of, or conflict with, the Transferred Intellectual Property, including the right to sue for injunctive relief and damages for such infringements, dilutions, misappropriations, violations or conflicts, and to retain all damages collected in connection therewith;

- all Transferred Registrations;

- all Transferred Registration Data;

- all Transferred Biological Data;

- all Transferred Books and Records

- all Transferred Contracts;

- all Transferred Receivables;

- all Transferred Permits;

- all Transferred Equipment;

- all Transferred Inventory;

- certain identified advances and prepaid payments, prepaid expenses, prepaid credits and deferred charges;

- any and all of the goodwill associated with the Products, the Business or the Purchased Assets; and

- any and all rights to or arising from any of the foregoing.

We will retain certain assets and any liabilities arising therefrom under the Transaction Agreement, which we refer to as "excluded assets" in this proxy statement, including:

- certain assets set forth on a confidential schedule to the Transaction Agreement;
- the Trademarks of Dyadic® and Inside®;
- except as included in the Purchased Assets, all cash and cash equivalents (including any cash and cash equivalents of the business) performance and other bonds, security and other deposits, advance or prepaid payments, prepaid expenses, prepaid credits and deferred charges;
- any assets, properties, goodwill or rights unless such asset, property, goodwill or right is identified as a purchased asset;
- our benefit plans;
- the potential rights and obligations associated with Dyadic's ongoing professional services liability litigation against the law firms Greenberg, Traurig, LLP, Greenberg Traurig, P.A. and Bilzin, Sumberg Baena Price and Axelrod, LLP; and
- any rights that accrue or will accrue to us and/or our affiliates under the Transaction Agreement, the Pharmaceutical License or any other Transaction Document.

Buyer will assume only certain liabilities under the Transaction Agreement, which we refer to as "Assumed Liabilities" in this proxy statement, which are as follows:

- any liability arising out of or relating to the Products or the Purchased Assets to the extent that any such liability is for, relates to activities and operations of Buyer or its affiliates after the Closing and arises during time periods after the Closing, but excluding any such liability (A) arising out of or relating to any breach by any Seller or Seller's failure to perform under, any contract or law that occurred at or prior to the Closing, (B) arising out of or relating to the use or exploitation of the of the intellectual property licensed under the Pharmaceutical License on behalf of Seller, its affiliates or sublicensees, or (C) any liability of any Seller Indemnified Person arising out of or relating to the Transferred Contracts identified on a confidential exhibit, except to the extent that such liability arises out of or relates to any breach of such contracts by Buyer or its affiliates;
- any liability arising out of or relating to Buyer's and its affiliates' sale of the Products to the extent that any such liability is for, relates to and arises during time periods after the Closing, but excluding any such liability arising out of or relating to any breach by any Seller or any of its respective affiliates of, or failure of performance by any Seller or any of its respective affiliates under, any contract or law that occurred at or prior to the Closing;

- the Transferred Payables;

- any liability arising out of or relating to the Transferred Employees or another person identified by Sellers that shall accept, at or prior to Closing, an offer of employment or offer to enter into a consulting or contractor arrangement with Buyer, for liability that relates to and arises during time periods after the Closing; and

- any Tax liability with respect to the Purchased Assets arising and allocable to time periods after the Closing.

The liabilities assumed by Buyer under the Transaction Agreement and described above shall exclude any claims relating to warranty, personal injury or damage to property arising from Products shipped by or on behalf of us prior to the Closing Date

The following liabilities will not be assumed by Buyer and will be retained by us. In this proxy statement, we refer to these liabilities as the "Excluded Liabilities."

- any liability arising out of or relating to the Products (including the development and sale thereof, or personal injury (including death), property damage, fines, penalties or injunctions related thereto), the Purchased Assets, the Assumed Leased Properties, (including any such liability arising out of or relating to any third-party claim) to the extent that any such liability is for, relates to or is incurred during time periods at or prior to the Closing, whether arising before, on or after the Closing;

- any Tax liability of ours arising before, on or after the Closing Date that is allocable to time periods at or prior to the Closing;

- any liability under any of our benefit plans for any current or former employee, officer, director or independent contractor;

- any liability relating to any current or former employee, officer, director or independent contractor of ours, other than for an employee or contractor who accepts employment with Buyer and in that case only for such liabilities which occur after such engagement;

- any liability associated with any of our former, current or future shareholders, members or other equityholders;

- any liability arising out of or relating to our relationships with our distributors, agents, independent contractors, subcontractors or service providers, other than any Assumed liabilities;

- any liability arising out of or relating to our indebtedness with respect to borrowed money, including any interest or penalties accrued thereon;

- any liability arising out of or relating to our and ours Affiliates' operations after the Closing;

- any liability of any Seller Indemnified Person arising out of or relating to the Transferred Contracts, except to the extent that such liability arises out of or relates to any breach of such Contracts by Buyer; and

- any liability arising out of or relating to the Excluded Assets.

Closing of the Transaction

Unless Dyadic and Danisco mutually agree in writing on another time, the closing of the Transaction (the "Closing") will take place on the date which is three (3) business days after the date on which all of the conditions to closing (described under "— Conditions to Completion of the Transaction"), other than those conditions that by their terms are to be satisfied at the Closing (but subject to the satisfaction or, to the extent permitted by applicable law, waiver of those conditions) have been satisfied or waived, or such other date and time mutually agreed upon by the parties provided, however, that in no event shall the Closing occur earlier than the date that is fourteen (14) days following the Employee Meeting; provided, further, that in no event shall the Closing occur earlier than December 31, 2015 (the date on which the Closing occurs, the "Closing Date").

Representations and Warranties

The Transaction Agreement contains a number of representations and warranties made by Sellers, including representations and warranties relating to, among other things:

- organization, good standing and corporate power, charter documents and ownership of subsidiaries and permits and other approvals to operate the business as currently constituted;

- corporate authority to enter into and perform the Transaction Agreement, enforceability of the Transaction Agreement, approval of the Transaction Agreement by our Board of Directors and voting requirements to complete the Contemplated Transactions and other transactions contemplated by the Transaction Agreement;

- absence of conflicts with or defaults under organizational documents, other contracts and applicable laws;

- required regulatory filings and consents and approvals of governmental entities;

- title to assets and condition of assets;

- the sufficiency of certain of the Purchased Assets as constituting all assets necessary to conduct the business as now conducted;

- intellectual property matters;
- litigation matters and compliance with legal requirements;
- the absence of brokers' fees and expenses;
- conduct of the business and absence of certain developments since a specified date through the date of the Transaction Agreement, including that there has been no event or circumstance which has had, or is reasonably likely to have, a material adverse effect;
- the preparation and presentation of financial information to Danisco;
- absence of undisclosed liabilities;
- matters with respect to material contracts and Transferred Contracts;
- labor and other employment matters, including our benefit plans;
- accuracy of information contained in, and compliance with applicable securities laws by, this proxy statement;
- validity of accounts receivable and accounts payable;
- tax matters;
- compliance with applicable laws and validity of permits;
- quality and quantity of inventory;
- compliance anti-bribery, anti-corruption and price fixing laws;
- material customers and suppliers;
- product warranty matters;
- environmental matters;
- owned and leased equipment;
- registrations and registration data;
- biological data;
- owned and leased real property; and
- compliance with certain European Union regulations

The Transaction Agreement also contains a number of representations and warranties by Buyer, including representations and warranties relating to:

- organization, good standing and corporate power;
- corporate authority to enter into and perform the Transaction Agreement, enforceability of the Transaction Agreement,
- absence of conflicts with or defaults under organizational documents, other contracts and applicable laws;
- required regulatory filings and consents and approvals of governmental entities;
- compliance with legal requirements;
- the absence of brokers' fees and expenses; and
- sufficiency of funds.

Many of the representations and warranties in the Transaction Agreement are qualified by "knowledge," "materiality" or "material adverse effect" (as further described below).

The assertions embodied in the representations and warranties made by us are qualified by information set forth in a confidential disclosure schedule that was delivered in connection with the execution of the Transaction Agreement. While we do not believe that the disclosure schedule contains information that securities laws require us to publicly disclose, other than information that is being disclosed in this proxy statement, the disclosure schedule may contain information that modifies, qualifies and creates exceptions to the representations and warranties set forth in the Transaction Agreement.

Definition of Material Adverse Effect

For purposes of the Transaction Agreement, material adverse effect means any change, effect, event, result, occurrence, condition or fact (for the purposes of this definition, each, an "event") (whether or not covered by insurance) that has had, or would be reasonably expected to have, individually or in the aggregate with any other event or events, a material adverse effect on (a) Sellers' ability to satisfy their obligations under the Transaction Agreement or to consummate the Contemplated Transactions or (b) the Purchased Assets or the Assumed Leased Properties; provided that none of the following, either alone or in combination, shall be deemed or be taken into account in determining whether there has occurred a material adverse effect for purposes of this clause (b):

- general economic, regulatory or political conditions or from any natural disaster or acts of terrorism or war or the outbreak or escalation of hostilities, provided that such changes or conditions do not have a disproportionate effect on us as compared to other participants in the industry in which we operate;

- any change generally affecting the industry in which the Purchased Assets are owned or used, provided that such changes or conditions do not have a disproportionate effect on us as compared to other participants in the industry in which we operate;

- the announcement of the Contemplated Transactions;

- the taking of any action expressly required or contemplated by the Transaction Agreement or any costs or expenses incurred in connection therewith, or the performance of the Transaction Agreement, including the impact thereof on the relationships, contractual or otherwise, of the business with employees, customers, suppliers or partners, and any actions made or brought by any of the current shareholders of Sellers (on their own behalf or on behalf of Sellers) against Sellers to the extent solely arising out of or relating to the Transaction Agreement or the Contemplated Transactions;

- the failure of Sellers to meet or achieve the results set forth in any internal projections or forecasts (except that the facts or occurrences giving rise to or contributing to such failure may be deemed to constitute, or be taken into account in determining whether there has been or will be, a material adverse effect); or

- any change in any applicable law or GAAP or any applicable interpretation thereof; provided such changes or conditions do not have a disproportionate effect on us as compared to other participants in the industry in which we operate.

Notwithstanding the foregoing, no action taken by Sellers or Buyer (or any of their respective affiliates) expressly required, contemplated by or consented to pursuant to and in accordance with the terms of the Transaction Agreement or the other transaction documents shall be deemed to have a material adverse effect.

Conduct of Business Pending the Closing

Under the Transaction Agreement, we have agreed that, until the Closing or the earlier termination of the Transaction Agreement, we will (and will cause our subsidiaries to) operate our business in all material respects in the ordinary course of business consistent with our prior practices (including by using commercially reasonable efforts to preserve all business relationships with employees, contractors, consultants, customers and suppliers in all material respects and maintaining and preserving all Transferred Strains & Enzymes and Transferred Biological Data) and in compliance with all applicable laws. We have also agreed that, until the Closing or the earlier termination of the Transaction Agreement, except as expressly contemplated by the Transaction Agreement or as set forth in the confidential disclosure schedules to the Transaction Agreement or as consented to by Buyer, we and our subsidiaries will not:

- sell, lease, license, mortgage, encumber, materially impair or otherwise dispose of either of the Assumed Leased Properties, any Purchased Asset or any Product, except in the ordinary course of business;

- except in the ordinary course of business, enter into or assume any contract that would be a material contract;

- terminate or rescind, or materially and adversely modify, amend or otherwise alter or change, any of the terms or provisions of any Transferred Contract, which Transferred Contract requires payments of One Hundred Thousand United States Dollars (U.S. $100,000) or more on an annual basis;

- except in the ordinary course of business, materially and adversely modify, amend or otherwise alter or change the payment terms of any customer or supplier arrangement, including by changing credit or payment terms, offering of prepayment discounts or accelerating negotiated payment terms;

- take any action, or fail to take any action, which action or failure would reasonably be expected to constitute a material breach or material default with respect to any Transferred Contract;

- change the title, position or employment status (e.g. full-time, employment term) of any employee who may transfer to Buyer or terminate, other than for cause, any employee who may transfer to Buyer;

- except as required by applicable law or any of our existing benefit plans, grant to any employee who may transfer to Buyer any increase in base salary or other compensation or employee benefit, except in the ordinary course of business, or enter into any contract with any employee who may transfer to Buyer, including, but not limited to, any change of control or retention agreement (see "THE TRANSACTION—Interests of Dyadic Directors and Executive Officers in the Transaction" in this proxy statement for a description of payments of these types being made upon consummation of the Contemplated Transactions);

- except as required by applicable law, enter into a collective bargaining agreement or other contract with a union or other entity that represents or seeks to represent any employee who may transfer to Buyer;

- except as required by applicable law or any of our existing benefit plans, terminate or rescind, modify, amend or otherwise alter or change, any terms of any such plan as it relates to an employee who may transfer to Buyer;

- except in the ordinary course of business, create any material liabilities (whether fixed, contingent, unliquidated, absolute or otherwise) with respect to the business, the Assumed Leased Properties or any of the Purchased Assets or the Products that would be an assumed liability;

- settle or commit to settle any proceeding insofar as such settlement or commitment could (A) impose any obligation or restriction on Buyer or its affiliates or otherwise impair the Purchased Assets or the Assumed Leased Properties, or (B) cancel or waive any claims or rights related to the business or

the Assumed Leased Properties with a value in excess of Seventy-Five Thousand United States Dollars (U.S. $75,000);

- make or authorize any capital expenditure or expenditures in excess of One Hundred Thousand United States Dollars (U.S. $100,000) that will be binding on the Purchased Assets or the Assumed Leased Properties, or Buyer following the Closing, provided that such capital expenditures do not arise out of repairs relating to an emergency that would reasonably be expected to have safety, health or environmental consequences; or

- enter into any agreement to do any of the foregoing.

In addition, between the date of the Transaction Agreement and Closing, Seller is required to provide any additional contracts that relate to the business, the Products, the Assumed Leased Properties and the Purchased Assets that were not previously provided or identified on the confidential disclosure schedules, subject to redaction of confidential portions. On or prior to the third (3rd) business day before Closing, Buyer can request that any such contracts be deemed a Transferred Contract under the Transaction Agreement and transferred to Buyer at Closing, provided that any consent required under any such contract for the transfer or otherwise will not be a condition to Closing. Without limitation to the foregoing, at any time after the date of the Transaction Agreement (including, for the avoidance of doubt, at any time after the Closing), if any Seller, Buyer or any of their respective affiliates identifies or becomes aware of any contract described in the first sentence of this paragraph, which contract was not delivered to Buyer, then within five (5) business days of either (i) Sellers' or their affiliates identifying or becoming aware of such omitted contract, or (ii) Sellers' receipt of written notice from Buyer that Buyer or its affiliates have identified or become aware of such omitted contract, Sellers shall deliver, or cause to be delivered, to Buyer a true, correct and complete copy of any omitted contract. Buyer may elect, to have any omitted contract be included as a Transferred Contract, and upon such election, then Sellers shall, use its efforts to have such contract transferred and it shall not be a Purchased Asset until such omitted contract is transferred.

Return of Third Party Strains & Enzymes

Between the date of the Transaction Agreement and Closing, Sellers are required to meet or otherwise communicate with any person that owns any Third Party Strains & Enzymes and either return or destroy the relevant Third Party Strains & Enzymes, or, in the event that such person requests that any Third Party Strains & Enzymes continue to be stored at either the Assumed Leased Properties or a Deposit Facility as of the Closing Date, Sellers must provide written notice of this request (along with a written summary of the terms and conditions of the continued storage of such Third Party Strains & Enzymes) to Buyer no later than fifteen (15) Business Days prior to the Closing Date. Sellers are required to use commercially reasonable efforts to arrange for Buyer to meet or otherwise communicate with any person who requests that any Third Party Strains & Enzymes continue to be stored at the Assumed Leased Properties or a Deposit Facility, as applicable. Buyer must consent to such Third Party Strains & Enzymes continuing to be stored at either the Assumed Lease Properties or a Deposit Facility, otherwise such Third Party Strains & Enzymes will be destroyed or returned to the applicable owner prior to the Closing consistent with the terms and conditions of the respective contract relating to such

Third Party Strains & Enzymes. Prior to the Closing Date, Sellers must deliver to Buyer a written certification which shall identify all Third Party Strains & Enzymes which will continue to be stored at the Assumed Leased Properties or a Deposit Facility, as applicable, as of the Closing Date, if any, and the location thereof.

Acquisition Proposals; Board Recommendation

No Solicitation

Dyadic has agreed that from the date of the Transaction Agreement, it will, and will cause its subsidiaries, affiliates and their respective representatives (including their directors and officers) to immediately cease and cause to be terminated all then-existing discussions and negotiations with any parties with respect to, or that would reasonably be expected to lead to, any Acquisition Proposal (as defined below) and terminate all physical and electronic data room access granted to those parties and their representatives and request the prompt return or destruction of all confidential information previously furnished in connection therewith. Sellers have further agreed that it will not, and will cause its subsidiaries and its affiliates and their respective representatives not to, and on becoming aware of it will use its reasonable best efforts to stop any such person from continuing to, directly or indirectly:

- solicit, initiate, or knowingly encourage, induce the making of, facilitate (including by way of furnishing information) or assist any inquiry, proposal or offer (whether or not in writing) with respect to, or that would be reasonably expected to lead to, any Acquisition Proposal;

- furnish to any person or afford any person access to any non-public information regarding the personnel, business, properties, assets, or the books and records of any Seller or any of its respective affiliates in connection with or in response to any inquiry, proposal or offer letter (whether or not in writing) with respect to, or that would be reasonably expected to lead to, any Acquisition Proposal;

- participate or engage in discussions or negotiations with any person with respect to any Acquisition Proposal (other than to state they are not permitted to engage in discussions); or

- enter into any agreement in principle, acquisition agreement, merger agreement, option agreement, joint venture agreement, partnership agreement letter of intent, memorandum of understanding or similar agreement (whether or not binding) regarding, or that is intended to result in, or would reasonably be expected to lead to, any Acquisition Proposal, other than as set forth below.

However, at any time prior to the requisite approval by Dyadic's shareholders, Dyadic or our Board of Directors, directly or indirectly through its representatives, if the Board of Directors determines in good faith after consultation with its legal and financial advisors, that an Acquisition Proposal received from a person constitutes or would reasonably be expected to result in a Superior Proposal, may:

- engage in discussions or negotiations with such person; and

- (x) furnish confidential information with respect to Sellers to the person making such Acquisition Proposal, but only pursuant to a confidentiality agreement which contains terms that are in all material respects no less restrictive of such person than those contained in the confidentiality agreements entered into with Buyer, provided that all such information has previously been provided to Buyer (or is provided to Buyer prior to or substantially concurrent with the time it is provided to such person), and (y) conduct discussions and negotiate with, and only with, such person (and the representatives of such person) regarding such Acquisition Proposal.

provided, that (1) the Superior Proposal was made after the date of the Transaction Agreement and did not otherwise result from a breach of the covenants restricting solicitation, and (2) our Board of Directors determines, after consultation with legal counsel, that failure to take such action would be inconsistent with the Board of Directors' fiduciary duties under applicable law.

Sellers will, as promptly as reasonably practicable (and in any event within twenty four (24) hours of receipt), advise Buyer orally and in writing of any Acquisition Proposal, or any discussions, negotiations, request for information or inquiry with respect to any Acquisition Proposal, and the status and material terms and conditions of any such Acquisition Proposal, request or inquiry, and will as promptly as reasonably practicable (and in any event within one (1) business day of receipt) advise Buyer of any material amendments to any such Acquisition Proposal, request or inquiry and keep Buyer promptly informed as to the details of any information requested of or provided by us and as to the details of all discussions or negotiations with respect to any such Acquisition Proposal, request or inquiry, including by providing Buyer a copy of all material documentation or correspondence relating thereto as soon as practicable (and in any event within one (1) business day of receipt).

No Change in Recommendation

Neither our Board of Directors nor any committee thereof will (1) withdraw or modify, or publicly propose to withdraw or modify, or make a public statement inconsistent with, the Board of Directors' recommendation to adopt the Transaction Agreement and approve the Transaction contemplated thereby, (2) approve or recommend, or publicly propose to approve or recommend, declare advisable or publicly propose to approve, recommend or declare advisable, any Acquisition Proposal (any such action, resolution or agreement to take such action described in (1) and (2), an "Adverse Recommendation Change"), or (3) cause or permit Sellers to enter into any agreement in principle, acquisition agreement, merger agreement, option agreement, joint venture agreement, partnership agreement letter of intent, memorandum of understanding or similar agreement (whether or not binding) regarding, or that is intended to result in, or would reasonably be expected to lead to, any Acquisition Proposal, or resolve or agree to take any such action.

Notwithstanding the foregoing, at any time prior to the requisite approval by Dyadic shareholders, our Board of Directors will be permitted:

- with respect to any Acquisition Proposal that was made after the date of the Transaction Agreement and that did not otherwise result from a breach of the covenants of Sellers restricting solicitation and changes in recommendation, to effect an Adverse Recommendation Change if in either case the Board of Directors (1) has received an Acquisition Proposal that it determines in good faith constitutes a Superior Proposal, after having complied with, and giving effect to all of the adjustments which may be offered by Buyer as described in the immediately following paragraph and (2) determines, after consultation with its outside legal counsel, that failure to take such action would be inconsistent with the Board of Directors' fiduciary duties under applicable law; or

- in response to an Intervening Event (as defined below), to effect an Adverse Recommendation Change if the Board of Directors determines, after consultation with its outside legal counsel, that failure to take such action would be inconsistent with the Board of Directors' fiduciary duties under applicable law.

Dyadic will not be entitled to effect an Adverse Recommendation Change with respect to a Superior Proposal unless:

- Sellers have provided prompt written notice (in any event, within one business day) to Buyer that Dyadic intends to take such action, attaching the definitive transaction agreements relating to the Superior Proposal and describing the material terms and conditions of the Superior Proposal that is the basis of such action (it being understood that such material terms need not include the identity of the third party);

- during the five-business day period following Buyer's receipt of the notice of Superior Proposal, Sellers have, and have caused their representatives to, negotiate with Buyer in good faith (to the extent Buyer desires to negotiate) to make such adjustments in the terms and conditions of the Transaction Agreement so that the Superior Proposal ceases to constitute a Superior Proposal; and

- following the end of the five-business day period, our Board of Directors has determined in good faith, after consulting with outside legal counsel and Dyadic's financial advisor, taking into account any changes to the Transaction Agreement proposed in writing by Buyer in response to the notice of Superior Proposal or otherwise, that the Superior Proposal giving rise to the notice continues to constitute a Superior Proposal and that failure to take such action would be inconsistent with the Board of Directors' fiduciary duties under applicable law.

Any material amendment to the financial terms or any other material amendment of the Superior Proposal will require a new notice to Buyer, and Sellers will be required to comply again with the requirements described in this paragraph, except that references to the five-business day period are deemed to be to a three-business day period.

Dyadic will not be entitled to effect an Adverse Recommendation Change with respect to an Intervening Event unless:

- Sellers have provided prompt written notice (in any event, within one (1) business day) to Buyer that they intend to take such action and describing in reasonable detail the facts and circumstances of the Intervening Event, and have received advice from its outside legal counsel that the failure to effect an adverse company recommendation change with respect to the Intervening Event would be inconsistent with the Board of Directors' fiduciary duties under applicable law;

- during the five-business day period following Buyer's receipt of the notice, Sellers have, and have caused their representatives to, negotiate with Buyer in good faith (to the extent Buyer desires to negotiate) to make such adjustments in the terms and conditions of the Transaction Agreement if Buyer, in its discretion, proposes to make such adjustments; and

- following the end of the five-business day period, our Board of Directors has determined and has received advice from its outside legal counsel, taking into account any changes to the Transaction Agreement proposed in writing by Buyer in response to the notice of Intervening Event or otherwise, that the failure to effect an Adverse Recommendation Change described in the first bullet of this subsection would be inconsistent with the Board of Directors' fiduciary duties under applicable law.

Nothing contained in the Transaction Agreement will prohibit Dyadic or our Board of Directors, directly or indirectly through its representatives, from (1) taking and disclosing to shareholders a position with respect to a tender or exchange offer by a third party pursuant to Rule 14e-2 or Rule 14d-9 promulgated under the Securities Exchange Act of 1934 of or (2) making any other communication to the shareholders, in the case of each of (1) and (2), that the Board of Directors determines in good faith, after consultation with outside legal counsel, that failure to disclose such position or communicate with shareholders would be inconsistent with the Board of Directors' fiduciary duties under applicable law.

Certain Definitions

For purposes of this proxy statement:

- an "Acquisition Proposal" means, other than the Contemplated Transactions, any proposal, offer from, or indication of interest by, any person (other than Buyer or its affiliates) relating to any direct or indirect transaction or series of transactions (whether or not in writing) involving any (a) sale, disposition, acquisition or other transfer of (i) the beneficial ownership (within the meaning of Section 13(d) of the Securities Exchange Act of 1934) of twenty percent (20%) or more of the voting equity interests (including, without limitation, options or other rights to acquire any voting equity interests) of any Seller or any of its respective affiliates or (ii) twenty percent (20%) or more of the issued and outstanding equity interests (including, without limitation, options or other rights to acquire any equity interests) of any Seller or any of its respective affiliates, (b) sale, lease, license, exchange, disposition, acquisition or other transfer (other than sales of inventory in the ordinary course of business) of twenty percent (20%) or more of (i) the

business or (ii) the assets of any Seller or any of its respective affiliates, (c) merger, joint venture, partnership, dissolution, liquidation, consolidation, business combination, issuance of securities (other than (x) upon the conversion of any convertible securities issued prior to the date hereof or pursuant to the exercise of any options or warrants issued pursuant to any Sellers' benefit plan prior to the date hereof or after the date hereof in accordance with the terms of any such Sellers' benefit plan and (y) one or more issuances of shares of Dyadic's stock in an aggregate amount not to exceed two (2%) of the number of shares of Dyadic's stock outstanding as of the date hereof), reorganization, recapitalization, takeover offer, tender offer, exchange offer or similar transaction involving any Seller or any of its respective affiliates or (d) any combination of the foregoing.

- a "Superior Proposal" means any bona fide written Acquisition Proposal that did not result from a breach of terms of the Transaction Agreement described under this section "Acquisition Proposals; Board Recommendation" (except that for purposes of this definition the reference to "20%" in the definition of "Acquisition Proposal" shall be deemed to be a reference to "50%"), that the Board of Directors has determined in its good faith judgment, after consultation with a financial advisor of nationally recognized reputation and outside legal counsel, is reasonably likely to be consummated in accordance with its terms, taking into account relevant financial, legal and regulatory considerations and any conditions to, and expected timing risks of, consummation, and that if consummated, would result in a transaction more favorable to Sellers than the Contemplated Transactions (including any changes to the Contemplated Transactions proposed by Buyer in response to such Acquisition Proposal or otherwise); and

- an "Intervening Event" means an event or circumstance that occurs after the date of the Transaction Agreement (other than any event or circumstance resulting from a material breach of the Transaction Agreement by Sellers) that affects or would be reasonably likely to affect the business, financial condition or continuing results of operations of the business, taken as a whole, and that is (a) material, individually or in the aggregate with any other such events or circumstances, (b) does not relate to a Superior Proposal, an Acquisition Proposal (including any inquiry related thereto) or the Contemplated Transactions, and (c) was not known to or reasonably foreseeable by the Board of Directors as of the date of the Transaction Agreement, but which becomes known by the Board of Directors prior to the time at which the requisite approval of Dyadic's shareholders is received.

Non-Competition; Non-Solicit

We have agreed that for a period of five (5) years from the Closing that we shall not and we shall cause any of our affiliates not to, (A) develop, make, have made, market, label, use, sell, have sold and/or import to any person the Products or any other products derived from the families of fungal expression systems expressly identified on a confidential exhibit to the Transaction Agreement (collectively, the "Restricted Products"), (B) own, manage, build, expand, acquire or operate or control any facilities that are used to manufacture the Restricted

Products or (C) own, manage, acquire, operate, control or participate in the ownership, management, operation or control of any business that is competitive with the business (the foregoing prohibitions identified in clauses (A), (B) and (C), collectively, the "competitive activities"). The reference to "business" in the immediately preceding sentence shall not be deemed to include activities solely within the Pharmaceutical Field (as such term is defined in the Pharmaceutical License). We shall not be considered to be in default of this covenant (x) solely by virtue of holding not more than five (5) percent of the issued and outstanding equity securities of an entity, the equity securities of which are traded on any national securities exchange and so long as we are not a controlling person thereof or (y) as a result of acquiring a Person that competes with the business so long as the assets of such acquired person comprises twenty percent (20%) or less of the value of such persons assets as determined in accordance with GAAP.

In addition, we have agreed that for a period of five (5) years from the closing of the Transaction Agreement that we shall not and we shall cause any of our affiliates not to, without Buyer's prior written consent, take any action, including, without limitation contacting any customer or supplier of Buyer or any of its affiliates (to the extent relating to the business), that is designed or intended to have the effect of interfering with or discouraging any customer or supplier of the business (whether or not under contract) from maintaining the same business relationships with Buyer after the Closing.

In the event of a change of control, the foregoing shall not, (i) prohibit or restrict any competing entity that acquires us from conducting or engaging in any competitive activities or (ii) prevent, hinder or otherwise interfere with any right or entitlement of such acquiring entity arising out of or relating to any Transferred Contract; provided, that such entity (y) does not use, any excluded assets or other assets of Sellers to engage in the competitive activities and (z) keeps the non-compete assets described in clause (y) separate from its other businesses that engage in the competitive activities.

In addition, but subject to an exception set forth in Section 3.01 of the Pharmaceutical License, we have agreed that for a period of three (3) years after the Closing Date that we shall not and we shall cause any of our affiliates not to, directly or indirectly, hire or solicit any employee or consultant set forth on a confidential schedule or that accepts employment with Buyer at Closing, or encourage any such person, if any, to leave employment with Buyer or hire any such person who has left such employment with Buyer except pursuant to a general solicitation which is not directed specifically to any such employees; provided, that we may solicit or hire any person (i) whose employment has been terminated by Buyer or (ii) with Buyer's consent.

Special Meeting

In the event that the requisite approval of Dyadic's shareholders is not obtained at the special meeting noticed in this proxy statement, the Board of Directors may provide notice to Buyer of whether it intends to convene and hold a second special meeting for the purpose of considering and taking action upon the approval of the Transaction Agreement. In the event that the Board of Directors elects to convene and hold such second meeting it shall convene such

meeting as soon as reasonably practicable after the date of the initial special meeting (but in no event later than forty-five (45) days after the initial special meeting).

Except as described above under the section "Acquisition Proposals; Board Recommendation," the Board of Directors is required at the meeting to (i) recommend approval of the Transaction pursuant to the Transaction Agreement, (ii) use its commercially reasonable efforts to obtain the requisite approval of Dyadic's shareholders necessary to approve the Transaction Agreement and (iii) otherwise comply with all laws applicable to such meeting. Dyadic may adjourn or postpone the special meeting (1) with Buyer's consent, as necessary to ensure that any required supplement or amendment to this proxy statement is provided to shareholders within a reasonable amount of time in advance of the special meeting, (2) if as of the time for which the special meeting is originally scheduled (as set forth in this proxy statement) there are insufficient shares of Dyadic's common stock represented (either in person or by proxy) to constitute a quorum necessary to conduct the business of the special meeting, or (3) if required by applicable law.

Notwithstanding any Adverse Recommendation Change or the commencement, public proposal, public disclosure or communication to Sellers of any Superior Proposal, Sellers shall take all commercially reasonable lawful action in order to properly call, hold and complete the meetings described above in compliance with applicable law, Sellers' constituent documents and Sellers' obligations pursuant to any listing agreement with, or rules of, any securities exchange or trading market on which securities of Sellers are listed.

Works Council Matters

Buyer has agreed that:

- within one (1) business day after the date of the Transaction Agreement, Buyer shall notify Genencor's works council of the Contemplated Transactions and initiate the advice procedure with Genencor's works council in accordance with the Netherlands Works Councils Act;

- in connection with such advice procedure, Buyer shall cause Genencor to comply with its obligations pursuant to the Netherlands Works Councils Act, and use its commercially reasonable efforts to obtain, as soon as reasonably practicable, advice from Genencor's works council, and consider in good faith and respond as promptly as practicable to any such advice;

- Buyer shall regularly inform Sellers about the progress of such advice procedure;

- Buyer shall notify Sellers within one (1) business day after the satisfaction of Genencor's obligations under the Netherlands Works Councils Act with respect to the advice procedure described above; and

- following Sellers' receipt of the notice referred to in the preceding bullet, the parties shall cooperate to convene a meeting (the "Employee Meeting") by and

among Buyer and the Dutch employees of Seller, no later than two (2) business days after such notice.

Other Covenants

The parties have agreed to covenants relating to matters such as, execution and delivery of other transaction documents, pre-closing access and investigation for Buyer, confidentiality, public announcements (including communications with employees and third parties), Dutch Assumed Leased Property, wrong pockets, regulatory filings, transfer of transferred permits and registrations, registration issues and registration cancellations, bulk sales laws, non-assignable assets, refunds, tax matters, delivery of Purchased Assets, notices of material events, employee matters, non-disparagement, use of transferred trademarks and retained names, Seller's website, preparation of the proxy, negotiation with Sellers' toll manufacturer, performance under the Dutch Agreement, estoppel certificate for the Dutch Assumed Leased Property and efforts to consummate the Contemplated Transactions.

Conditions to Completion of the Transaction

The obligation of Sellers to consummate the Transaction is further subject to the satisfaction, or waiver by Sellers, at or prior to the effective time of the Transaction of the following conditions:

- the representations and warranties of Buyer contained in the Transaction Agreement shall be true and correct (determined without regard to any materiality or material adverse effect qualification contained in any such representation or warranty) as of the date of the Transaction Agreement and as of the Closing Date; provided, however, that to the extent such representations and warranties expressly relate to an earlier date, such representations and warranties shall be true and correct in all respects (determined without regard to any materiality or material adverse effect qualification contained in any such representation or warranty) as of such earlier date, in each case, except for such failures to be true and correct that would not reasonably be expected to prevent or materially delay or impair the ability of Buyer to consummate the Contemplated Transactions, or to perform its obligations under the Transaction Agreement;

- Buyer shall have performed and complied with, in all material respects, all of its covenants and obligations required to be performed by it under the Transaction Agreement at or prior to the Closing;

- all consents required from any governmental body under any antitrust or competition law must have been obtained and in full force and effect;

- the consent of each of the holders of debt of Sellers shall have been obtained and in full force and effect;

- the affirmative vote in favor of the Contemplated Transactions by Dyadic shareholders holding at least a majority of the shares of Dyadic common stock

outstanding and entitled to vote thereon at the special meeting must have been obtained; provided, that if the Board of Directors changes its recommendation to shareholders regarding the proposal to approve the Transaction pursuant to the Transaction Agreement (see "—Acquisition Proposals; Board Recommendation"), the affirmative vote of the holders of at least sixty-six and two-thirds percent of the voting power of all of the then outstanding shares of Dyadic's voting common stock, voting together as a single class, will be required to approve the Contemplated Transactions;

- Buyer must have made the payments required to be made by under the Transaction Agreement; and

- (a) no governmental body shall have enacted, issued, promulgated, enforced or entered any legal requirement that, in each case, is in effect, that restrains, enjoins or otherwise prohibits or materially restricts the consummation of the Contemplated Transactions or makes illegal the consummation of the Contemplated Transactions, (b) no order issued by any governmental body shall be in effect that restrains, enjoins or otherwise prohibits or materially restricts the consummation of the Contemplated Transactions or makes illegal the consummation of the Contemplated Transactions, and (c) no proceeding (that has not been withdrawn, dismissed with prejudice, rescinded or otherwise eliminated) is pending before, or is threatened by, any governmental body which would result, or would reasonably be expected to result, in any legal requirement which restrains, enjoins or otherwise prohibits or materially restricts the consummation of the Contemplated Transactions.

The obligation of Buyer to consummate the Transaction is further subject to the satisfaction, or waiver by Buyer, on or prior to the closing date of the Transaction of the following conditions:

- other than as set forth in the two subsequent bullets, all of the representations and warranties of Sellers contained in the Transaction Agreement shall be true and correct (determined without regard to any materiality or material adverse effect qualification contained in any representation or warranty) as of the date of the Transaction Agreement and as of the Closing Date; provided, however, that to the extent such representations and warranties expressly relate to an earlier date, such representations and warranties shall be true and correct in all respects (determined without regard to any materiality or material adverse effect qualification contained in any representation or warranty) as of such earlier date, in each case, except for such failures to be true and correct that would not reasonably be expected to have, individually or in the aggregate, a material adverse effect;

- the representations regarding organization; authority; no conflict; consents, title to Purchased Assets, and no brokers or finders fees, (collectively, the "Fundamental Representations") ownership of intellectual property, consents and impairment of intellectual property and infringement of intellectual property shall be true and correct in all respects both when made and at and as of the Closing Date as if

made at and as of such time (other than those made as of a specified date, which shall be true and correct in all respects as of such specified date), provided that with respect to the consent Fundamental Representation, the reference therein to contract shall only be reference to any Transferred Contract, any contract which was required to be disclosed as a material contract and/or any contract executed on or after the date of the Transaction Agreement that, would have been required to be disclosed as a material contract;

- all of the remaining intellectual property representations and warranties other than set forth in the immediately preceding bullet shall be true and correct (determined without regard to any materiality or material adverse effect qualification contained in any representation or warranty) in all material respects as of the date of the Transaction Agreement and as of the Closing Date (other than those made as of a specified date, which shall be true and correct in all material respects as of such specified date);

- Sellers shall have performed and complied with, in all material respects, all of its covenants and obligations required to be performed by it under the Transaction Agreement at or prior to the Closing;

- Genencor shall have satisfied its obligations with respect to the advice procedure with Genencor's works council under the Netherlands Works Councils Act;

- all consents required from any governmental body under any anti-trust or competition law must have been obtained and in full force and effect;

- the consent of each of the holders of debt of Sellers shall have been obtained and in full force and effect;

- Sellers shall have delivered certain notices identified in a confidential schedule to the Transaction Agreement;

- the special meeting shall have been held and concluded within sixty (60) days of the date of the Transaction Agreement, and if the second special meeting had been held it was held within forty-five (45) days of the initial special meeting;

- the affirmative vote in favor of the Contemplated Transactions by Dyadic shareholders holding at least a majority of the shares of Dyadic common stock outstanding and entitled to vote thereon at the special meeting must have been obtained; provided, that if the Board of Directors changes its recommendation to shareholders regarding the proposal to approve the Transaction pursuant to the Transaction Agreement (see "—Acquisition Proposals; Board Recommendation"), the affirmative vote of the holders of at least sixty-six and two-thirds percent of the voting power of all of the then outstanding shares of Dyadic's voting common stock, voting together as a single class, will be required to approve the Contemplated Transactions;

- Sellers' delivery of the Purchased Assets free and clear of all encumbrances (except permitted encumbrances);

- Sellers' delivery of resolutions of Dyadic USA and Dyadic Nederland approving the transactions;

- delivery of all UCC-3 termination statements and such other documentation reasonably requested by Buyer evidencing the release and termination of any encumbrances (except permitted encumbrances) related to Purchased Assets;

- a certificate of non-foreign status for each Seller, as applicable;

- delivery no later than four (4) business days prior to the Closing, a payoff letter from each of the debt holders of Sellers;

- (a) no governmental body shall have enacted, issued, promulgated, enforced or entered any legal requirement that, in each case, is in effect, that restrains, enjoins or otherwise prohibits or materially restricts the consummation of the Contemplated Transactions or makes illegal the consummation of the Contemplated Transactions, (b) no order issued by any governmental body shall be in effect that restrains, enjoins or otherwise prohibits or materially restricts the consummation of the Contemplated Transactions or makes illegal the consummation of the Contemplated Transactions, and (c) no proceeding (that has not been withdrawn, dismissed with prejudice, rescinded or otherwise eliminated) is pending before, or is threatened by, any governmental body which would result, or would reasonably be expected to result, in any legal requirement which restrains, enjoins or otherwise prohibits or materially restricts the consummation of the Contemplated Transactions;

- no material adverse effect shall have occurred between the date of the Transaction Agreement and the Closing Date; and

- Mark A. Emalfarb shall have delivered a duly executed non-compete agreement.

Termination

Sellers and Buyer may terminate the Transaction Agreement by mutual consent at any time prior to the effective time of the Transaction even after the approval of the Transaction pursuant to the Transaction Agreement by Dyadic's shareholders. In addition, Sellers or Buyer may terminate the Transaction Agreement if:

- the Closing has not occurred on or before March 8, 2016 (the "outside date"), except that the right to terminate as described in this bullet will not be available to any party whose breach of any provision of the Transaction Agreement results in or causes the failure of the transactions contemplated by the Transaction Agreement to be completed by that time; provided, however, that if all other conditions have been satisfied or waived other than consents required from any

governmental body under any anti-trust or competition law or the Netherlands Works Council obligations then the outside date set forth above shall automatically be extended to May 6, 2016; or

- the affirmative vote in favor of the Contemplated Transactions by Dyadic shareholders holding at least a majority of the shares of Dyadic common stock outstanding and entitled to vote thereon at the special meeting have not been obtained at the special meeting or the second special meeting, if Sellers have elected to hold such second meeting (or if Sellers have indicated an intent not to hold such second meeting or failed to timely deliver notice of the intent to hold such second meeting); provided, that if the Board of Directors changes its recommendation to shareholders regarding the proposal to approve the Transaction pursuant to the Transaction Agreement (see "—Acquisition Proposals; Board Recommendation"), the affirmative vote of the holders of at least sixty-six and two-thirds percent of the voting power of all of the then outstanding shares of Dyadic's voting common stock, voting together as a single class, will be required to approve the Contemplated Transactions, except that the right to terminate as described in this bullet will not be available to Sellers if Sellers have breached their obligations regarding holding the special meeting, preparation of the proxy or the section described above under "—Acquisition Proposals; Board Recommendation".

Buyer may terminate the Transaction Agreement if:

- there is any material breach by Sellers of any covenant, representation, warranty or other agreement or obligation of it contained in the Transaction Agreement, that would give rise to the failure of a condition set forth above under "Conditions to Completion of the Transaction (other than the condition that the shareholders of Dyadic approve the Transaction Agreement), and such breach cannot be cured by Sellers, or if capable of being cured, shall not have been fully cured within thirty (30) days following Sellers' receipt of written notice thereof by Buyer (and the outside date will be so extended until the end of such cure period to the extent necessary), except that the right to terminate pursuant to this bullet will not be available to Buyer if Buyer is then in material breach of any of its obligations under the Transaction Agreement; or

- prior to obtaining the affirmative vote in favor of the Contemplated Transactions by Dyadic shareholders holding at least a majority of the shares of Dyadic common stock outstanding and entitled to vote thereon at the special meeting (provided, that if the Board of Directors changes its recommendation to shareholders regarding the proposal to approve the Transaction pursuant to the Transaction Agreement (see "—Acquisition Proposals; Board Recommendation"), the affirmative vote of the holders of at least sixty-six and two-thirds percent of the voting power of all of the then outstanding shares of Dyadic's voting common stock, voting together as a single class, will be required to approve the Contemplated Transactions), (A) an Adverse Recommendation Change shall have occurred, (B) Sellers publically announced its intention to effect an Adverse

Recommendation Change; or (C) there shall have been a material breach by Sellers of the covenants described above under "Acquisition Proposals; Board Recommendation".

Sellers may terminate the Transaction Agreement if there is any material breach by Buyer of any covenant, representation, warranty or other agreement or obligation of it contained in the Transaction Agreement, that would give rise to the failure of a condition set forth above under "Conditions to Completion of the Transaction (other than the condition that the shareholders of Dyadic approve the Transaction Agreement), and such breach cannot be cured by Buyer, or if capable of being cured, shall not have been fully cured within thirty (30) days following Buyer's receipt of written notice thereof by Sellers (and the outside date will be so extended until the end of such cure period to the extent necessary), except that the right to terminate pursuant to this bullet will not be available to Sellers if Sellers are then in material breach of any of its obligations under the Transaction Agreement.

Effect of Termination

If the Transaction Agreement is terminated in accordance with its terms, the Transaction Agreement will become void and have no effect, and no party or their respective subsidiaries or affiliates of any officers or directors will have any liability under the Transaction Agreement or in connection with the transactions contemplated thereby, except (1) that the obligations of the parties under the Transaction Agreement relating to confidentiality, public announcements, termination and payment of the termination fee, among other provisions, will survive and (2) for any damages for an intentional breach of the Transaction Agreement prior to termination.

Termination Fee

The Transaction Agreement provides that, in the event of termination, Sellers will be required to pay to Buyer a termination fee in the circumstances described below (collectively, the "termination fee").

If, but only if, the Transaction Agreement is terminated by:

- Sellers or Buyer (1) due to the closing not occurring on or before the outside date as described in the first bullet of the first paragraph under "—Termination" or (2) as a result of the affirmative vote in favor of the Contemplated Transactions by Dyadic shareholders holding at least a majority of the shares of Dyadic common stock outstanding and entitled to vote thereon at the special meeting not being obtained at the special meeting (or a second special meeting, if any) (provided, that if the Board of Directors changes its recommendation to shareholders regarding the proposal to approve the Transaction pursuant to the Transaction Agreement (see "—Acquisition Proposals; Board Recommendation"), the affirmative vote of the holders of at least sixty-six and two-thirds percent of the voting power of all of the then outstanding shares of Dyadic's voting common stock, voting together as a single class, will be required to approve the Contemplated Transactions) as described in the second bullet of the first paragraph under "—Termination"; and:

- after the date of the Transaction Agreement and prior to requisite approval, an Acquisition Proposal has been made publicly known; and

- within 12 months after the termination of the Transaction Agreement, Sellers consummate any Acquisition Proposal (whether or not it is the same Acquisition Proposal referred to in the previous bullet),

then Sellers will pay, or cause to be paid, to Buyer, a termination fee of $4,500,000 within one (1) business day of the consummation of such Acquisition Proposal (except that for purposes this bullet, the references to "20%" in the definition of "Acquisition Proposal" described under "—Acquisition Proposals; Board Recommendation—Definitions" will be deemed to be references to "50%"); or

- Buyer as a result of an adverse recommendation or similar event described in the second bullet of the second paragraph under "—Termination," then Sellers will pay, or cause to be paid, to Buyer a termination fee of $2,500,000 not later than the second business day following the termination; provided that the termination fee pursuant to this bullet shall be payable by Sellers in eleven (11) monthly installments of $200,000 and one final monthly payment of $300,000; provided, further, that in the event Sellers consummate any Acquisition Proposal during such payment period they will be required to pay the balance of the termination fee within two (2) business days of such consummation (except that for purposes this bullet, the references to "20%" in the definition of "Acquisition Proposal" described under "—Acquisition Proposals; Board Recommendation—Definitions" will be deemed to be references to "50%").

In no event will Sellers be required to pay the termination fee on more than one (1) occasion.

If Buyer is entitled to receive, and actually does receive payment of the termination fee from Sellers as described above, such termination fee will constitute the sole and exclusive remedy of Buyer against Seller and its subsidiaries, Dyadic's shareholders and other related parties for all losses and damages suffered as a result of the failure of the transactions contemplated by the Transaction Agreement to be consummated or for a breach or failure to perform hereunder or otherwise, and upon payment of that amount, none of the those parties will have any further liability or obligation relating to or arising out of the Transaction Agreement or the transactions contemplated thereby, except the foregoing shall not limit the rights or remedies of:

- Buyer (or its affiliates who are entitled to indemnification) in connection with or pursuant to the voting agreement;

- Buyer in connection with a termination of the Transaction Agreement as described in the first or second bullet of the first paragraph under "—Termination" prior to the date on which Buyer becomes entitled to receive the termination fee; provided, that (A) if, prior to the termination fee becoming due and payable,

Buyer receives payment from Sellers as result of a suit against Sellers, then Buyer shall only be entitled to receive from Sellers the positive difference, if any, of the difference between (x) the termination fee owed, minus, (y) the amount actually received from Sellers pursuant to such suit; provided, further, that upon receipt of the termination fee, Buyer shall not be entitled to any further right or remedy in connection with such termination and shall promptly take such actions necessary to dismiss any suit or vacate any order relating thereto; and (B) if Sellers fail to timely pay any amount due as described above and, in order to obtain that payment, Buyer commences a suit that results in a judgment against Sellers for the payment of the termination fee, Sellers will pay Buyer its reasonable, documented out-of-pocket costs and expenses in connection with the suit, together with interest on that amount at the annual rate of the prime rate (as published in the *Wall Street Journal*) in effect on the date that the payment was required to be made through the date that the payment was actually received.

Indemnification

From and after the closing, we have agreed to indemnify and hold harmless Buyer and its affiliates and their respective directors, officers and employees (collectively, the "buyer indemnified persons") from and against any liabilities and/or judgments (including reasonable legal, accounting and other professional fees and expenses and court costs), arising out of or related to:

- any breach of Sellers' representations and warranties,
- any breach by Sellers of any covenant or obligation of Sellers; or
- any Excluded Liability.

From and after the closing, Buyer has agreed to indemnify and hold harmless Sellers, their affiliates and their respective directors, officers and employees (collectively, the "seller indemnified persons") from and against any liabilities and/or judgments (including reasonable legal, accounting and other professional fees and expenses and court costs), arising out of or related to:

- any breach of Buyer's representations and warranties,
- any breach by Buyer of any covenant or obligation of Buyer; or
- any Assumed Liability.

All covenants, representations and warranties of will survive closing and continue to be limited as follows: (i) the Fundamental Representations will survive indefinitely; (ii) all other representations and warranties will survive Closing for a period of 18 months; and (iii) all covenants and obligations and the Excluded Liabilities and Assumed Liabilities shall survive Closing indefinitely or for such lesser period of time as may be specified therein. The

indemnification obligations above shall each survive Closing until the expiration of the applicable statute of limitations with respect to the indemnification claim being asserted.

Except for claims for a breach of any Fundamental Representations or any intellectual property representation, Sellers will have no liability for indemnification for a breach of a representation or warranty until the aggregate amount of all damages claimed exceeds $500,000, and then for all amounts of damages from the first dollar of damages. Neither party has any obligation to indemnify for lost profits or for consequential, incidental, punitive or exemplary damages under the Transaction Agreement, other than for any such lost profits or damages actually incurred by an indemnified person pursuant to a claim by a third party for which such indemnified person is entitled to indemnification.

Sellers' total and aggregate liability for:

- all claims for a breach of representation or warranty (other than with respect to breaches of any Fundamental Representation) shall in no event exceed $10,000,000; and

- all claims for a breach of any Fundamental Representations shall in no event exceed the purchase price.

For purposes of determining the amount of damages that may be subject to indemnification as a result thereof, the words "material", "materially", "material adverse effect," and words of similar import in the applicable representations and warranties shall be disregarded.

Notwithstanding the foregoing, there are no limitations on breaches where the basis of the claim is fraud.

Until the escrow account is finally released as further described above, all damages payable by Sellers for indemnification shall be recoverable first from the escrow account, and to the extent such damages exceed the then-available amount in the escrow account, then from Sellers.

Amendments

The Transaction Agreement may be amended or modified in whole or in part, only by a duly authorized agreement in writing executed by Buyer and Sellers. The approval of the Transaction Agreement by Dyadic's shareholders will not restrict the ability of our Board of Directors to terminate the Transaction Agreement by mutual consent with Buyer or to cause Sellers to enter into an amendment to the Transaction Agreement to the extent permitted under the Delaware General Corporation Law.

Dispute Resolution & Governing Law

The Transaction Agreement will be construed and enforced in accordance with the laws of the State of Delaware, without regard to the conflict of laws principles that would result in the application of any law other than the law of the State of Delaware. All disputes pursuant to the

Transaction Agreement are required to be settled by binding arbitration, in accordance with the Center for Public Resources Rules for Non-Administered Arbitration of Business Disputes.

Specific Performance

The parties have agreed that each party will be entitled to seek an injunction or injunctions to prevent breaches of the Transaction Agreement and to specifically enforce the terms and provisions of the Transaction Agreement, in addition to any other remedy to which any party to the Transaction Agreement is entitled at law or in equity. The parties have further agreed that by seeking the remedies described in this paragraph, a party will not in any respect waive its right to seek any other form of relief that may be available to a party under the Transaction Agreement or the confidentiality agreement entered into with Buyer (including monetary damages) in the event that the Transaction Agreement has been terminated or in the event that the remedies described in this paragraph are not available or otherwise are not granted.

THE PHARMACEUTICAL LICENSE

The following description of the Pharmaceutical License describes the material provisions of the Pharmaceutical License but does not purport to describe all of the terms of that agreement. The redacted form of Pharmaceutical License is attached to this proxy statement as Annex B and incorporated by reference into this proxy statement. You are urged to read the Pharmaceutical License in its entirety because it is the legal document that governs this aspect of the Transaction. Any capitalized terms used in this section and not otherwise defined in this proxy statement shall have the meanings assigned to such terms in the Pharmaceutical License.

Danisco has granted to Dyadic a field limited co-exclusive license to the patents, materials and C1 strains acquired by Danisco pursuant to the Transaction Agreement. This limited field (the "Field") covers the use of the foregoing with respect to C1 for the discovery, development, expression, modification, improvement, manufacture or commercialization of (i) an active pharmaceutical ingredient or active moiety intended for the treatment, diagnosis or prophylaxis of any disease or medical condition in a human or any other animal, (ii) an intermediate which is subsequently processed into an active pharmaceutical ingredient, or (iii) a processing aid used in the production of an active pharmaceutical ingredient (each a "Pharmaceutical Product").

As part of the transaction, with respect to the Transferred Patents, Dyadic has freedom to operate and the exclusive right to grant sublicenses (subject to the terms of the license and subject to certain exceptions). Where Dyadic identifies infringement of the Transferred Patents within the Field, it has the primary right to enforce the Transferred Patents. Within the Field, Dyadic has the sole right to transfer C1 or modified C1 strains to a pharmaceutical partner. Within the Field, Danisco has the right to transfer C1 or modified C1 strains to third party service providers such as contract manufacturers.

Both parties under the Pharmaceutical License have agreed to certain limitations in order to protect each party's rights within and outside of the Field. Dyadic may not transfer C1 or any modified C1 strain to a third party who is using or will use C1 outside of the Field. In the event such use occurs, Dyadic must take steps to prevent such continued use and has granted Danisco rights to act against such improper use, including the right to terminate such third party's sublicense if such use outside the Field continues. In the event Dyadic violates the Field limitations of the Pharmaceutical License, Danisco will have a right to terminate Dyadic's right within the Field if Dyadic does not cease such activities.

For Pharmaceutical Products made by Dansico using C1 or modified C1 Strains, Danisco will be obligated to pay a variable royalty to Dyadic depending upon the nature of the Pharmaceutical Product and manner in which it was produced. The applicable royalty to be paid by Danisco can be increased in accordance with the terms of the Pharmaceutical License if Dansico requires a further license to patents owned by Dyadic's sublicensees.

For certain Pharmaceutical Products, which are developed under the Services Agreement by Dansico using C1 or modified C1 strains, Dyadic or its sublicensees may be obligated to pay a variable royalty to Danisco depending upon the nature of the Pharmaceutical Product and manner in which it was produced. Dyadic is obligated to pay such a royalty only where it or its

sublicensees require a license to patents controlled by Danisco after the execution of the Pharmaceutical License or where Danisco gives Dyadic the benefit of a third party license and such license requires such a payment of a royalty. In all other circumstances Dyadic's activities within the Field are royalty free with respect to Danisco.

The Pharmaceutical License also contemplates fee-for-service research work by Dansico for the benefit of Dyadic. The provision of such Services as defined in the Pharmaceutical License, if agreed to between the Parties during the 60 day period after the Effective Date of the Pharmaceutical License, will last three years. Dyadic may terminate the obligation of Danisco to provide the Services and the obligation of Dyadic to pay for Services (other than any Services rendered prior to the effectiveness of such termination) by providing Danisco with thirty (30) days prior written notice of such termination.

THE VOTING AGREEMENT

In connection with the entry into of the Transaction Agreement, Danisco entered into three respective (3) voting agreements (collectively, the "Voting Agreement") with The Mark A. Emalfarb Trust, Lisa K. Emalfarb and the Francisco Trust (collectively, the "Supporting Shareholders"). The Supporting Shareholders, which include an affiliate of Mark A. Emalfarb, our Chief Executive Officer, collectively owned 9,058,681 shares of Dyadic common stock (the "Subject Shares"), or approximately 26.4% of the issued and outstanding shares, as of the close of business on the record date.

The following description of the Voting Agreement describes the material provisions of those agreements but does not purport to describe all of the terms of those agreements. The full text of the Voting Agreement is attached as Annex C to this proxy statement. You are urged to read the Voting Agreement in its entirety because it is a legal document that relates to the rights among the shareholders party to the Voting Agreement and Danisco and may affect whether the vote required to approve the Transaction pursuant to the Transaction Agreement will be obtained.

Pursuant to the Voting Agreement, except to the extent waived in writing by Danisco in its sole and absolute discretion, at any annual or special meeting of the Dyadic shareholders, or at any adjournment or postponement thereof, each Supporting Shareholder will (i) appear at such annual or special meeting, in person or by proxy, or otherwise cause its Subject Shares to be counted as present thereat for purposes of calculating a quorum and (ii) vote (or cause to be voted), in person or by proxy, all of the Subject Shares owned, beneficially or of record, by the Supporting Shareholder during the term of the Voting Agreement that are entitled to vote at the meeting:

- in favor of approval of the Transaction pursuant to the Transaction Agreement and the consummation of the Contemplated Transactions (as defined in the Transaction Agreement) (in each case, as the same may be amended); and
- against the following actions:
    - any action or agreement that would result, or would be reasonably expected to result, in a breach of any covenant, warranty or any other obligation or agreement of Dyadic or any of its Affiliates contained in the Transaction Agreement (as the same may be amended);
    - any Acquisition Proposal or any Contract (as each is defined in the Transaction Agreement) relating thereto; and
    - any action, Contract or transaction that would to the knowledge of the Supporting Shareholder reasonably be expected to impede, interfere with, delay, postpone, discourage, prevent, nullify, frustrate the purposes of, be in opposition to or in competition or inconsistent with, or materially and adversely affect, the Transaction Agreement or consummation of the Contemplated Transactions (in each case, as the same may be amended).

Even in the event our Board of Directors makes an Adverse Recommendation Change described under "THE TRANSACTION AGREEMENT—No Change in Recommendation," the Supporting Shareholder will still be required to vote the Subject Shares in favor of the Transaction Agreement and the Contemplated Transactions and against any competing proposal as more fully set forth above.

Restrictions on Transfer, Proxies and Non-Interference

The Supporting Shareholders have agreed to certain transfer restrictions for the Subject Shares. In particular, prior to the termination of the Voting Agreement, the Supporting Shareholders may not:

- directly or indirectly, offer for sale, sell, transfer, tender, pledge, hypothecate, encumber, exchange, assign, grant participation in tender or otherwise dispose (including by gift, merger, or otherwise by operation of law) of, or enter into any contract or agreement with respect to such a transfer of, any or all of the Supporting Shareholder's Subject Shares or any other securities of Dyadic or any interest therein to any person, other than pursuant to the terms of the Voting Agreement;

- enter into any voting trust or other contract with respect to the Subject Shares;

- directly or indirectly, grant any proxy, revocable or irrevocable, consent or powers of attorney with respect to any or all of the Supporting Shareholder's Subject Shares;

- take any action that would make any representation or warranty of the Supporting Shareholder, in its capacity as a shareholder of Dyadic, contained in the Voting Agreement untrue or incorrect in any material respect or have the effect of prohibiting or preventing the Supporting Shareholder from performing any of his, her or its material obligations under the Voting Agreement, solely in his, her or its capacity as a shareholder of Dyadic; or

- commit or agree to take any action, that to the Supporting Shareholder's knowledge, is inconsistent with its obligations under the Voting Agreement.

The parties have agreed that the restrictions described above will be binding on any person to which legal, record or beneficial ownership of the Subject Shares passes, and any transferor of Subject Shares will remain liable for the performance of all of the obligations of the Supporting Shareholder under the Voting Agreement.

Termination

The Voting Agreement shall terminate automatically, without any notice or other action by any person, upon the first to occur of (a) the Closing, (b) the termination of the Transaction Agreement in accordance with its terms, and (c) the mutual written consent of all of the parties thereto. After the occurrence of such applicable event, the Voting Agreement shall be of no

further force. Upon termination of the Voting Agreement, no party shall have any further obligations or liabilities under this Agreement; provided that, such termination shall not relieve any party from any liability for intentional breach of the Voting Agreement occurring prior to such termination.

Indemnification

Dyadic has agreed to indemnify (including the advancement of expenses) each Supporting Shareholder to the fullest extent permitted by law if such Supporting Shareholder is or becomes a party to or witness or other participant in, or is threatened to be made a party to or witness or other participant in, any claim by reason of (or arising in part out of) any event or occurrence related to the fact that such Supporting Shareholder is a party to the Voting Agreement, except to the extent a final decision by a court having jurisdiction in the matter shall determine that such Supporting Shareholder has breached or otherwise violated the Voting Agreement or to the extent a court of competent jurisdiction determines in any proceeding instituted by such Supporting Shareholder to enforce or interpret the indemnification agreement that the material assertions made by such Supporting Shareholder in such proceeding was not made in good faith or was frivolous.

CERTAIN MATTERS REGARDING DYADIC COMMON STOCK

The information presented below regarding beneficial ownership of Dyadic common stock is based upon representations made to us by our directors, officers and other key personnel, and is not necessarily indicative of beneficial ownership for any other purpose. In the table below, we have deemed a person to be a "beneficial owner" of a security if that person has or shares the power to vote or direct the voting of the security or the power to dispose of or direct the disposition of the security. Beneficial ownership includes any security with respect to which a person has the right to acquire sole or shared voting or investment power within 60 days through the conversion or exercise of any convertible security, warrant, option or other right. The table sets forth as to each director, executive officer, key personnel and beneficial holder of 5% or more of the outstanding Dyadic common stock as of September 30, 2015 and includes (1) the number of shares of Dyadic common stock beneficially owned and (2) the percent of total shares of Dyadic common stock outstanding that are beneficially owned.

The Dyadic common stock is not registered under the Securities Exchange Act of 1934, and our shareholders are not required to file certain stock ownership reports with the Securities and Exchange Commission. As a result, we have limited information about the owners of Dyadic common stock. The information presented below regarding ownership of Dyadic common stock is based upon information in our stock ledger and provided to us by our shareholders.

As of October 31, 2015, there were 34,180,630 shares of Dyadic common stock issued and outstanding. The beneficial ownership table below includes the number of shares subject to convertible debt conversion of 5,335,919 shares, options exercisable within 60 days of 1,439,791 shares and restricted stock vesting within 60 days of 97,032 shares; however, it does not include the stock options and restricted stock units that would not have otherwise been vested and exercisable within 60 days but will become vested and exercisable upon consummation of this Transaction as a result of the immediate and automatic vesting of all outstanding Stock Options and Restricted Stock Units upon consummation of the Transaction, in accordance with and pursuant to the Company's benefit plans and as approved by the Board of Directors.

	Number of Shares and Nature of Beneficial Ownership					
Name of Beneficial Owner	Number of Shares Held	Convertible Debt Converted Shares(1)	Options Exercisable within 60 Days	Restricted Stock Units Vesting within 60 Days	Total Beneficial Ownership	Percentage Owned (%)
Five Percent Stockholders						
The Francisco Trust U/A/D February 28, 1996 (2)	4,010,082	390,625	-	-	4,400,707	12.7%
Mark A. Emalfarb U/A/D October 1, 1987 (3)(4)	3,427,687	675,676	-	-	4,103,363	11.8%
Pinnacle Fund (5)	-	4,269,618	-	-	4,269,618	11.1%

Abengoa BioEnergy	2,136,752	-	-	-	2,136,752	6.3%
Directors:						
Robert D. Burke, MD	481,444	-	103,125	7,423	591,992	1.7%
Seth J, Herbst, MD	252,500	-	133,125	7,423	393,048	1.1%
Jack Kaye	-	-	7,500	5,449	12,949	-
Michael P. Tarnok	-	-	19,375	9,897	29,272	0.1%
Stephen J. Warner	250,000	-	103,125	7,423	360,548	1.1%
Executive Officers & Key Personnel:						
Mark A. Emalfarb (3)(4)	-	-	165,826	-	165,826	0.5%
Danai E. Brooks	-	-	281,667	59,417	341,084	1.0%
Thomas L. Dubinski	-	-	50,000	-	50,000	0.1%
Richard H. Jundzil	-	-	252,500	-	252,500	0.7%
Wim van der Wilden	18,750	-	231,250	-	250,000	0.7%
Jaap Visser	6,250	-	20,625	-	26,875	0.1%

(1) This assumes the full conversion of the outstanding Convertible Notes. See "TRANSACTION—Treatment of Secured Debt—Convertible Subordinated Debt" in this proxy statement for details regarding the terms and conditions of the Convertible Notes.

(2) As described in "TRANSACTION—Treatment of Secured Debt—Convertible Subordinated Debt", holders of the Company's Convertible Notes will receive warrants upon consummation of the Transaction. The Francisco Trust U/A/D February 28, 1996 will receive 97,656 shares of the Company assuming a full exercise of warrants received upon consummation of the Transaction (assuming a December 31, 2015 closing date).

(3) The settlor and the beneficiaries of the Mark A. Emalfarb Trust are affiliates of Dyadic's CEO Mark A. Emalfarb. All shares beneficially owned by Mark A. Emalfarb are owned through the Mark A. Emalfarb Trust.

(4) As described in "TRANSACTION—Treatment of Secured Debt—Convertible Subordinated Debt", holders of the Company's Convertible Notes will receive warrants upon consummation of the Transaction. The Mark A. Emalfarb U/A/D October 1, 1987 will receive 168,919 shares of the Company assuming a full exercise of warrants received upon consummation of the Transaction (assuming a December 31, 2015 closing date).

The settlor and the beneficiaries of the Mark A. Emalfarb Trust are affiliates of Dyadic's CEO Mark A. Emalfarb.

(5) As described in "TRANSACTION—Treatment of Secured Debt—Convertible Subordinated Debt", holders of the Company's Convertible Notes will receive warrants upon consummation of the Transaction. The Pinnacle Fund will receive 676,780 shares of the Company assuming a full exercise of warrants received upon consummation of the Transaction (assuming a December 31, 2015 closing date).

In connection with the Transaction Agreement, the Francisco Trust, the Mark A. Emalfarb Trust and Lisa K. Emalfarb, who collectively hold an aggregate of 9,032,431 shares of Dyadic common stock, or approximately 26.4% of the shares currently outstanding, have entered into voting agreements pursuant to which, subject to certain limitations, they have agreed to, among other things, vote the shares controlled by them "**FOR**" the proposal to approve the Transaction pursuant to the Transaction Agreement.

ADDITIONAL INFORMATION

We "incorporate by reference" into this proxy statement the following information, which can be accessed from our website at *http://www.dyadic.com* and is filed with the OTC Markets.

- Annual Report for the fiscal year ended December 31, 2014;
- Consolidated Financial Statements for the fiscal year ended December 31, 2014;
- Quarterly Report for the three-month period ended March 31, 2015, the six-month period ended June 30, 2015 and the nine-month period ended September 30, 2015;

The information incorporated by reference is considered to be a part of this proxy statement as if stated herein. At your request, we will provide to you a copy of any or all of the above documents that have been incorporated by reference into this proxy statement at no cost.

Requests for additional copies of this proxy statement or the enclosed proxy card, as well as requests for additional information, may be made by writing or calling us at the following address or telephone number:

Morrow & Co., LLC
470 West Avenue – 3rd Floor
Stamford, CT 06902
Banks and Brokers Call: (203) 658-9400
Shareholders Call Toll Free: (800) 206-5879
dyai.info@morrowco.com

Annex A

The Transaction Agreement

Annex A
EXECUTION VERSION

ASSET PURCHASE AND SALE AGREEMENT

by and among

DANISCO US INC.,

DYADIC INTERNATIONAL, INC.,

and

DYADIC INTERNATIONAL (USA), INC.

Dated November 9, 2015

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EXHIBITS

SELLERS' DISCLOSURE SCHEDULES

BUYER'S DISCLOSURE SCHEDULES

ASSET PURCHASE AND SALE AGREEMENT

This Asset Purchase and Sale Agreement is made as of the 9th day of November, 2015, by and among Danisco US Inc., a Delaware corporation (***"Buyer"***), Dyadic International, Inc., a Delaware corporation (***"Dyadic"***), and Dyadic International (USA), Inc., a Florida corporation (***"Dyadic USA"***). Dyadic and Dyadic USA are, at times, collectively referred to herein as ***"Sellers"*** and each individually as a ***"Seller"***.

RECITALS

WHEREAS, Sellers and certain of their respective Affiliates have been engaged in the Business;

WHEREAS, Buyer and/or certain of its Affiliates desire to purchase from Sellers and/or their respective Affiliates, the Purchased Assets, for the consideration and on the terms set forth in this Agreement;

WHEREAS, Sellers and/or their respective Affiliates desire to sell to Buyer and/or its applicable Affiliates, the Purchased Assets, for the consideration and on the terms set forth in this Agreement; and

WHEREAS, Dyadic is the sole stockholder of Dyadic USA and Dyadic USA is the sole shareholder of Dyadic Nederland B.V., a limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) organized and existing under the laws of the Netherlands (***"Dyadic Nederland"***);

WHEREAS, the board of directors of Dyadic (the ***"Dyadic Board"***) has unanimously adopted resolutions pursuant to which the Dyadic Board (a) determined that this Agreement and the Contemplated Transactions are fair to and in the best interests of Dyadic's stockholders and Dyadic USA, (b) approved this Agreement and the Contemplated Transactions, (c) directed that the consummation of the Contemplated Transactions be submitted to a vote at the Special Meeting and (d) recommended that the Dyadic stockholders vote to approve the consummation of the Contemplated Transactions;

WHEREAS, Dyadic, acting as the sole stockholder of Dyadic USA, has, by written consent, approved this Agreement and the consummation of the Contemplated Transactions;

WHEREAS, the management board of Dyadic Nederland (the ***"Dyadic Nederland Board"***) has unanimously adopted resolutions pursuant to which the Dyadic Nederland Board (a) determined that the Dutch Agreement and the transactions contemplated therein are in the best interest of Dyadic Nederland's sole shareholder and the other stakeholders of Dyadic Nederland, (b) approved the Dutch Agreement and the transactions contemplated therein and (c) recommended that Dyadic USA, in its capacity as the sole shareholder of Dyadic Nederland, approve the consummation of transactions contemplated by the Dutch Agreement;

WHEREAS, Dyadic USA, acting as the sole shareholder of Dyadic Nederland, has by written consent approved the consummation of the transactions contemplated by the Dutch Agreement; and

WHEREAS, concurrently with the execution and delivery of this Agreement, and as a condition and inducement to the willingness of Buyer to enter into this Agreement, certain stockholders of Dyadic have executed and delivered the Voting Agreements pursuant to which, following the execution and delivery of this Agreement, each such stockholder has agreed to vote all of the shares of Dyadic Stock held of record by such stockholder in favor of the Contemplated Transactions.

NOW THEREFORE, for and in consideration of the foregoing and the mutual covenants and agreements contained in this Agreement, and intending to be legally bound hereby, Buyer and Sellers hereby agree as follows:

ARTICLE 1
DEFINITIONS

For purposes of this Agreement, the following terms shall have the meanings specified or referred to in this Article 1:

"Acceptable Confidentiality Agreement" – is defined in Section 5.19(a).

"Accounting Firm" – means Deloitte LLP, or, if Deloitte LLP shall be incapable or unwilling to serve in such capacity, such other independent accounting firm as the parties shall agree.

"Acquiring Competitor" – means any Person or group of Persons that, as of the Closing Date, develops, makes, has made, markets, labels, uses, sells, has sold and/or imports to any Person the Restricted Products.

"Acquiring Competitor Entities" – means (a) the Acquiring Competitor and/or (b) any Affiliate of the Acquiring Competitor, excluding, in all events, Sellers and any of their respective Affiliates as of immediately prior to the consummation of the Change of Control.

"Acquisition Proposal" – means, other than the Contemplated Transactions, any proposal, offer from, or indication of interest by, any Person (other than Buyer or its Affiliates) relating to any direct or indirect transaction or series of transactions (whether or not in writing) involving any (a) sale, disposition, acquisition or other transfer of (i) the beneficial ownership (within the meaning of Section 13(d) of the Exchange Act) of twenty percent (20%) or more of the voting equity interests (including, without limitation, options or other rights to acquire any voting equity interests) of either Seller or any of its respective Affiliates or (ii) twenty percent (20%) or more of the issued and outstanding equity interests (including, without limitation, options or other rights to acquire any equity interests) of either Seller or any of its respective Affiliates, (b) sale, lease, license, exchange, disposition, acquisition or other transfer (other than sales of inventory in the Ordinary Course of Business) of twenty percent (20%) or more of (i) the Business or (ii) the assets of either Seller or any of its respective Affiliates, (c) merger, joint venture, partnership, dissolution, liquidation, consolidation, business combination, issuance of securities (other than (x) upon the conversion of any convertible securities issued prior to the date hereof or pursuant to the exercise of any options or warrants issued pursuant to any Sellers' Benefit Plan prior to the date hereof or after the date hereof in accordance with the terms of any such Sellers' Benefit Plan and (y) one or more issuances of shares of Dyadic Stock in an aggregate amount not to exceed two percent (2%) of the number of shares of Dyadic Stock outstanding as of the date hereof),

reorganization, recapitalization, takeover offer, tender offer, exchange offer or similar transaction involving either Seller or any of its respective Affiliates or (d) any combination of the foregoing.

"Additional Confidentiality Obligations" – is defined in Section 5.4(g).

"Adverse Recommendation Change" – is defined in Section 5.19(b).

"Affiliate" – means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such first Person. For purposes of this definition, the terms "control," "controlling," "controlled by" or "under common control with" shall mean the possession, direct or indirect, of the power to control the management of a Person, whether through the ownership of voting securities, by Contract or otherwise.

"Agreement" – means this Asset Purchase and Sale Agreement, including all **Exhibits**, **Sellers' Disclosure Schedules** and **Buyer's Disclosure Schedules** hereto, as amended, modified or supplemented from time to time in accordance with its terms.

"Allocation Schedule" – is defined in Section 2.4(b).

"Allocation Schedules Disagreement Notice" – is defined in Section 2.4(d).

"Allocation Schedules Disagreement Period" – is defined in Section 2.4(c).

"***Alternative Acquisition Agreement***" – is defined in Section 5.19(a).

"Applicable Anti-Corruption Laws" – is defined in Section 3.16(a)(i).

"Applicable Price Fixing Laws" – is defined in Section 3.16(a)(ii).

"Assignment and Assumption Agreement" – means the Assignment and Assumption Agreement in the form attached hereto as **Exhibit 1(A)** to be entered into by Dyadic, Dyadic USA and/or their respective Affiliates, as applicable, and Buyer and/or its Affiliates, as applicable, at the Closing.

"Assumed Leases" – is defined in Section 3.24(a).

"Assumed Leased Equipment" – means the Leased Equipment assumed by Buyer or its Affiliates pursuant to a Transferred Contract and which is expressly identified and set forth on **Exhibit 1(B)**.

"Assumed Leased Properties" – means, collectively, each Leased Real Property assumed by Buyer or its Affiliates pursuant to a Transferred Contract and which is expressly identified and set forth on **Exhibit 1(C)**.

"Assumed Liabilities" – is defined in Section 2.1(c).

"Bill of Sale" – means the Bill of Sale in the form attached hereto as **Exhibit 1(D)** to be entered into by Dyadic, Dyadic USA and/or their respective Affiliates, as applicable, and Buyer and/or its Affiliates, as applicable, at the Closing.

"Biological Data" – means, without limitation, any data related to the safety of use, genetic make-up (including, without limitation, strain construction and toxicological studies), development, scale up and production processes and activity related to the biological materials that are provided and the intermediates and products produced by these biological materials.

"Books and Records" – means books, records, files, data and documentation in any media, including, but not limited to, all business records, audit records, tangible data, electronic media and management information systems, disks, files, customer lists, supplier lists, specifications, operation or maintenance manuals and logs, bids, policy and instruction manuals and directories, all products documentation, invoices, credit records, sales, market and promotional literature of any kind, quality control records and procedures, purchase orders and other sales and purchase records, service and warranty records, correspondence (including, but not limited to, correspondence with any customers, suppliers, distributors, licensees and/or Governmental Bodies), databases, litigation files and attorney work product, retained product samples, technical documentation and other related materials and all documents identified in the Data Room.

"Breach" – a "Breach" of a representation, warranty, covenant, obligation or other provision of this Agreement shall be deemed to have occurred if there is or has been an actual breach of, or any actual failure to perform or comply with, such representation, warranty, covenant, obligation or other provision of this Agreement.

"Business" – means the research, development, making, having made, marketing, use, import, licensing and sale of the Products, the Transferred Strains & Enzymes, other enzyme mixtures, proteins or compositions produced from the Transferred Strains & Enzymes, and, in each case, any products derived therefrom, including, but not limited to, any healthcare related products.

"Business Day" – means any day other than (a) a Saturday or a Sunday or (b) a day on which commercial banks located in the State of Delaware are authorized or required by Legal Requirements to be closed for business.

"Buyer" – is defined in the preamble.

"Buyer Appointment Term" – is defined in Section 5.12(f)

"Buyer Designated Confidential Information" – is defined in Section 5.4(g).

"Buyer Designated Employees" **–** means those employees of either Seller expressly identified and set forth on **Exhibit 1(E)**, as such **Exhibit** may be updated from time to time by Buyer on or prior to the date that is ten (10) days prior to the Closing Date.

"Buyer Indemnified Persons" – is defined in Section 9.1.

"Buyer Works Council Notice" – is defined in Section 5.21(a).

"Buyer's Disclosure Schedules" – means the disclosure schedules of Buyer attached hereto and made a part hereof.

"CBS" **–** means the Centraalbureau voor Schimmelcultures Fungal Biodiversity Centre, an institute of the Royal Netherlands Academy of Arts and Sciences.

"Change of Control" – means, with respect to either Seller, any transaction or series of transactions (as a result of a tender offer, merger, consolidation, sale of securities or otherwise) that results in an Acquiring Competitor acquiring, directly or indirectly, at any time prior to the fifth (5^{th}) anniversary of the Closing Date, (a) beneficial ownership (within the meaning of Section 13(d) of the Exchange Act) of fifty percent (50%) or more of the aggregate voting power of all classes of capital stock or other voting securities of either Seller, or (b) all or substantially all of the assets of either Seller.

"Change of Control Effective Date" – means the date on which a Change of Control becomes effective in accordance with the definitive transaction documents pursuant to which the Change of Control is consummated.

"Claim Notice" – means a certificate, based on the form attached hereto as **Exhibit 1(F)**.

"Claim Date" – means the date a Claim Notice is delivered to an Indemnifying Person pursuant to Section 9.5(a)(i).

"Closing" – is defined in Section 2.6.

"Closing Date" – is defined in Section 2.6.

"Closing Date Purchase Price" – means an amount equal to Seventy-Five Million Dollars (U.S. $75,000,000) minus the Escrow Amount.

"Code" **–** means the Internal Revenue Code of 1986, as amended from time to time.

"Competitive Activities" – is defined in Section 5.1(a).

"Confidential Disclosure and Material Transfer Agreement" – means that certain Confidential Disclosure and Material Transfer Agreement, dated as of January 26, 2015, by and among Buyer, Dyadic and Dyadic Nederland.

"Confidential Information" – is defined in Section 5.4(a).

"Confidentiality Agreements" – means, collectively, the Confidential Disclosure and Material Transfer Agreement, the Mutual Material Transfer Agreement and the Mutual Nondisclosure Agreement.

"Consent" – means any approval, consent, ratification, permission, waiver or authorization.

"Contemplated Transactions" – means all of the transactions contemplated by this Agreement and the other Transaction Documents.

"Contract" – means any agreement, contract, mortgage, note, loan, indenture, lease, evidence of indebtedness, guaranty, purchase order, customer order, letter of credit, franchise agreement, option, warrant, equityholder agreement, undertaking, covenant-not-to-compete, employment agreement, license, instrument, or other legally binding obligation or commitment, whether written or oral (a) to which a Person is a party or (b) by which a Person or its assets or property is bound.

"Copyrights" – means any and all rights in mask works (as defined in 17 U.S.C. Section 901) and in works of authorship of any type, including Software, registrations and applications for registration thereof throughout the world, all rights therein provided by international treaties and conventions, all moral and common law rights thereto, and all other rights associated therewith, whether published or unpublished, including rights to prepare, reproduce, perform, display and distribute copyrighted works and copies, compilations and derivative works thereof.

"Covered Country" and ***"Covered Countries"*** – are defined in Section 5.12(f).

"CPR" – is defined in Section 10.3(b).

"Damages" – is defined in Section 9.1.

"Data Room" – means the electronic data room hosted by IntraLinks containing documents and information relevant to the Purchased Assets, the Products, the Business, the Assumed Leased Properties and the Contemplated Transactions that was established and maintained by or on behalf of Sellers under the project name "Project Callisto" and to which Buyer has been provided access in connection with the Contemplated Transactions.

"Deposit Facility" – means the CBS, Bio-Technical Resources, and each such similar commercial research or storage facility where any of the Transferred Strains & Enzymes are located as of the date of this Agreement.

"Disclosure Materials" – is defined in Section 5.25(a).

"Dispute" – is defined in Section 10.3(a).

"Draft Net Current Assets Statement" – is defined in Section 2.3(b).

"DuPont Netherlands" – means Genencor International B.V., a limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) organized and existing under the laws of the Netherlands.

"Dutch Agreement" – means the Asset Purchase and Sale Agreement (together with all schedules and exhibits thereto) in substantially the form attached hereto as **Exhibit 1(G)**, which **Exhibit 1(G)** shall be subject to any amendments agreed between DuPont Netherlands and Dyadic Nederland which result from consultation with DuPont Netherlands' works council in

order for DuPont Netherlands to comply with the Netherlands Works Councils Act (*Wet op de ondernemingsraden*), to be entered into by and between DuPont Netherlands and Dyadic Nederland at the Closing.

"Dutch Employees" – means the employees of Dyadic Nederland.

"Dyadic" – is defined in the preamble.

"Dyadic Board" – is defined in the recitals.

"Dyadic Charter Documents" – means the Restated Certificate of Incorporation of Dyadic, as amended, and the Amended and Restated Bylaws of Dyadic, as amended.

"Dyadic Nederland" – is defined in the recitals.

"Dyadic Nederland Board" – is defined in the recitals.

"Dyadic Recommendation" – is defined in Section 3.1(d).

"Dyadic Stock" – means the capital stock of Dyadic.

"Dyadic USA" – is defined in the preamble.

"Employee Meeting" – is defined in Section 5.21(a).

"Employee Sellers' Benefit Plan"– is defined in Section 3.25(a).

"Employees" – means, collectively, the Buyer Designated Employees and the Dutch Employees.

"Encumbrance" – means any lien (statutory or otherwise), pledge, hypothecation, charge, mortgage, security interest, encumbrance, equitable interest, claim, right of possession, lease, license, encroachment, covenant, infringement, proxy, option, right of first refusal, preemptive right, community property interest, joint ownership interest, defect, impediment, impairment, imperfection of title or restriction of any nature or other like burdens, including, without limitation, any ownership interest, option to acquire or license (whether or not exercised) or right (including any right to obtain a license) in or to the Transferred Intellectual Property or any other Purchased Asset of any (a) Affiliate of either Seller (other than (i) any ownership interest or right of Sellers or (ii) any ownership interest or right of Dyadic Nederland in or to the Purchased Assets that also constitute Purchased Assets (as such term is defined in the Dutch Agreement)), (b) current or former employee, contractor or consultant of either Seller and/or any of its respective Affiliates and/or (c) third-party.

"Environment" – means any indoor or outdoor environmental media (including soils (surface and subsurface), ambient air, surface waters, sediments, subsurface strata, groundwater and natural resources (such as flora, fauna and wetlands)).

"Environmental Claim" – means any Proceeding, Order, Encumbrance, Liability or, as to each, any settlement or judgment arising therefrom, by or from any Person alleging liability (including, without limitation, liability or responsibility for the costs of personal injuries and medical monitoring) arising out of, based on or resulting from: (a) the presence, Release of, or exposure to, any Hazardous Materials, or (b) any actual or alleged non-compliance with any Environmental Law or term or condition of any Permit under any Environmental Law.

"Environmental Law" – means all Legal Requirements relating to pollution, protection and restoration of the Environment, the protection of human health (as it relates to exposure to Hazardous Materials), Liabilities for or costs related to any wrongful death, personal injury or property damage that is caused or related to the handling, storage or the presence of a Hazardous Material, and other laws imposing liability for damage to the Environment.

"EPA" **–** means the United States Environmental Protection Agency.

"Equipment Leases"**–** is defined in Section 3.20(a).

"ERISA" – means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated thereunder.

"Escrow Agent" – means JPMorgan Chase Bank, N.A. or another institution reasonably acceptable to Buyer and Sellers.

"Escrow Agreement" – means the Escrow Agreement in the form attached hereto as **Exhibit 1(H)** to be entered into by Dyadic, Buyer and/or its Affiliates, as applicable, and the Escrow Agent at the Closing.

"Escrow Amount" – means an amount equal to Eight Million United States Dollars (U.S. $8,000,000).

"Escrow Claim Notice" – is defined in Section 9.5(a)(ii).

"Escrow Fund" **–** is defined in Section 2.2(b).

"EU Product" – is defined in Section 3.26.

"Exchange Act" – means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Excluded Assets" – is defined in Section 2.1(b).

"Excluded Liabilities" – is defined in Section 2.1(d).

"FDA" – means the U.S. Food and Drug Administration.

"FDC Act" – means the Federal Food, Drug, and Cosmetic Act of 1938, as amended from time to time.

"Final Net Current Assets Statement" – is defined in Section 2.3(b).

"Final Release Date" **–** means the date on which all Unresolved Claims have (a) become Payable Claims, Settled Claims and/or Resolved Claims (excluding a claim for payments required by Sellers pursuant to Section 2.3(d)(ii)), and (ii) been satisfied by cash payment or release of funds from the Escrow Fund, as applicable.

"Financial Statements" – is defined in Section 3.7(a).

"Fundamental Representations" – means the representations and warranties set forth in Sections 3.1, 3.2(a), and 3.5.

"GAAP" – means U.S. generally accepted accounting principles in effect on the date on which they are to be applied pursuant to this Agreement, applied consistently throughout the relevant periods.

"Government Official" – is defined in Section 3.16(a)(i).

"Governmental Body" – means, in any jurisdiction, any (a) national, federal, state, local, municipal, foreign, or international government, (b) court, arbitral or other tribunal, (c) governmental or quasi-governmental authority of any nature (including any political subdivision, instrumentality, branch, department, official or entity) or (d) agency, commission, authority or other governmental body to the extent that the rules, regulations or orders of such agency, commission, authority or other governmental body have the force of Legal Requirement.

"Grant Date" **–** is defined in Section 5.12(b).

"GRAS Determination" – means a determination that a substance is generally recognized, among experts qualified by scientific training and experience to evaluate its safety, as having been adequately shown through scientific procedures to be safe under the conditions of its intended use and, as a result, is not subject to premarket review and approval by the FDA under the FDC Act.

"Hazardous Materials" – means any chemicals, materials, substances or wastes, that are identified, listed, defined, designated, restricted, prohibited or otherwise regulated as or included in the definition of "hazardous substances," "hazardous materials," "hazardous constituents," "hazardous wastes," "toxic substances," "regulated substances," "solid waste," "pollutants," "restricted hazardous materials," "extremely hazardous substances," "hazardous air pollutants," "dangerous or toxic substances," "chemical wastes," "special wastes," "pollutants," "contaminants" or words of similar meaning and regulatory effect under any Environmental Law.

"Indemnified Person" – means a Buyer Indemnified Person or a Seller Indemnified Person, as the case may be.

"Indemnifying Person" – is defined in Section 9.5(a)(i).

"Intellectual Property Representations" – means the representations and warranties set forth in Section 3.3.

"Intellectual Property Rights" – means any or all rights in and to intellectual property and intangible industrial property rights embodied in or disclosed in Patents, Trade Secrets, Copyrights, Know-How, Trademarks, the Transferred Strains & Enzymes and Software.

"Interim Balance Sheet" – is defined in Section 3.7(a).

"Interim Balance Sheet Date" – is defined in Section 3.7(a).

"Interim Financial Statements" – is defined in Section 3.7(a).

"***Intervening Event***" – means an event or circumstance that occurs after the date of this Agreement (other than any event or circumstance resulting from a material breach of this Agreement by Sellers) that affects or would be reasonably likely to affect the business, financial condition or continuing results of operations of the Business, taken as a whole, and that is (a) material, individually or in the aggregate with any other such events or circumstances, (b) does not relate to a Superior Proposal, an Acquisition Proposal (including any inquiry related thereto) or the Contemplated Transactions, and (c) was not known to or reasonably foreseeable by the Dyadic Board as of the date of this Agreement, but which becomes known by the Dyadic Board prior to the time at which the Requisite Stockholder Vote is obtained.

"IP Encumbrance" – is defined in Section 5.9(a)(ii).

"IRS" – means the Internal Revenue Service.

"Key Customer" – means each of the ten (10) largest customers of the Business based on aggregate purchases of the Products during the three (3) year period ended December 31, 2014.

"Key Supplier" – means each of the five (5) largest suppliers associated with the Business based on aggregate purchases of goods and services for the Business during the three (3) year period ended December 31, 2014.

"Know-How" – means Trade Secrets and other confidential information (including confidential information contained, embodied, or revealed in process flow diagrams, heat and material balances, process design packages, pilot plant studies, process design studies, process control drawings, lab notebooks, technical memoranda, research studies, laboratory and testing data; specifications; research and development plans; formulations (whether experimental or commercialized); and other technical information).

"Know-How Transfer Agreement" – means the Know-How Transfer Agreement in the form attached hereto as **Exhibit 1(I)** to be entered into by Dyadic, Dyadic USA and/or their respective Affiliates, as applicable, and Buyer and/or its Affiliates, as applicable, at the Closing.

"Knowledge" **–** means, with respect to Sellers, the actual knowledge of Mark Emalfarb, Danai Brooks, Thomas Dubinski, Rich Jundzil and Wim van der Wilden, after reasonable inquiry.

"Leased Equipment" – is defined in Section 3.20(a).

"Leased Real Property" – is defined in Section 3.24(a).

"Leases" – is defined in Section 3.24(a).

"Legal Requirement" – means any applicable law, statute, treaty, rule, code, ordinance, regulation, Order, enforcement action, decree or enforceable judicial or administrative interpretation thereof of any applicable Governmental Body.

"Lender Escrow Agreement" – means the Escrow Agreement in the form attached hereto as **Exhibit 1(J)** to be entered into by Dyadic, Buyer, and the Escrow Agent at the Closing.

"Liability" – means any and all debts, liabilities, obligations, commitments, responsibilities, fines, penalties and sanctions, absolute or contingent, matured or unmatured, liquidated or unliquidated, joint, several or individual, asserted or unasserted, accrued or unaccrued, known or unknown, due or to become due.

"Licensed IP" – means, collectively, the Transferred Intellectual Property that is licensed pursuant to the terms of the Pharma License.

"Material Adverse Effect" – means any change, effect, event, result, occurrence, condition or fact (for the purposes of this definition, each, an "event") (whether or not covered by insurance) that has had, or would be reasonably expected to have, individually or in the aggregate with any other event or events, a material adverse effect on (a) the Purchased Assets or the Assumed Leased Properties, except for any material adverse effect related to (i) general economic, regulatory or political conditions or from any natural disaster or acts of terrorism or war or the outbreak or escalation of hostilities, (ii) any change generally affecting the industry in which the Purchased Assets are owned or used, (iii) the announcement of the Contemplated Transactions, the taking of any action expressly required or contemplated by this Agreement or any costs or expenses incurred in connection therewith, or the performance of this Agreement, including the impact thereof on the relationships, contractual or otherwise, of the Business with employees, customers, suppliers or partners, and any actions made or brought by any of the current shareholders of Dyadic (on their own behalf or on behalf of Dyadic) against Dyadic to the extent solely arising out of or relating to this Agreement or the Contemplated Transactions, (iv) the failure of Sellers to meet or achieve the results set forth in any internal projections or forecasts (except that the facts or occurrences giving rise to or contributing to such failure may be deemed to constitute, or be taken into account in determining whether there has been or will be, a Material Adverse Effect), or (v) any change in Legal Requirement or GAAP or any applicable interpretation thereof, provided, that any change, effect, event, result, occurrence, condition or fact referred to in clauses (i), (ii) or (v) immediately above shall be taken into account in determining whether a Material Adverse Effect has occurred or would reasonably be expected to occur to the extent that such change, effect, event, result, occurrence, condition or fact has a disproportionate effect on the Purchased Assets as compared to other participants in the industry in which Sellers operate, or (b) Sellers' ability to satisfy their obligations under this Agreement or to consummate the Contemplated Transactions. Notwithstanding anything contained in this Agreement to the contrary, no action taken by Sellers or Buyer (or any of their respective

Affiliates) expressly required, contemplated by or consented to pursuant to and in accordance with the terms of this Agreement or the other Transaction Documents shall be deemed to have a Material Adverse Effect.

"Material Contracts" – is defined in Section 3.9(a).

"Material Safety Data Sheets" – means, with respect to each Product, the material safety data sheets set forth on **Exhibit 1(K).**

"MCAN" – means a Microbial Commercial Activity Notice submitted to the EPA under TSCA.

"Mutual Material Transfer Agreement" – means that certain Mutual Material Transfer Agreement, dated March 28, 2013, between Dyadic Nederland and Genencor International B.V.

"Mutual Nondisclosure Agreement" – means that certain Mutual Nondisclosure Agreement, dated February 6, 2014, by and between Dyadic Nederland and Genencor International B.V.

"Net Current Assets" – means the net current assets of the Business calculated in the manner set forth on **Exhibit 1(L)**.

"Net Current Assets Benchmark" – means an amount equal to Three Million Nine Hundred Thousand United States Dollars (U.S. $3,900,000).

"Non-Compete Agreement" – means the Non-Compete Agreement in the form attached hereto as **Exhibit 1(M)** to be entered into by Buyer and/or its Affiliates, as applicable, and Mark Emalfarb at the Closing.

"Non-Compete Assets" – means any and all assets, properties and rights of every kind and nature, whether real, personal or mixed, tangible or intangible (including goodwill) wherever located that either Seller or its respective Affiliates own, lease, license or otherwise have a right to use or access as of the Change of Control Effective Date or that are thereafter acquired by either Seller or its respective Affiliates (excluding the Acquiring Competitor Entities), including, without limitation, (a) the Excluded Assets, and (b) any rights that have accrued or will accrue to Sellers or their respective Affiliates pursuant to the Pharma License, but excluding, in all events, any owned or leased real property, furnishings, furniture, office equipment, supplies, spare, replacement and component parts, tools, machinery, production equipment, testing equipment, and other equipment.

"Non-Compete Personnel" – means any officer, director or employee of either Seller or its respective Affiliates as of immediately prior to the Change of Control Effective Date or who thereafter becomes an officer, director or employee of either Seller or its respective Affiliates (excluding the Acquiring Competitor Entities).

"Notice of Intervening Event" – is defined in Section 5.19(c).

"Notice of Superior Proposal" – is defined in Section 5.19(b).

"Objected Claim" – is defined in Section 9.5(a)(ii).

"Omitted Asset" – means: (a) any asset that should have been transferred or assigned to Buyer or its Affiliates pursuant to the terms of this Agreement or another Transaction Document but was not; (b) any asset which (i) was not included as (A) a Transferred Trademark on **Exhibit 2.1(a)(i)(A)**, (B) a Transferred Patent on **Exhibit 2.1(a)(i)(B)**, (C) Transferred Know-How on **Exhibit 2.1(a)(i)(C)**, (D) a Transferred Copyright on **Exhibit 2.1(a)(i)(D)** and/or (E) a Transferred Strain & Enzyme on **Exhibit 2.1(a)(i)(E)** and (ii) the failure to include it on **Exhibit 2.1(a)(i)(A)**, **Exhibit 2.1(a)(i)(B)**, **Exhibit 2.1(a)(i)(C)**, **Exhibit 2.1(a)(i)(D)** and/or **Exhibit 2.1(a)(i)(E)** would result in a Breach of Section 3.3(a)(i); (c) any asset which (i) was not included as a Transferred Trademark on **Exhibit 2.1(a)(i)(A)** and (ii) the failure to include it as a Transferred Trademark on **Exhibit 2.1(a)(i)(A)** would result in a Breach of Section 3.3(a)(ii); (d) any asset which (i) was not included as a Transferred Patent on **Exhibit 2.1(a)(i)(B)** and (ii) the failure to include it as a Transferred Patent on **Exhibit 2.1(a)(i)(B)** would result in a Breach of Section 3.3(a)(iii); (e) any asset which (i) was not included as Transferred Know-How on **Exhibit 2.1(a)(i)(C)** and (ii) the failure to include it as Transferred Know-How on **Exhibit 2.1(a)(i)(C)** would result in a Breach of Section 3.3(a)(iv); (f) any asset which (i) was not included as a Transferred Copyright on **Exhibit 2.1(a)(i)(D)** and (ii) the failure to include it as a Transferred Copyright on **Exhibit 2.1(a)(i)(D)** would result in a Breach of Section 3.3(a)(v); (g) any asset which (i) was not included as a Transferred Permit on **Exhibit 2.1(a)(viii)** and (ii) the failure to include it as a Transferred Permit on **Exhibit 2.1(a)(viii)** would result in a Breach of Section 3.14(a); (h) any asset which (i) was not included as a Transferred Registration on **Exhibit 2.1(a)(ii)** and (ii) the failure to include it as a Transferred Registration on **Exhibit 2.1(a)(ii)** would result in a Breach of Section 3.21(a); (i) any asset which (i) was not included as Transferred Registration Data on **Exhibit 2.1(a)(iii)** and (ii) the failure to include it as Transferred Registration Data on **Exhibit 2.1(a)(iii)** would result in a Breach of Section 3.22(a); (j) any asset which (i) was not included as Transferred Biological Data on **Exhibit 2.1(a)(iv)** and (ii) the failure to include it at as Transferred Biological Data on **Exhibit 2.1(a)(iv)** would result in a Breach of Section 3.23(a); or (k) any asset which (i) was not included as Transferred Equipment on **Exhibit 2.1(a)(ix)** and (ii) the failure to include it as Transferred Equipment on **Exhibit 2.1(a)(ix)** would result in a Breach of Section 3.20(b)(iii);

"Omitted Asset Effective Time" – is defined in Section 5.9(c).

"Omitted Contract" – is defined in Section 5.6(d).

"Order" – means any award, decision, injunction, judgment, order, ruling, or decree entered, issued, made or rendered by any Governmental Body.

"Ordinary Course of Business" – means the ordinary course of business of Sellers consistent with the past practices of Sellers and taken in the ordinary course of the normal day-to-day operations of Sellers prior to the date of this Agreement.

"Outside Date" – is defined in Section 8.1(b)(i).

"Patent Assignment" – means the Patent Assignment Agreement in the form attached hereto as **Exhibit 1(N)** to be entered into by Dyadic, Dyadic USA and/or their respective Affiliates, as applicable, and Buyer and/or its Affiliates, as applicable, at the Closing.

"Patents" – means any and all United States, foreign and international patents, utility models, statutory invention registrations and patent applications, including all reissues, divisions, re-examinations, renewals, extensions, provisionals/priority applications, continuations and continuations-in-part thereof, patent term extensions (including, but not limited to, supplementary protection certificates), and equivalent or similar rights anywhere in the world in inventions and discoveries, including invention disclosures.

"Payable Claim" – is defined in Section 9.5(a)(ii).

"Payoff Amount" – means the aggregate of the Payoff Amounts (as defined in the Payoff Letter) specified in the Payoff Letters delivered by each of the Persons identified on **Exhibit 7.4**, as applicable.

"Payoff Letter" – means the Payoff Letter in the form attached hereto as **Exhibit 1(O)** to be entered into by each of the Persons identified on **Exhibit 7.4** no later than four (4) Business Days prior to the Closing.

"Pending Product Registrations" – is defined in Section 5.12(b).

"Pending Product Registration Transfer Date" – is defined in Section 5.12(b).

"Permit" – means all licenses, permits, Consents, authorizations, registrations, approvals, qualifications, certifications, variances and filings issued, granted, given or otherwise made available by or under the authority of any Governmental Body or pursuant to any Legal Requirement.

"Permitted Encumbrance" – means (a) any Encumbrance for Taxes accrued but not yet due and payable or which are being contested in good faith by appropriate Proceedings and listed on **Exhibit 1(P)**, (b) any statutory carriers', warehousemen's, workmen's or mechanics' lien or other like Encumbrance arising or incurred in the Ordinary Course of Business that is not yet delinquent or is being contested in good faith by appropriate Proceedings and is listed on **Exhibit 1(P)**, (c) any Encumbrance for routine maintenance fees and payments on intellectual property that are not yet delinquent, including fees due to Patent and Trademark Governmental Bodies for maintenance of Patents and Trademarks, (d) Encumbrances securing rental payments under capital lease agreements identified on **Exhibit 1(P)**, (e) leases identified on **Exhibit 1(P)** and (f) other Encumbrances described on **Exhibit 1(P)**.

"Person" – means any individual, corporation, general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, Union or other entity or Governmental Body.

"Pharma License" – means the License in the form attached hereto as **Exhibit 1(Q)** to be entered into by Dyadic, Dyadic USA and/or their respective Affiliates, as applicable, and Buyer and/or its Affiliates, as applicable, at the Closing.

"Press Releases" – is defined in Section 5.5.

"Proceeding" – means any legal, administrative, governmental or regulatory proceeding or other action, hearing, suit, proceeding, claim, arbitration, mediation, alternative dispute resolution procedure or investigation (whether civil, criminal or administrative) by or before any Governmental Body (including any action, audit or investigation in respect of the payment or non-payment of Taxes).

"Products" – means, collectively, those products listed on **Exhibit 1(R)**.

"Property Taxes" – is defined in Section 5.17(a).

"Protest Notice" – is defined in Section 2.3(c).

"Protest Period" – is defined in Section 2.3(b).

"Purchase Price" – is defined in Section 2.2(a).

"Purchased Assets" – is defined in Section 2.1(a).

"REACH" – is defined in Section 3.26.

"Registration" – means a (a) non-objection letter issued by an applicable Governmental Body in connection with a self assessment (such as a GRAS Determination) or notification (such as a MCAN) submitted to such Governmental Body or (b) permission, authorization, registration or approval from an applicable Governmental Body that, in each case, is necessary for the sale, formulation or distribution of (i) a product containing one or more particular active ingredient(s) or (ii) technical grade active ingredient which is subsequently used in the manufacture of a formulated end-use product, in each case, including any non-objection letter, permission, authorization, registration or approval from an applicable Governmental Body necessary for the sale of such product for the uses identified on the product's label.

"Registration Data" – means the data, information, reports and studies relating to a particular active ingredient and/or its formulations which are required by a Governmental Body to support an application for a granted or pending Registration, including, but not limited to, such data that is compiled into a dossier to support a granted or pending Registration.

"Release" – means the spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, releasing, depositing, abandoning, migrating movement or disposing into the Environment or into or out of any property, including the movement in, or through, the Environment or abandoned or discarded barrels, containers or other closed receptacles, whether intentional or unintentional.

"Release Date" – is defined in Section 2.2(c).

"Resolved Claim" – is defined in Section 9.5(a)(iii).

"Representative" – means, with respect to any Person, any officer, director, general partner, member, trustee, employee, investment banks, accountant, attorney or other advisor, agent or representative of such Person.

"Requisite Stockholder Vote" – is defined in Section 3.1(b).

"Restricted Products" – is defined in Section 5.1(a).

"Retained Names" **–** means, collectively, the Trademarks listed on **Exhibit 1(S)**.

"Scheduled Excluded Assets" **–** means the assets, properties, and rights set forth in **Exhibit 1(T)**.

"Seller Indemnified Persons" – is defined in Section 9.2.

"Seller Termination Fee" – is defined in Section 8.2(f).

"Seller" and ***"Sellers"*** – are defined in the preamble.

"Sellers' Benefit Plans" – means all employee benefit plans (as defined in Section 3(3) of ERISA) and all bonus, stock option, stock purchase, stock appreciation right, restricted stock, phantom stock, incentive, deferred compensation, retiree medical, dental, vision, disability or life insurance, cafeteria benefit, dependent care, disability, director or employee loan, fringe benefit, life insurance, sabbatical, pension or equity-like, supplemental retirement, severance or other benefit plans, programs or arrangements, and all employment, termination, severance or other Contracts (whether legally enforceable or not, whether formal or informal and whether in writing or not) to which either Seller or any of its respective Affiliates are a party, with respect to which either Seller or any of its respective Affiliates have any obligation or which are maintained, contributed to or sponsored by either Seller or any of its respective Affiliates for the benefit of any current or former employee, officer, director or independent contractor of the Business.

"Sellers' Disclosure Schedules" – means the disclosure schedules of Sellers attached hereto and made a part hereof.

"Software" – means computer software; programs and databases in any form, including source code, object code, operating systems and specifications; data; databases; database management code; firmware; algorithms; utilities; graphical user interfaces; menus; images; icons; forms; methods of processing; software engines; platforms; data formats; internet web sites; web content and links; all versions, updates, corrections, enhancements and modifications thereof; and all related documentation, developer notes, comments and annotations.

"Second Meeting" – is defined in Section 5.26(a).

"Settled Claim" – is defined in Section 9.5(a)(iii).

"Special Meeting" – is defined in Section 5.26(a).

"Specifications" – means, with respect to each Product, the specifications set forth **Exhibit 1(U)**.

"Superior Proposal" – means any bona fide written Acquisition Proposal that did not result from a breach of Section 5.19 (except that for purposes of this definition the reference to "20%"

in the definition of "Acquisition Proposal" shall be deemed to be a reference to "50%"), that the Dyadic Board has determined in its good faith judgment, after consultation with a financial advisor of nationally recognized reputation and outside legal counsel, is reasonably likely to be consummated in accordance with its terms, taking into account relevant financial, legal and regulatory considerations and any conditions to, and expected timing risks of, consummation, and that if consummated, would result in a transaction more favorable to Sellers than the Contemplated Transactions (including any changes to the Contemplated Transactions proposed by Buyer in response to such Acquisition Proposal or otherwise).

"Tax" (and, with correlative meaning, ***"Taxes"*** and ***"Taxable"***) – means any net income, value added, alternative or add-on minimum tax, gross income, gross receipts, sales, use, ad valorem, transfer, franchise, profits, license, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, environmental or windfall profit tax, custom, duty, antidumping, countervailing, and other special duties and excises assessed in connection with importation, governmental fee or other assessment or charge of any kind whatsoever, together with any interest or any penalty, addition to tax or additional amount and any interest on such penalty, addition to tax or additional amount, imposed by any Governmental Body.

"Tax Return" – means any return, statement, declaration, notice, certificate or other document that is or has been filed with or submitted to, or required to be filed with or submitted to, any Governmental Body in connection with the determination, assessment, collection or payment of any Tax or in connection with the administration, implementation or enforcement of or compliance with any Legal Requirement related to any Tax.

"Third-Party Claim" – is defined in Section 9.5(b)(i).

"Third Party Strains & Enzymes" – means, collectively, any strains of filamentous fungi and any genome sequences, vectors, enzymes, proteins, synthetic DNA, constructs, growth and fermentation media and processes, modifications or resultant strains derived therefrom or related thereto (including, without limitation, any such materials that are purified, frozen or formulated as broths), solely to the extent that the foregoing is comprised of or contains any confidential or proprietary information or data that is owned by any third party, but excluding, in all events, any such strains of filamentous fungi, genome sequences, vectors, enzymes, proteins, synthetic DNA, constructs, growth and fermentation media and processes, modifications or resultant strains derived therefrom or related thereto (including, without limitation, any such materials that are purified, frozen or formulated as broths) necessary for Buyer to, following the Closing, perform any obligation or exercise any right under the terms of any Transferred Contract, as the same exist as of the Closing.

"Threatened" – a claim, Proceeding, Order or other matter shall be deemed to have been "Threatened" if any demand or statement regarding such claim, Proceeding, Order or other matter has been made in writing, or any written or electronic notice regarding such claim, Proceeding, Order or other matter has been given.

"***Toll Manufacturer***" means the Person identified and set forth on **Exhibit 1(V)**.

"Trade Secrets" – means any and all trade secrets; Know-How; confidential or proprietary information; developing, producing, compounding, molding, processing, manufacturing, sales, distribution or marketing information and other information, including new developments; inventions (including all invention disclosures); inventions in development and other research and development product, processes and process setups; operational protocols, procedures and tolerances; operating guides and manuals; manufacturing and quality control protocols, procedures and records; historical operational information of tools, machinery and equipment (including information on repair and other problems); historical customer data (including information on specifications, sales, volumes, pricing, lead times, complaints and other issues, etc.); ideas research and development information, technology, pricing and cost information; inventory and material historical information; business and marketing plans; control plans; customer, client, vendor, distributor and supplier lists and information (past, present and potential); referral sources lists, recipes, testing protocols, procedures, parameters, results and related data, studies, reports and analyses; laboratory books, papers, blueprints, drawings and layouts; chemical compositions, formulae, diaries, notebooks, product and engineering specifications; designs and arrangements; methods of manufacture; data processing Software; compilations of information; unfiled Patent, Trademark or Copyright applications in draft form; pending Patent, Trademark or Copyright applications; filed Patent, Trademark or Copyright applications that have not been published or otherwise disclosed to the public and all rights in any jurisdiction to limit the use or disclosure thereof.

"Trademark Assignment" – means the Trademark Assignment Agreement in the form attached hereto as **Exhibit 1(W)** to be entered into by Dyadic, Dyadic USA and/or their respective Affiliates, as applicable, and Buyer and/or its Affiliates, as applicable, at the Closing.

"Trademarks" – means any and all trademarks, service marks, trade dress, logos, trade names, corporate names, internet domain names and uniform resource locator addresses and general-use e-mail addresses, and symbols, slogans, rights of publicity and privacy and other indicia of source or origin, including all goodwill symbolized thereby or associated therewith, common law rights thereto, registrations and applications for registration thereof throughout the world, all rights therein provided by international treaties and conventions, and all other rights associated therewith.

"Transaction Documents" – means this Agreement, the Assignment and Assumption Agreement, the Bill of Sale, the Dutch Agreement, the Non-Compete Agreement, the Patent Assignment, the Trademark Assignment, the Know-How Transfer Agreement, the Transition Services Agreement, the Pharma License, the Voting Agreements, the Escrow Agreement, the Lender Escrow Agreement, and any other instruments, certificates and agreements that the parties mutually agree are required to be executed and/or delivered in connection with the Contemplated Transactions.

"Transferred Biological Data" – is defined in Section 2.1(a)(iv).

"Transferred Books and Records" – is defined in Section 2.1(a)(v).

"Transferred Contracts" – is defined in Section 2.1(a)(vi).

"Transferred Copyrights" – is defined in Section 2.1(a)(i)(D).

"Transferred Employee" – is defined in Section 5.21(a).

"Transferred Equipment" – is defined in Section 2.1 (a)(ix).

"Transferred Intellectual Property" – is defined in Section 2.1(a)(i).

"Transferred Inventory" – means, collectively, the inventories of the finished Products, as packaged and labeled for sale pursuant to all Legal Requirements, existing at the time of Closing and as more fully described on **Exhibit 1(X)**.

"Transferred Know-How" – is defined in Section 2.1(a)(i)(C).

"Transferred Patents" – is defined in Section 2.1(a)(i)(B).

"Transferred Payables" – is defined in Section 2.1(c)(iii).

"Transferred Permits" – is defined in Section 2.1(a)(viii).

"Transferred Receivables" – is defined in Section 2.1(a)(vii).

"Transferred Registration Data" – is defined in Section 2.1(a)(iii).

"Transferred Registrations" – is defined in Section 2.1(a)(ii).

"Transferred Strains & Enzymes" **–** is defined in Section 2.1(a)(i)(E).

"Transferred Strains & Enzymes Samples" **–** means the Transferred Strains & Enzymes set forth on **Exhibit 1(Y)**.

"Transferred Trademarks" – is defined in Section 2.1(a)(i)(A).

"Transition Services Agreement" – means the Transition Services Agreement in the form attached hereto as **Exhibit 1(Z)** to be entered into by Dyadic, Dyadic USA and/or their respective Affiliates, as applicable, and Buyer and/or its Affiliates, as applicable, at the Closing.

"TSCA" **–** means the Toxic Substance Control Act of 1976, as amended from time to time.

"Union" – is defined in Section 3.10(b).

"Unpaid Research Collaboration Fees" **–** means the service fees or similar costs or expenses which Dyadic, Dyadic USA and/or their respective Affiliates, as applicable are obligated to pay to Buyer or its Affiliates, as applicable, as determined pursuant to and in accordance with the terms of the Pharma License, which amounts are not less than thirty (30) days past due as of the Release Date.

"Unresolved Claims Reserve" – means the amount necessary to satisfy all Unresolved Claims, calculated based on the total amount of (a) all Damages set forth in the Escrow Claim Notices

applicable to such Unresolved Claims, plus (b) the amount of any payment required to be made by Sellers as calculated pursuant to Section 2.3(d)(ii), to the extent not yet satisfied by cash payment or release of funds from the Escrow Fund.

***"Unresolved Claim"* –** means any claim for (a) indemnification by any Buyer Indemnified Person pursuant to Article 9 of this Agreement (including, without limitation, Damages with respect to claims arising under the Dutch Agreement and brought, or required to be brought, under this Agreement pursuant to Section 5.28) to the extent specified in any Escrow Claim Notice; and (b) the amount of any payment required to be made by Sellers pursuant to Section 2.3(d)(ii); to the extent each such claim (i) in the case of clause (a), is not a Payable Claim, a Settled Claim and/or a Resolved Claim, and (ii) has not yet been satisfied by cash payment or release of funds from the Escrow Fund.

"Updated Allocation Schedule" – is defined in Section 2.4(e).

"USD" – means United States Dollars.

"Valuation Procedures and Accounting Practices" – means (i) Sellers' standard book values, as documented in Sellers' SAP system and (ii) GAAP.

"VAT Act" – is defined in Section 5.28(d).

"Voting Agreements" – means those certain Voting Agreements in the forms attached hereto as **Exhibit 1(AA)** to be entered into by Buyer and the Persons set forth on **Exhibit 1(BB)** on the date hereof.

ARTICLE 2
PURCHASE AND SALE

2.1 PURCHASED ASSETS; EXCLUDED ASSETS; ASSUMED LIABILITIES; EXCLUDED LIABILITIES

(a) Purchased Assets. At the Closing, and upon the terms and subject to the conditions of this Agreement, Sellers shall, and/or shall cause their respective Affiliates to, sell, transfer, convey, assign and deliver, free and clear of all Encumbrances (except for Permitted Encumbrances), to Buyer or its designated Affiliates, and Buyer shall purchase and accept, and cause its designated Affiliates to purchase and accept, from Sellers and or their respective Affiliates, all of each Seller's and/or its respective Affiliates' right, title and interest in, to and under all of the following assets, properties and rights of every kind and nature, whether real, personal or mixed, tangible or intangible (including goodwill) wherever located and whether now existing or hereafter acquired (collectively, the ***"Purchased Assets"***):

(i) excluding the Retained Names, all of the Intellectual Property Rights used, licensed or owned by either Seller or any of its respective Affiliates that relate to the Products or the Purchased Assets or are used in the conduct of the Business, and all documentation, tangible personal property and goodwill associated therewith and related thereto (collectively, the ***"Transferred Intellectual Property"***), including, but not limited to:

(A) the Trademarks, excluding the Retained Names, that relate to the Products or the Purchased Assets or are used in the conduct of the Business (collectively, the ***"Transferred Trademarks"***), including, but not limited to, the Trademarks listed on **Exhibit 2.1(a)(i)(A)**;

(B) the Patents that relate to the Products or the Purchased Assets or are used in the conduct of the Business (collectively, the ***"Transferred Patents"***), including, but not limited to, the Patents listed on **Exhibit 2.1(a)(i)(B)**;

(C) the Know-How that relates to the Products or the Purchased Assets or is used in the conduct of the Business (collectively, the ***"Transferred Know-How"***), including, but not limited to, the Know-How listed on **Exhibit 2.1(a)(i)(C)**;

(D) the Copyrights that relate to the Products or the Purchased Assets or are used in the conduct of the Business (collectively, the ***"Transferred Copyrights"***), including, but not limited to, the Copyrights listed on **Exhibit 2.1(a)(i)(D)**; and

(E) the strains of filamentous fungi and any genome sequences, vectors, enzymes, proteins, synthetic DNA, constructs, growth and fermentation media and processes, modifications or resultant strains derived therefrom or related thereto (including, without limitation, any such materials that are purified, frozen or formulated as broths) that relate to the Products or the Purchased Assets or are used in the conduct of the Business (collectively, and including, but not limited to, the Transferred Strains & Enzymes listed on **Exhibit 2.1(a)(i)(E)**, but excluding any Third-Party Strains & Enzymes and any Scheduled Excluded Assets, the ***"Transferred Strains & Enzymes"***);

(ii) the Registrations that relate to the Products or the Purchased Assets or are used in the conduct of the Business, including, but not limited to, the Registrations expressly identified and set forth on **Exhibit 2.1(a)(ii)** (collectively, the ***"Transferred Registrations"***);

(iii) the Registration Data that relates to the Products or the Purchased Assets or is used in the conduct of the Business, including, but not limited to, the Registration Data expressly identified and set forth on **Exhibit 2.1(a)(iii)** (collectively, the ***"Transferred Registration Data"***);

(iv) the Biological Data that relates to the Products or the Purchased Assets or is used in the conduct of the Business, including, but not limited to, the Biological Data expressly identified and set forth on **Exhibit 2.1(a)(iv)**, solely to the extent that such Biological Data is (A) in existence as of the Closing Date, and (B) (I) in the possession of or held by (physically or electronically), Sellers and/or their respective Affiliates, directors, officers, employees, agents or representatives, and/or (II) on file with (physically or electronically) any Governmental Body, collectively, the ***"Transferred Biological Data"***);

(v) to the extent not included in the Transferred Intellectual Property, the Transferred Registration Data or the Transferred Biological Data, all Books and Records of either Seller and its respective Affiliates to the extent related to the Products, the conduct of the Business, the Purchased Assets, the Assumed Leased Properties or the Assumed Liabilities

(collectively, the ***"Transferred Books and Records"***), but excluding from the foregoing such books, records, files and documentation, and such portions of books records, files and documentation, related exclusively to the Excluded Assets or the Excluded Liabilities;

(vi) all rights (including all rebates, credits, concessions and similar benefits) of either Seller and/or its respective Affiliates under the Contracts listed on **Exhibit 2.1(a)(vi)** (collectively, the ***"Transferred Contracts"***);

(vii) all accounts and notes receivable of either Seller and/or its respective Affiliates resulting from the operation of the Business (including for the avoidance of doubt, (A) invoiced accounts receivable and (B) accrued but uninvoiced accounts receivable, checks and negotiable instruments) (collectively, the ***"Transferred Receivables"***);

(viii) all Permits that relate to the Products, the Assumed Leased Properties or the Purchased Assets or are used in the conduct of the Business (collectively, the ***"Transferred Permits"***), including, but not limited to, the Permits listed on **Exhibit 2.1(a)(viii**);

(ix) the furnishings, furniture, office equipment, supplies, spare, replacement and component parts, tools, machinery, production equipment, testing equipment, other equipment and tangible personal property that are located at either of the Assumed Leased Properties including, but not limited to, the items expressly identified on **Exhibit 2.1(a)(ix)** (collectively, the ***"Transferred Equipment"***);

(x) any and all rights to sue and recover damages for past, present and future infringement, dilution, misappropriation or other violation of, or conflict with, the Transferred Intellectual Property, including the right to sue for injunctive relief and damages for such infringements, dilutions, misappropriations, violations or conflicts, and to retain all damages collected in connection therewith;

(xi) the Transferred Inventory;

(xii) the advances and prepaid payments, prepaid expenses, prepaid credits and deferred charges listed on **Exhibit 2.1(a)(xii)**;

(xiii) any and all of the goodwill associated with the Products, the Business or the Purchased Assets; and

(xiv) any and all rights to or arising from any of the foregoing.

(b) Excluded Assets. Notwithstanding Section 2.1(a), the following assets, properties, goodwill and rights of Sellers and/or their respective Affiliates (the ***"Excluded Assets"***) shall not be included in the definition of Purchased Assets, are not part of the purchase and sale contemplated by this Agreement and shall remain the property of Sellers and/or their respective Affiliates after the Closing:

(i) the Scheduled Excluded Assets;

(ii) the Retained Names;

(iii) except as otherwise provided in Sections 2.1(a)(vi), (vii), and (xii), all cash and cash equivalents (including any cash and cash equivalents of the Business) performance and other bonds, security and other deposits, advance or prepaid payments, prepaid expenses, prepaid credits and deferred charges;

(iv) any assets, properties, goodwill or rights unless such asset, property, goodwill or right is identified in Section 2.1(a) as a Purchased Asset;

(v) the Sellers' Benefit Plans; and

(vi) any rights that accrue or will accrue to Sellers and/or their respective Affiliates under this Agreement or any other Transaction Document.

(c) Assumed Liabilities. At the Closing, Sellers shall, or shall cause their respective Affiliates to, assign to Buyer or its applicable Affiliate, and Buyer shall assume, or shall cause its applicable Affiliate to assume, only the following Liabilities (collectively, the ***"Assumed Liabilities"***):

(i) any Liability arising out of or relating to the Products or the Purchased Assets to the extent that any such Liability is for, relates to activities and operations of Buyer and its Affiliates after the Closing and arises during time periods after the Closing (including any such Liability arising out of or relating to any Third-Party Claim), but excluding any such Liability (A) arising out of or relating to any breach by either Seller or any of its respective Affiliates of, or failure of performance by either Seller or any of its respective Affiliates under, any Contract or Legal Requirement that occurred at or prior to the Closing, (B) arising out of or relating to the use or exploitation of the Licensed IP (including, without limitation, any development, manufacture, distribution, offer for sale, sale, export, or transfer of any Licensed IP, any Pharmaceutical Product (as defined in the Pharma License) or Dosage Form (as defined in the Pharma License)) by or on behalf of (1) Seller, (2) its Affiliates, (3) a Sublicensee (as defined in the Pharma License) or (4) any Person to whom Seller, its Affiliates or Sublicenees transfers, sublicenses, discloses or otherwise makes available the Licensed IP, which such use and exploitation shall be governed in all respects by the Pharma License, or (C) any Liability of any Seller Indemnified Person arising out of or relating to the Transferred Contracts identified on **Exhibit 2.1(a)(vi)** (other than item 2), except to the extent that such Liability arises out of or relates to any breach of such Contracts by Buyer or its Affiliates;

(ii) any Liability arising out of or relating to Buyer's and its Affiliates' sale of the Products to the extent that any such Liability is for, relates to and arises during time periods after the Closing, but excluding any such Liability arising out of or relating to any breach by either Seller or any of its respective Affiliates of, or failure of performance by either Seller or any of its respective Affiliates under, any Contract or Legal Requirement that occurred at or prior to the Closing;

(iii) the accounts payable described on **Exhibit 2.1(c)(iii)** (the ***"Transferred Payables"***);

(iv) any Liability arising out of or relating to the Transferred Employees or any Person set forth on **Exhibit 5.21(a)** that shall accept, at or prior to Closing, an

offer of employment or offer to enter into a consulting or contractor arrangement with Buyer or any of its Affiliates, to the extent that any such Liability is for, relates to and arises during time periods after the Closing; and

(v) subject to Section 5.17, any Tax Liability with respect to the Purchased Assets arising and allocable to time periods after the Closing.

For the avoidance of doubt and without limiting the foregoing in any way, the Liabilities assumed by Buyer under this Section 2.1(c) shall exclude any claims relating to warranty, personal injury or damage to property arising from Products shipped by or on behalf of either Seller or any of its respective Affiliates prior to the Closing Date.

(d) Excluded Liabilities. Except as expressly identified in Section 2.1(c) as Assumed Liabilities, Buyer and its Affiliates do not assume, and shall not be liable or responsible for, and Sellers shall be jointly and severally responsible for, any Liabilities of Sellers or any of their respective Affiliates, including, without limitation, any Liabilities relating to the Business, the Products, the Assumed Leased Properties or the Purchased Assets in connection with the Contemplated Transactions, including the following (the foregoing and the following, collectively, the ***"Excluded Liabilities"***):

(i) any Liability arising out of or relating to the Products or the Purchased Assets (including any such Liability arising out of or relating to any Third-Party Claim) to the extent that any such Liability is for, relates to or is incurred during time periods at or prior to the Closing, whether arising before, on or after the Closing;

(ii) any Liability arising out of or relating to the development, making, having made, marketing, labeling, use, selling, having sold or importing of the Products (including any such Liability arising out of or relating to any Third-Party Claim) to the extent that any such Liability is for, relates to or is incurred during time periods at or prior to the Closing, whether arising before, on or after the Closing;

(iii) any Liability arising out of or relating to the Assumed Leased Properties (including any such Liability arising out of or relating to any Third-Party Claim) to the extent that any such Liability is for, relates to or is incurred during time periods at or prior to the Closing, whether arising before, on or after the Closing;

(iv) subject to Section 5.17, any Tax Liability of either Seller or any of its respective Affiliates arising before, on or after the Closing Date that is allocable to time periods at or prior to the Closing;

(v) any Liability for personal injury (including death), property damage, fines, penalties or injunctions (including any such Liability arising out of or relating to any Third-Party Claim), to the extent that any such Liability is related to the Products, the operation of the Business or the Assumed Leased Properties or the ownership or operation of the Purchased Assets during time periods at or prior to the Closing, whether arising before, on or after the Closing;

(vi) any Liability under any Sellers' Benefit Plans for any current or former employee, officer, director or independent contractor of either Seller or any of its respective Affiliates;

(vii) any Liability arising before, on or at any time after the Closing relating to the hiring, engagement, employment, termination or discharge of any current or former employee, officer, director or independent contractor of either Seller or any of its respective Affiliates, other than any Liability arising out of or relating to the Transferred Employees or any Person set forth on **Exhibit 5.21(a)** that shall accept, at or prior to Closing, an offer of employment or offer to enter into a consulting or contractor arrangement with Buyer or any of its Affiliates, to the extent any such Liability is for, relates to and arises during time periods after the Closing;

(viii) any Liability associated with any former, current or future stockholders, members or other equityholders of either Seller or of any of their former, current or future Affiliates;

(ix) any Liability arising out of or relating to either Seller's or any of its respective Affiliates' relationships with their distributors, agents, independent contractors, subcontractors or service providers, other than any Assumed Liabilities;

(x) any Liability arising out of or relating to indebtedness of either Seller or any of its respective Affiliates with respect to borrowed money, including any interest or penalties accrued thereon;

(xi) any Liability arising out of or relating to any operations of either Seller and/or any of its respective Affiliates conducted on or after the Closing (including, any such Liabilities arising out of or relating to a Third-Party Claim);

(xii) any Liability of any Seller Indemnified Person arising out of or relating to the Transferred Contracts identified on **Exhibit 2.1(a)(vi)** (other than item 2), except to the extent that such Liability arises out of or relates to any breach of such Contracts by Buyer or its Affiliates; and

(xiii) any Liability arising out of or relating to the Excluded Assets.

For the avoidance of doubt and without limiting the foregoing in any way, the Liabilities retained by Sellers or any of their respective Affiliates under this Section 2.1(d) shall include any claims relating to warranty, personal injury or damage to property arising from Products shipped by or on behalf of either Seller or any of its respective Affiliates prior to the Closing Date.

(e) Buyer and Sellers acknowledge and agree that their intent is for the Assumed Liabilities and the Excluded Liabilities to be interpreted in a manner in which a Liability would not be both an Assumed Liability and an Excluded Liability. If, despite the intent of Buyer and Sellers, a Liability is deemed to be both an Assumed Liability and an Excluded Liability, then such Liability shall be deemed to be an Excluded Liability.

2.2 PURCHASE PRICE; ESCROW

(a) Subject to the terms and conditions of this Agreement, in full consideration for Sellers' and/or their respective Affiliates sale, transfer, conveyance, assignment and delivery of the Purchased Assets to Buyer and/or its Affiliates and Sellers' execution and delivery of, and the performance of their obligations contained in, this Agreement, at the Closing, (i) Buyer shall pay, or cause to be paid, to Sellers and their respective Affiliates, by wire transfer (to the accounts and in the amounts designated by Sellers in **Exhibit 2.2**) of immediately available funds, an aggregate amount equal to the difference between the Closing Date Purchase Price minus the Payoff Amount, (ii) Sellers hereby direct Buyer to deposit, or cause to be deposited, and at the direction of Sellers, Buyer shall deposit, or cause to be deposited, the Payoff Amount by wire transfer of immediately available funds to the account or accounts designed by the Escrow Agent pursuant to the Lender Escrow Agreement, for distribution thereof to the Persons identified on **Exhibit 7.4**, as applicable, in the amounts specified in the applicable Payoff Letters, and (iii) Buyer shall deposit, or cause to be deposited, the Escrow Amount by wire transfer of immediately available funds to the account or accounts designated by the Escrow Agent. The Closing Date Purchase Price as adjusted by other payments expressly described in this Agreement as "adjustment(s) to the Purchase Price" is referred to as the ***"Purchase Price"***. For the avoidance of doubt, the Payoff Amount shall not be treated as an adjustment to the Purchase Price. The Parties acknowledge and agree that the Closing Date Purchase Price shall include the Purchase Price (as defined in the Dutch Agreement) payable to Dyadic Nederland pursuant to the Dutch Agreement.

(b) Escrow Arrangements. Buyer's or its Affiliate's deposit of an amount equal to the Escrow Amount shall constitute an escrow fund to be governed by the terms set forth herein and the Escrow Agreement. The Escrow Amount (plus any interest paid on such Escrow Amount, subject to the Escrow Agreement, collectively, the ***"Escrow Fund"***), shall be available, upon the terms and subject to the conditions of this Agreement and the Escrow Agreement, to compensate any Buyer Indemnified Persons for (i) Damages suffered or incurred by such Buyer Indemnified Persons and for which they are entitled to recover pursuant Article 9 of this Agreement (including, without limitation, any Damages with respect to claims arising under the Dutch Agreement and brought, or required to be brought, under this Agreement pursuant to Section 5.28); (ii) the amount of any payment required to be made by Sellers pursuant to Section 2.3(d)(ii); and (iii) any Unpaid Research Collaboration Fees. The Escrow Agent may execute the Escrow Agreement following the date hereof and prior to the Closing, and such later execution, if so executed after the date hereof, shall not affect the binding nature of this Agreement as of the date hereof between the other signatories hereto.

(c) Release Date. Subject to and in accordance with the terms of this Agreement and the Escrow Agreement, on the first (1^{st}) Business Day after the date that is eighteen (18) months after the Closing Date (the ***"Release Date"***), Buyer and Dyadic shall, or shall cause their respective Affiliates to, deliver joint written instructions (and any other documentation reasonably required pursuant to the Escrow Agreement) to the Escrow Agent, instructing the Escrow Agent to deliver

(i) to Dyadic, an amount equal to the positive difference, if any, of (A) the Escrow Fund as of the Release Date minus (B) the Unresolved Claims Reserve minus (C) the Unpaid Research Collaboration Fees; and

(ii) to Buyer, an amount equal to the lesser of the amount of (A) the Unpaid Research Collaboration Fees, or (B) the Escrow Fund as of the Release Date minus the Unresolved Claims Reserve.

No later than three (3) Business Days after the delivery of such joint written instructions, the Escrow Agent shall deliver the amounts set forth in the foregoing clauses (i) and (ii), if any, to the respective accounts designated by Buyer and/or Dyadic, as applicable, in accordance with such joint written instructions. Notwithstanding the foregoing, and for the avoidance of doubt, if the amount of the Unpaid Research Collaboration Fees is in excess of (y) the amount of the Escrow Fund as of the Release Date minus (z) the Unresolved Claims Reserve, Dyadic shall be obligated to promptly pay to Buyer the amount of any deficiency for such Unpaid Research Collaboration Fees.

(d) Final Release Date. Subject to and in accordance with the terms of this Agreement and the Escrow Agreement, no later than two (2) Business Days after the Final Release Date, Buyer and Dyadic shall, or shall cause their respective Affiliates to, deliver joint written instructions (and any other documentation reasonably required pursuant to the Escrow Agreement) to the Escrow Agent instructing the Escrow Agent to deliver to Dyadic the amount remaining in the Escrow Fund as of the Final Release Date. No later than three (3) Business Days after the delivery of such joint written instructions, the Escrow Agent shall deliver the amount set forth in the foregoing sentence, if any, to the account(s) designated by Dyadic in accordance with such joint written instructions.

(e) Buyer and Sellers acknowledge and agree that any portion of the Escrow Fund, if any, that is paid pursuant to Sections 2.2(c) and 2.2(d) shall be treated as an adjustment to the Purchase Price allocated to Dyadic USA for all U.S. federal and all applicable state and local Tax purposes unless otherwise required by any applicable Legal Requirement.

2.3 TRANSFERRED CURRENT ASSETS ADJUSTMENTS

(a) As soon as practicable after the Closing Date, but no later than ten (10 Business Days following the Closing Date, Buyer and Sellers shall (and shall cause their respective Affiliates to) cooperate in performing a physical count and visual inspection of the Transferred Inventory located at the applicable locations set forth on **Exhibit 2.3(a)**, and such physical count and visual inspection shall be used to prepare the Draft Net Current Assets Statement. In the preparation of the Draft Net Current Assets Statement, Sellers shall calculate the value of the Transferred Inventory using the Valuation Procedures and Accounting Practices. For the avoidance of doubt, each party's obligation under this Section 2.3(a) to cooperate in such physical count and visual inspection may be fulfilled by causing its contractor(s) to participate in such physical count and visual inspection. If any item of Transferred Inventory is in transit or otherwise not available for the physical count and visual inspection at a location set forth on **Exhibit 2.3(a)**, then such Transferred Inventory shall be included in the Draft Net Current Assets Statement based on the books and records of Sellers or their applicable Affiliates (including any

shipping records). Sellers and Buyer shall exclude from such physical count and visual inspection all inventory in transit to customers on the Closing Date, as supported by Sellers' or their respective Affiliates' shipping records. For the avoidance of doubt, the value of such shipped inventory shall be included in the calculation of the Transferred Receivables in accordance with the Valuation Procedures and Accounting Practices.

(b) As soon as practicable after the completion of the physical count of the Transferred Inventory pursuant to Section 2.3(a), but no later than forty-five (45) days following the Closing Date, Sellers shall prepare and deliver to Buyer a statement setting forth Sellers' determination of the actual Net Current Assets as of the Closing, calculated by Sellers in accordance with the Valuation Procedures and Accounting Practices and consistent with Section 2.3(a) (the ***"Draft Net Current Assets Statement"***). The Draft Net Current Assets Statement shall be in substantially the form set forth in **Exhibit 2.3(b)** and shall specify the locations of all Transferred Inventory. The Draft Net Current Assets Statement, subject to any adjustments pursuant to this Section 2.3, shall become binding and conclusive on both Buyer and Sellers, and shall be the ***"Final Net Current Assets Statement"***, upon the earliest of: (i) if no Protest Notice has been timely given pursuant to Section 2.3(c), the expiration of the forty-five (45) day period following Seller's delivery of the Draft Net Current Assets Statement, provided that Buyer shall confirm delivery thereof by written or electronic notice within three (3) Business Days of delivery (the ***"Protest Period"***); (ii) if a Protest Notice has been timely given pursuant to Section 2.3(c), upon agreement between Sellers and Buyer that all items contained in the Draft Net Current Assets Statement, together with any adjustments thereto agreed upon by Sellers and Buyer, shall be binding and conclusive; and (iii) the date on which the Accounting Firm issues its final determination with respect to any contested items contained in the Draft Net Current Assets Statement.

(c) Following the delivery of the Draft Net Current Assets Statement, upon not less than five (5) Business Days' prior written notice, Sellers shall provide to Buyer's independent public accountants access to or copies of the relevant financial records used to generate the Draft Net Current Assets Statement. If Buyer notifies Sellers that Buyer agrees with the Draft Net Current Assets Statement within the Protest Period or fails to deliver a Protest Notice to Sellers within the Protest Period, then the Draft Net Current Assets Statement shall be the Final Net Current Assets Statement. If Buyer disagrees, in good faith, with any item contained in the Draft Net Current Assets Statement, then Buyer shall, no later than the expiration of the Protest Period, give Sellers written notice of any such disagreement (a ***"Protest Notice"***), which Protest Notice shall include a reasonably detailed statement of the basis of Buyer's objection for each contested item. Buyer and Sellers shall be deemed to agree that all items which are not specifically identified in the Protest Notice are binding and conclusive on Buyer and Sellers. If Buyer timely delivers a Protest Notice, then Buyer and Sellers shall negotiate, in good faith, to reach an agreement on the contested item(s) identified in the Protest Notice. If Buyer and Sellers resolve their dispute with respect to any contested item within the forty-five (45) day period following Buyer's delivery of the Protest Notice, provided that Sellers shall give written or electronic receipt of delivery thereof within three (3) Business Days of delivery, then Buyer and Sellers shall jointly revise the Draft Net Current Assets Statement to reflect their agreement. If Buyer and Sellers are unable to resolve their dispute with respect to all contested items specified in the Protest Notice within such forty-five (45) day period, then either of Buyer or Sellers may submit such dispute to the Accounting Firm for review and resolution.

Each of Buyer and Sellers agrees to execute, if requested by the Accounting Firm, an engagement letter reasonably acceptable to the parties. If a dispute is submitted to the Accounting Firm for resolution, (i) each of Buyer and Sellers shall furnish to the Accounting Firm such work papers and other documents and information relating to the contested issues as the Accounting Firm may reasonably request and are available to such party (or its independent public accountants), and shall be afforded the opportunity to present to, and discuss with, the Accounting Firm any material relating to the calculation of the items set forth on the Draft Net Current Assets Statement, (ii) neither Buyer nor Sellers shall introduce any issues or amounts that arose subsequent to Buyer issuing the Protest Notice, (iii) the Accounting Firm shall consider and make a determination only with respect to the outstanding contested items included in the Protest Notice and no other items contained in the Draft Net Current Assets Statement and shall make its determination based solely on written materials submitted by Buyer and Sellers—not on independent review, (iv) in resolving any disputed item, the Accounting Firm may not assign a value to any item greater than the greatest value for such item claimed by either party or less than the smallest value for such item claimed by either party, (v) the determination by the Accounting Firm of the value of the contested items shall be a final and binding resolution based upon what the Accounting Firm considers fair and reasonable under this Agreement, and non-appealable by the parties hereto or any of their respective Affiliates, (vi) the fees, costs and expenses of the Accounting Firm in determining such dispute shall be borne by Buyer and Sellers in inverse proportion to their respective success in prevailing on matters resolved by the Accounting Firm, which proportionate allocations shall also be determined by the Accounting Firm at the time of its rendering a determination on the merits of the outstanding contested items and (vii) Buyer and Sellers shall otherwise be responsible for paying their own expenses incurred in connection with this Section 2.3. Following the Accounting Firm's determination of the contested items, Sellers and Buyer shall instruct the Accounting Firm to restate the Draft Net Current Assets Statement to reflect the items on which Buyer and Sellers are in agreement and the Accounting Firm's resolution of the contested items, and such restated statement shall be the Final Net Current Assets Statement.

(d) Once the Final Net Current Assets Statement is established in accordance with this Section 2.3, the Net Current Assets reflected on the Final Net Current Assets Statement shall be compared to the Net Current Assets Benchmark. If, based on such comparison:

(i) the Net Current Assets reflected on the Final Net Current Assets Statement is greater than the Net Current Assets Benchmark by an amount greater than $10,000, Buyer shall pay to Sellers an aggregate amount equal to (A) the amount of Net Current Assets reflected on the Final Net Current Assets Statement minus (B) the Net Current Assets Benchmark; or

(ii) the Net Current Assets reflected on the Final Net Current Assets Statement is less than the Net Current Assets Benchmark by an amount greater than $10,000, Sellers shall pay to Buyer an aggregate amount equal to (A) the Net Current Assets Benchmark minus (B) the amount of Net Current Assets reflected on the Final Net Current Assets Statement.

Buyer shall make any payment required under Section 2.3(d)(i) no later than thirty (30) days after the Final Net Current Assets Statement is determined, by wire transfer of immediately available funds to such account(s) as Sellers specify. If Sellers shall be required to make any

payment under Section 2.3(d)(ii), Buyer and Dyadic shall execute joint written instructions to be delivered to the Escrow Agent, instructing the Escrow Agent to deliver to Buyer the amount of any such payment from the Escrow Fund. No later than three (3) Business Days after the delivery of such joint written instructions, the Escrow Agent shall deliver the amount set forth in the foregoing sentence, if any, to the account(s) designated by Buyer in accordance with such joint written instructions. Notwithstanding the foregoing, in the event that, as of the date that the Final Net Current Assets Statement is established, the Escrow Fund is less than the amount payable by Sellers to Buyer pursuant to Section 2.3(d)(ii), the amount of such deficiency shall be promptly paid by Sellers to Buyer by wire transfer of immediately available funds to such account(s) as Buyer specifies.

(e) Any payment described in Section 2.3(d) shall be treated as an adjustment to the Purchase Price allocated to Dyadic USA for U.S. federal and applicable state and local Tax purposes.

(f) Sellers shall deliver to Buyer an inventory statement on or before the fifteenth (15^{th}) day of each month prior to the Closing, which statement shall set forth the monthly inventory volume of the Products for the preceding month by quantity and dollar amount by location for each Product.

(g) All obligations of Sellers pursuant to this Section 2.3, including, but not limited to, any payment obligations, shall be joint and several.

2.4 ALLOCATION

(a) Buyer and Sellers agree that the Closing Date Purchase Price shall be allocated among Sellers and Dyadic Nederland in accordance with **Exhibit 2.4(a)**.

(b) The portions of the Closing Date Purchase Price so allocated to Sellers and to Dyadic Nederland shall be further allocated among the Purchased Assets of Sellers and of Dyadic Nederland and the covenant contained in Section 5.1 of this Agreement on the basis of separate allocation schedules (each, an ***"Allocation Schedule"***). The Allocation Schedules shall be (i) prepared by Buyer in accordance with Section 1060 of the Code and the U.S. Treasury Regulations promulgated thereunder and any other similar provisions under state, local or foreign Legal Requirements and (ii) delivered to Sellers, in each case, no later than seventy-five (75) Business Days following the date that the Final Net Current Assets Statement is established pursuant to Section 2.3.

(c) If Sellers notify Buyer that Sellers agree with the Allocation Schedules within fifteen (15) Business Days following their receipt thereof (the ***"Allocation Schedules Disagreement Period"***) or fail to deliver an Allocation Schedules Disagreement Notice to Buyer prior to the expiration of the Allocation Schedules Disagreement Period, then (i) the Allocation Schedules shall (A) be deemed final and binding upon Buyer, Sellers and their respective Affiliates and (B) become part of this Agreement (and the Dutch Agreement) for all purposes and (ii) Sellers and Buyer shall (A) pursuant to Section 1060 of the Code, the U.S. Treasury Regulations promulgated thereunder and any other similar provisions under state, local or foreign Legal Requirements, report for all applicable Tax purposes (including, but not limited to,

in the preparation and filing of all Tax Returns (including IRS Form 8594)), as and when required, the allocation of the Closing Date Purchase Price in a manner entirely consistent with how such allocation is set forth in the Allocation Schedules and (B) take no Tax position inconsistent with the Allocation Schedules.

(d) If Sellers disagree, in good faith, with the Allocation Schedules and, prior to the expiration of the Allocation Schedules Disagreement Period, give Buyer written notice of any such disagreement (an ***"Allocation Schedules Disagreement Notice"***), which Allocation Schedules Disagreement Notice shall include a reasonably detailed statement of the basis of Sellers' objection to the Allocation Schedules, then Buyer and Sellers shall negotiate, in good faith, to reach an agreement on the Allocation Schedules Disagreement Notice. If Buyer and Sellers:

(i) resolve any such dispute within fifteen (15) Business Days following Buyer's receipt of the Allocation Schedules Disagreement Notice, then (A) Buyer and Sellers shall jointly revise the Allocation Schedules to reflect their agreement, (B) such revised Allocation Schedules shall (I) be deemed final and binding upon Buyer, Sellers and their respective Affiliates and (II) become part of this Agreement (and the Dutch Agreement) for all purposes and (C) Sellers and Buyer shall (I) pursuant to Section 1060 of the Code, the U.S. Treasury Regulations promulgated thereunder and any other similar provisions under state, local or foreign Legal Requirements, report for all U.S. federal and applicable state and local Tax purposes (including, but not limited to, in the preparation and filing of all Tax Returns (including IRS Form 8594), as and when required, the allocation of the Purchase Price in a manner entirely consistent with how such allocation is set forth in such revised Allocation Schedules and (II) take no Tax position inconsistent with such revised Allocation Schedules.

(ii) are unable to resolve any such dispute within fifteen (15) Business Days following Buyer's receipt of the Allocation Schedules Disagreement Notice, then Sellers and Buyer shall submit the dispute to the Accounting Firm pursuant to the procedure set forth in Section 2.3(c). The Allocation Schedules as determined by the Accounting Firm shall (A) be deemed final and binding upon Buyer, Sellers and their respective Affiliates and (B) become part of this Agreement for all purposes. Sellers and Buyer shall (I) pursuant to Section 1060 of the Code, the U.S. Treasury Regulations promulgated thereunder and any other similar provisions under state, local or foreign Legal Requirements, report for all applicable Tax purposes (including, but not limited to, in the preparation and filing of all Tax Returns (including IRS Form 8594)), as and when required, the allocation of the Closing Date Purchase Price in a manner entirely consistent with the allocation set forth in the Allocation Schedules as determined in accordance with this Section 2.4(d)(ii) and (II) take no Tax position inconsistent with such allocation.

(e) Buyer and Sellers agree that the portions of the Escrow Fund, if any, paid to Dyadic shall be allocated among the Purchased Assets of Dyadic USA and the covenant contained in Section 5.1 of this Agreement on the basis of an updated Allocation Schedule (the ***"Updated Allocation Schedule"***). Such Updated Allocation Schedule, if any, shall be (i) prepared by Buyer at the Release Date and/or the Final Release Date, as applicable, to the extent any portion of the Escrow Fund is released to Dyadic as of such date(s), and treated as part of the Purchase Price in accordance with Section 2.2(c). The principles and procedures of Sections

2.4(b), (c) and (d) shall apply to such Updated Allocation Schedule. For avoidance of doubt the parties agree that any portion of the Escrow Fund that is released to Dyadic shall be allocated entirely to Class VI and Class VII Assets (intangibles and goodwill) in accordance with the regulations under Section 1060 of the Code.

2.5 CURRENCY

All payments made to either party or any of their respective Affiliates pursuant to this Agreement shall be denominated in USD. The Purchase Price (as defined in the Dutch Agreement) payable to Dyadic Nederland shall be converted to Euro pursuant to the exchange rate in effect on the last Business Day prior to the Closing Date, as published by the United States Federal Reserve H.10 report at http://www.federalreserve.gov/releases/. If the exchange rate as of such last Business Day is not available on the date of payment, the exchange rate shall be that rate which is in effect on the closest preceding Business Day as reported in the H.10 Weekly Update.

2.6 CLOSING

The closing of the purchase and sale of the Purchased Assets (the ***"Closing"***) shall take place at the offices of Buyer's attorney located in Wilmington, Delaware, USA, or at such other place or in such other manner as shall be mutually agreed upon by the parties, (a) no later than three (3) Business Days following the date on which all of the conditions to the Closing in Articles 6 and 7 are satisfied or waived by the party entitled to waive such condition(s) or (b) at such other date and time as shall be mutually agreed upon by the parties in writing, provided, however, that in no event shall the Closing occur earlier than the date that is fourteen (14) days following the Employee Meeting; provided, further, that in no event shall the Closing occur earlier than December 31, 2015 (the date on which the Closing occurs, the ***"Closing Date"***). The Closing shall be effective as of 11:59.59 p.m. Eastern Time on the Closing Date. Subject to the provisions of Article 8, failure to consummate the purchase and sale of the Purchased Assets provided for in this Agreement on the date and time and at the place determined pursuant to this Section 2.6 shall not result in the termination of this Agreement and shall not relieve any party of any obligation under this Agreement.

2.7 EXECUTION OF DUTCH AGREEMENT

On the Closing Date, Buyer shall cause DuPont Netherlands to, and Seller shall cause Dyadic Nederland to, execute the Dutch Agreement.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF SELLERS

Sellers, jointly and severally, represent and warrant to Buyer (a) as of the date of this Agreement and (b) as of the Closing Date, as follows:

3.1 ORGANIZATION; AUTHORITY; NO CONFLICT; CONSENTS

(a) Sellers and each of their respective Affiliates that (i) owns any of the Purchased Assets or (ii) that is a party to any of the Transaction Documents, is an entity duly

organized, validly existing and, to the extent applicable, in good standing under the laws of the jurisdiction of its organization.

(b) Dyadic is the sole stockholder of Dyadic USA and Dyadic USA is the sole shareholder of Dyadic Nederland.

(c) Dyadic has the requisite power and authority to (i) own the Purchased Assets owned by it and to carry on the Business as conducted by, and on behalf of, it, (ii) execute and deliver the Transaction Documents to which it is a party and (iii) subject to obtaining the Requisite Stockholder Vote, consummate the Contemplated Transactions required to be consummated by it. The execution, delivery and performance by Dyadic of this Agreement, and the consummation by it of the Contemplated Transactions, have been duly and validly authorized by the Dyadic Board, and no other corporate action on the part of Dyadic is necessary to authorize the execution and delivery by Dyadic of this Agreement and the consummation by it of the Contemplated Transactions, except that, and subject to Section 2.12 of Dyadic's Amended and Restated Bylaws (effective as of June 25, 2014), the adoption of this Agreement requires the approval of the holders of a majority of the outstanding Dyadic Stock (the ***"Requisite Stockholder Vote"***). Dyadic has duly executed and delivered this Agreement, and, assuming due authorization, execution and delivery by the other parties hereto, this Agreement constitutes the legal, valid and binding obligation of Dyadic, enforceable against Dyadic in accordance with its terms, subject to applicable bankruptcy, insolvency and other similar laws affecting the enforceability of creditors' rights generally, general equitable principles, and court discretion in granting equitable remedies. Prior to or at the Closing, Dyadic will have duly and validly executed and delivered each Transaction Document to which it is a party, and, assuming due authorization, execution and delivery by any other party thereto, each such Transaction Document will constitute a valid and binding obligation of Dyadic enforceable against Dyadic in accordance therewith, subject to applicable bankruptcy, insolvency and other similar laws affecting the enforceability of creditors' rights generally, general equitable principles, and court discretion in granting equitable remedies.

(d) The Requisite Stockholder Vote is the only vote or consent of the holders of any class or series of Dyadic's capital stock that is necessary in connection with the consummation of the Contemplated Transactions.

(e) At a meeting duly called and held, the Dyadic Board unanimously adopted resolutions, which resolutions have not been subsequently rescinded, modified or withdrawn in any way, in which the Dyadic Board (i) determined that this Agreement and the Contemplated Transactions are fair to and in the best interests of Dyadic's stockholders and Dyadic USA, (ii) approved this Agreement and the Contemplated Transactions, (iii) directed that the consummation of the Contemplated Transactions be submitted to a vote at the Special Meeting and (iv) subject to Section 5.19, recommended that Dyadic's stockholders vote to adopt and approve the Contemplated Transactions (such recommendation, the ***"Dyadic Recommendation"***).

(f) Dyadic USA has the requisite power and authority to (i) own the Purchased Assets owned by it and to carry on the Business as conducted by, and on behalf of, it, (ii) execute and deliver the Transaction Documents to which it is a party and (iii) consummate

the Contemplated Transactions required to be consummated by it. The execution, delivery and performance by Dyadic USA of this Agreement, and the consummation by it of the Contemplated Transactions, have been duly and validly authorized, and no other corporate action on the part of Dyadic USA is necessary to authorize the execution and delivery by Dyadic USA of this Agreement and the consummation by it of the Contemplated Transactions. Dyadic USA has duly executed and delivered this Agreement, and, assuming due authorization, execution and delivery by the other parties hereto, this Agreement constitutes the legal, valid and binding obligation of Dyadic USA, enforceable against Dyadic USA in accordance with its terms, subject to applicable bankruptcy, insolvency and other similar laws affecting the enforceability of creditors' rights generally, general equitable principles, and court discretion in granting equitable remedies. Prior to or at the Closing, Dyadic USA will have duly and validly executed and delivered each Transaction Document to which it is a party, and, assuming due authorization, execution and delivery by any other party thereto, each such Transaction Document will constitute, a valid and binding obligation of Dyadic USA enforceable against Dyadic USA in accordance therewith, subject to applicable bankruptcy, insolvency and other similar laws affecting the enforceability of creditors' rights generally, general equitable principles, and court discretion in granting equitable remedies.

(g) Dyadic, acting as the sole stockholder of Dyadic USA, has approved the Contemplated Transactions by written consent, which consent has not been subsequently rescinded, modified or withdrawn in any way, and such consent constitutes the only vote or consent of the holders of any class or series of Dyadic USA's capital stock that is necessary in connection with the consummation of the Contemplated Transactions.

(h) Dyadic Nederland has the requisite power and authority to (i) own the Purchased Assets owned by it and to carry on the Business as conducted by, and on behalf of, it, (ii) execute and deliver the Transaction Documents to which it is a party and (iii) consummate the Contemplated Transactions required to be consummated by it. The execution, delivery and performance by Dyadic Nederland of the Transaction Documents to which it is a party, and the consummation of the Contemplated Transactions required to be consummated by it, have been duly and validly authorized, and no other corporate action on the part of Dyadic Nederland is necessary to authorize the execution and delivery by Dyadic Nederland of the Transaction Documents to which it is a party and the consummation of the Contemplated Transactions required to be consummated by it. Prior to or at the Closing, Dyadic Nederland will have duly and validly executed and delivered each Transaction Document to which it is a party, and, assuming due authorization, execution and delivery by any other party thereto, each such Transaction Document will constitute, a valid and binding obligation of Dyadic Nederland enforceable against Dyadic Nederland in accordance therewith, subject to applicable bankruptcy, insolvency and other similar laws affecting the enforceability of creditors' rights generally, general equitable principles, and court discretion in granting equitable remedies.

(i) The Dyadic Nederland Board unanimously adopted resolutions, which resolutions have not been subsequently rescinded, modified or withdrawn in any way, in which the Dyadic Nederland Board (i) determined that the Dutch Agreement and the transactions contemplated therein are in the best interest of Dyadic Nederland's sole shareholder and the other stakeholders of Dyadic Nederland, (ii) approved the Dutch Agreement and the transactions contemplated therein and (iii) recommended that Dyadic USA, in its capacity as the sole

stockholder of Dyadic Nederland, approve the consummation of transactions contemplated by the Dutch Agreement.

(j) Dyadic USA, acting as the sole shareholder of Dyadic Nederland, has approved the transactions contemplated by the Dutch Agreement by written consent, which consent has not been subsequently rescinded, modified or withdrawn in any way, and such consent constitutes the only vote or consent of the holders of any class or series of Dyadic Nederland's share capital that is necessary in connection with the consummation of the transactions contemplated by the Dutch Agreement.

(k) Subject to the receipt of the Requisite Stockholder Vote and the authorizations set forth in **Schedule 3.1(l)** of **Sellers' Disclosure Schedules**, neither Seller's or its respective Affiliates execution, delivery or performance of the Transaction Documents to which they are a party, nor either Seller's or its respective Affiliates consummation of the Contemplated Transactions, will:

(i) result in a violation of any of the constituent documents of either Seller or any of its respective Affiliates or any resolution currently in effect adopted by the board of directors, management organization, stockholders or members of either Seller or any of its respective Affiliates;

(ii) result in any violation or breach of, or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation or acceleration) under, any of the terms, conditions or provisions of any Contract to which either Seller or any of its respective Affiliates is a party or by which they or any of their properties or assets may be bound, excluding from the foregoing in this clause (ii) such violations, breaches or defaults which would not, individually or in the aggregate, have an adverse effect on Sellers' or any of their respective Affiliates' ability to consummate the Contemplated Transactions in any material respect;

(iii) violate any Legal Requirement applicable to either Seller or any of its respective Affiliates or any of their assets, excluding from the foregoing in this clause (iii) such violations, breaches or defaults which would not, individually or in the aggregate, have an adverse effect on Sellers' or any of their respective Affiliates' ability to consummate the Contemplated Transactions in any material respect;

(iv) result in the imposition or creation of any Encumbrance on any of the Purchased Assets (other than any Permitted Encumbrance); or

(v) give any Governmental Body the right to challenge any of the Contemplated Transactions.

(l) Except for the Requisite Stockholder Vote and as set forth in **Schedule 3.1(l)** of **Sellers' Disclosure Schedules**, neither Seller nor any of its respective Affiliates is required to make any filing with or submission to, or obtain any Consent from any (i) Governmental Body, (ii) their respective management organization, stockholders, or members or (iii) any other Person pursuant to any Contract, in connection with the execution and delivery of the Transaction Documents or the consummation of Contemplated Transactions.

(m) Except as set forth in **Schedule 3.1(m)** of **Sellers' Disclosure Schedules**, there are no agreements with any other Person besides Buyer or its Affiliates relating to the sale or other conveyance of the Purchased Assets or any portion thereof, and, other than Buyer and its Affiliates pursuant to this Agreement and the other Transaction Documents, no Person has any option, right of first refusal, right of first offer, or similar right to acquire or license the Purchased Assets or any portion thereof or interest therein or the Business or any portion thereof or interest therein.

3.2 TITLE; CONDITION

(a) Except as set forth in **Schedule 3.2(a)** of **Sellers' Disclosure Schedules**, Sellers have full right, title and interest in, are the record and beneficial owners of, and have good and marketable title to, the Purchased Assets, free and clear of Encumbrances, except for Permitted Encumbrances.

(b) Except as set forth in **Schedule 3.2(b)** of **Sellers' Disclosure Schedules**, the Purchased Assets that are tangible assets are in good operating condition and repair, ordinary wear and tear excepted (excluding for purposes of this Section 3.2(b), the Transferred Strains & Enzymes).

3.3 INTELLECTUAL PROPERTY

(a) Except as set forth in Schedule 3.3(a) of Sellers' Disclosure Schedules:

(i) the Transferred Intellectual Property set forth on **Exhibit 2.1(a)(i)(A)**, **Exhibit 2.1(a)(i)(B)**, **Exhibit 2.1(a)(i)(C)**, **Exhibit 2.1(a)(i)(D)** and **Exhibit 2.1(a)(i)(E)**, together with the Retained Names, comprise all Intellectual Property Rights (A) owned, licensed, used and/or held for use by either Seller and/or any of its respective Affiliates that relate to the Products or the Purchased Assets or are necessary to conduct the Business as currently conducted by either Seller and/or any of its respective Affiliates, including, but not limited to, all Intellectual Property Rights necessary for, or used by either Seller and/or any of its respective Affiliates in, the production, distribution or sale of the Products, and (B) owned or co-owned by Sellers or their respective Affiliates or purported by Sellers or their respective Affiliates to be owned or co-owned by Sellers or any of their respective Affiliates;

(ii) the Transferred Trademarks set forth on **Exhibit 2.1(a)(i)(A)** constitute all of the Trademarks that relate to the Products or the Purchased Assets or are necessary to conduct the Business as currently conducted by either Seller and/or any of its respective Affiliates, including, but not limited to, all of the Trademarks under which the Products have been sold, promoted and distributed by, or on behalf of, either Seller or any of its respective Affiliates since January 1, 2014;

(iii) the Transferred Patents set forth on **Exhibit 2.1(a)(i)(B)** constitute all of the Patents that relate to the Products or the Purchased Assets or are necessary to conduct the Business as currently conducted by either Seller and/or any of its respective Affiliates and none of Sellers, any of their respective current or former Affiliates or to Seller's Knowledge, their respective current or former employees, officers, directors, consultants or independent contractors own any other Patents (A) that are directed to any of the Products or the way the

Products are manufactured or (B) with respect to the Purchased Assets, including, but not limited to, the Transferred Strains & Enzymes;

(iv) the Transferred Know-How set forth on **Exhibit 2.1(a)(i)(C)** constitutes all of the Know-How that relates to the Products or the Purchased Assets or is necessary to conduct the Business as currently conducted by either Seller and/or any of its respective Affiliates, including but not limited to, all Know-How used by either Seller and/or any of its respective Affiliates with respect to the research, development, making, having made, marketing, use, import, licensing or sale of the Transferred Strains & Enzymes and/or Products;

(v) the Transferred Copyrights set forth on **Exhibit 2.1(a)(i)(D)** constitute all of the Copyrights that relate to the Products or the Purchased Assets or are necessary to conduct the Business as currently conducted by either Seller and/or any of its respective Affiliates; and

(vi) the Transferred Strains & Enzymes set forth on **Exhibit 2.1(a)(i)(E)** constitute all strains of filamentous fungi and all genome sequences, vectors, enzymes, proteins, synthetic DNA, constructs, growth and fermentation media and processes, modifications or resultant strains derived therefrom or related thereto that relate to the Products or the Purchased Assets or are necessary to conduct the Business as currently conducted by either Seller and/or any of its respective Affiliates.

(b) Except as set forth in **Schedule 3.3(b)** of **Sellers' Disclosure Schedules**, (i) the Transferred Intellectual Property is owned solely and exclusively by Sellers, (ii) the Transferred Intellectual Property is free and clear of all Encumbrances (other than Permitted Encumbrances), (iii) neither Seller nor any of its respective Affiliates have granted any Person any right, license, right to license, option or interest in or to any of the Transferred Intellectual Property, and (iv) Sellers have the right to assign all right, title and interest in and to the Transferred Intellectual Property free and clear of all Encumbrances (other than Permitted Encumbrances). Without limiting the generality of the foregoing, (A) each Seller and its respective Affiliates have each entered into binding, written Contracts with every one of their respective current or former employees, officers, directors and/or independent contractors, whereby such Persons (I) assign to Sellers' or such Affiliates' any ownership interest and right they may have in the Transferred Intellectual Property and (II) acknowledge Sellers' or such Affiliates' exclusive ownership of the Transferred Intellectual Property and (B) Dyadic has entered into binding written Contracts with each of its Affiliates (including Dyadic USA) whereby such Affiliates (I) assign to Dyadic any ownership interest and right they may have in the Transferred Intellectual Property and (II) acknowledge Dyadic's exclusive ownership of the Transferred Intellectual Property. Sellers have provided Buyer with true and complete copies of all such Contracts with every one of their respective current employees, officers, directors and/or independent contractors and every one of their respective former employees, officers, directors and/or independent contractors employed or retained since January 1, 2010.

(c) Except for Permitted Encumbrances or as set forth on **Schedule 3.1(l) of Sellers' Disclosure Schedules**, the consummation of the Contemplated Transactions will not result in the loss or impairment of or payment of any additional amounts with respect to, nor require the Consent of any other Person in respect of, Buyer's and its Affiliates' right to own,

license or use any Transferred Intellectual Property as owned, licensed or used in the conduct of the Business as currently conducted by either Seller and/or any of its respective Affiliates.

(d) All required filings and fees related to the registered Transferred Intellectual Property have been timely filed with and paid to the relevant Governmental Bodies and authorized registrars, and all registered Transferred Intellectual Property is in good standing.

(e) Sellers have provided Buyer with true and complete copies of file histories, documents, certificates, office actions, correspondence and other materials related to all registered Transferred Intellectual Property.

(f) To Sellers' Knowledge, the Transferred Intellectual Property is valid and enforceable, and there are no facts or circumstances that would, or would be reasonably expected to, render any of the Transferred Intellectual Property invalid or unenforceable. Without limiting the foregoing, to Sellers' Knowledge, no information, material, fact or circumstance exists that would render any of the Transferred Intellectual Property invalid or unenforceable.

(g) [RESERVED]

(h) The conduct of the Business as conducted by either Seller and/or any of its respective Affiliates over the past six (6) years has not infringed or misappropriated, directly or indirectly, any Intellectual Property Rights of any Person, and neither Seller nor any of its respective Affiliates have received any written claim of such an infringement or misappropriation in the past six (6) years.

(i) Except as set forth in **Schedule 3.3(i)** of **Sellers' Disclosure Schedules**, to Sellers' Knowledge, no third party is infringing or misappropriating, or has infringed or misappropriated, the Transferred Intellectual Property.

(j) All current or former employees, officers, directors or independent contractors of either Seller or any of its respective Affiliates that have had access to any Trade Secret or Confidential Information included in the Transferred Intellectual Property have executed Contracts obligating such Persons to maintain the confidentiality of the Transferred Intellectual Property. Sellers have provided Buyer with true and complete copies of all such Contracts.

(k) None of the Transferred Intellectual Property is comprised of or contains any confidential or proprietary information or data that is owned or co-owned by any (i) counterparty to a Transferred Contract or (ii) third party pursuant to the terms of any Transferred Contract, to the extent that the inclusion of such information or data would prohibit, impede or materially impair Buyer's grant of the rights and licenses pursuant to the terms, conditions and provisions of the Pharma License, or otherwise conflict with Buyer's obligations to Sellers as set forth in the Pharma License.

3.4 LITIGATION; COMPLIANCE WITH LEGAL REQUIREMENTS

(a) Except as set forth in **Schedule 3.4(a)** of **Sellers' Disclosure Schedules**, there are no Proceedings pending or, to Sellers' Knowledge, Threatened, against either Seller

and/or any of its respective Affiliates, (i) involving, or challenging the rights of either Seller and/or any of its respective Affiliates in respect of, the Purchased Assets, the Business, the Assumed Leased Properties or the Products or (ii) that question the validity of this Agreement or the Contemplated Transactions or any action taken or to be taken by either Seller or any of its respective Affiliates in connection with this Agreement or the Contemplated Transactions.

(b) Neither Seller nor any of its respective Affiliates are in violation of any Legal Requirement in any material respect relating to the Business, the Purchased Assets, the Assumed Leased Properties or the Products, which violations, individually or in the aggregate, would be material to (i) the conduct of the Business or (ii) either Seller's or any of its respective Affiliates' ability to perform its obligations under this Agreement or consummate the Contemplated Transactions.

(c) Neither Seller nor any of its respective Affiliates are a party to, or bound by, any Order that relates to or affects in any materially adverse way the Purchased Assets, the Assumed Leased Properties or the conduct of the Business.

(d) There are no bankruptcy, reorganization, dissolution, insolvency or similar Proceedings pending, contemplated by or, to Sellers' Knowledge, Threatened against either Seller or any of its respective Affiliates.

3.5 BROKERS OR FINDERS

Neither Seller has incurred any Liability for brokerage or finders' fees or agents' commissions or other similar payments in connection with this Agreement or the Contemplated Transactions for which Buyer or its Affiliates could become liable.

3.6 ABSENCE OF CHANGE

Except as set forth in **Schedule 3.6** of **Sellers' Disclosure Schedules**, since June 30, 2015, there has not been (a) any transaction or occurrence which has resulted in a Material Adverse Effect, (b) any action taken by either Seller or its respective Affiliates that, if it had been taken after the date of this Agreement and without the consent of Buyer, would constitute a breach of the covenants set forth in Section 5.6, and (d) without limiting the foregoing, any of the following:

(i) any material change in the accounting methods used by either Seller or any of its respective Affiliates related to the Business;

(ii) any transfer or assignment of, or grant of any license or sublicense of, any Intellectual Property Rights of either Seller or any of its respective Affiliates relating to the Products, the Purchased Assets or otherwise used in connection with the Business;

(iii) any entry into or termination of any Contract by any Employee related to such Employee's employment or affiliation with either Seller or any of its respective Affiliates, the Products, the Purchased Assets or the Business;

(iv) any agreement by either Seller or any of its respective Affiliates to take any of the actions described in Sections 3.6(d)(i) through 3.6(d)(iii); or

(v) any material theft, damage, loss, destruction or casualty, in any case, or in the aggregate, in an amount exceeding Fifty Thousand United States Dollars (U.S. $50,000) (whether or not covered by insurance) affecting the Business or the Assumed Leased Properties.

3.7 FINANCIAL STATEMENTS

(a) **Schedule 3.7** of **Sellers' Disclosure Schedules** sets forth the following consolidated financial statements of Dyadic and its Affiliates (collectively, the ***"Financial Statements"***): (i) the audited balance sheets for the 2012, 2013 and 2014 calendar years and the related audited statements of income and cash flows for the years ended December 31st of 2012, 2013 and 2014; (ii) the unaudited balance sheets and the related unaudited statements of income and cash flows for the calendar quarters ended March 31, 2015 and June 30, 2015; and (iii) the unaudited balance sheet (the ***"Interim Balance Sheet"***) as of September 30, 2015 (the ***"Interim Balance Sheet Date"***) and the related unaudited income statement and statement of cash flows for the nine (9) month period then ended (collectively with the Interim Balance Sheet, the ***"Interim Financial Statements"***).

(b) The Financial Statements and Interim Financial Statements do not contain any material misstatements and present fairly, in all material respects, the consolidated financial position and results of operations of Sellers as of the dates and for the periods indicated therein. The Financial Statements and the Interim Financial Statements have been prepared in conformity with GAAP (except as may be expressly indicated in the notes thereto), and subject, in the case of the Interim Financial Statements, to normal year-end adjustments and to the exception that the Interim Financial Statements do not contain footnote disclosures.

3.8 NO UNDISCLOSED LIABILITIES

Except for Liabilities (a) reflected or reserved for in the Financial Statements or (b) disclosed on **Schedule 3.8** of **Sellers' Disclosure Schedules**, there are no Liabilities or obligations related to the Business (whether absolute, accrued, contingent or otherwise) that would be required to be disclosed on a balance sheet prepared in accordance with GAAP, that would exceed $10,000 individually or $25,000 in the aggregate, other than such Liabilities and obligations that have been incurred by Sellers or any of their respective Affiliates since the Interim Balance Sheet Date in the Ordinary Course of Business.

3.9 MATERIAL CONTRACTS; TRANSFERRED CONTRACTS

(a) **Schedule 3.9(a)** of **Sellers' Disclosure Schedules** sets forth a true and complete list, as of the date of this Agreement, of all Contracts in the following categories and to which either Seller or any of its respective Affiliates is a party, that is material to the Products, the Assumed Leased Properties, the conduct of the Business or to the operation of the Purchased Assets or by which either of the Assumed Leased Properties or any of the Purchased Assets or Products are bound, but excluding this Agreement and the other Transaction Documents (collectively, the ***"Material Contracts"***):

(i) any Contract for the sale of the Products;

(ii) any Contract that (A) restricts the ability of either Seller or any of its respective Affiliates to engage in, conduct, or compete with, the Business, (B) prohibits or materially impairs (I) any business practice of either Seller or any of its respective Affiliates used in connection with, or related to, the conduct of the Business or (II) the conduct of the Business by either Seller or any of its respective Affiliates in the manner in which it is currently engaged, (C) would be reasonably expected to require the disposition of any Purchased Asset or line of business of either Seller or any of its respective Affiliates or, after the Closing Date, Buyer or its Affiliates, (D) grants "most favored nation" status that, after the Closing Date, would apply to Buyer and/or its Affiliates or (E) prohibits or materially limits the rights of either Seller or any of its respective Affiliates to make, sell or distribute any products or perform any services currently produced, developed or provided or intended to be produced, developed or provided in connection with the conduct of the Business; provided, however, that except as noted on **Schedule 3.9(a)** of **Sellers' Disclosure Schedules**, none of the Contracts identified thereon prohibit or limit the rights of either Seller or any of its respective Affiliates to use, transfer, license, develop, deliver, manufacture, commercialize, distribute or enforce any of the Transferred Intellectual Property;

(iii) any Contract granting a right of first refusal or first negotiation;

(iv) any partnership or joint venture Contract;

(v) any Contract for the acquisition, sale or lease of properties or assets comprising the Purchased Assets or the Assumed Leased Properties (by merger, purchase or sale of assets or stock, or otherwise) entered into since January 1, 2014;

(vi) any Contract with any Governmental Body that involves an amount or value on a recurring annual basis of Fifty Thousand United States Dollars (U.S. $50,000), or more, or on an aggregate basis or potential aggregate basis of One Hundred Thousand United States Dollars (U.S. $100,000) or more;

(vii) any letter of credit, pledge, guarantee, performance or payment bond or other security instrument to the extent any of the foregoing grant, create or result in, by operation of Legal Requirement or Contract, any Encumbrance (other than Permitted Encumbrances) on any Purchased Asset;

(viii) any (A) Intellectual Property Rights inbound-license Contract (other than license agreements for "off-the-shelf" Software on generally standard terms and conditions involving consideration of less than Fifty Thousand United States Dollars (U.S. $50,000)), (B) non-exclusive Intellectual Property Rights outbound-license Contract, excluding non-exclusive licenses granted to customers in connection with the resale or processing of the Products and (C) any exclusive Intellectual Property Rights outbound-license Contract;

(ix) any Contract involving sales agency, manufacturing, consignment, sales representative, distributorship or marketing that involves an amount or value on a recurring annual basis of Fifty Thousand United States Dollars (U.S. $50,000) or more, or on an aggregate

basis or potential aggregate basis of One Hundred Thousand United States Dollars (U.S. $100,000) or more;

(x) any Contract entered into by either Seller or any of its respective Affiliates with respect to providing or receiving any goods or services with respect to the Purchased Assets or either of the Assumed Leased Properties that involves an amount or value on a recurring annual basis of Fifty Thousand United States Dollars (U.S. $50,000) or more, or on an aggregate basis or potential aggregate basis of One Hundred Thousand United States Dollars (U.S. $100,000) or more;

(xi) any Contract with, or related to, an Employee, contractor or consultant, including, but not limited to, any change in control, retention or deferred compensation agreements;

(xii) any collective bargaining agreement or other Contract with a Union that that has represented or sought to represent, is representing or seeking to represent, any Employee;

(xiii) any joint venture, partnership, strategic alliance or joint development arrangement, or any similar Contract relating to the formation, operation, management or control of any joint venture, partnership, strategic alliance or joint development arrangement;

(xiv) any Contract related to the provision of human resource services by a third-party;

(xv) any Contract relating to indebtedness (including, without limitation, guarantees) in excess of One Hundred Thousand United States Dollars (U.S. $100,000);

(xvi) any development agreement or outsourcing arrangement;

(xvii) [RESERVED];

(xviii) the Equipment Leases set forth on **Schedule 3.20(a)**;

(xix) the Assumed Leases;

(xx) each Contract under which the consequences of a default or termination would be reasonably likely to have a Material Adverse Effect on the Business; and

(xxi) any Contracts to enter into any of the foregoing.

(b) Each Transferred Contract is in full force and effect and represents the legal, valid and binding obligations of Sellers or their respective Affiliates, as applicable and, to the Knowledge of Sellers, represents the legal, valid and binding obligations of the other parties thereto. The enforceability of the Transferred Contracts or the terms thereof will not be impaired

in any material respect by the execution and delivery of this Agreement or any other Transaction Documents or the consummation of the Contemplated Transactions.

(c) There is no material breach or material default under any Transferred Contract by either Seller or any of its respective Affiliates or, to Sellers' Knowledge, by any other party thereto, and no event has occurred or circumstance exists that (with or without notice or lapse of time or both) would constitute a material breach or material default thereunder by either Seller or any of its respective Affiliates, or, to Sellers' Knowledge, any other party thereto.

(d) As of the date of this Agreement, no party to any Transferred Contract has given written notice to either Seller or any of its respective Affiliates or made a claim against either Seller or any of its respective Affiliates with respect to (i) any material breach or material default thereunder, (ii) the exercise of any termination or cancellation right, or (ii) any notice of non-renewal of such Transferred Contract. Sellers and their respective Affiliates have not waived or released any of their respective materials rights under any Transferred Contract.

(e) Sellers have delivered to Buyer true, correct and complete copies of all Transferred Contracts.

(f) Sellers have delivered to Buyer true, correct and complete copies of all Material Contracts; provided, however, that Sellers may have redacted any information included in a Material Contract to the extent required by any confidentiality obligations thereunder.

3.10 EMPLOYEE MATTERS

(a) Sellers have disclosed to Buyer an accurate and complete list of the following information as of the date of this Agreement regarding each Employee: (i) name; (ii) title or position (including whether full or part time); (iii) hire date; (iv) visa/right to work status; (v) current annual base compensation rate; (vi) commission, bonus or other incentive-based compensation; and (vii) a description of the fringe benefits provided to each such individual. **Schedule 3.10(a)(i)** of **Sellers' Disclosure Schedules** identifies each of the positions employed by Dyadic Nederland and sets forth the number of Employees employed on the basis of a visa or right to work permit, each as of the date of this Agreement. Except as set forth in **Schedule 3.10(a)(ii)** of **Sellers' Disclosure Schedules**, as of the date of this Agreement, all compensation (including but not limited to wages, statutory holiday allowances in addition to wages (not the number of vacation days), thirteenth month payments and other emoluments, whether or not included in the Sellers' Benefit Plans), commissions and bonuses payable to all Employees have been paid in full, in accordance with Seller's or their Affiliates ordinary payroll practices, and there are no outstanding agreements, understandings or commitments of either Seller and/or any of its respective Affiliates with respect to any compensation, commissions or bonuses.

(b) Neither Seller or any of its respective Affiliates is, nor has been for the five (5) years prior to the date of this Agreement, a party to, bound by, or negotiating any collective bargaining agreement or other Contract with a union, works council or labor organization (collectively, a ***"Union"***), that has represented or sought to represent, is representing or seeking to represent, any Employee and there is not, and has not been for the five (5) years prior to the date of this Agreement, any Union representing or purporting to represent

any Employee of either Seller and/or any of its respective Affiliates, and no Union or group of either Seller's and/or any of its respective Affiliates' Employees is seeking or has sought to organize for the purpose of collective bargaining.

(c) Except as set forth in **Schedule 3.10(c)** of **Sellers' Disclosure Schedules**, (i) Sellers and their respective Affiliates are and have been in compliance in all material respects with all Legal Requirements pertaining to employment and employment practices to the extent they relate to the Employees, (ii) no Employees are characterized or treated by either Seller or any of its respective Affiliates as independent contractors of the Business, (iii) all Employees classified as exempt under the Fair Labor Standards Act and state and local wage and hour laws are properly classified in all material respect and (iv) there are no Proceedings against either Seller or any of its respective Affiliates pending, or to Sellers' Knowledge, Threatened to be brought or filed, by or with any Governmental Body in connection with the employment of any current or former applicant, employee, volunteer, intern or independent contractor of either Seller or any of its respective Affiliates engaged in the conduct of the Business, including any employment related matter arising under Legal Requirements.

3.11 INFORMATION IN DISCLOSURE MATERIALS

The Disclosure Materials will not (a) at the date they are first mailed to the holders of the Dyadic Stock and (b) at the time of the Stockholders Meetings, in each case, after giving effect to any amendment or supplement thereof timely delivered prior to the Stockholders Meetings, as applicable, contain any untrue statement of a material fact or omit to state any material fact required to be stated in the Disclosure Materials or necessary in order to make the statements in the Disclosure Materials, in light of the circumstances under which they are made, not misleading. The Disclosure Materials will comply in all material respects with applicable Legal Requirements and Dyadic's obligations pursuant to any listing agreement with, and rules and regulations of, any securities exchange or trading market on which securities of Dyadic or its Affiliate are listed. Notwithstanding anything to the contrary in this Section 3.11, no representation or warranty is made by either Seller with respect to information contained or incorporated by reference in the Disclosure Materials expressly supplied by or on behalf of Buyer for inclusion or incorporation by reference in the Disclosure Materials.

3.12 TRANSFERRED RECEIVABLES; TRANSFERRED PAYABLES

(a) The Transferred Receivables reflected on the Interim Balance Sheet and the Transferred Receivables arising after the Interim Balance Sheet Date (i) have arisen from bona fide transactions entered into by either Seller or its respective Affiliates involving the sale of goods or the rendering of services in the Ordinary Course of Business, and (ii) constitute only valid, undisputed claims of Sellers not subject to claims of set-off or other defenses or counterclaims other than normal cash discounts accrued in the Ordinary Course of Business. The reserve for bad debts shown on the Interim Balance Sheet or, with respect to Transferred Receivables arising after the Interim Balance Sheet Date, on the accounting records of the Business have been determined in accordance with GAAP, consistently applied, subject to normal year-end adjustments and the absence of disclosures normally made in footnotes.

(b) The Transferred Payables have been incurred in the Ordinary Course of Business.

3.13 TAXES

(a) All Tax Returns required pursuant to applicable Legal Requirements to be filed by either Seller or any of its respective Affiliates related to the Purchased Assets, the Assumed Leased Properties or the Business have been duly and timely filed, and all material Taxes owed by either Seller or any of its respective Affiliates related to the Purchased Assets, the Assumed Leased Properties or the Business or with respect to either Seller's or any of its respective Affiliates' sale of the Products (whether or not shown on any Tax Return), that are or have become due have been paid in full.

(b) There are no Encumbrances (other than Permitted Encumbrances) on any of the Purchased Assets currently existing, pending or, to Sellers' Knowledge, Threatened related to any unpaid Taxes due and owing pursuant to applicable Legal Requirements.

(c) No written claim or inquiry has been made by any Tax Governmental Body in any U.S.A. or foreign jurisdiction where either Seller or any of its respective Affiliates do not now file Tax Returns that a Tax Return is required to be filed in such jurisdiction with respect to the Products, any of the Purchased Assets, the Assumed Leased Properties or the conduct of the Business.

(d) Neither Seller nor any of its respective Affiliates have waived any statute of limitations in respect of Taxes related to the conduct of the Business and/or the Assumed Leased Properties or agreed to any extension of time with respect to any Tax assessment or deficiency-related to the conduct of the Business and/or the Assumed Leased Properties.

(e) Except as set forth on **Schedule 3.13(e)** of **Sellers' Disclosure Schedules**, neither Seller is a "foreign person" within the meaning of Section 1445 of the Code.

3.14 TRANSFERRED PERMITS

Except as set forth on Schedule 3.14 of Sellers' Disclosure Schedules,

(a) The Transferred Permits set forth on **Exhibit 2.1(a)(viii)**, together with any Permits included in the Scheduled Excluded Assets, collectively constitute all material Permits (i) pursuant to which either Seller and/or any of its respective Affiliates (A) operate any of the Purchased Assets or the Assumed Leased Properties or (B) develop, make, have made, market, label, use, sell, have sold or import the Products or (ii) required to permit Sellers and/or any of their respective Affiliates to conduct the Business as currently conducted.

(b) To Sellers' Knowledge, each Transferred Permit is valid, subsisting and in full force and effect.

(c) To Sellers' Knowledge, neither Seller nor any of its respective Affiliates is, or since January 1, 2014, has been, in default or violation in any material respect under any of the Transferred Permits.

(d) To Sellers' Knowledge, no event has occurred or circumstance exists that may (with or without notice or lapse of time) (i) constitute, or result, directly or indirectly, in, a violation of or a failure to comply with any material term or requirement of any Transferred Permit or (ii) result, directly or indirectly, in the revocation, withdrawal, suspension, cancellation, lapse, limitation or termination of, or any modification to, any Transferred Permit;

(e) Neither Seller nor any of its respective Affiliates has received, at any time since January 1, 2014, any written notice from any Governmental Body or any other Person regarding (i) any actual, alleged, possible or potential violation of or failure to comply with any material term or requirement of any Transferred Permit or (ii) any actual, proposed, possible or potential revocation, withdrawal, suspension, cancellation or termination of, or modification to, any Transferred Permit; and

(f) All applications required to have been filed for the renewal of the Transferred Permits have been duly filed on a timely basis with the appropriate Governmental Bodies, and all other filings required to have been made with respect to the Transferred Permits have been duly made on a timely basis with the appropriate Governmental Bodies.

(g) None of the Transferred Permits will be materially impaired by the consummation of Contemplated Transactions.

3.15 TRANSFERRED INVENTORY

(a) The Transferred Inventory (i) is owned solely by Sellers free and clear of all Encumbrances (other than Permitted Encumbrances), (ii) is usable and saleable in the Ordinary Course of Business, and (iii) complies with and conforms to all Legal Requirements, including, but not limited to, applicable regulations of the United States Food and Drug Administration and/or any other applicable Governmental Body (including Good Manufacturing Practices stipulated or promulgated by such Governmental Body) relating to the manufacture and packaging of the Products.

(b) The finished Products in the Transferred Inventory (i) have been manufactured by, or on behalf of, Sellers in the Ordinary Course of Business, and (ii) conform with the applicable Specifications and Material Safety Data Sheets.

(c) **Schedule 3.15(c)** of **Sellers' Disclosure Schedules** lists, all locations at which the finished Products in the Transferred Inventory are made, assembled, held, stored, distributed or sold, in each case whether at locations owned, leased or used by either Seller or any of its respective Affiliates or any of their respective representatives, including any distributor, wholesaler or retailer; provided, that Sellers shall have the right to amend **Schedule 3.15(c)** of **Seller's Disclosure Schedules** to reflect changes which occur in the Ordinary Course of Business by delivering to Buyer no later than five (5) days prior to the Closing, an updated **Schedule 3.15(c)** of **Seller's Disclosure Schedules** reflecting such amendment(s).

(d) Since April 1, 2015, neither Seller nor any of its respective Affiliates have owned or co-owned any of the raw materials, reworked or recycled materials, formulation ingredients, work-in-process or printed packaging that are used in the formulation and/or

packaging of the Products, excluding, for the avoidance of doubt, any of the foregoing to the extent existing in the final form of the finished Products.

3.16 CERTAIN PAYMENTS; PRICE FIXING

(a) Since January 1, 2010, neither Seller nor any of its respective Affiliates, nor any of their current or former employees, officers, directors or independent contractors nor any other Person acting on behalf of any of the foregoing in connection with the Business has:

(i) made, offered, authorized or promised to make, nor requested, solicited, or agreed to accept any payment, gift, promise or other advantage (including any fee, gift, sample, travel expense, entertainment, service, loan, rebate, kickback, donation, grant, or other payment or support in cash or in kind), directly or indirectly, to any official, agent, or employee of any government (federal, state, or local), or any political subdivision, ministry, agency, or instrumentality of the same (including any state-owned, state-operated, or state-controlled entity), any official representative of the same, or to any political party, political party official, or candidate for political office (each, a ***"Government Official"***), or to any other Person to obtain or retain business or favorable government action, to influence any official act or decision of a Government Official, or for any other purpose that would be illegal under (i) the United States Foreign Corrupt Practice Act of 1977, (ii) the U.K. Bribery Act of 2010, (iii) the principles set out in the Organization for Economic Cooperation and Development Convention Combating Bribery of Foreign Public Officials in International Business Transactions or (iv) anti-corruption Legal Requirements in the country(ies) in which either Seller and/or any of its respective Affiliates conduct business (collectively, the ***"Applicable Anti-Corruption Laws"***); and

(ii) engaged, or agreed, offered, promised, or attempted to engage, in any price fixing, price discrimination, collusive bidding practices, unfair trade practices or similar activities that would be per se illegal under any antitrust or competition Legal Requirements in the country(ies) in which either Seller and/or any of its respective Affiliates conduct business (the ***"Applicable Price Fixing Laws"***)

(b) Each Seller and its respective Affiliates has implemented and maintains policies designed to provide reasonable assurance that violations of the Applicable Anti-Corruption Laws and Applicable Price Fixing Laws will be prevented, detected and deterred.

3.17 CUSTOMERS AND SUPPLIERS

(a) **Schedule 3.17(a)** of **Sellers' Disclosure Schedules** contains a complete and accurate list of the names of each of the Key Customers. Sellers do not have Knowledge of, and neither Seller nor any of its respective Affiliates are actively engaged in, any material dispute related to the Products, the Purchased Assets or the Business with any Key Customer and, to Sellers' Knowledge, no event has occurred since January 1, 2015 that would reasonably be expected to materially and adversely affect either Seller's or any of its respective Affiliates' relationship with any Key Customers.

(b) **Schedule 3.17(b)** of **Sellers' Disclosure Schedules** contains a complete and accurate list of the names of each of the Key Suppliers. Sellers do not have Knowledge of,

and neither Seller nor any of its respective Affiliates are actively engaged in, any material dispute related to the Products, the Purchased Assets or the Business with any Key Supplier and, to Sellers' Knowledge, no event has occurred since January 1, 2015 that would reasonably be expected to materially and adversely affect either Seller's or any of its respective Affiliates' relationship with any Key Supplier.

(c) No Key Customer or Key Supplier has provided written or electronic notice, or to Seller's Knowledge, any oral notice, to either Seller or any of its respective Affiliates that they intend to cancel or otherwise adversely modify its relationship with the Business for any reason.

3.18 PRODUCT WARRANTIES

(a) Except as disclosed in **Schedule 3.18(a)** of **Sellers' Disclosure Schedules**, all Products manufactured, sold or delivered by or on behalf of either Seller or any of its respective Affiliates prior to the Closing have complied with and conformed to all Legal Requirements, contractual commitments and all applicable warranties of Sellers or any of their respective Affiliates.

(b) Sellers have delivered to Buyer true and complete copies of Sellers' and any of their respective Affiliates' standard terms and conditions of sale and delivery of the Products.

(c) In connection with either Seller's and its respective Affiliates' sale and delivery of the Products, neither Seller nor any of its respective Affiliates (i) are subject to any guaranty, warranty or other indemnity beyond the applicable standard terms and conditions of sale or (ii) are subject to provisions for liquidated damages or consequential, special or similar damages beyond the applicable standard terms and conditions of sale.

(d) During the five (5) years prior to the date of this Agreement, there have been no recalls, withdrawals or seizures with respect to any of the Products sold or delivered by or on behalf of either Seller or any of its respective Affiliates.

3.19 ENVIRONMENTAL MATTERS

(a) The operations of each Seller and its respective Affiliates with respect to the Products, the Business, the Assumed Leased Properties and the Purchased Assets are currently, and since January 1, 2012, have been, in compliance with all Environmental Laws. Neither Seller nor any of its respective Affiliates have received, written or electronic notice, or to Seller's Knowledge, any oral notice, with respect to the Products, the Business, the Assumed Leased Properties or the Purchased Assets, of any Environmental Claim.

(b) Sellers have obtained, and each Seller and its respective Affiliates are in material compliance with, all Permits necessary for the ownership, lease, operation or use of the Purchased Assets or the Assumed Leased Properties, in each case, under Environmental Laws. All such Permits (A) are in full force and effect in accordance with Environmental Laws, (B) are listed in **Schedule 3.19(b)** of **Sellers' Disclosure Schedules** and (C) constitute Transferred Permits.

(c) Since January 1, 2012, there has been no Release of Hazardous Materials in contravention of Environmental Laws with respect to either Seller's or any of its respective Affiliates' conduct of the Business or the ownership, lease, operation or use of the Purchased Assets or the Assumed Leased Properties (including soils, groundwater, surface water, buildings and other structure located thereon).

(d) Sellers have provided to Buyer and have listed in **Schedule 3.19** of **Seller's Disclosure Schedules**: (i) all material environmental reports, studies, audits, records, sampling data, site assessments, risk assessments, economic models and other similar documents with respect to the conduct of the Business or the ownership, lease, operation or use of the Purchased Assets or the Assumed Leased Properties (including soils, groundwater, surface water, buildings and other structure located thereon) which are in the possession or control of either Seller or any of its respective Affiliates related to compliance with Environmental Laws, Environmental Claims or the Release of Hazardous Materials; and (ii) all material documents concerning planned or anticipated capital expenditures required to reduce, offset, limit or otherwise control pollution and/or emissions, manage waste or otherwise ensure compliance with current or future Environmental Laws (including costs of remediation, pollution control equipment and operational changes) with respect to the conduct of the Business or the ownership, lease, operation or use of the Purchased Assets or the Assumed Leased Properties (including soils, groundwater, surface water, buildings and other structure located thereon) which are in the possession or control of either Seller or any of its respective Affiliates.

(e) To Sellers' Knowledge, there is no condition, event or circumstance concerning the Release or regulation of Hazardous Materials that, after the Closing, would reasonably be expected to prevent, impede or materially increase the costs associated with the ownership, lease, operation, performance or use the Purchased Assets, the Assumed Leased Properties or the conduct of the Business as currently conducted by either Seller or any of its respective Affiliates.

(f) To Sellers' Knowledge, any third party that manufactures, develops, makes, sells and/or imports the Products on behalf of either Seller or any of its respective Affiliates, is currently, and since January 1, 2012, has been, in material compliance with all Environmental Laws with respect its manufacture, development, distribution, making, marketing sale and/or importing of the Products on behalf of either Seller or any of its respective Affiliates.

3.20 TRANSFERRED EQUIPMENT; LEASED EQUIPMENT

(a) **Schedule 3.20(a) of Sellers' Disclosure Schedules** sets forth a true and complete list, as of the date of this Agreement, of (i) all furnishings, furniture, office equipment, tools, machinery, production equipment, testing equipment, and all other equipment and tangible personal property that are located at either of the Assumed Leased Properties and (B) leased by either Seller or any of their respective its Affiliates (the ***"Leased Equipment"***) and (ii) all agreements (whether written or oral), including all amendments, extensions renewals, guaranties and other agreements with respect thereto, pursuant to which either Seller or any of its respective Affiliates holds any Leased Equipment (collectively, the ***"Equipment Leases"***). With respect to the Equipment Leases that are assumed by Buyer or its Affiliates pursuant to a Transferred Contract, Sellers have delivered to Buyer a true and complete copy of such Equipment Leases.

(b) Except as set forth on **Schedule 3.20(b) of Sellers' Disclosure Schedules**, (i) the Transferred Equipment set forth on **Exhibit 2.1(a)(ix)** compromises all of the furnishings, furniture, office equipment, supplies, spare, replacement and component parts, tools, machinery, production equipment, testing equipment, other equipment and tangible personal property that are (A) owned by either Seller or any of its respective Affiliates, (B) located at the Assumed Leased Properties and (C) reflected on the Financial Statements and/or Interim Financial Statements, (ii) each item of the Transferred Equipment is free and clear of all Encumbrances (other than Permitted Encumbrances) and (iii) the Transferred Equipment set forth on **Exhibit 2.1(a)(ix)**, together with the Leased Equipment, constitutes all of the furnishings, furniture, office equipment, supplies, spare, replacement and component parts, tools, machinery, production equipment, testing equipment, other equipment and tangible personal property that are (A) owned, leased or used by either Seller or any of its respective Affiliates at the Assumed Leased Properties and/or (B) used to conduct the Business as currently conducted by either Seller or its respective Affiliates at the Assumed Leased Properties.

3.21 TRANSFERRED REGISTRATIONS

(a) The Transferred Registrations set forth on **Exhibit 2.1(a)(ii)** and registrations set forth on the **Exhibit 3.21(a)** collectively constitute all of the Registrations owned, used or held for use by either Seller and/or any of its respective Affiliates that relate to the Products or the Purchased Assets or are necessary to conduct the Business as currently conducted by either Seller and/or any of its respective Affiliates.

(b) Except as set forth on Schedule 3.21(b) of Sellers' Disclosure Schedule:

(i) Each of the Transferred Registrations are subsisting, valid and in full force and effect and are in material compliance with all Legal Requirements;

(ii) each of the Transferred Registrations are in compliance in all material respects with all Legal Requirements necessary to maintain and support the Transferred Registrations for Sellers and their respective Affiliates' sale of Products as sold by Sellers or their respective Affiliates' as of the date hereof; and

(iii) Neither Seller nor any of its respective Affiliates have received written notice from any Governmental Body within the twenty (24) months prior to the date of this Agreement (A) indicating that any Transferred Registration will (I) not be renewed or continued or (II) be terminated, or (B) requiring that additional Registration Data be provided in order to prevent the results in subsection (A) of this Section 3.21(b)(iii) from occurring (which requirement has not been waived by such Governmental Body or satisfied).

3.22 TRANSFERRED REGISTRATION DATA

(a) The Transferred Registration Data set forth on **Exhibit 2.1(a)(iii)** is (i) a true, correct and complete list of all Registration Data owned, used, licensed or held for use by either Seller and/or any of its respective Affiliates, whether currently existing or under development, relating to the Transferred Registrations, the Products or the Purchased Assets or that is necessary to conduct the Business as currently conducted by either Seller and/or any of its

respective Affiliates and (ii) absent any changes to any registration requirements under applicable Legal Requirements which are not reasonably foreseeable, sufficient to maintain the Transferred Registrations in all material respects.

(b) Except as set forth on **Schedule 3.22(b) of Sellers' Disclosure Schedules,** neither Seller nor any of its respective Affiliates have granted any non-Affiliate third party any right to license, reference, access, cite to or otherwise use the Transferred Registration Data.

(c) No Transferred Registration Data was misappropriated from any third party, and, to Sellers' Knowledge, no third party has misappropriated any Transferred Registration Data.

(d) No written claim or demand of any Person has been made nor is there any Proceeding that is pending, or, to Sellers' Knowledge, Threatened, that challenges the rights of either Seller or any of its respective Affiliates in respect of the Transferred Registration Data nor is any Transferred Registration Data subject to any outstanding Order or stipulation by or with any Governmental Body.

(e) The Transferred Registration Data was developed and generated in material compliance with all Legal Requirements in effect at the time either Seller and/or any of its respective Affiliates developed or generated such Registration Data.

(f) **Schedule 3.22(f) of Sellers' Disclosure Schedules** sets forth a complete and accurate list of any Registration Data (other than the Transferred Registration Data) that either Seller or any of its respective Affiliates (i) have a right to reference, access, cite or otherwise use, including, but not limited to, pursuant to a license granted by a third party and (ii) relating to the Transferred Registrations, the Products or the Business.

3.23 TRANSFERRED BIOLOGICAL DATA

(a) The Transferred Biological Data set forth on **Exhibit 2.1(a)(iv)** is a true, correct and complete list of all Biological Data owned, licensed, used or held for use by either Seller or any of its respective Affiliates, whether currently existing or under development, relating to the Transferred Registrations, the Products or the Business relating to the Transferred Registrations, the Products or the Purchased Assets or that is necessary to conduct the Business as currently conducted by either Seller and/or any of its respective Affiliates.

(b) Except as set forth on **Schedule 3.23(b)** of **Sellers' Disclosure Schedules,** neither Seller nor any of its respective Affiliates have granted any non-Affiliate third party any right to license, reference, access, cite to or otherwise use the Transferred Biological Data.

(c) No Transferred Biological Data was misappropriated from any third party, and, to Sellers' Knowledge, no third party has misappropriated any Transferred Biological Data.

(d) No written claim or demand of any Person has been made nor is there any Proceeding that is pending, or, to Sellers' Knowledge, Threatened, that challenges the rights of either Seller or any of its respective Affiliates in respect of the Transferred Biological Data nor is

any Transferred Biological Data subject to any outstanding Order or stipulation by or with any Governmental Body.

(e) The Transferred Biological Data was developed and generated in material compliance with Legal Requirements, if any, in effect at the time either Seller or any of its respective Affiliates developed or generated such Biological Data.

(f) **Schedule 3.23(f)** of **Sellers' Disclosure Schedules** sets forth a complete and accurate list of any Biological Data (other than the Transferred Biological Data) that either Seller or any of its respective Affiliates (i) have a right to reference, access, cite or otherwise use, including, but not limited to, pursuant to a license granted by a third party and (ii) relating to the Transferred Registrations, the Products or the Business.

(g) **Schedule 3.23(g)** of **Sellers' Disclosure Schedules** sets forth a complete and accurate list of any Biological Data (i) that a third party owns or co-owns or otherwise has a right to use (including, but not limited to, a right to use pursuant to a license), and (ii) that Sellers or their respective Affiliates use, or have used, to develop, generate or support any Transferred Registration or Transferred Registration Data.

3.24 LEASED REAL PROPERTY

(a) **Schedule 3.24(a)** of **Sellers' Disclosure Schedules** sets forth each parcel of real property leased by either Seller or any of its respective Affiliates and used in the conduct of the Business as currently conducted (together with all rights, title and interest of each Seller and/or its Affiliates in and to leasehold improvements relating thereto, including security deposits, reserves or prepaid rents paid in connection therewith, collectively, the ***"Leased Real Property"***), and a true and complete list of all leases, subleases, licenses, concessions and other agreements (whether written or oral), including all amendments, extensions renewals, guaranties and other agreements with respect thereto, pursuant to which by either Seller or any of its respective Affiliates hold any Leased Real Property (collectively, the ***"Leases"***). With respect to each Assumed Leased Property, (i) Sellers have delivered to Buyer a true and complete copy of the respective Leases applicable to each Assumed Leased Property (the ***"Assumed Leases"***), (ii) Sellers and/or their respective Affiliates have not leased or otherwise granted to any Person the right to use or occupy either of the Assumed Leased Properties or any portion thereof and (iii) Sellers and/or their respective Affiliates enjoy peaceful and undisturbed possession of the Assumed Leased Properties.

(b) Except as otherwise set forth on **Schedule 3.24(b)** of **Seller's Disclosure Schedules**, the Leased Real Property is the only real property leased, used or operated by either Seller and/or its respective Affiliates in the conduct of the Business.

(c) Either Seller or its respective Affiliates hold a valid leasehold to the Assumed Leased Properties pursuant to the Assumed Leases. All of the Assumed Leases are in full force and effect and grant in all respects the leasehold estates or rights of occupancy or use they purport to grant. The occupancy by either Seller and/or any of its respective Affiliates under each Assumed Lease complies in all material respects with all Legal Requirements relating to

such occupancy. No condemnation, eminent domain or similar Proceeding is pending or, to Sellers' Knowledge, Threatened with respect to the Assumed Leased Properties.

3.25 EMPLOYEE BENEFITS

(a) **Schedule 3.25(a)** of **Sellers' Disclosure Schedules** contains a true and complete list of each Sellers' Benefit Plan, including, without limitation all defined benefit pension plans maintained by Sellers (each an ***"Employee Sellers' Benefit Plan"***). Sellers have separately identified in **Schedule 3.25(a) of Seller's Disclosure Schedules** each Employee Sellers' Benefit Plan that is maintained, sponsored, contributed to, or required to be contributed to by either Seller or any of its respective Affiliates primarily for the benefit of an Employee outside of the United States.

(b) With respect to each Employee Sellers' Benefit Plan, Sellers have made available to Buyer accurate, current and complete copies of each of the following: (i) where the Employee Sellers' Benefit Plan has been reduced to writing, the plan document together with all amendments; (ii) where the Employee Sellers' Benefit Plan has not been reduced to writing, a written summary of all material plan terms; (iii) where applicable, copies of any trust agreements or other funding arrangements, custodial agreements, insurance policies and agreements, administration agreements, investment management or investment advisory agreements and similar Contracts, now in effect or required in the future as a result of the transactions contemplated by this Agreement or otherwise; (iv) copies of any summary plan descriptions, summaries of material modifications, employee handbooks and any other material written communications (or a description of any material oral communications) relating to any Employee Sellers' Benefit Plan; (v) in the case of any Employee Sellers' Benefit Plan that is intended to be qualified under Section 401(a) of the Code, a copy of the most recent determination, opinion or advisory letter from the Internal Revenue Service; (vi) in the case of any Employee Sellers' Benefit Plan for which a Form 5500 is required to be filed, a copy of the two (2) most recently filed Form 5500, with schedules and financial statements attached; (vii) actuarial valuations and reports related to any Employee Sellers' Benefit Plan with respect to the most recently completed plan years; (viii) where applicable, the most recent nondiscrimination tests performed under the Code; and (ix) copies of material notices, letters or other correspondence from the IRS, Department of Labor, Pension Benefit Guaranty Corporation or other Governmental Body relating to the Employee Sellers' Benefit Plan.

(c) There is no pending or, to Sellers' Knowledge, Threatened Proceeding relating to an Employee Sellers' Benefit Plan (other than routine claims for benefits), and no Employee Sellers' Benefit Plan has within the five (5) years prior to the date of this Agreement been the subject of an examination or audit by a Governmental Body or the subject of an application or filing under, or is a participant in, an amnesty, voluntary compliance, self-correction or similar program sponsored by any Governmental Body.

(d) There has been no amendment to, announcement by either Seller or any of its respective Affiliates relating to, or change in employee participation or coverage under, any Employee Sellers' Benefit Plan or collective bargaining agreement that would materially increase the annual expense of maintaining such plan above the level of the expense incurred for the most recently completed fiscal year with respect to any employees, officers, directors or

independent contractors of either Seller or any of its respective Affiliates and who are engaged in the conduct of the Business. Neither Seller nor any of its respective Affiliates has any commitment or obligation or has made any representations to any employees, officers, directors or independent contractors of either Seller or any of its respective Affiliates and who are engaged in the conduct of the Business, whether or not legally binding, to adopt, amend, modify or terminate any Employee Sellers' Benefit Plan or any collective bargaining agreement.

(e) Except as set forth on **Schedule 3.25(e)** of **Sellers' Disclosure Schedules**, neither the execution of this Agreement nor any of the Contemplated Transactions will (either alone or upon the occurrence of any additional or subsequent events): (i) entitle any Employee to severance pay or any other payment, (ii) accelerate the time of payment, funding or vesting, or increase the amount of compensation due to any such individual, or (iii) increase the amount payable under or result in any other material obligation pursuant to any Employee Sellers' Benefit Plan.

3.26 REACH COMPLIANCE

With respect to any substance, mixture or article within the meaning of the Regulation (EC) No. 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals of the European Union and all rules and regulations promulgated thereunder ("***REACH***") and that Seller or its Affiliates import, distribute, process or manufacture within or export to the European Union or any country subject to REACH (each, an "***EU Product***"), Sellers and their respective Affiliates have complied and are in material compliance with all REACH requirements, including but not limited to pre-registration, registration, notification, and safety data sheet requirements, as applicable to each EU Product.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Sellers (a) as of the date of this Agreement and (b) as of the Closing Date, as follows:

4.1 ORGANIZATION; AUTHORITY; NO CONFLICT; CONSENTS

(a) Each of Buyer and each Affiliate of Buyer that is, or will be at the Closing, a party to a Transaction Document is an entity duly organized, validly existing and, to the extent applicable, in good standing under the laws of the jurisdiction of its organization.

(b) Each of Buyer and its Affiliates has the requisite power and authority to (i) own the Purchased Assets to be purchased by it, (ii) execute and deliver the Transaction Documents to which it is a party and (iii) consummate the Contemplated Transactions required to be consummated by it. Buyer has duly executed and delivered this Agreement, and, assuming due authorization, execution and delivery by Sellers, this Agreement constitutes the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, subject to applicable bankruptcy, insolvency and other similar laws affecting the enforceability of creditors' rights generally, general equitable principles and court discretion in granting equitable remedies. No other limited partnership, limited liability company, corporate or other managerial or ownership proceedings, as the case may be, on the part of Buyer or any of its Affiliates are

necessary to approve the Contemplated Transactions. Prior to or at the Closing, Buyer and its applicable Affiliates will have duly and validly executed and delivered each Transaction Document to which they are a party, and, assuming due authorization, execution and delivery by any other party thereto, each Transaction Document will constitute, a valid and binding obligation of Buyer and its Affiliates that are a party thereto, enforceable against Buyer and its Affiliates in accordance therewith, subject to applicable bankruptcy, insolvency and other similar laws affecting the enforceability of creditors' rights generally, general equitable principles and court discretion in granting equitable remedies.

(c) Except as set forth in **Schedule 4.1(c)** of **Buyer's Disclosure Schedules**, to Buyer's knowledge, none of Buyer's or any of its Affiliates' execution, delivery or performance of the Transaction Documents to which it is a party, or Buyer's nor its Affiliates' consummation of the Contemplated Transactions, will:

(i) result in a violation of any of the constituent documents of Buyer or its Affiliates or any resolution currently in effect adopted by the board of directors or management organization of Buyer or its Affiliates;

(ii) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation or acceleration) under, any of the terms, conditions or provisions of any Contract to which Buyer or any of its Affiliates is a party or by which it or any of its properties or assets may be bound, excluding from the foregoing in this clause (ii) such violations, breaches or defaults which would not, individually or in the aggregate, have an adverse effect on Buyer's or its Affiliates' ability to consummate the Contemplated Transactions in any material respect;

(iii) violate any Legal Requirement applicable to Buyer, its Affiliates or any of their assets, excluding from the foregoing in this clause (iii) such violations, breaches or defaults which would not, individually or in the aggregate, have an adverse effect on Buyer's or its Affiliates' ability to consummate the Contemplated Transactions in any material respect; or

(iv) give any Governmental Body the right to challenge any of the Contemplated Transactions.

(d) To Buyer's knowledge, except as set forth in **Schedule 4.1(d)** of **Buyer's Disclosure Schedules**, neither Buyer nor any of its Affiliates is required to make any filing with or submission to, or obtain any Consent from any (i) Governmental Body, (ii) management organization or owners of Buyer or its Affiliates or (iii) any other Person, in connection with the Contemplated Transactions.

4.2 COMPLIANCE WITH LEGAL REQUIREMENTS

None of Buyer or any of its Affiliates is in violation of any Legal Requirement which violations, individually or in the aggregate, would have a material adverse effect on Buyer's or its Affiliates' ability to perform its obligations under this Agreement or consummate the Contemplated Transactions.

4.3 BROKERS OR FINDERS

None of Buyer or any of its Affiliates has incurred any Liability for brokerage or finders' fees or agents' commissions or other similar payments in connection with this Agreement or the Contemplated Transactions for which either Seller or any of its respective Affiliates could become liable.

4.4 PAYMENTS OF BUYER

Buyer or its Affiliates have, or will have at the time of the applicable payment, sufficient cash on hand or available borrowing capacity under its existing lines of credit to pay the payments required to be paid by Buyer under this Agreement as provided in this Agreement, as well as all expenses reasonably expected to be incurred by Buyer in connection with the Contemplated Transactions.

ARTICLE 5
COVENANTS

5.1 COVENANT NOT TO COMPETE

(a) Subject to Section 5.1(c), beginning at the Closing and continuing for a period equal to the shorter of (i) five (5) years following the Closing Date or (ii) as to any particular jurisdiction, the maximum non-compete period permitted by Legal Requirements in such jurisdiction, Sellers shall not, and shall cause their respective Affiliates not to, directly or indirectly, for itself or on behalf of or in conjunction with any other Person, without Buyer's prior express written consent, (A) develop, make, have made, market, label, use, sell, have sold and/or import to any Person the Products or any other products derived from the families of fungal expression systems expressly identified and set forth on **Exhibit 5.1(a)** (collectively, the ***"Restricted Products"***), (B) own, manage, build, expand, acquire or operate or control any facilities that are used to manufacture the Restricted Products or (C) own, manage, acquire, operate, control or participate in the ownership, management, operation or control of any business that is competitive with the Business (the foregoing prohibitions identified in clauses (A), (B) and (C), collectively, the ***"Competitive Activities"***). For the avoidance of doubt, reference to "Business" in the immediately preceding sentence shall not be deemed to include activities solely within the Pharmaceutical Field (as such term is defined in the Pharma License). Notwithstanding the foregoing, Sellers and their respective Affiliates may (x) directly or indirectly, acquire, hold, sell or dispose of securities of any Person traded on any national securities exchange if such Sellers or their respective Affiliates individually, and the Sellers and their respective Affiliates, taken as a whole, are not a controlling Person of, or a member of a group which controls, such Person and does not, directly or indirectly, own five percent (5%) or more of any class of securities of such Person, and (y) directly or indirectly, acquire a Person that competes with the Business so long as the assets of such acquired Person used in the portion of its business which is in competition with the Business comprises twenty percent (20%) or less of the total value (as determined in accordance with GAAP) of such acquired Person's total assets.

(b) Subject to Section 5.1(c), beginning at the Closing and continuing for a period equal to the shorter of (i) five (5) years following the Closing Date or (ii) as to any

particular jurisdiction, the maximum non-compete period permitted by Legal Requirements in such jurisdiction, Sellers shall not, and shall cause their respective Affiliates not to, directly or indirectly, for itself or on behalf of or in conjunction with any other Person, without Buyer's prior written consent, take any action, including, without limitation contacting any customer or supplier of Buyer or any of its Affiliates (to the extent relating to the Business), that is designed or intended to have the effect of interfering with or discouraging any customer or supplier of the Business (whether or not under contract) from maintaining the same business relationships with Buyer after the Closing.

(c) Notwithstanding Sections 5.1(a), 5.1(b) and 5.1(e), nothing contained in this Section 5.1 shall prevent, hinder or otherwise interfere with Sellers' or any of their respective Affiliates' (i) performance of any obligations or exercise of any rights set forth in any Transaction Document, or (ii) right or entitlement set forth in the Pharma License (including, without limitation, the use of the Excluded Assets in accordance with the terms of the Pharma License).

(d) Sellers and Buyer acknowledge and agree that the time, scope, geographic area and other provisions of Sections 5.1(a) and 5.1(b) have been specifically negotiated by sophisticated commercial parties and agree that all such provisions are reasonable under the circumstances of the Contemplated Transactions. It is the intention of Sellers and Buyer that, if any of the restrictive provisions contained in Sections 5.1(a) or 5.1(b) is held to cover a geographic area or to be for a length of time that is not permitted by Legal Requirements, or is in any way construed to be too broad or to any extent invalid, then such provision shall not be construed to be null, void and of no effect, but to the extent such provision would then be valid or enforceable under Legal Requirements, such provision shall be construed and interpreted or reformed to provide for a restriction or covenant having the maximum enforceable geographic area, time period and other provisions that are valid and enforceable under Legal Requirements.

(e) Notwithstanding anything to the contrary contained in Sections 5.1(a) and 5.1(b), but subject to Section 5.1(c), in the event of a Change of Control nothing contained in this Section 5.1 shall, as of the Change of Control Effective Date, (i) prohibit or restrict any Acquiring Competitor Entity from conducting or engaging in any Competitive Activities or (ii) prevent, hinder or otherwise interfere with any right or entitlement of such Acquiring Competitor Entity arising out of or relating to any Transferred Contract; provided, that with respect to each of the foregoing clauses (i) and (ii), such Acquiring Competitor Entity (y) does not use, exploit or grant access to, directly or indirectly, the Non-Compete Assets and/or the Non-Compete Personnel to conduct, operate, engage in, control or support the Competitive Activities and/or the exercise of any right or entitlement pursuant to a Transferred Contract in any respect, and (z) owns, maintains, manages, employs and operates the Non-Compete Assets and the Non-Compete Personnel separate, apart and independent from any assets, personnel and resources used to conduct, engage in, control or support the Competitive Activities and/or the exercise of any right or entitlement pursuant to a Transferred Contract in any respect. Notwithstanding the foregoing, Sellers and their respective Affiliates (excluding the Acquiring Competitor Entities to the extent such Acquiring Competitor Entities are in compliance with the first sentence of this Section 5.1(e)) shall continue to be subject in all respects to the obligations set forth in Sections 5.1(a) and 5.1(b) in the event of any Change of Control. For the avoidance of doubt, this Section 5.1(e) shall apply only for the period beginning at the Closing and continuing for a period equal to the

shorter of (y) five (5) years following the Closing Date or (z) as to any particular jurisdiction, the maximum non-compete period permitted by Legal Requirements in such jurisdiction.

(f) The parties agree that solely for purposes of this Section 5.1, Mark A. Emalfarb shall not be deemed to be an Affiliate of either Seller solely as a result of his status as a director or officer of either Seller.

5.2 EXECUTION AND DELIVERY OF OTHER TRANSACTION DOCUMENTS

At or prior to the Closing, and in addition to entering into and delivering this Agreement, Sellers and Buyer shall, and/or shall cause their respective applicable Affiliates to, enter into and deliver the other Transaction Documents required to be entered into and delivered by such parties at or prior to the Closing.

5.3 ACCESS AND INVESTIGATION OF PURCHASED ASSETS

(a) From and after the date of this Agreement and until the Closing, Sellers shall, and shall cause their respective Affiliates to, during normal business hours and upon reasonable prior notice, afford to Buyer's Representatives reasonable access to the Purchased Assets, the Assumed Leased Properties and to each Seller's and its respective Affiliates' offices, properties, contracts, books and records and other documents and data relating to the Purchased Assets, the Assumed Leased Properties or the Business, for Buyer to make such investigations as it desires of the Purchased Assets, the Assumed Leased Properties and the Business. Buyer shall conduct any investigation pursuant to this Section 5.3(a) in such manner as not to interfere unreasonably with the conduct of the Business or any other businesses of Sellers or their respective Affiliates and which investigation shall be used by Buyer and its Affiliates prior to the Closing only for the purposes of this Agreement and the Contemplated Transactions. Without limiting the foregoing, from and after the date of this Agreement and until the Closing, Seller shall perform the actions set forth on **Exhibit 5.3(a)** to assist with Buyer's transition planning.

(b) From and after the date of this Agreement and until the Closing, Sellers shall use commercially reasonable efforts to arrange for Buyer to meet or otherwise communicate with any customer or supplier to the Business set forth on **Exhibit 5.3(b)**. Without the prior consent of Sellers (which consent shall not be unreasonably withheld, conditioned or delayed, provided that Sellers shall have the right in their sole discretion to designate that a representative of Sellers participate in any such meeting), Buyer shall not arrange any such meetings itself or make any contact with such Persons for the purpose of discussing the Business, the Assumed Leased Properties or any Purchased Asset; provided, however, that nothing in this Section 5.3 shall preclude Buyer from having contact of any nature with any such Person for any other purpose, including to discuss existing business that Buyer may have with any such Person or potential future business not related to the Business. One or more Representatives of Sellers shall accompany Buyer's Representative to such meetings (other than those described in the proviso to the immediately preceding sentence) and shall participate with Buyer's Representative in any related discussions.

(c) Without limiting anything contained in Section 5.6, Sellers shall, or shall cause their respective Affiliates to, at Buyer's sole expense, arrange with the CBS for the deposit

of the Transferred Strains & Enzymes Samples as a "Safe Deposit" in the restricted collection of the CBS, and shall provide Buyer a written "Declaration of Safe Deposit (or similar documentation designated in Buyer's reasonable discretion) no later than two (2) Business Days after the date of this Agreement. For a period of up to sixty (60) days after the Closing Date, Sellers shall, or shall cause their respective Affiliates to, promptly provide, and/or respond to, any notifications, communications or other documentation to or from any Deposit Facility (in accordance with Section 5.4 and Section 5.5 hereof), or otherwise take or cause to be taken all other actions which are necessary, proper or advisable consistent with this Section 5.3(c) and the standard terms of deposit with each such Deposit Facility, to assure that Buyer and/or its Affiliates have access to and otherwise maintain the right to control the Transferred Strains & Enzymes deposited with each Deposit Facility as of the Closing Date. Without limiting the foregoing, and notwithstanding anything contained in Section 5.6 to the contrary, Sellers shall not, and shall cause their respective Affiliates not to, without the prior written consent of Buyer, withdrawal, retrieve, transport, test, modify or otherwise access in any way, the Transferred Strains & Enzymes deposited with each Deposit Facility.

(d) From and after the date of this Agreement and until the Closing, Sellers shall meet or otherwise communicate with any Person that owns any Third Party Strains & Enzymes and (i) as requested by such Person in accordance with the terms and conditions of the respective Contract relating to such Third Party Strains & Enzymes, either return or destroy the relevant Third Party Strains & Enzymes, or (ii) in the event that such Person requests that any Third Party Strains & Enzymes continue to be stored at either the Assumed Leased Properties or a Deposit Facility as of the Closing Date, Sellers shall provide written notice of this request (along with a written summary of the terms and conditions of the continued storage of such Third Party Strains & Enzymes) to Buyer no later than fifteen (15) Business Days prior to the Closing Date. Sellers shall use commercially reasonable efforts to arrange for Buyer to meet or otherwise communicate with any Person who requests that any Third Party Strains & Enzymes continue to be stored at the stored at the Assumed Leased Properties or a Deposit Facility, as applicable in accordance with the foregoing sentence. Within five (5) Business Days following receipt of the notice described in the foregoing clause (ii), Buyer shall provide written notice to Sellers either consenting to the continued storage of such Third Party Strains & Enzymes at the Assumed Leased Properties or Deposit Facility (whereupon Seller shall cause such Third Party Strains & Enzymes to be appropriate marked to designate the owner of such Third Party Strains & Enzymes), as applicable, or instructing Sellers to destroy or return all such Third Party Strains & Enzymes to the applicable owner prior to the Closing consistent with the terms and conditions of the respective Contract relating to such Third Party Strains & Enzymes. No later than one (1) Business Day prior to the Closing Date, Seller shall deliver to Buyer a written certification which shall identify all Third Party Strains & Enzymes which shall continue to be stored at the Assumed Leased Properties or a Deposit Facility, as applicable, as of the Closing Date, if any, and the location thereof.

(e) Following the consummation of the Closing, but no later than ten (10) Business Days after the Closing Date, excluding the Transferred Strains & Enzymes on deposit with each Deposit Facility, or any Transferred Strains & Enzymes located at the Assumed Leased Properties as of such date, Sellers shall, or shall cause their respective Affiliates to, (i) deliver to Buyer all of the Transferred Strains & Enzymes in either Seller's or any of its respective Affiliates' possession or under either Seller's or any of its respective Affiliates'

control, to the locations set forth on **Exhibit 5.3(e)** or (ii) if requested by Buyer, destroy all such Transferred Strains & Enzymes in either Seller's or any of its respective Affiliates' possession or under either Seller's or any of its respective Affiliates' control and certify to Buyer that they have been destroyed, subject, in all events, to Section 5.18(i).

5.4 CONFIDENTIALITY

(a) This Agreement, the other Transaction Documents, the Trade Secrets included in the Transferred Intellectual Property and any information disclosed by one party to the other party and (i) if disclosed in writing, designated as "confidential" or some similar designation (or, in the case of Confidential Information of that is a Trade Secret, designated as a "trade secret"), (ii) if disclosed orally or visually, summarized and confirmed confidential in writing (or, in the case of Confidential Information that is a Trade Secret, designated as a "trade secret") at the time of disclosure or (iii) regardless of the method of disclosure, that is of a type or nature such that the receiving party reasonably knew or should have known was confidential or proprietary without regard to whether it was so designated, or any information which is developed by the parties in cooperation with each other, in connection with the Contemplated Transactions (such information, ***"Confidential Information"***) shall, except as otherwise permitted by this Agreement, be maintained in confidence by the parties, and used only for the purposes of this Agreement and the Contemplated Transactions. Except as otherwise permitted by this Agreement or the other Transaction Documents, a party shall not, and shall cause its Affiliates and its and their respective Representatives not to, disclose the Confidential Information of the disclosing party or its Affiliates to any third party without the prior written permission of such disclosing party for a period of ten (10) years after the date of this Agreement; provided, however, that the foregoing obligations of confidentiality shall not extend to information that is:

(i) already known at the time of its receipt by the receiving party, as shown by its prior written records and was not previously obtained by the receiving party, directly or indirectly, from the disclosing party (excluding, in the case of Buyer, its Affiliates and their Representatives, any Purchased Assets);

(ii) properly in the public domain through no fault of the receiving party;

(iii) disclosed to the receiving party from a source other than the parties or their respective Affiliates, provided that the source of such information is not bound by any contractual, legal, fiduciary or other obligation of confidentiality with respect to the parties or their respective Affiliates;

(iv) independently developed by or for the receiving party without use of the disclosing party's Confidential Information (or, in the case of Buyer, its Affiliates and their Representatives, without the use of the Purchased Assets); or

(v) disclosed by (A) Buyer and/or its Affiliates to a bona fide prospective assignee or transferee of the Business or any of the Purchased Assets after the Closing or (B) Sellers and/or their Affiliates to a bona fide prospective assignee or transferee of

all or substantially all of the assets of Sellers and/or such Affiliate after the Closing; provided, in each case, that such prospective transferee is subject to a confidentiality agreement or obligation at least as strict as this Section 5.4, provided, further, that any disclosure pursuant to this Section 5.4(a) is subject in all events to the terms and conditions of the Pharma License.

(b) Notwithstanding Section 5.4(a), a receiving party may disclose Confidential Information of the disclosing party required to be disclosed by Legal Requirements (if not subject to protection as confidential business information or otherwise protected by statute or common law privilege against disclosure); provided, however, that prior to any such disclosure, the receiving party shall use commercially reasonable efforts to (i) give the other party written notice of such requirement and (ii) allow the other party reasonable time to take such steps as to limit such disclosure. The parties shall cooperate with one another, at the disclosing party's expense, in the good faith making or assertion of any available defense or privilege, or in seeking a protective order or other motion to prevent or limit the production or disclosure of such information, relating to the disclosure of the Confidential Information. If any motion described in the foregoing sentence is denied, or is pending and unresolved at the time disclosure of such information is required by Legal Requirements, then the party required by Legal Requirements to disclose such information shall use commercially reasonable efforts to disclose (and it shall use commercially reasonable efforts to cause its respective representatives to disclose) only the portion of such information which (A) based on advice of such Person's legal counsel is required by Legal Requirements to be disclosed or (B) that the other party provides its consent to disclose. Each party will continue to be bound by its obligations pursuant to this Section 5.4 for any information that is not required to be disclosed under Legal Requirements, or that has been afforded protective treatment pursuant to such motion.

(c) Notwithstanding Section 5.4(a), a receiving party may disclose Confidential Information to its Affiliates, and their respective Representatives having a need to know for the purposes of consummating the Contemplated Transactions and who are subject to a confidentiality agreement or obligation at least as strict as this Section 5.4. If reasonably necessary to comply with antitrust or competition law, the disclosing party may limit disclosures under this Section 5.4(c) to a restricted group of employees or persons affiliated or associated with the receiving party.

(d) Notwithstanding anything to the contrary contained in this Section 5.4, each party agrees that it shall, and shall cause its Affiliates and their respective Representatives to, (i) take reasonable measures to protect the secrecy, and avoid disclosure, except as expressly permitted by this Section 5.4, and unauthorized use, of the Confidential Information of the other party and its Affiliates and (ii) with respect to the Confidential Information of the other party and its Affiliates, take at least those measures that it takes to protect its own confidential information of a similar nature, but in no case less than reasonable care.

(e) Notwithstanding anything to the contrary contained in this Section 5.4, from and after the Closing, to the maximum extent permitted by Legal Requirements, but subject in all events to the terms and conditions of the Pharma License, all of the Purchased Assets, and all information relating to or included in the Purchased Assets, shall at all times be and remain the sole and exclusive property of Buyer and its Affiliates, and Buyer and its Affiliates may freely use, disclose, transfer, sell or assign such information.

(f) Subject in all events to the terms and conditions of the Pharma License, Sellers agree that after the Closing, the Transferred Intellectual Property shall be maintained in confidence and shall not be disclosed by Sellers, and Sellers shall cause their respective Affiliates not to disclose it, to any Person (i) unless and until it shall be in the public domain (other than by disclosure in Breach of this Section 5.4) or (ii) except as required by Legal Requirements (subject to compliance with Section 5.4(b)).

(g) Without limiting this Section 5.4 in any manner, Buyer and Sellers acknowledge and agree that they and/or their respective Affiliates are, and shall continue to be, subject to the terms and conditions of Confidentiality Agreements, the terms of which are incorporated herein by reference (the ***"Additional Confidentiality Obligations"***); provided; however, that with respect to any confidential information included in the Purchased Assets, as of the Closing Date, but subject in all events to the terms and conditions of the Pharma License, (i) the Additional Confidentially Obligations, to the extent relating to the Business, the Assumed Liabilities, the Products or the Purchased Assets, shall be of no force and effect with respect to Buyer and/or its Affiliates and Buyer and/or its Affiliates shall have no liability or obligations with respect thereto and (ii) the confidentiality obligations of Buyer and/or its Affiliates shall be solely as set forth in this Agreement or the other Transaction Documents. Sellers acknowledge and agree that (i) any information that (A) was disclosed by either Seller and/or any of its respective Affiliates to Buyer and/or its Affiliates, except to the extent such information is solely related to the Excluded Assets and (B) as of the Closing Date, is considered confidential information of either Seller and/or any of its respective Affiliates (and to the extent not otherwise considered confidential information of any third party), in each case, under or pursuant to the Confidentiality Agreements, shall, as of the Closing Date, be deemed confidential information of Buyer and/or its Affiliates under the Confidentiality Agreements (the ***"Buyer Designated Confidential Information"***) and (ii) in addition to Sellers' and their respective Affiliates' confidentially obligations set forth in this Agreement and the other Transaction Document, Sellers and their respective Affiliates shall continue to be subject to the terms and condition of the Additional Confidentiality Obligations before, on and after the Closing Date, including but not limited to, with respect to the Buyer Designated Confidential Information. In the event of a conflict between any provision contained in the Confidentiality Agreements and any provision contained in this Agreement or any other Transaction Document, then the provision contained in this Agreement or such other Transaction Document, as applicable, shall control.

5.5 PUBLIC ANNOUNCEMENTS

Except as set forth in this Section 5.5, no public release or announcement concerning this Agreement, any other Transaction Document or the Contemplated Transactions shall be issued by either party (or its Affiliates) without the prior written consent of the other party, except to the extent such release or announcement (a) is made pursuant to Section 5.25(b) or (b) as may otherwise be required by a Legal Requirement or obligations pursuant to any listing agreement with, or rules of, any securities exchange or trading market on which securities of either Seller or any of their respective Affiliate are listed, in which case the releasing party shall, to the extent permitted by Legal Requirements, (i) allow the non-releasing party at least three (3) days to review and comment on such release or announcement in advance of its issuance, (ii) accept the non-releasing party's reasonable comments to such release or announcement and (iii) request confidential treatment of information contained in such release or announcement that the non-

releasing party, by written notice to the releasing party, has identified as confidential. Notwithstanding the foregoing, (A) Buyer and Sellers shall cooperate and consult with each other to (I) prepare substantially similar mutually acceptable separate press releases to be issued not less than two (2) days after the execution of this Agreement (collectively, the ***"Press Releases"***) and (II) arrange a telephonic meeting with the Persons set forth on **Exhibit 5.5** prior to the issuance of the Press Releases in order to inform such Persons of the Contemplated Transaction and (B) prior to informing either Seller's or any of its respective Affiliates' Employees or independent contractors of the Contemplated Transactions, Sellers shall (I) consult with Buyer regarding the manner in which Sellers intend to notify such Employees and independent contractors regarding the Contemplated Transactions and provide Buyer with a copy of any documentation that Sellers intend to provide to such Employees and independent contractors in connection therewith, (II) allow Buyer to comment on the manner and timing of any such notification or on any such documentation and (III) accept and/or implement any reasonable comments Buyer may have with respect to any such notification and any such documentation. Following the issuance of the Press Releases, each party may issue further press releases or public announcements without the consent of the other party so long as such further press releases or announcements are consistent with, and not broader in scope than, the Press Releases.

5.6 CONDUCT OF THE BUSINESS

(a) Except as expressly required by this Agreement, during the period from the date of this Agreement and continuing until the earlier of (i) the termination of this Agreement pursuant to its terms or (ii) the Closing, Sellers shall, and shall cause their respective Affiliates to, carry on the operation of the Business (including by using commercially reasonable efforts to preserve all business relationships with Employees, contractors, consultants, customers and suppliers in all material respects and maintaining and preserving all Transferred Strains & Enzymes and Transferred Biological Data), and operate and maintain the Purchased Assets and the Assumed Leased Properties, in each case in the Ordinary Course of Business, and in compliance with Legal Requirements. Without limiting the generality of the foregoing, during the period from the date of this Agreement and continuing until the earlier of (y) the termination of this Agreement pursuant to its terms or (z) the Closing, except for actions expressly required by this Agreement or any Transaction Document to be taken by Sellers or any of their respective Affiliates, or with the prior written consent of Buyer to the extent Buyer's consent to such action is not expressly prohibited pursuant to applicable Legal Requirements, Sellers shall not, and shall cause their respective Affiliates not to:

(i) sell, lease, license, mortgage, encumber, materially impair or otherwise dispose of either of the Assumed Leased Properties, any Purchased Asset or any Product, except in the Ordinary Course of Business;

(ii) except in the Ordinary Course of Business, enter into or assume any Contract that would be a Material Contract if such Contract were entered into or assumed prior to the date of this Agreement; provided, however, that no such Contract shall (A) encumber or impair any of the Purchased Assets, or (B) become or be deemed to be a Transferred Contract without Buyer's prior written consent, to be determined in Buyer's sole discretion;

(iii) terminate or rescind, or materially and adversely modify, amend or otherwise alter or change, any of the terms or provisions of any Transferred Contract, which Transferred Contract requires payments of One Hundred Thousand United States Dollars (U.S. $100,000) or more on an annual basis;

(iv) materially and adversely modify, amend or otherwise alter or change, the payment terms of any customer or supplier arrangement, including by changing credit or payment terms, offering of prepayment discounts or accelerating negotiated payment terms, except in the Ordinary Course of Business;

(v) take any action, or fail to take any action, which action or failure would reasonably be expected to constitute a material breach or material default with respect to any Transferred Contract;

(vi) change the title, position or employment status (e.g. full-time, employment term) of any Employee or terminate, other than for cause, any Employee;

(vii) except as set forth on item 15 on **Schedule 3.25(a) of the Sellers' Disclosure Schedules**, or as required by Legal Requirements or any Sellers' Benefit Plan, grant to any Employee any increase in base salary or other compensation or employee benefit, except in the Ordinary Course of Business, or enter into any Contract with any Employee, including, but not limited to, any change of control or retention agreement;

(viii) except as required by Legal Requirements, enter into a collective bargaining agreement or other Contract with a Union or other entity that represents or seeks to represent any Employee;

(ix) except as set forth on item 15 on **Schedule 3.25(a) of the Sellers' Disclosure Schedules**, or as required by Legal Requirements or any Sellers' Benefit Plan, terminate or rescind, modify, amend or otherwise alter or change, any terms of any Employee Sellers' Benefit Plan;

(x) except in the Ordinary Course of Business, create any material Liabilities (whether fixed, contingent, unliquidated, absolute or otherwise) with respect to the Business, the Assumed Leased Properties or any of the Purchased Assets or the Products that would be an Assumed Liability;

(xi) (A) settle or commit to settle any Proceeding insofar as such settlement or commitment could impose any obligation or restriction on Buyer or its Affiliates or otherwise impair the Purchased Assets or the Assumed Leased Properties, or (B) cancel or waive any claims or rights related to the Business or the Assumed Leased Properties with a value in excess of Seventy-Five Thousand United States Dollars (U.S. $75,000);

(xii) make or authorize any capital expenditure or expenditures in excess of One Hundred Thousand United States Dollars (U.S. $100,000) that will be binding on the Purchased Assets or the Assumed Leased Properties, Buyer or any of its Affiliates following the Closing, provided that capital expenditures for repairs relating to an emergency that would reasonably be expected to have safety, health or environmental consequences may be made upon

prior notice to Buyer and receipt of Buyer's consent (which consent shall be deemed to have been given if Buyer does not respond within one (1) Business Day of Buyer's receipt of notice from Sellers); or

(xiii) enter into any agreement to do any of the foregoing.

(b) Notwithstanding anything contained in Section 5.6(a) to the contrary, prior to the Closing, to the extent that any of the Transferred Intellectual Property and/or the Transferred Inventory is owned by or in the name of any of either Seller's respective Affiliates, Sellers shall, and shall cause their respective Affiliates, to assign and transfer to Dyadic USA all such Transferred Intellectual Property and/or Transferred Inventory, which assignment and transfer shall be effective prior to the Closing Date.

(c) Promptly after the date hereof, and in no event later than the date that is ten (10) Business Days after the date hereof, Sellers shall use commercially reasonable efforts deliver, or cause to be delivered, to Buyer true, correct and complete copies of each Contract (other than the Contracts referenced on **Exhibit 1(T) (Scheduled Excluded Assets)**, the Dyadic Debt (as such term is defined on **Schedule 3.1(l) of Sellers' Disclosure Schedules**), employment agreements with any employee of Sellers or their Affiliates, and the Transferred Contracts identified on **Exhibit 2.1(a)(vi)** as of the date of this Agreement) to which either Seller or any of their respective Affiliates is a party and (i) which relates to the Business, the Products, the Purchased Assets, or the Assumed Leased Properties or (ii) pursuant to which any of the Purchased Assets or Assumed Leased Properties are bound, including, without limitation, nondisclosure, confidentiality and similar agreements and material transfer agreements; provided, however, that Sellers may redact any information included in such Contracts to the extent required by any confidentiality obligations thereunder; provided, further, that such Contracts shall be deemed to be "Confidential Information" and subject to the requirements set forth in Section 5.4; provided, further, that Sellers shall have no obligation to provide any such Contract to the extent that all of the obligations of all parties thereto shall have expired by the terms of such Contract. On or prior to the third (3rd) Business Day prior to the Closing Date, Buyer may elect to cause any of the Contracts delivered pursuant to the preceding sentence to be included as Transferred Contracts for purposes of this Agreement, by delivering written notice thereof to Sellers. Upon delivery of such written notice, the parties acknowledge and agree that **Exhibit 2.1(a)(vi)** shall be deemed to include all such Contracts included on such written notice delivered by Buyer and at the Closing, Buyer shall deliver an updated **Exhibit 2.1(a)(vi)** reflecting the addition of such Contracts; provided, that, to the extent any such Contract requires the Consent of or notification to the counterparty to such Contract in order to transfer such Contract to Buyer, such Consent or notification shall not be a condition precedent to either Seller's or Buyer's obligation to proceed with the Closing.

(d) Without limitation to the foregoing, at any time after the date of this Agreement (including, for the avoidance of doubt, at any time after the Closing), if either Seller, Buyer or any of their respective Affiliates identifies or becomes aware of any Contract described in the first sentence of Section 5.6(c), which Contract was not delivered to Buyer in accordance with the first sentence of Section 5.6(c) (each such Contract an ***"Omitted Contract"***), then within five (5) Business Days of either (i) Sellers' or their Affiliates identifying or becoming aware of such Omitted Contract, or (ii) Sellers' receipt of written notice from Buyer that Buyer or its

Affiliates have identified or become aware of such Omitted Contract, Sellers shall deliver, or cause to be delivered, to Buyer a true, correct and complete copy of any Omitted Contract. Buyer may elect, by delivering written notice to Sellers, to have any Omitted Contract be included as a Transferred Contract, and upon such election, then (y) Sellers shall, or shall cause their Affiliates, to satisfy or comply with the obligations set forth in Section 5.9(b)(i)(A)-(C) and (z) the Omitted Contract shall be deemed to be an Omitted Asset for purposes of Section 5.9(c), in each case, notwithstanding whether such Omitted Contract was identified prior to the Closing.

5.7 DUTCH ASSUMED LEASED PROPERTY

Sellers and Buyer shall use their best efforts to achieve that DuPont Netherlands shall replace Dyadic Nederland as lessee (indeplaatsstelling). Buyer and Seller shall determine the precise procedure to apply to the replacement by DuPont Netherlands in respect of the Assumed Leased Property in the Netherlands as soon as reasonably practicable following Closing whereby Dyadic Nederland shall initiate the proceedings described in Article 7:307 of the Dutch Civil Code if the lessor under such Assumed Leased Property has not given its unconditional consent to the replacement within one month after the relevant request has been made.

5.8 [RESERVED]

5.9 WRONG POCKETS

(a) If at any time commencing from the Closing, either Seller or any of its respective Affiliates:

(i) receive, identify or become aware of any Omitted Asset, then Sellers shall (or shall cause their respective Affiliates to) (A) hold such Omitted Asset(s) in trust for the benefit of Buyer, (B) notify Buyer of such Omitted Asset(s) so held by either Seller or any of its respective Affiliates, (C) upon the written request of Buyer (which request shall include a reasonably detailed basis for its determination that it is the owner of such Omitted Asset(s)), (I) transfer or assign such Omitted Asset(s) to Buyer or its designated Affiliate as soon as reasonably practicable and/or (II) take such other steps and/or actions that are otherwise necessary to transfer such Omitted Asset to Buyer or its designated Affiliates; or

(ii) identify or become aware of any Encumbrance (other than Permitted Encumbrances or Encumbrances set forth on **Schedule 3.3(b)(ii)** of **Sellers' Disclosure Schedules**) on any of the Transferred Intellectual Property that would result in a Breach of Section 3.3(b)(ii) (each an ***"IP Encumbrance"***), then Sellers shall (or shall cause their respective Affiliates to) (A) notify Buyer of such IP Encumbrance and (B) upon the written request of Buyer (which request shall include a reasonably detailed basis for its determination that such IP Encumbrance(s) exist), take such steps and/or actions that are necessary to eliminate such IP Encumbrance(s) and perfect Buyer's or its designated Affiliate's interest in the Transferred Intellectual Property that is subject to such IP Encumbrance(s) as soon as reasonably practicable.

(b) If at any time commencing from the Closing, Buyer identifies or becomes aware of any Omitted Asset(s) or IP Encumbrance(s), Buyer may notify Sellers in writing and request:

(i) that such Omitted Asset(s) be transferred or assigned to Buyer or its Affiliates (which request shall include a reasonably detailed basis for its determination that it is the owner of such Omitted Asset(s)), and upon Sellers' receipt of such request, Sellers shall (or shall cause their respective Affiliates to) (A) hold such Omitted Asset(s) in trust for the benefit of Buyer, (B) transfer or assign such Omitted Asset(s) to Buyer or its designated Affiliate as soon as reasonably practicable and/or (C) take such other steps and/or actions that are otherwise necessary to transfer such Omitted Asset(s) to Buyer or its designated Affiliates; and/or

(ii) that such IP Encumbrance(s) be eliminated and Buyer's and or its designated Affiliate's interest in the Transferred Intellectual Property that is subject to such IP Encumbrance(s) be perfected (which request shall include a reasonably detailed basis for its determination that such IP Encumbrance(s) exist), and upon Sellers' receipt of such request, Sellers shall (or shall cause their respective Affiliates to) take such steps and/or actions that are necessary to eliminate such IP Encumbrance(s) and perfect Buyer's or its designated Affiliate's interest in the Transferred Intellectual Property that is subject to such IP Encumbrance(s) as soon as reasonably practicable.

(c) Buyer and Sellers acknowledge and agree that (i) an Omitted Asset shall become a Purchased Asset effective as of the time such Omitted Asset is assigned or transferred to Buyer or its designated Affiliate pursuant to Section 5.9(a)(i) or Section 5.9(b)(i) (an ***"Omitted Asset Effective Time"***) and (ii) notwithstanding anything to the contrary contained in this Agreement, (A) any Liability arising out of or relating to such Omitted Asset shall be considered an Excluded Liability to the extent any such Liability is for, relates to or is incurred during time periods prior to the Omitted Asset Effective Time applicable to such Omitted Asset (B) any Liability arising out of or relating to such Omitted Asset shall be considered an Assumed Liability to the extent any such Liability is for, relates to or is incurred during time periods at or after the Omitted Asset Effective Time applicable to such Omitted Asset.

5.10 REGULATORY FILINGS

Buyer and Sellers shall each, and shall each cause their respective applicable Affiliates to, use commercially reasonable efforts to (a) promptly make, or cause to be made, any filings, submissions and/or notifications required by Legal Requirements to be made by them (or their applicable Affiliates) to consummate the Contemplated Transactions, under any applicable antitrust or competition Legal Requirements (which filings, submissions and notifications shall request early termination, if applicable, of any waiting periods thereunder), (b) cooperate with the other party with respect to any filings, submissions or notifications that the other party and its applicable Affiliates are required by Legal Requirements to make in connection with the Contemplated Transactions, (c) use their commercially reasonable efforts to obtain an early termination of any applicable waiting periods required under any applicable antitrust or competition law, or any Consent required to be obtained from any Governmental Body, (d) supply as promptly as reasonably practicable any additional information and documentary material that may be requested pursuant to any applicable antitrust or competition law, (e)

cooperate with the other party and its applicable Affiliates in obtaining the Consents identified in **Exhibit 5.10**, (f) promptly respond to all communications from a Governmental Body with respect to such Consents, filings, submissions or notifications, after consultation with the other party and (g) use its commercially reasonable efforts to take or cause to be taken all other actions necessary, proper or advisable consistent with this Section 5.10 to cause the expiration or termination of the applicable waiting periods, or receipt of required authorizations, as applicable, under such Consents or any other applicable antitrust or competition law. Notwithstanding anything herein to the contrary, Buyer (and its Affiliates) shall not be obligated to sell, license or otherwise dispose of, or hold separate and agree to sell, license or otherwise dispose of, assets, categories of assets or businesses of the Buyer or Sellers or their respective Affiliates to ensure that no Governmental Body enters any order, decision, judgment, decree, ruling, injunction (preliminary or permanent), or establishes any law, rule, regulation or other action preliminarily or permanently restraining, enjoining or prohibiting the consummation of this Agreement.

5.11 TRANSFER OF TRANSFERRED PERMITS

(a) Sellers shall as soon as reasonably practicable, and in no event later than ten (10) Business Days after the Closing Date, commence the filing of all applications, documents and supporting information with all applicable Governmental Bodies, to effectuate the Transferred Permits to be transferred to Buyer or its Affiliates effective as of the Closing Date. Promptly following receipt of a written request, Buyer shall reimburse Sellers and their respective Affiliates for all reasonably documented filing fees associated with any filings or submissions required to be made with any Governmental Body to effectuate the transfer of the Transferred Permits; provided, that Sellers and their respective Affiliates shall be solely responsible for all other internal and out-of-pocket fees and expenses (including, without limitation, any attorneys' fees) incurred in complying with this Section 5.11.

(b) Until the transfer of the Transferred Permits to Buyer in Buyer's or its Affiliates' name has been effected, Sellers shall, to the extent permitted under Legal Requirements, take necessary actions to maintain the Transferred Permits that have not yet been transferred to Buyer or its Affiliates and shall not make any material modifications to the Transferred Permits without the prior written consent of Buyer (such Consent not to be unreasonably withheld or delayed).

(c) In connection with the actions contemplated by this Section 5.11, each party shall, and shall cause its Affiliates to, (i) provide reasonably necessary assistance to the other party and its Affiliates in seeking to have the Transferred Permits transferred to Buyer or its Affiliates in accordance with this Section 5.11 and (ii) appoint one employee as the primary point of escalation contact for the other party with respect to such party's obligations pursuant to this Section 5.11, and the parties shall notify each other of the name and relevant contact information for such employee as soon as reasonably practicable following the Closing Date.

5.12 TRANSFER OF REGISTRATIONS

(a) Sellers shall, or shall cause their respective Affiliates to, as soon as reasonably practicable after the Closing Date, but in no event later than sixty (60) days after the Closing Date, complete the filing of all applications, documents, and supporting information

with all applicable Governmental Bodies that are necessary to effectuate the Transferred Registrations to be transferred to Buyer in Buyer's or its Affiliates' name(s) effective as of the Closing Date or as soon as reasonably practicable thereafter; provided, however, that if, despite commercially reasonable efforts, Sellers and/or their respective Affiliates have been unable to complete such filings within such sixty (60) day period, then such sixty (60) day period shall be extended as mutually agreed upon by the parties. Promptly following receipt of a written request, Buyer shall reimburse Sellers and their respective Affiliates for all reasonably documented filing fees associated with any filings or submissions required to be made with any Governmental Body to effectuate the transfer of the Transferred Registrations; provided, that Sellers and their respective Affiliates shall be solely responsible for all other internal and out-of-pocket fees and expenses (including, without limitation, any attorneys' fees) incurred in complying with this Section 5.12(a).

(b) On and after the Closing Date, and for up to two (2) years following the Closing Date, Sellers shall, or shall cause its Affiliates to, execute and file, or cause to be executed and filed, all applications and other documents necessary to effectuate the transfer of the pending Registrations identified on **Exhibit 5.12(b)** attached hereto (the ***"Pending Product Registrations"***). In connection with the foregoing and with respect to those Pending Product Registrations that Sellers or their respective Affiliates have not yet effectively transferred to Buyer, its Affiliates or its designees pursuant to this Section 5.12(b), (i) Sellers shall provide copies of all written communications received from any Governmental Body with respect to such Pending Product Registrations promptly following receipt thereof and (ii) no less than once per month, Sellers shall cause one of its employees to be available for a teleconference with Buyer or its Affiliates, at which such employee shall provide an update on the status of any such Pending Product Registration. In the event that any Governmental Body requests in writing from Sellers or any of their respective Affiliates the provision or generation of any Registration Data (other than any Transferred Registration Data) in connection with a Pending Product Registration, Sellers shall notify Buyer in writing of such request. Buyer shall be responsible for the generation or production of such additional Registration Data. The costs of such additional Registration Data shall be borne exclusively by Buyer and Buyer shall solely own any such additional Registration Data. On the date that is the earlier of (i) the date an application for a Pending Product Registrations is effectively transferred to Buyer, its Affiliates or its designees (a ***"Pending Product Registration Transfer Date"***) or (ii) the date a Pending Product Registration shall be granted or accepted by the relevant Governmental Body (the ***"Grant Date"***), such Registration shall be deemed to be a Transferred Registration within the meaning of this Agreement. If a Pending Product Registration has not been transferred to Buyer prior to the Grant Date applicable to such Pending Product Registration, except as otherwise provided in this Section 5.12(b), Sellers shall, or shall cause their respective Affiliates to, use commercially reasonable efforts to cause such Registration to be transferred to Buyer in its, its Affiliates' or its designees' name(s) as soon as is reasonably practicable after the Grant Date. Promptly following receipt of a written request, Buyer shall reimburse Sellers and their respective Affiliates for all reasonably documented filing fees associated with any filings or submissions required to be made with any Governmental Body to effectuate the transfer of the Pending Product Registrations; provided, that Sellers and their respective Affiliates shall be solely responsible for all other internal and out-of-pocket fees and expenses (including, without limitation, any attorneys' fees) incurred in complying with this Section 5.12(b). In furtherance of effectuating such transfers, Sellers shall, except as otherwise provided in this Section 5.12(b), promptly after

the Grant Date, commence, or cause their respective Affiliates to commence, the filing of all applications, documents, and supporting information with all applicable Governmental Bodies that are necessary or appropriate to effectuate such transfers and shall complete such filings within sixty (60) days after the Grant Date; provided, however, that if, despite commercially reasonable efforts, Sellers and/or their respective Affiliates have been unable to complete such filings within such sixty (60) day period, then such sixty (60) day period shall be extended as mutually agreed upon by the parties. If, on the second (2^{nd}) anniversary of the Closing Date, any of the Pending Product Registrations shall not have been (i) effectively transferred to Buyer, its Affiliates or its designees or (ii) granted or accepted by the relevant Governmental Body, then Sellers shall, and shall cause their respective Affiliates to, withdraw all existing applications with respect to such Pending Product Registration and deliver to Buyer copies of such application and the documents and data submitted in connection therewith, and neither Seller nor any of its respective Affiliates shall have any further obligation under this Section 5.12(b) with respect to the Pending Product Registrations.

(c) With respect to each Transferred Registration set forth on **Exhibit 5.12(c)**, until the date upon which such Transferred Registration is transferred to Buyer, its Affiliates or designees, Sellers shall, and shall cause their respective Affiliates to, take such necessary actions to maintain such Transferred Registration and shall not withdraw, waive any material rights with respect to, or make any material modifications to such Transferred Registration without the prior written Consent of Buyer (such Consent not to be unreasonably withheld or delayed); provided, however, that, Buyer shall reimburse Sellers and their respective Affiliates for any and all reasonable out-of-pocket fees (including any Registration fees), expenses (whether internal or external) and other costs incurred by Sellers and their respective Affiliates in connection with such assistance and/or actions upon demand therefor.

(d) In connection with the actions contemplated by this Section 5.12, each party shall, and shall cause its Affiliates to, (i) provide reasonably necessary assistance to the other party, its Affiliates and its designees in seeking to have the Transferred Registrations and Pending Product Registrations transferred to Buyer, its Affiliates and/or its designees in accordance with Section 5.12(a) and Section 5.12(b), (ii) provide to the other party a list of the appropriate Registration manager for each jurisdiction where there is a Transferred Registration or Pending Product Registration and (iii) appoint one employee as the primary point of escalation contact for the other party with respect to such party's obligations pursuant to this Section 5.12, and the parties shall notify each other of the name and relevant contact information for such employee as soon as reasonably practicable following the Closing Date.

(e) Except as otherwise provided in this Agreement (including, without limitation, Section 5.12(c)) or the other Transaction Documents, at and after the Closing Date, (i) Buyer, its Affiliates, and/or its designees shall be responsible for the maintenance of all of the Transferred Registrations and (ii) none of Sellers nor any of their respective Affiliates shall have any obligation to support or maintain such Transferred Registrations.

(f) Subject to any Legal Requirements, as of the Closing Date, solely with respect to those countries in which (i) there is a Transferred Registration for a Product and (ii) such Transferred Registration is set forth on **Exhibit 5.12(c)**, Sellers hereby agree to appoint Buyer, its Affiliates and designees as Sellers' and their respective Affiliates' exclusive

distributor for the limited and sole purpose of Buyer's, its Affiliates' and designees' sale of such Product in those countries (such countries, collectively, the ***"Covered Countries"*** and each, a ***"Covered Country"***). The term of any such appointment as distributor in each Covered Country (the ***"Buyer Appointment Term"***), shall commence on the Closing Date and, unless earlier terminated as provided herein, shall terminate with respect to a Product in a Covered Country as of the date upon which the applicable Governmental Bodies approve the transfer of the Transferred Registration for such Product to Buyer, its Affiliates and/or designees in such Covered Country. During the applicable Buyer Appointment Term and without limiting Section 5.24(b) in any way, Buyer, its Affiliates and designees shall have the right to sell the Products that are subject to the applicable Transferred Registrations in the Covered Countries under Sellers' or any of their respective Affiliates' Product labels and trademarks existing as of the date of this Agreement; provided, however, that if, under Legal Requirements, Buyer is prohibited from using such labels and packaging in connection with such sales, then Sellers and Buyer shall use commercially reasonable efforts to agree upon an arrangement that will permit Buyer to effect such sales in compliance with Legal Requirements until the termination of the applicable Buyer Appointment Term; provided, further, that (i) all such sales shall be in full compliance with Legal Requirements and (ii) none of Buyer, its Affiliates or designees or Buyer's, its Affiliates' or its designees' employees or agents shall hold itself out as being an agent for Sellers or any of their respective Affiliates or be authorized to make any binding commitment on behalf of Sellers or any of their respective Affiliates.

(g) [RESERVED]

5.13 REGISTRATION ISSUES; REGISTRATION CANCELLATION

(a) Prior to the transfer of the Transferred Registrations, if any Governmental Body or other third-party action requires the cessation of the development of, the amendment to, or the cancellation of a Transferred Registration, then Buyer and Sellers shall cooperate with each other in good faith in determining how to respond, and which party shall respond, to the applicable Governmental Body or other third party with respect to such issue. If Buyer and Sellers do not agree on how to respond, and which party shall respond, to the applicable Governmental Body or other third party with respect to such issue within ten (10) Business Days after initiating their good faith cooperation with respect to such issue, then (x) if prior to the Closing, Seller shall, in its sole discretion exercised in good faith and subject to Section 5.6, have the right to determine how to, and which party shall, respond with respect to such issue and (y) if following the Closing, Buyer shall, in its sole discretion exercised in good faith, have the right to determine how to, and which party shall, respond with respect to such issue. Each party shall provide the other party with written notice of any such Governmental Body or other third-party action no later than five (5) Business Days after becoming aware of any such Governmental Body or other third-party action.

(b) Notwithstanding anything to the contrary contained in this Agreement or any other Transaction Document, Buyer acknowledges and agrees that Sellers may amend, modify or cancel any Transferred Registration, without any Liability of any kind, if such action is required in order to comply with Legal Requirements.

(c) In the event that Sellers intend to take action pursuant to Section 5.13(b), Sellers shall, except as otherwise required by Legal Requirements, provide Buyer with no less than thirty (30) days prior written notice of its intent to amend, modify or cancel any Transferred Registration which notice shall set forth, in reasonable detail, Sellers' reason for taking such action.

5.14 BULK SALES LAWS

Buyer and Sellers hereby waive, and shall cause their applicable Affiliates to waive, compliance with the provisions of any bulk sales, bulk transfer or similar Legal Requirements that may be applicable with respect to all or any of the Contemplated Transactions.

5.15 [RESERVED]

5.16 NON-ASSIGNABLE ASSETS; REFUNDS

Notwithstanding anything else contained in this Agreement or any other agreement to the contrary, nothing in this Agreement or any other agreement shall be construed as an attempt by Sellers or any of their respective Affiliates to transfer or assign to Buyer or its Affiliates any asset if by its terms such asset is not transferable or assignable without the Consent of any other party or parties unless such Consent shall have been given. From and after the date of this Agreement, if the transfer or assignment of such asset by Sellers or any of their respective Affiliates to Buyer or its Affiliates requires the Consent of a third party, Buyer and Sellers shall, and shall cause their respective Affiliates to, use commercially reasonable efforts to obtain, or cause to be obtained, such third-party Consent a reasonable period of time prior to the Closing Date. Except for those Consents required to be obtained at Closing pursuant to Sections 6.2 and 7.2, if, despite the use of such commercially reasonable efforts, such third-party Consent cannot be obtained prior to the Closing, then the parties shall proceed with the Closing, the parties shall, and shall cause their respective Affiliates to, use commercially reasonable efforts to obtain such third-party Consent after the Closing, and, until such time as it shall have been obtained, the parties shall cooperate to provide that Buyer or its Affiliate shall receive the benefits under such asset which it would be entitled if such third-party Consent had been obtained at the Closing (including, with respect to the Transferred Contracts that are identified in item 2 on **Exhibit 2.1(a)(vi)**, any sub-contracting arrangement that can, in good faith, be established among the applicable parties to facilitate the continuation of the benefits and obligations under such Transferred Contract); provided, that, subject to the last sentence of this Section 5.16, Buyer or its Affiliates shall pay, satisfy and perform the corresponding Liabilities relating to such asset to the extent that Buyer or its Affiliates would have been responsible therefor if such third-party Consent had been obtained, and such asset assigned to Buyer or its Affiliates at the Closing, and such Liabilities shall be deemed Assumed Liabilities for purposes of this Agreement. Once such third-party Consent is obtained, Sellers (or their respective Affiliates) shall transfer and assign, or cause the transfer and assignment, to Buyer or its Affiliates, and Buyer or its Affiliates shall accept and assume from Sellers (or their respective Affiliates) such asset at no additional cost. Without limitation to the foregoing, if the Closing shall be consummated and (a) the transfer or assignment of any Transferred Contract that are identified in item 2 on **Exhibit 2.1(a)(vi)** shall require the Consent of any third party, (b) such Consent shall not be given and (c) such attempted transfer or failure to obtain Consent results in (i) the obligation to refund to such third party any

amounts prepaid to Sellers or its Affiliates by or on behalf of such third party, then Sellers shall promptly pay, or cause to be paid, such amounts to such third parties, or (ii) the obligation to pay a penalty (other than the refund described in (i) above), in accordance with the terms of, and in the amounts set forth in, such Transferred Contract, or as otherwise required by Legal Requirement, to such third party, then Buyer shall promptly pay, or cause to be paid, the amount of such penalty to such third parties; provided, that if, in the case of clause (i), the amount refunded to such third party by Sellers is subsequently paid to Buyer by such third party, Buyer will promptly forward such payment to Sellers.

5.17 TAX MATTERS

(a) All ad valorem, real property, personal property and similar Taxes attributable to the Purchased Assets and the Assumed Leased Properties applicable to any Tax period that begins before and ends on or after the Closing Date (***"Property Taxes"***) shall be prorated based on the number of days in such period that occur on or before the Closing Date, on the one hand, and the number of days in such period that occur after the Closing Date, on the other hand, the amount of such Property Taxes allocable to the portion of the period ending on the Closing Date being the responsibility of Sellers and the remainder being the responsibility of Buyer. Buyer shall pay (or cause to be paid) prior to delinquency, all Property Taxes that become due after the Closing Date. Buyer shall send to Sellers a statement that apportions each Property Tax pursuant to this Section 5.17(a) based upon the amount of Property Taxes actually invoiced and paid to the applicable Government Body by Buyer. Such statement shall be accompanied by proof of Buyer's actual payment of such Property Taxes. Within ten (10) days of receipt of each such statement and proof of payment, Sellers shall reimburse Buyer for Sellers' allocated portion of such Property Taxes.

(b) The parties shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the filing of Tax Returns and any audit, litigation, or other Proceeding with respect to Taxes related to the Purchased Assets or the Assumed Leased Properties. Such cooperation shall include the retention and (upon another party's request) the provision of records and information that are relevant to any such Tax Return or audit, litigation or other Proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided under this Agreement. Sellers and Buyer agree to retain all books and records with respect to Tax matters pertinent to the Purchased Assets or the Assumed Leased Properties relating to any Tax period beginning before the Closing Date until the expiration of the statute of limitations of the respective Tax periods and to abide by all record retention agreements entered into with any Governmental Body.

(c) All transfer, documentary, sales, purchase, stamp, documentary stamp, use, value added, goods and services, registration, use and other similar Taxes and related fees (including any penalties, interest and additions to Tax) incurred in connection with this Agreement, any other Transaction Document and/or the Contemplated Transactions shall be borne fifty percent (50%) by Buyer and fifty percent (50%) by Sellers.

(d) Special assessments, ground rent, water, sewer, electric and other lienable charges imposed by any Governmental Body with respect to the Assumed Leased Properties shall be apportioned pro-rata at the time of the Closing.

(e) Notwithstanding anything in this Agreement to the contrary, Buyer and/or its Affiliates shall not deduct and withhold from any portion of the Purchase Price otherwise payable to Sellers or any of Sellers' Affiliates pursuant to this Agreement any amount if, at least four (4) Business Days prior to the Closing, each Seller (and Seller's Affiliates, if applicable) has delivered to Buyer a properly certified Internal Revenue Service Form W-9 or applicable W-8 establishing that it is exempt from U.S. federal backup withholding, provided, that Buyer and/or its Affiliates may deduct and withholding from any portion of the Purchase Price to the extent required by any applicable Legal Requirement and resulting solely from (i) Sellers' assignment in accordance with Section 10.7 or (ii) a foreign (non-U.S.) Legal Requirement, provided, further, if Buyer or any of its Affiliates determines that any deduction or withholding is required pursuant to the preceding proviso, Buyer or any of its Affiliate shall give Sellers (or Seller's Affiliates, if applicable) prompt written notice of any intent to deduct or withhold taxes and shall cooperate with Sellers (or Seller's Affiliates, if applicable) in good faith to mitigate any such deduction or withholding. In all events Buyer's and or its Affiliates determination that any deduction or withholding is required under this Section 5.17(e)(ii) shall be final.

5.18 DELIVERY OF INTELLECTUAL PROPERTY, CONTRACTS, PERMITS AND RECORDS, REPRESENTATIVE LABELS, REGISTRATION DATA, ETC.

(a) Sellers shall deliver, or cause to be delivered, to Buyer, (i) at or prior to the Closing, an electronic copy of the Transferred Contracts, the Transferred Permits and the documents comprising the Transferred Intellectual Property and the Transferred Books and Records, and (ii) promptly after the Closing, but in no event later than the tenth (10^{th}) Business Day after the Closing Date, original versions of the Transferred Contracts, the Transferred Permits and the documents comprising the Transferred Intellectual Property and the Transferred Books and Records to the extent any of the same are in the possession or under the control of either Seller, any of its respective Affiliates or its respective Representatives.

(b) Sellers shall deliver, or cause to be delivered, to Buyer (i) at or prior to the Closing, an electronic copy, in an editable format, of labels that are representative of the text and artwork used on the labels used on the Products as of the Closing Date and (ii) promptly after the Closing, but in no event later than the tenth (10^{th}) day after the Closing Date, original copies of the labels used on the Products as of the Closing Date.

(c) At or prior to the Closing, Sellers shall deliver, or cause to be delivered, to Buyer an electronic copy of all the contents of the Data Room as of the Closing Date.

(d) At or prior to the Closing, Sellers shall provide to Buyer an electronic copy of the Transferred Biological Data.

(e) At or prior to the Closing, Sellers shall provide to Buyer an electronic copy of the Transferred Registration Data.

(f) Buyer and Sellers acknowledge and agree that the delivery of the Transferred Equipment and the Assumed Leased Equipment located at either of the Assumed Leased Properties shall be deemed to occur simultaneously with the Closing.

(g) At or prior to the Closing, Sellers shall deliver, or cause their respective Affiliates to deliver, notices, in forms acceptable to Buyer, of the Contemplated Transactions to the Persons expressly identified and set forth on **Exhibit 5.18(g)**.

(h) Prior to the Closing Date, Sellers shall be responsible for and shall maintain (or cause to be maintained) the Transferred Patents and the Transferred Trademarks, and shall be responsible for and shall timely pay any fees with a payment deadline before the Closing Date associated therewith. On and after the Closing Date, Buyer shall be responsible for the prosecution and maintenance of the Transferred Patents and for drafting and filing any patent applications on any inventions contained in the Transferred Know-How, and for any fees associated therewith; provided, however, that Buyer shall have no obligation to prosecute or maintain any of the Transferred Patents or file any patent application(s) on such inventions except to the extent expressly set forth in the Pharma License and then, only in accordance with the terms and conditions thereof, and such obligations, if any, shall be governed exclusively by the Pharma License. Upon written request from Buyer, which shall be delivered no later than three (3) Business Days prior to the Closing Date, Sellers shall timely pay (or cause to be paid) on behalf of Buyer or its Affiliates any annuity and maintenance/renewal fees for (i) the Transferred Trademarks and/or (ii) the Transferred Patents, on and after the Closing Date and continuing through the end of the first (1st) full calendar month immediately after the Closing Date. Sellers shall invoice Buyer for such fees paid by Sellers, if any, during such time periods and Buyer shall pay to Sellers such fees within thirty (30) days of the date of such invoices.

(i) Notwithstanding anything contained in the foregoing to the contrary, Sellers shall retain copies of each of (i) the Transferred Strains & Enzymes, (ii) Transferred Biological Data, (iii) Transferred Books and Records, (iv) Transferred Registration Data and (v) the Transferred Know-How, solely to the extent that the same are included on Exhibit A to the Pharma License and otherwise constitute (v) C-1 Genomic Information, (w) C1 Strains, (x) Dyadic Know-How, (y) Dyadic Materials, or (z) Genetic Tools (each of the foregoing (v) – (z) as defined in the Pharma License); provided, that Sellers right to retain and use any of the foregoing shall be only to the extent permitted by, and pursuant to the terms and conditions of, the Pharma License.

(j) Sellers shall deliver, or cause to be delivered to the Escrow Agent, no later than the first (1st) Business Day after the Closing Date, the duly completed Creditors List (as such term is defined in the Lender Escrow Agreement) and such other documentation as shall be required to be delivered by Dyadic pursuant to the Lender Escrow Agreement (and shall provide a copy of such Creditors List and other documentation to Buyer).

5.19 NO SOLICITATION; ACQUISITION PROPOSALS

(a) Except as expressly set forth in this Section 5.19(a), during the period commencing on the date of this Agreement and ending on the earlier of the Closing Date or the date of termination of this Agreement in accordance with its terms, (i) Sellers shall not, and shall cause their respective Affiliates and Representatives not to, and on becoming aware of it will use its reasonable best efforts to stop any such Person from continuing to, directly or indirectly: (A) solicit, initiate, or knowingly encourage, induce the making of, facilitate (including by way of furnishing information) or assist, any inquiry, proposal or offer (whether or not in writing), with

respect to, or that would be reasonably expected to lead to, any Acquisition Proposal; (B) furnish to any Person (other than to Buyer or any Representatives of Buyer) or afford any person access to (other than to Buyer or any Representatives of Buyer) any non-public information regarding the personnel, business, properties, assets, or the books and records of either Seller or any of its respective Affiliates in connection with or in response to any inquiry, proposal or offer letter (whether or not in writing) with respect to, or that would be reasonably expected to lead to, any Acquisition Proposal; (C) participate or engage in discussions or negotiations with any Person (other than Buyer or any of Buyer's Representatives) with respect to any Acquisition Proposal (other than to state they are not permitted to engage in discussions); or (D) enter into any agreement in principle, acquisition agreement, merger agreement, option agreement, joint venture agreement, partnership agreement letter of intent, memorandum of understanding or similar agreement (whether or not binding) regarding, or that is intended to result in, or would reasonably be expected to lead to, any Acquisition Proposal, excluding from the foregoing an Acceptable Confidentiality Agreement (an ***"Alternative Acquisition Agreement"***); and (ii) Sellers shall, and shall cause their respective Affiliates and Representatives to, (A) immediately cease and cause to be terminated any existing activities, discussions, inquiries or negotiations with any Persons other than Buyer and its Affiliates conducted prior to the date of this Agreement with respect to any Acquisition Proposal or any inquiry, proposal or offer (whether or not in writing) that would reasonably be expected to lead to an Acquisition Proposal, and (B) promptly, and in any event within three (3) Business Days following the date of this Agreement, request, and shall use its and their respective commercially reasonable efforts to cause, the prompt return or written acknowledgment of destruction of all confidential information previously furnished, and immediately terminate all physical and electronic data room access previously granted, to any such Person or its Representatives with respect to any Acquisition Proposal or any inquiry or proposal that would reasonably be expected to lead to an Acquisition Proposal. Notwithstanding the foregoing, at any time prior to the Requisite Stockholder Vote, in response to a bona fide written Acquisition Proposal received after the execution of this Agreement by either Seller or any of its respective Affiliates, that the Dyadic Board, after consultation with its legal and financial advisors, determines in good faith constitutes or would reasonably be expected to result in a Superior Proposal submitted to either Seller or any of its respective Affiliates (and not withdrawn), and which Superior Proposal was not solicited after the date of this Agreement and did not otherwise result from a breach of this Section 5.19, Sellers may, subject to compliance with this Section 5.19 and the other provisions of this Agreement, (x) furnish confidential information with respect to either Seller or any of its respective Affiliates to the Person making such Acquisition Proposal and its Representatives, but only pursuant to a confidentiality agreement which contains terms that are in all material respects no less restrictive of such person than those contained in the Confidentiality Agreements (an ***"Acceptable Confidentiality Agreement"***) (it being understood that such Acceptable Confidentiality Agreement and any related agreements will not include any provision providing for any exclusive right to negotiate with such Person or having the effect of prohibiting either Seller from complying with its obligations under this Section 5.19; provided that all such information has previously been provided to Buyer or is provided to Buyer prior to or substantially concurrent with the time it is provided to such Person), and (y) conduct discussions and negotiate with, and only with, such Person (and the Representatives of such Person) regarding such Acquisition Proposal; provided, however, that prior to taking such actions, Sellers have provided Buyer prior notice of their intent to take such action, and determine in good faith,

after consultation with outside legal counsel, that the failure to take such action would be inconsistent with the fiduciary obligations of the Dyadic Board under applicable Legal Requirements.

(b) Except as expressly permitted by this Section 5.19(b), neither the Dyadic Board nor any committee thereof will (i) withdraw or modify, or publicly propose to withdraw or modify, or make a public statement inconsistent with, the Dyadic Recommendation, (ii) approve, recommend, declare advisable or publicly propose to approve, recommend or declare advisable, any Acquisition Proposal (any such action, resolution or agreement to take such action being referred to in clauses (i) and (ii) of this Section 5.19(b), an ***"Adverse Recommendation Change"***), or (iii) cause or permit Dyadic to enter, or cause or permit its Affiliates to enter, into any Alternative Acquisition Agreement, or resolve or agree to take any such action. Notwithstanding anything to the contrary set forth in this Agreement at any time prior to obtaining the Requisite Stockholder Vote, the Dyadic Board will be permitted (A) with respect to an Acquisition Proposal that was made after the date of this Agreement and did not otherwise result from a breach of this Section 5.19, to effect an Adverse Recommendation Change, if the Dyadic Board determines in good faith, after having complied with, and giving effect to all of the adjustments which may be offered by Buyer pursuant to Section 5.19(c), after consultation with outside legal counsel and financial advisors, that such Acquisition Proposal constitutes a Superior Proposal and that, after consultation with outside legal counsel, the failure to take such action would be inconsistent with the fiduciary obligations of the Dyadic Board under applicable Legal Requirements; or (B) in response to an Intervening Event, to effect an Adverse Recommendation Change described in clause (i) of such definition above if the Dyadic Board determines, after consultation with outside legal counsel, that the failure to take such action would be inconsistent with the fiduciary obligations of the Dyadic Board under applicable Legal Requirements.

(c) The Dyadic Board will not be entitled to effect an Adverse Recommendation Change as permitted under Section 5.19(b) with respect to a Superior Proposal unless (i) Sellers have provided prompt written notice (in any event, within one Business Day) (which written notice shall not be deemed to be an Adverse Recommendation Change) (a ***"Notice of Superior Proposal"***) to Buyer that the Dyadic Board intends to take such action, attaching the definitive transaction agreements relating to such Superior Proposal and describing the material terms and conditions of the Superior Proposal that is the basis of such action (it being understood that such material terms need not include the identity of the party making such Superior Proposal), (ii) during the period of five (5) Business Days following Buyer's receipt of the Notice of Superior Proposal, Sellers have negotiated, and have caused their Representatives to negotiate, in good faith with Buyer during such period (to the extent Buyer desires to negotiate) to make such adjustments to the terms and conditions of this Agreement so that such Superior Proposal ceases to constitute a Superior Proposal, (iii) following the end of such five-Business Day period, the Dyadic Board shall have considered in good faith, after consulting with outside legal counsel and financial advisors, any changes to this Agreement proposed in writing by Buyer in response to the Notice of Superior Proposal, and shall have determined in good faith that the Superior Proposal that is the subject of the Notice of Superior Proposal would continue to constitute a Superior Proposal if such revisions were to be given effect, and that, after consultation with outside legal counsel, failure to take such action would be inconsistent with the fiduciary obligations of the Dyadic Board under applicable Legal Requirements, and (iv) in the

event of any material change to the terms of such Superior Proposal, Sellers shall, in each case, have delivered to Buyer a new Notice of Superior Proposal and Sellers will be required to comply again with the requirements of this Section 5.19(c), except that references to the five-Business Day period above will be deemed to be references to a three-Business Day period. Sellers shall not, and shall cause their respective affiliates not to, enter into any agreement on or after the date hereof and prior to the termination of this Agreement in accordance with Article 8 hereof that would prevent either Seller from providing to Buyer any information, and in the manner and within the time, required by this Section 5.19.

(d) The Dyadic Board will not be entitled to effect an Adverse Recommendation Change as permitted under Section 5.19(b) with respect to an Intervening Event unless (i) Sellers have provided prompt written notice (in any event, within one Business Day) (which written notice shall not be deemed to be an Adverse Recommendation Change) (a ***"Notice of Intervening Event"***) to Buyer that the Dyadic Board intends to take such action and describing in reasonable detail the facts and circumstances of such Intervening Event (including, without limitation, the date upon which the Dyadic Board became aware of such Intervening Event), and has received advice from outside legal counsel that the failure to take such action would be inconsistent with the fiduciary obligations of the Dyadic Board under applicable Legal Requirements, (ii) during the period of five (5) Business Days following Buyer's receipt of the Notice of Intervening Event, Sellers have negotiated, and have caused their Representatives to negotiate, in good faith with Buyer (to the extent Buyer desires to negotiate) to make such adjustments in the terms and conditions of this Agreement if Buyer, in its discretion, proposes to make such adjustments and (iii) following the end of the five-Business Day period, the Board has determined and has received advice from outside legal counsel, taking into account any changes to this Agreement proposed in writing by Buyer in response to the Notice of Intervening Event or otherwise, that the failure to take such action would be inconsistent with the fiduciary obligations of the Dyadic Board under applicable Legal Requirements.

(e) In addition to the obligations of Sellers set forth in this Section 5.19, Sellers shall, as promptly as reasonably practicable (and in any event within twenty four (24) hours) after the receipt thereof, advise Buyer orally and in writing of any Acquisition Proposal, or any discussions, negotiations, request for information or inquiry with respect to any Acquisition Proposal, and the status and material terms and conditions of any such Acquisition Proposal, request or inquiry, and will as promptly as reasonably practicable (and in any event within one Business Day of receipt) advise Buyer of any material amendments to any such Acquisition Proposal, request or inquiry and keep Buyer promptly informed as to the details of any information requested of or provided by Sellers and as to the details of all discussions or negotiations with respect to any such Acquisition Proposal, request or inquiry, including by providing Buyer a copy of all material documentation or correspondence relating thereto as soon as practicable (and in any event within one Business Day of receipt).

(f) Nothing contained in this Section 5.19 will prohibit the Dyadic Board, from (i) taking and disclosing to the Dyadic Stockholders a position with respect to a tender or exchange offer by a third party pursuant to Rule 14e-2 or Rule 14D-9 promulgated under the Exchange Act or (ii) making any other communication to the Dyadic Stockholders, if in the case of each of clauses (i) and (ii) hereof, the Dyadic Board determines in good faith, after consultation with outside legal counsel, that failure to disclose such position or communicate

with Dyadic stockholders would be inconsistent with the fiduciary obligations of the Dyadic Board under applicable Legal Requirements; provided, however, that in no event shall Sellers or the Dyadic Board or any committee thereof take, agree or resolve to take any action prohibited by Section 5.19.

5.20 NOTICE OF CERTAIN EVENTS

From and after the date of this Agreement until the Closing, (a) Sellers shall, and shall cause their respective Affiliates to, promptly notify Buyer in writing if either Seller or any of its respective Affiliates obtain Knowledge, and (b) Buyer shall, and shall cause its respective Affiliates to, promptly notify Sellers in writing if either Buyer or any of its respective Affiliates obtains knowledge, as applicable, of (i) any material Breaches of any covenants in this Agreement (ii) any act, event or circumstance that would reasonably be expected to cause a condition set forth in Article 6 or Article 7 to be unsatisfied, or (iii) any Proceeding pending or Threatened against the parties or any of their respective Affiliates that questions the validity of this Agreement, any other Transaction Document or the Contemplated Transactions or any action taken or to be taken by the parties or any of their respective Affiliates in connection with this Agreement, any other Transaction Document or the Contemplated Transactions; provided, however, that no such notification, nor the obligation to make such notification, shall be deemed to modify, amend or supplement the representations, warranties or covenants of any party hereto or the conditions to the obligations of any party to this Agreement or limit any of the remedies available to the parties pursuant to this Agreement.

5.21 EMPLOYEE MATTERS

(a) Following the date of this Agreement, Buyer, in its sole and absolute discretion, may offer, or cause its Affiliates to offer, to employ any of the Buyer Designated Employees; provided, that, any such offer of employment (i) shall be made on or prior to the date that is ten (10) days prior to the Closing Date and (ii) shall be effective as of the Closing Date. For the purposes of this Agreement, each (A) Dutch Employee shall and (B) Buyer Designated Employee who accepts an offer of employment, if any, from Buyer or its Affiliates shall, as of the date such Buyer Designated Employee reports for active duty, in each case, be hereinafter referred to herein as a ***"Transferred Employee"***. Without limiting the foregoing, Buyer Designated Employees who accept an offer of employment, if any, from Buyer or its Affiliates but do not report for active duty with Buyer or its Affiliates on the Closing Date will not become Transferred Employees. Following the date of this Agreement and without limiting Section 5.21(f) in any way, upon Buyer's request, Sellers shall (A) use commercially reasonable efforts to facilitate discussions between each Buyer Designated Employee and each of the contractors identified on **Exhibit 5.21(a)** and Buyer solely for the purpose of assisting Buyer in determining whether to make an offer of employment or offer to enter into a consulting or contractor arrangement to such Person and (B) provide Buyer with any information and/or documentation in either Seller's or any of its respective Affiliates' possession with respect to such Person (to the extent permitted by Legal Requirements and not otherwise set forth on **Schedule 3.10(a)** or **Schedule 3.25(a)** of **Sellers' Disclosure Schedules**), including, but not limited to, (I) any Sellers' Benefit Plan applicable to such Employee and (II) information and documentation related to the terms of such Person's employment or other arrangement with Sellers, including, without limitation, name, title or position (including whether full or part time), hire date,

visa/right to work status, current annual base compensation rate, commission, bonus or other incentive-based compensation and/or a description of the fringe benefits provided to each such individual as of the date of this Agreement. Without limitation to the foregoing, (v) within one (1) Business Day after the date of this Agreement, Buyer shall (or shall cause DuPont Netherlands to) notify DuPont Netherlands' works council of the Contemplated Transactions and initiate the advice procedure with DuPont Netherlands' works council in accordance with the Netherlands Works Councils Act (*Wet op de ondernemingsraden*), (w) in connection with such advice procedure, Buyer shall cause DuPont Netherlands to comply with its obligations pursuant to Sections 25 and 26 of the Netherlands Works Councils Act (*Wet op de ondernemingsraden*), and use its commercially reasonable efforts to obtain, as soon as reasonably practicable, advice from DuPont Netherlands' works council, and consider in good faith and respond as promptly as practicable to any such advice, (x) Buyer shall regularly inform Sellers about the progress of such advice procedure, (y) Buyer shall notify Sellers within one (1) Business Day after the satisfaction of DuPont Netherland's obligations under the Netherlands Works Councils Act (*Wet op de ondernemingsraden*) with respect to the advice procedure described in (v) above (the ***"Buyer Works Council Notice"***), and (z) following Sellers' receipt of the Buyer Works Council Notice, the parties shall cooperate to convene a meeting (the ***"Employee Meeting"***) by and among (I) the representatives of Buyer or any of its Affiliates and (II) the Dutch Employees, which Employee Meeting shall be held and concluded no later than two (2) Business Days following Sellers' receipt of the Buyer Works Council Notice, provided, that the representatives of Sellers' or any of their respective Affiliates shall participate in the Employee Meeting as reasonably requested by Buyer.

(b) With respect to the Dutch Employees, Buyer agrees that the transfer of employment will be effected and governed by the Acquired Rights Directive and the associated Dutch legislation which implements this directive, and accordingly the contract of employment and all rights and obligations arising therefrom of each such Dutch Employee will pass on by operation of law to DuPont Netherlands with effect from the Closing Date. Buyer shall cause DuPont Netherlands to comply with its obligations under such applicable Legal Requirements. Sellers shall cause Dyadic Nederland to notify the transfer of undertakings to the Dutch Employees in compliance with Legal Requirements following reasonable consultation with Buyer (which consultation shall include a review and opportunity to comment on any such written notification delivered to any Dutch Employee).

(c) From the Closing Date, DuPont Netherlands shall offer in respect of the Dutch Employees the same pension agreement as is applicable prior to the Closing Date in respect of its own employees in accordance with section 7:664 subparagraph 1(a) of the Dutch Civil Code.

(d) Sellers shall be responsible for, and shall pay, or shall cause their Affiliates to pay, (i) as and when otherwise payable under Sellers' bonus programs, all amounts accrued or otherwise payable to each Transferred Employee, if any, under Sellers' bonus programs that relate to the period before the Closing, determined in a manner consistent with its past practice, and (ii) as and when otherwise payable in accordance with Sellers' or their Affiliates ordinary payroll practices (unless such amounts are payable on an earlier date in accordance with applicable Legal Requirements), all amounts accrued or otherwise payable to each Transferred Employee for non-discretionary awards or payments required under applicable

Legal Requirements that relate to the period before the Closing, including, without limitation wages, statutory holiday allowances in addition to wages (not the number of vacation days), thirteenth month payments and other emoluments, whether or not included in the Seller's Benefit Plans. Sellers shall be responsible for, and shall pay, or shall cause their Affiliates to pay, as and when otherwise payable pursuant to the terms of any Contract between either Seller or their respective Affiliate and the Persons set forth on **Exhibit 5.21(a)** that shall accept, at or prior to Closing, an offer of employment or offer to enter into a consulting or contractor arrangement with Buyer or any of its Affiliates, all amounts accrued or otherwise payable to such Persons, if any, under such Contracts that relate to the period before the Closing.

(e) Solely with respect to any Buyer Designated Employees who become Transferred Employees, if any, Sellers and Buyer agree that, pursuant to the "Standard Procedures" provided in Section 4 of Revenue Procedure 2004-53, with respect to the filing and furnishing of Internal Revenue Service Forms W-2, W-3 and 941 for the 2015 calendar year, (i) Sellers shall perform all reporting duties for the wages and other compensation it pays with respect to such Transferred Employees, if any, for the period beginning on January 1, 2015 and ending on the Closing Date and (ii) Buyer shall perform all reporting duties for the wages and other compensation it pays with respect to such Transferred Employees, if any, for the period beginning after the Closing Date and ending on December 31, 2015. The parties reporting obligations under this Section 5.21(d) shall include, without limitation, filing all required quarterly Forms 941 and furnishing Forms W-2 to such Transferred Employees, if any, and Forms W-2 and W-3 with respect to such Transferred Employees, if any, to the Social Security Administration for the applicable periods.

(f) Sellers and Buyer shall provide each other with such records and information as may be reasonably necessary, appropriate and permitted under Legal Requirements to carry out their obligations under this Section 5.21.

(g) This Section 5.21 shall be binding upon and inure solely to the benefit of each of the parties to this Agreement, and nothing in this Section 5.21, express or implied, shall confer upon any other Person any rights or remedies of any nature whatsoever under or by reason of this Section 5.21. Nothing contained in this Agreement, express or implied, shall be construed to establish, amend or modify any benefit plan, program, agreement or arrangement. The parties hereto acknowledge and agree that the terms set forth in this Section 5.21 shall not create any right in any Person to any continued employment with Buyer or any of its respective Affiliates or compensation or benefits of any nature or kind whatsoever.

5.22 NON-SOLICITATION

Except as expressly permitted by Section 3.1 of the Pharma License, beginning at the Closing and continuing until three (3) years following the Closing Date, Sellers shall not, and shall cause their respective Affiliates not to, directly or indirectly, hire or solicit any Transferred Employee or any Person set forth on **Exhibit 5.21(a)** that shall accept, at or prior to Closing, an offer of employment or offer to enter into a consulting or contractor arrangement with Buyer or any of its Affiliates, if any, or encourage any such Person, if any, to leave employment with Buyer or hire any such Person who has left such employment with Buyer except pursuant to a general solicitation which is not directed specifically to any such employees; provided, that

nothing in this Section 5.22 shall prevent Sellers from soliciting or hiring any Person (i) whose employment has been terminated by Buyer or (ii) with Buyer's prior written consent (which may be withheld, conditioned or delayed in Buyer's sole discretion).

5.23 NONDISPARAGEMENT

From and after the Closing Date, Sellers shall, and shall cause their respective Affiliates to not disparage Buyer, its Affiliates (solely to the extent relating to the Business) or the Business' name or reputation.

5.24 USE OF TRANSFERRED TRADEMARKS; USE OF RETAINED NAMES; SELLERS' WEBSITES

(a) Except as otherwise provided in the Transaction Documents, upon the Closing Date, Sellers shall, and shall cause their respective Affiliates to, cease using the names of any Transferred Trademarks in connection with the operation and conduct of any business, including any advertising, marketing, sales or other materials, whether intended for internal or external publication, distribution or use.

(b) Subject to compliance with applicable Legal Requirements, and except as set forth in this Section 5.24, beginning on the Closing Date, Buyer and its Affiliates shall be permitted to use the Retained Names solely in connection with the sale or distribution, by or on behalf of Buyer or its Affiliates, of the Products, in accordance with the terms set forth in this Section 5.24, for a period not to exceed twenty-four (24) months following the Closing Date. Following the date that is twenty-four (24) months following the Closing Date, Buyer shall cease the use of (and shall cause its Affiliates to cease using) any and all of the Retained Names and any other references to Sellers or any of their respective Affiliates on any of the following, and shall remove, strike over, or otherwise obliterate all Retained Names and any other references to Sellers or any of their respective Affiliates (including any contact information) from, (i) the Products then in the legal possession of Buyer or in the legal possession of any Affiliate or agent of Buyer (including any sales agent or contract manufacturer), (ii) all packaging materials, labels, fact sheets, literature, and other inserts, in each case associated with the Products, including, without limitation, all material safety data sheets, product descriptions, product specifications, and certificates of analysis and (iii) all Purchased Assets.

(c) Notwithstanding anything contained in Section 5.24(b) or this Agreement to the contrary, Buyer and its Affiliates will not violate Section 5.24(b) by reason of: (i) Buyer's or its Affiliates' use of the Transferred Equipment, notwithstanding that they may bear one or more of the Retained Names (provided that it is not reasonably practicable to remove or cover the Retained Name); (ii) the appearance of the Retained Names on any Transferred Books and Records or the Transferred Know-How, to the extent used for internal purposes only in connection with the operation of the Purchased Assets; or (iii) the appearance of the Retained Names in or on any third party's publications, marketing materials, brochures, instruction sheets, equipment or Products that were sold or distributed in the Ordinary Course of Business on or after the Closing Date but prior to the twenty-four (24) month anniversary of the Closing Date and that generally are in the public domain, or any other similar uses by any third party over which Buyer and its Affiliates have no control, provided, that Buyer provides any such third

parties with written notice of its obligations and, to the extent reasonably practicable, requests such third parties to cease using the Retained Names.

(d) For a period of twelve (12) months from and after the Closing Date, Sellers shall, and shall cause their respective Affiliates to, cause the pages of any of Sellers' or any of their respective Affiliates' websites pertaining or relating to the Purchased Assets, the Products or the Business as set forth on **Exhibit 5.24(d)(i)** to automatically cause any visitors to such websites to be served, or redirected to, Buyer's website set forth on **Exhibit 5.24(d)(ii)** or to such other website(s) as may be requested by Buyer; provided, that nothing contained in this Section 5.24(d), elsewhere in this Agreement or any other Transaction Document shall require Sellers or any of their respective Affiliates to maintain any website pertaining to or relating to the Purchased Assets, the Products or the Business following the Closing; provided, further, that if Sellers or any of their respective Affiliates remove any of the website pages identified on **Exhibit 5.24(d)(i)** at any time during the twelve (12) month period following the Closing Date, Sellers shall, and shall cause their respective affiliates to, cause the first page of Sellers' or its respective Affiliates websites to include a link redirecting visitors to Buyer's website set forth on **Exhibit 5.24(d)(ii),** with text referencing the Purchased Assets, the Products or the Business, in form and substance reasonably acceptable to Buyer.

5.25 PREPARATION OF DISCLOSURE MATERIALS

(a) No later than five (5) Business Days after the date of this Agreement, Dyadic shall distribute to the holders of the Dyadic Stock as of the record date established for the Special Meeting, any and all materials required to be provided to such holders of the Dyadic Stock in connection with the Special Meeting required by Legal Requirements or Dyadic's obligations pursuant to any listing agreement with, or rules of, any securities exchange or trading market on which securities of Dyadic are listed (such materials, as amended or supplemented from time to time, the ***"Disclosure Materials"***). Subject to Section 5.19, the Disclosure Materials will contain the Dyadic Recommendation.

(b) Without limiting Section 5.25(a), no later than two (2) Business Days after the date of this Agreement, Dyadic shall (i) to the extent permitted by Legal Requirements, provide to Buyer a copy of such Disclosure Materials for Buyer's review and comment, and (ii) if Buyer provides Sellers comments to such Disclosure Materials no later than two (2) Business Days after delivery by Sellers of such Disclosure Materials, accept Buyer's reasonable comments to such Disclosure Materials.

(c) Without limiting Sections 5.25(a) and 5.25(b), in the event that the Dyadic Board elects to convene a Second Meeting in accordance with Section 5.26(a), Dyadic shall (i) no later than two (2) Business Days after the date on which Dyadic delivers notice of its intention to convene the Second Meeting, to the extent permitted by Legal Requirements, provide to Buyer a copy of the Disclosure Materials (as amended as of such date) for Buyer's review and comment, (ii) if Buyer provides Sellers comments to such Disclosure Materials no later than two (2) Business Days after delivery by Sellers of such Disclosure Materials, accept Buyer's reasonable comments to such Disclosure Materials, and (iii) no later than five (5) Business Days after the date on which Dyadic delivers notice of its intention to convene the Second Meeting, distribute to the holders of the Dyadic Stock as of the record date established

for the Second Meeting, the Disclosure Materials (as amended as of such date) in accordance with any Legal Requirements or Dyadic's obligations pursuant to any listing agreement with, or rules of, any securities exchange or trading market on which securities of Dyadic are listed.

(d) Following the distribution of the Disclosure Materials to the holders of the Dyadic Stock in advance of the Special Meeting and the Second Meeting, if any, Sellers shall promptly (i) correct any information in the Disclosure Materials if and to the extent that such information shall have become false or misleading in any material respect and (ii) supplement the information in the Disclosure Materials to include any information that shall become necessary in order to make the statements in the Disclosure Materials, in light of the circumstances under which they were made, not misleading. Dyadic further agrees to cause the Disclosure Materials as so corrected or supplemented to be distributed to the holders of the Dyadic Stock.

5.26 STOCKHOLDER MEETINGS

(a) The Dyadic Board shall, as soon as reasonably practicable after the date of this Agreement, in accordance with applicable Legal Requirements, the Dyadic Charter Documents and Dyadic's obligations pursuant to any listing agreement with, or rules of, any securities exchange or trading market on which securities of Dyadic are listed, duly call, give notice of, convene and hold a special meeting of Dyadic's stockholders (the ***"Special Meeting"***) for the purpose of considering and taking action upon the approval of this Agreement. In the event that the Requisite Stockholder Vote is not obtained at the Special Meeting, the Dyadic Board shall, as soon as reasonably practicable (and in no event later than three (3) Business Days after the Special Meeting concludes) provide written notice to Buyer whether it intends to convene and hold a second special meeting of Dyadic's stockholders for the purpose of considering and taking action upon the approval of this Agreement (the ***"Second Meeting"***, and together with the Special Meeting, the ***"Stockholder Meetings"***). In the event that the Dyadic Board elects to convene and hold the Second Meeting, it shall as soon as reasonably practicable after the date of the Special Meeting (but in no event later than forty-five (45) days after the Special Meeting), in accordance with Section 5.25 and this Section 5.26(a), duly call, give notice of, convene and hold the Second Meeting. Except as expressly permitted by Section 5.19(b), the Dyadic Board shall (i) recommend approval and adoption of this Agreement by the holders of the Dyadic Stock, (ii) use its commercially reasonable efforts to obtain the Requisite Stockholder Vote and (iii) otherwise comply with all Legal Requirements applicable to the Stockholder Meetings. Notwithstanding anything to the contrary contained in this Agreement, Dyadic may adjourn or postpone the Stockholder Meetings (x) with Buyer's consent (which consent will not be unreasonably withheld, conditioned or delayed), as necessary to ensure that any required supplement or amendment to the Disclosure Materials is provided to Dyadic's stockholders within a reasonable amount of time in advance of each Stockholder Meeting, as applicable, (y) if as of the time for which either of the Stockholder Meetings is originally scheduled (as set forth in the Disclosure Materials) there are an insufficient number of shares of Dyadic Stock represented (either in person or by proxy) to constitute a quorum necessary to conduct business at the respective Stockholder Meeting or (z) if required by applicable Legal Requirement; provided, that Sellers shall reschedule, hold and complete the Special Meeting and the Second Meeting, if any, as soon as reasonably practicable following the date on which each such meeting was originally scheduled, provided, further, that nothing contained in this Section 5.26 shall restrict,

limit or otherwise affect Buyer's ability to terminate this Agreement in accordance with Section 8.1.

(b) At the Special Meeting and the Second Meeting, if any, Dyadic shall, through the Dyadic Board, make the Dyadic Recommendation unless there has been an Adverse Recommendation Change made in accordance with the terms, and subject to the conditions of, Section 5.19(b). Prior to (or after the withdrawal of) any Adverse Recommendation Change, Dyadic shall take all reasonable lawful action to solicit the Requisite Stockholder Vote. Notwithstanding any Adverse Recommendation Change or the commencement, public proposal, public disclosure or communication to Sellers of any Superior Proposal, Dyadic shall take all commercially reasonable lawful action in order to properly call, hold and complete the Stockholder Meetings in compliance with applicable Legal Requirements, the Dyadic Charter Documents and Dyadic's obligations pursuant to any listing agreement with, or rules of, any securities exchange or trading market on which securities of Dyadic are listed, including, without limitation, (i) setting and publicizing the record date for the Stockholder Meetings, (ii) distributing to the holders of the Dyadic Stock the Disclosure Materials in accordance with Section 5.25, (iii) making available reasonably adequate facilities and Dyadic Representatives for the Stockholder Meetings and (iv) collecting and tabulating proxies and other votes cast during or prior to the Special Meeting and the Second Meeting, if any, in each case, substantially consistent with Dyadic's past practices for its stockholder meetings held since January 1, 2013.

5.27 TOLL MANUFACTURING AGREEMENT

Following the date of this Agreement, but prior to the Closing Date, Sellers shall, or shall cause their respective Affiliates to, use their commercially reasonable efforts to arrange and facilitate discussions and/or joint meetings between Buyer and the Toll Manufacturer to facilitate the execution of an agreement between Buyer and/or its Affiliates and the Toll Manufacturer and/or its Affiliates on terms satisfactory to both the Toll Manufacturer and Buyer pursuant to which the Toll Manufacturer agrees to act as Buyer's toll manufacturer for all products (including, but not limited to, the Products) that the Toll Manufacturer manufactures for either Seller and/or any of its respective Affiliates as of the date of this Agreement (the ***"Toll Manufacturing Agreement"***). Upon Buyer's request, Sellers shall, or shall cause their respective Affiliates to, use their commercially reasonable efforts to cause any of the Persons identified on **Exhibit 5.27** to join the meetings and/or discussions between Buyer and/or its Affiliates and the Toll Manufacturer contemplated by this Section 5.27; provided, that, such Person(s) shall participate in such discussions and/or meetings solely to the extent determined by Buyer in its sole and absolute discretion.

5.28 PERFORMANCE UNDER THE DUTCH AGREEMENT

(a) Buyer and Sellers acknowledge and agree that they, or their respective Affiliates, shall be parties to the Dutch Agreement pursuant to Section 2.7 hereof. Buyer and Sellers promise, covenant and agree to cause their respective Affiliates to satisfy all of their respective obligations under the Dutch Agreement in accordance with the terms and subject to the conditions set forth therein and herein.

(b) Buyer and Sellers acknowledge and agree that the transactions contemplated by the Dutch Agreement shall not be consummated except to the extent that the parties shall consummate the Contemplated Transactions.

(c) Notwithstanding any other provision in the Dutch Agreement to the contrary, Buyer and Sellers hereby acknowledge and agree that (i) each party shall, and shall cause their respective Affiliates to, enforce any rights set forth in this Agreement and the Dutch Agreement only under the terms of this Agreement, (ii) any and all claims arising under the Dutch Agreement shall be enforced exclusively under the terms of this Agreement and the aggregate time limitations and damages limitations set forth in Sections 9.3 and 9.4 hereof, respectively, shall apply with respect to any claims for indemnification made pursuant to Article 9 hereof and any claims for indemnification made pursuant to Article 9 of the Dutch Agreement and (iii) any and all claims relating to the Transferred Inventory, the Transferred Receivables or the Transferred Payables shall be enforced exclusively under the terms of this Agreement. Buyer shall indemnify, defend and hold harmless all Seller Indemnified Persons in respect of any Damages awarded to Buyer or any of its Affiliates hereunder and pursuant to the Dutch Agreement in excess of the limitations on damages set forth in Section 9.4 hereof.

(d) Buyer and Sellers intend that the Business as constituted by the Purchased Assets owned by Dyadic Nederland be transferred under the Dutch Agreement as a going concern under Article 37d of the Dutch VAT Act 1968 (the ***"VAT Act"***). Buyer and Sellers shall each use all reasonable efforts to ensure that the transfer is treated neither as a supply of goods nor as a supply of services under the VAT Act. If nevertheless Dutch VAT will be due pursuant to this Agreement or the Dutch Agreement, such VAT will be added to the Purchase Price and Sellers will issue to Buyer an appropriate invoice to that effect. An exception only applies for irrecoverable Dutch VAT in as far as such non-recoverability results from the Dutch VAT characterization of the Business (*i.e.* to the extent it consists of Dutch VAT exempt activities).

(e) In the event of a conflict between the terms of this Agreement and the Dutch Agreement, as applicable, the terms of this Agreement shall prevail. For the avoidance of doubt, the parties agree that all disputes arising under this Agreement or the Dutch Agreement, as applicable, shall be governed by the substantive laws of the State of Delaware without regard to conflicts of laws principles.

5.29 ESTOPPEL CERTIFICATE

Sellers shall, or shall cause their respective Affiliates to, obtain an estoppel certificate, in a form reasonably acceptable to Buyer, with respect to the Assumed Leased Property located at Nieuwe Kanaal 7, 6709A, Wageningen, Netherlands, which shall be executed by the landlord no earlier than three (3) Business Days prior to the Closing Date.

ARTICLE 6
CONDITIONS PRECEDENT TO SELLER'S OBLIGATION TO PROCEED WITH THE CLOSING

The obligation of Sellers at the Closing to consummate the Contemplated Transactions shall be subject to the waiver by Sellers or the satisfaction at or prior to the Closing of each of

the following conditions, except to the extent the failure of such condition to be satisfied is due to the fault of either Seller or any of its respective Affiliates:

6.1 ACCURACY OF REPRESENTATIONS; PERFORMANCE OF OBLIGATIONS

The representations and warranties of Buyer set forth in Article 4 shall be true and correct (determined without regard to any materiality or Material Adverse Effect qualification contained in any representation or warranty) as of the date of this Agreement and as of the Closing Date; provided, however, that to the extent such representations and warranties expressly relate to an earlier date, such representations and warranties shall be true and correct in all respects (determined without regard to any materiality or Material Adverse Effect qualification contained in any representation or warranty) as of such earlier date, in each case, except for such failures to be true and correct that would not reasonably be expected to prevent or materially delay or impair the ability of Buyer to consummate the Contemplated Transactions, or to perform its obligations hereunder. Buyer shall have performed and complied with, in all material respects, all of its covenants and obligations required to be performed by it under this Agreement at or prior to the Closing.

6.2 CONSENTS

(a) Subject to Section 5.10, each party shall have obtained all Consents required to be obtained from any Governmental Body under any antitrust or competition Legal Requirement in connection with its consummation of the Contemplated Transactions, and all such Consents shall be in full force and effect.

(b) Each Consent identified in **Exhibit 6.2(b)** must have been obtained and be in full force and effect.

(c) The Requisite Stockholder Vote shall have been obtained either (i) at the Special Meeting, or (ii) if Sellers elect to hold the Second Meeting, at the Second Meeting in accordance with Section 5.26.

6.3 BUYER'S DELIVERIES

At the Closing, Buyer shall have delivered, or caused to be delivered, to Sellers:

(a) (i) by wire transfer of immediately available funds to the accounts and in the amounts designated by Sellers in **Exhibit 2.2** an aggregate amount equal to the difference between the Closing Date Purchase Price minus the Payoff Amount, (ii) by wire transfer of immediately available funds to the account designated by the Escrow Agent pursuant to the Lender Escrow Agreement an amount equal to the Payoff Amount, and (iii) by wire transfer of immediately available funds to the account designated by the Escrow Agent pursuant to the Escrow Agreement an aggregate amount equal to the Escrow Amount;

(b) a certificate executed by an authorized officer of Buyer, in the form attached hereto as **Exhibit 6.3(b)**, dated as of the Closing Date, certifying that the conditions contained in Section 6.1 have been satisfied; and

(c) two (2) duly executed counterparts to each of the Transaction Documents required to be executed and delivered by Buyer and/or its Affiliates on or prior to the Closing Date.

6.4 NO PROCEEDINGS, ORDER OR LEGAL REQUIREMENT

(a) No Governmental Body shall have enacted, issued, promulgated, enforced or entered any Legal Requirement that, in each case, is in effect, that restrains, enjoins or otherwise prohibits or materially restricts the consummation of the Contemplated Transactions or makes illegal the consummation of the Contemplated Transactions, (b) no Order issued by any Governmental Body shall be in effect that restrains, enjoins or otherwise prohibits or materially restricts the consummation of the Contemplated Transactions or makes illegal the consummation of the Contemplated Transactions, and (c) no Proceeding (that has not been withdrawn, dismissed with prejudice, rescinded or otherwise eliminated) is pending before, or is Threatened by, any Governmental Body which would result, or would reasonably be expected to result, in any Legal Requirement which restrains, enjoins or otherwise prohibits or materially restricts the consummation of the Contemplated Transactions.

ARTICLE 7
CONDITIONS PRECEDENT TO BUYER'S OBLIGATION TO PROCEED WITH THE CLOSING

The obligation of Buyer at the Closing to consummate the Contemplated Transactions shall be subject to the waiver by Buyer or the satisfaction at or prior to the Closing of each of the following conditions, except to the extent the failure of such condition to be satisfied is due to the fault of Buyer or its Affiliates:

7.1 ACCURACY OF REPRESENTATIONS; PERFORMANCE OF OBLIGATIONS

(a) Other than as set forth in Section 7.1(b) and Section 7.1(c), all of the representations and warranties of Sellers set forth in Article 3 shall be true and correct (determined without regard to any materiality or Material Adverse Effect qualification contained in any representation or warranty) as of the date of this Agreement and as of the Closing Date; provided, however, that to the extent such representations and warranties expressly relate to an earlier date, such representations and warranties shall be true and correct in all respects (determined without regard to any materiality or Material Adverse Effect qualification contained in any representation or warranty) as of such earlier date, in each case, except for such failures to be true and correct that would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect,

(b) each Fundamental Representation and all of the representations and warranties set forth in Sections 3.3(b), 3.3(c) and 3.3(h) shall be true and correct in all respects both when made and at and as of the Closing Date as if made at and as of such time (other than

those made as of a specified date, which shall be true and correct in all respects as of such specified date), provided that with respect to the Fundamental Representation set forth in Section 3.1(l)(iii), the reference therein to "Contract" will be deemed to be a reference to any Transferred Contract, any Contract to which either Seller or any of its respective Affiliates is a party and which would be required to be disclosed in **Schedule 3.9(a) of Sellers' Disclosure Schedules,** and/or any Contract executed on or after the date of this Agreement that, if it had been executed prior to the date of this Agreement, would have been required to be disclosed in **Schedule 3.9(a) of Sellers' Disclosure Schedules**, and

(c) all of the representations and warranties set forth in Sections 3.3(a), 3.3(d), 3.3(e), 3.3(f), 3.3(i), 3.3(j) and 3.3(k) shall be true and correct (determined without regard to any materiality or Material Adverse Effect qualification contained in any representation or warranty) in all material respects as of the date of this Agreement and as of the Closing Date (other than those made as of a specified date, which shall be true and correct in all material respects as of such specified date).

(d) Sellers shall have performed and complied with, in all material respects, all of its covenants and obligations required to be performed by it under this Agreement at or prior to the Closing.

(e) DuPont Netherlands shall have satisfied its obligations with respect to the advice procedure with DuPont Netherlands' works council under the Netherlands Works Councils Act (*Wet op de ondernemingsraden*).

7.2 CONSENTS

(a) Subject to Section 5.10, each party shall have obtained all Consents required to be obtained from any Governmental Body under any antitrust or competition Legal Requirement in connection with its consummation of the Contemplated Transactions, and all such Consents shall be in full force and effect.

(b) Each Consent identified in **Exhibit 7.2(b)** must have been obtained and be in full force and effect.

(c) Sellers shall have delivered, or have cause their respective Affiliates to deliver, notices, in forms acceptable to Buyer, of the of the Contemplated Transactions to the Persons expressly identified and set forth on **Exhibit 5.18(g)**.

(d) The Special Meeting shall have been held and concluded within sixty (60) days of the date of this Agreement, and if a Second Meeting is to be held subject to Section 5.25 and Section 5.26, the Second Meeting shall have been held and concluded within forty-five (45) days of the date of the Special Meeting.

(e) The Requisite Stockholder Vote shall have been obtained either (i) at the Special Meeting, or (ii) if Sellers elect to hold the Second Meeting, at the Second Meeting in accordance with Section 5.26.

7.3 SELLERS' DELIVERIES

At the Closing, Sellers shall have delivered, or caused to have been delivered, to Buyer:

(a) except as set forth in any Transaction Document, the Purchased Assets, free and clear of all Encumbrances (other than Permitted Encumbrances);

(b) a certificate executed by an authorized officer of Dyadic and Dyadic USA, in the form attached hereto as **Exhibit 7.3(b)**, dated as of the Closing Date, certifying that the conditions contained in Section 7.1 and Section 7.2(e) have been satisfied;

(c) a copy of the resolutions of the sole stockholder of Dyadic USA authorizing the execution, delivery and performance of this Agreement and the consummation of the Contemplated Transactions by Dyadic USA and a certificate of its secretary or assistant secretary dated as of the Closing Date that such resolutions were duly adopted and are in full force and effect;

(d) a copy of the resolutions of the Dyadic Nederland Board and the sole shareholder of Dyadic Nederland authorizing Dyadic Nederland to consummate the transactions contemplated by the Dutch Agreement and a certificate of an officer or director of Dyadic Nederland dated as of the Closing Date that such resolutions were duly adopted and are in full force and effect;

(e) two (2) duly executed counterparts to each of the Transaction Documents required to be executed and delivered by either Seller or any of their respective Affiliates on or prior to the Closing Date;

(f) such other deeds, bills of sale, certificates of title, documents and other instruments of conveyance and transfer, in a form reasonably satisfactory to Buyer, as shall be necessary and effective to transfer and assign to, and vest in, Buyer or its applicable Affiliates, all right, title and interest in and to the Purchased Assets, free and clear of all Encumbrances (other than Permitted Encumbrances);

(g) all UCC-3 termination statements and such other documentation as may be reasonably requested by Buyer evidencing the release and termination of any Encumbrances (other than Permitted Encumbrances) with respect to any of the Purchased Assets; and

(h) a certificate of non-foreign status for each of Dyadic USA and Dyadic in the form attached hereto as **Exhibit 7.3(h)**.

7.4 PAYOFF LETTERS

No later than four (4) Business Days prior to the Closing, each of the Persons identified on **Exhibit 7.4** shall deliver, or cause to be delivered, to Buyer, a duly executed and completed Payoff Letter, together with all documents required to be delivered pursuant to the terms of such Payoff Letter.

7.5 NO LEGAL REQUIREMENT, ORDER OR PROCEEDINGS

(a) No Governmental Body shall have enacted, issued, promulgated, enforced or entered any Legal Requirement that, in each case, is in effect, that restrains, enjoins or otherwise prohibits or materially restricts the consummation of the Contemplated Transactions or makes illegal the consummation of the Contemplated Transactions, (b) no Order issued by any Governmental Body shall be in effect that restrains, enjoins or otherwise prohibits or materially restricts the consummation of the Contemplated Transactions or makes illegal the consummation of the Contemplated Transactions, and (c) no Proceeding (that has not been withdrawn, dismissed with prejudice, rescinded or otherwise eliminated) is pending before, or is Threatened by, any Governmental Body which would result, or would reasonably be expected to result, in any Legal Requirement which restrains, enjoins or otherwise prohibits or materially restricts the consummation of the Contemplated Transactions.

7.6 MATERIAL ADVERSE EFFECT

Between the date of this Agreement and the Closing Date, there shall not have occurred any Material Adverse Effect.

7.7 NON-COMPETE AGREEMENT

Mark Emalfarb shall have delivered, or caused to be delivered, to Buyer a duly executed Non-Compete Agreement.

ARTICLE 8
TERMINATION

8.1 TERMINATION EVENTS PRIOR TO THE CLOSING

This Agreement may be terminated by written notice given prior to the Closing, whether before or after the occurrence of the Requisite Stockholder Vote (unless otherwise expressly noted):

(a) by mutual written agreement of Buyer and Sellers;

(b) by either Buyer or Sellers, if:

(i) the Closing has not occurred before March 8, 2016 or such later date as the parties may agree upon in writing (the ***"Outside Date"***), except that the right to terminate this Agreement pursuant to this Section 8.1(b)(i) will not be available to any party whose breach of any provision of this Agreement results in or causes the failure of the Contemplated Transactions to be consummated by such time; provided, however, that if all of the conditions precedent to the Closing have been satisfied or waived except for the conditions contained in Section 7.1(e), Section 6.2(a) or 7.2(a) or on or before the Outside Date, then the Outside Date shall automatically be extended to May 6, 2016; or

(ii) if the Special Meeting (including any adjournments and postponements thereof authorized pursuant to Section 5.26(a)) shall have concluded without the

Requisite Stockholder Vote having been obtained and either (A) (I) the Dyadic Board provides written notice to Buyer that it does not intend to convene a Second Meeting in accordance with Section 5.26(a), or (II) the Dyadic Board fails to timely deliver a notice of its intention to convene a Second Meeting in accordance with Section 5.26(a); or (B) if the Dyadic Board has timely delivered a notice of its intention to convene a Second Meeting in accordance with Section 5.26(a), and either (I) the Second Meeting shall not have been held and concluded within forty-five (45) days of the Special Meeting, or (II) the Second Meeting, if held (including any adjournments and postponements thereof authorized pursuant to Section 5.26(a)), shall have concluded without the Requisite Stockholder Vote having been obtained; provided, however, that the right to terminate this Agreement pursuant to this Section 8.1(b)(ii) shall not be available to Sellers if either Seller has failed to comply with its obligations under Sections 5.19, 5.25 or 5.26.

(c) by Buyer, if:

(i) there is any material Breach by either Seller of any covenant, representation, warranty or other agreement or obligation of either Seller contained in this Agreement, that would give rise to the failure of a condition set forth in Article 7 (other than Section 7.2(e)), and such Breach cannot be cured by Seller, or if capable of being cured, shall not have been fully cured within thirty (30) days following Seller's receipt of written notice thereof by Buyer (and the Outside Date will be so extended until the end of such cure period to the extent necessary), except that the right to terminate this Agreement pursuant to this Section 8.1(c)(i) will not be available to Buyer if Buyer is then in material breach of any of its obligations under this Agreement; or

(ii) Prior to obtaining the Requisite Stockholder Vote, (A) an Adverse Recommendation Change shall have occurred, (B) Dyadic publically announced its intention to effect an Adverse Recommendation Change; or (C) there shall have been a material breach by either Seller or its respective Affiliates of Section 5.19.

(d) by Sellers, if there is any material Breach by Buyer of any covenant, representation, warranty or other agreement or obligation of Buyer contained in this Agreement, that would give rise to the failure of a condition set forth in Article 6 (other than Section 6.2(c)), and such Breach cannot be cured by Buyer, or if capable of being cured, shall not have been fully cured within thirty (30) days following Buyer's receipt of written notice thereof by Sellers (and the Outside Date will be so extended until the end of such cure period to the extent necessary), except that the right to terminate this Agreement pursuant to this Section 8.1(d) will not be available to Sellers if Sellers are then in material breach of any of their respective obligations under this Agreement.

8.2 EFFECT OF TERMINATION

(a) If this Agreement is terminated in accordance with Section 8.1, then this Agreement shall thereafter become void and have no effect, and no party shall have any liability to the other party or its Affiliates or their respective directors, officers, employees, stockholders, and members, except for (i) the obligations of the parties hereto contained in this Section 8.2, Sections 5.4 and 5.5 and Article 10 and (ii) any Damages for an intentional Breach of this

Agreement prior to termination. For purposes of the foregoing sentence an intentional Breach shall include an action or failure to take an action with actual knowledge that there was a substantial likelihood that the action so taken or omitted to be taken constituted a Breach of this Agreement or reasonably should have known that an action or failure to take action resulted in a substantial likelihood of such Breach.

(b) In the event that (i) prior to the receipt of the Requisite Stockholder Vote, an Acquisition Proposal shall have been made publicly known, (ii) this Agreement is terminated by Buyer or Sellers pursuant to Section 8.1(b)(i) or Section 8.1(b)(ii), and (iii) within twelve (12) months of the date this Agreement is terminated, either Seller and/or any of its respective Affiliates consummate any Acquisition Proposal (whether or not the Acquisition Proposal was the same Acquisition Proposal referred to in clause (i)), then Sellers shall promptly (and in any event within one (1) Business Day of the consummation of such Acquisition Proposal) (x) provide written notice thereof to Buyer (which written notice shall include an express reference to this Section 8.2(b)) and (y) shall pay, or cause to be paid, to Buyer, by wire transfer (to the account(s) designated by Buyer) of immediately available funds, an aggregate amount equal to Four Million Five Hundred Thousand United States Dollars (U.S. $4,500,000). For purposes of this Section 8.2(b), the references to 20% in the definition of "Acquisition Proposal" will be deemed to be references to 50%.

(c) [RESERVED]

(d) In the event that this Agreement is terminated by Buyer pursuant to Section 8.1(c)(ii)(A) or (B), then within two (2) Business Days following such termination, Sellers shall pay, or cause to be paid, to Buyer, by wire transfer (to the account(s) designated by Buyer) of immediately available funds, an aggregate amount equal to Two Million Five Hundred Thousand United States Dollars (U.S. $2,500,000).

(e) Any amounts required to be paid by Sellers pursuant to Section 8.2(d) shall be paid in eleven (11) sequential monthly payments of Two Hundred Thousand United States Dollars (U.S. $200,000) and one final monthly payment of Three Hundred Thousand United States Dollars (U.S. $300,000). The monthly payments pursuant to this Section 8.2(e) shall be paid by Sellers no later than the fifth (5^{th}) Business Day of each month commencing in the first month after the effective date of termination pursuant to Section 8.2(d); provided, that if during such ten (10) month period, either Seller and/or any of its respective Affiliates consummate any Acquisition Proposal (whether or not such Acquisition Proposal shall have been made publicly known prior to the termination of this Agreement), then Sellers shall pay, or cause to be paid, to Buyer, by wire transfer (to the account(s) designated by Buyer) of immediately available funds, within two (2) Business Days after the date such Acquisition Proposal is consummated, an aggregate amount equal to (y) the amount of Two Million Five Hundred Thousand United States Dollars (U.S. $2,500,000); minus (z) the amount of any payments made by Sellers pursuant to this Section 8.2(e) as of the date such Acquisition Proposal is consummated (except that for purposes of this Section 8.2(e), the references to 20% in the definition of "Acquisition Proposal" will be deemed to be references to 50%).

(f) Each of the parties hereto acknowledges that in no event shall Sellers be required to pay the applicable payments referred to in Sections 8.2(b) and 8.2(d) (each a ***"Seller***

Termination Fee") on more than one occasion. Each of the parties hereto further acknowledges that the agreements contained in Sections 8.2(b) and 8.2(d) are integral parts of this Agreement and the Contemplated Transactions, and that without these agreements, Buyer would not enter into this Agreement; accordingly, if Sellers fail to timely pay any amount due pursuant to Sections 8.2(b) or 8.2(d), and, in order to obtain such payment, Buyer commences a Proceeding which results in a judgment against either Seller for the payments set forth in Sections 8.2(b) or 8.2(d), Sellers shall pay Buyer its reasonable and documented costs and expenses (including reasonable and documented attorneys' fees) in connection with such Proceeding, together with interest on such amount at the prime rate established in the Wall Street Journal in effect on the date such payment was required to be made through the date such payment was actually received. All obligations of Sellers pursuant to this Section 8.2, including, but not limited to, any payment obligations, shall be joint and several. Notwithstanding anything to the contrary set forth in this Agreement, if Buyer is entitled to and actually receives a Seller Termination Fee pursuant to this Section 8.2, then such Seller Termination Fee shall be the sole and exclusive remedy to Buyer for (i) termination of this Agreement by Sellers pursuant to Section 8.1(b)(i) or Section 8.1(b)(ii), as applicable, or (ii) termination of this Agreement by Buyer pursuant to Section 8.1(b)(i), Section 8.1(b)(ii), Section 8.1(c)(ii)(A) or Section 8.1(c)(ii)(B), as applicable, including, in each of (i) and (ii), any Breach of this Agreement prior to such termination, against (a) Sellers, (b) the former, current and future holders of any equity, partnership or limited liability company interest, controlling persons, directors, officers, employees, agents, attorneys, Affiliates, members, managers, general or limited partners, stockholders, assignees of Sellers, and (c) any future holders of any equity, partnership or limited liability company interest, controlling persons, directors, officers, employees, agents, attorneys, Affiliates, members, managers, general or limited partners, stockholders, assignees of any of the foregoing, provided, however, that the foregoing shall not limit or otherwise affect the rights or remedies of (y) any Buyer Indemnified Person in connection with or pursuant to the Voting Agreement, or (z) Buyer in connection with the termination of this Agreement by Buyer or Sellers pursuant to Section 8.1(b)(i) or Section 8.1(b)(ii), as applicable, prior to the date on which Buyer becomes entitled to receive a Seller Termination Fee pursuant to Section 8.2(b), provided, that (A) if, prior to the Seller Termination Fee becoming due and payable, Buyer receives payment from Sellers pursuant to an Order resulting from any such Proceeding, if and when the Seller Termination Fee becomes due and payable to Buyer, Buyer shall only be entitled to receive from Sellers the positive difference, if any, of the difference between (x) the Seller Termination Fee, minus (y) the amount actually received from Sellers pursuant to such Order, and (B) upon receipt of such Seller Termination Fee, Buyer shall not be entitled to any further right or remedy in connection with such termination and shall promptly take such actions as shall be necessary to dismiss any Proceeding or vacate any Order relating thereto.

ARTICLE 9
INDEMNIFICATION; REMEDIES; ESCROW

9.1 INDEMNIFICATION AND PAYMENT OF DAMAGES BY SELLERS

From and after the Closing Date, Sellers shall, jointly and severally, defend, indemnify and hold harmless Buyer and its Affiliates and their respective directors, officers and employees (collectively, the ***"Buyer Indemnified Persons"***) from and against any Liabilities and/or judgments (including reasonable legal, accounting and other professional fees and expenses and

court costs) (collectively, ***"Damages"***) arising out of or relating to (a) any Breach by either Seller of any of Sellers' representations and warranties in Article 3, (b) any Breach by either Seller of any covenant or obligation of either Seller in this Agreement or (c) any Excluded Liability.

9.2 INDEMNIFICATION AND PAYMENT OF DAMAGES BY BUYER

From and after the Closing Date, Buyer shall defend, indemnify and hold harmless Sellers and their respective Affiliates and their respective directors, officers and employees (collectively, the ***"Seller Indemnified Persons"***) from and against any Damages arising out of or relating to (a) any Breach by Buyer of any of Buyer's representations and warranties in Article 4, (b) any Breach by Buyer of any covenant or obligation of Buyer in this Agreement or (c) any Assumed Liability.

9.3 SURVIVAL; TIME LIMITATIONS

(a) All of the representations and warranties of Sellers in Article 3 and the indemnification obligations of Sellers under this Agreement for the Breach of the representations and warranties of Sellers in Article 3 shall each survive the Closing and terminate and expire on the date that is eighteen (18) months after the Closing, except for any Breach of the Fundamental Representations and the indemnification obligations of Sellers under this Agreement for any Breach of the Fundamental Representations, which shall survive the Closing indefinitely; provided, however, that, if a Claim Notice for a claim for indemnification under this Agreement for the Breach of the representations and warranties of Sellers in Article 3 has been given within the applicable survival period, then, solely with respect to the subject matter of such indemnification claim, the applicable representations and warranties and the indemnification obligations shall survive until such claim is finally resolved in accordance with the terms of this Agreement. All covenants and obligations of either Seller in this Agreement and the Excluded Liabilities shall survive the Closing and remain in full force and effect indefinitely (unless any such covenant or obligation by its terms terminates as of an earlier date).

(b) All of the representations and warranties of Buyer in Article 4 and the indemnification obligations of Buyer under this Agreement for the Breach of the representations and warranties of Buyer in Article 4, shall each survive the Closing and terminate and expire on the date that is eighteen (18) months after the Closing; provided, however, that, if a Claim Notice for a claim for indemnification under this Agreement for the Breach of the representations and warranties of Buyer in Article 4 has been given within the applicable survival period, then, solely with respect to the subject matter of such indemnification claim, the applicable representations and warranties and the indemnification obligations shall survive until such claim is finally resolved in accordance with the terms of this Agreement. All covenants and obligations of Buyer in this Agreement and the Assumed Liabilities shall survive the Closing and remain in full force and effect indefinitely (unless any such covenant or obligation by its terms terminates as of an earlier date).

(c) The indemnification obligations under Sections 9.1(b), 9.1(c), 9.2(b) and 9.2(c), as applicable, shall each survive the Closing until the expiration of the applicable statute of limitations with respect to the indemnification claim being asserted; provided, however, that if

written notice of any claim for indemnification under Sections 9.1(b), 9.1(c), 9.2(b) and 9.2(c), as applicable, has been given within the applicable survival period, then, solely with respect to the subject matter of such indemnification claim, the indemnification obligations under Sections 9.1(b), 9.1(c), 9.2(b) and 9.2(c), as applicable, shall survive until such claim is finally resolved in accordance with the terms of this Agreement.

9.4 LIMITATIONS ON DAMAGES; REMEDIES

(a) Other than with respect to a Breach of any of the Fundamental Representations and/or Intellectual Property Representations, Sellers shall not be liable under Section 9.1(a) for an indemnification claim unless and until the amount of all Damages claimed thereunder exceeds, in the aggregate, Five Hundred Thousand United States Dollars (U.S. $500,000), whereupon Sellers shall be liable for the entire amount of such Damages from the first dollar. Notwithstanding anything contained in this Agreement to the contrary, Sellers' total and aggregate liability for (i) all claims under Section 9.1(a), other than with respect to Breaches of any Fundamental Representations, shall in no event exceed Ten Million United States Dollars (U.S. $10,000,000), and (ii) all claims under Section 9.1(a) with respect to Breaches of any Fundamental Representations shall in no event exceed the Purchase Price.

(b) Notwithstanding anything contained in this Agreement to the contrary, except as set forth in Section 8.2 or Section 10.4 and except for instances of fraud based on any representation or warranty set forth in the Agreement or as otherwise expressly provided in any other Transaction Document, each party acknowledges and agrees that, other than as provided in Section 2.3, its and the Seller Indemnified Person's or the Buyer Indemnified Person's, as applicable, sole and exclusive remedies with respect to any and all claims against the other party or its Affiliates arising out of or relating to this Agreement (including for Breaches of representations and warranties) or any other Transaction Document, the Purchased Assets or the Contemplated Transactions shall be pursuant to the indemnification provisions set forth in this Article 9 or as otherwise provided in the Transaction Documents.

(c) Notwithstanding anything contained in this Agreement to the contrary, no Indemnifying Person shall have any obligation to indemnify any Indemnified Person for lost profits or for consequential, incidental, punitive or exemplary damages under this Agreement, other than for any such lost profits or damages actually incurred by the Indemnified Person pursuant to a Third-Party Claim within the scope of the indemnification obligations set forth in this Article 9. Each party agrees that it shall not set-off or apply any Damages or other payment obligations owed to it by the other party under this Agreement or any other Transaction Document against any amounts owed by it to the other party under this Agreement, any other Transaction Document or any other agreement, provided, that the foregoing shall not limit the reduction of the Unpaid Research Fees from the Escrow Fund as expressly provided pursuant to Section 2.2(b).

(d) For purposes of determining the amount of Damages that may be subject to indemnification under Section 9.1(a) and Section 9.2(a), the words "Material Adverse Effect," "material adverse effect," "material," "materially," and words of similar import in the applicable representations and warranties shall be disregarded.

(e) Except in the case of fraud, it is the explicit intent and understanding of each of the parties that neither party nor any of its Affiliates is making any representation or warranty whatsoever, oral or written, express or implied, other than those set forth in Article 3 and Article 4 and neither party is relying on any statement, representation or warranty, oral or written, express or implied, made by the other party or any of such other party's Affiliates (including with respect to any estimates, projections, forecasts, budgets or other forward-looking information delivered or made available to Buyer), except for the representations and warranties set forth in such Articles.

(f) From the Closing until the Final Release Date, subject in all events to Sections 9.4(a) and (b), all Damages payable for indemnification under Section 9.1 shall be recoverable first from the Escrow Fund, and to the extent such Damages exceed the then-available Escrow Fund, if any, then from any Seller.

9.5 PROCEDURE FOR INDEMNIFICATION: THIRD-PARTY CLAIMS AND OTHER CLAIMS

(a) Claims for Indemnification.

(i) In the event an Indemnified Person shall have a claim for indemnification under Section 9.1 or Section 9.2, such Indemnified Person shall, if a claim is to be made against a Person (the ***"Indemnifying Person"***) under Section 9.1 or Section 9.2, promptly deliver a Claim Notice to the Indemnifying Person in accordance with the procedures set forth in Section 10.2. The Claim Notice shall (A) state that such Indemnified Person has paid, sustained, incurred, or in good-faith reasonably anticipates that it will have to pay, sustain or incur Damages and including, to the extent reasonably practicable, a non-binding, preliminary estimate of the amounts of such Damages and (B) specify in reasonable detail, to the extent known, the individual items of Damages included in the amount so stated, the date each such item was paid, sustained or incurred, or the basis for such anticipated Liability, and the nature of the matter to which such item is related; provided, however, that a Claim Notice (I) need only specify such information to the knowledge of such Indemnified Person as of the Claim Date, (II) shall not limit any of the rights or remedies of any such Indemnified Person and (III) may be updated and amended from time to time by such Indemnified Person by delivering an updated or amended Claim Notice to the Indemnifying Person; provided, however, that a delay in notifying the Indemnifying Person shall not relieve the Indemnifying Person of its obligations under the Agreement, except to the extent that such failure shall have caused material prejudice to the Indemnifying Person.

(ii) In the event that Buyer, on behalf of itself and/or any Buyer Indemnified Person, delivers a Claim Notice in accordance with Section 9.5(a)(i) (including, without limitation, a Claim Notice for a Third-Party Claim) prior to 11:59:59 p.m. Eastern Standard Time on the date that is eighteen (18) months after the Closing Date (each such Claim Notice, an ***"Escrow Claim Notice"***), then within thirty (30) days after the date of such delivery, Dyadic shall deliver to Buyer, with a copy to the Escrow Agent (and to the Buyer Indemnified Person in the event that Buyer is not the Buyer Indemnified Person) a written response in which Dyadic either (A) agrees that the Buyer Indemnified Person is entitled to receive all of the Damages requested pursuant to such Escrow Claim Notice (a ***"Payable Claim"***), in which case

Dyadic and Buyer shall deliver to the Escrow Agent, within three (3) Business Days following delivery of such response, joint written instructions instructing the Escrow Agent to deliver to the Buyer Indemnified Person, the amount of such Payable Claim out of the Escrow Fund; or (B) contests, in good faith, that the Buyer Indemnified Person is entitled to receive all or part of the Damages requested pursuant to the Escrow Claim Notice (an ***"Objected Claim"***). If Dyadic fails to timely deliver the written response described in the immediately preceding sentence, the Damages requested pursuant to such Escrow Claim Notice shall be deemed a Payable Claim, and Dyadic and Buyer shall deliver to the Escrow Agent, within three (3) Business Days following the expiration of such thirty (30) day period following the delivery of such Escrow Claim Notice, joint written instructions instructing the Escrow Agent to deliver to the Buyer Indemnified Person the amount of such Payable Claim out of the Escrow Fund. Any amounts required to be paid as a result of a Payable Claim shall be paid to the Buyer Indemnified Person out of the Escrow Fund within three (3) Business Days after the receipt of the Escrow Agent of such joint instructions, in all events in accordance with the terms of the Escrow Agreement. If Dyadic contests the payment of all or part of the Damages set forth in the Escrow Claim Notice, then Dyadic and Buyer shall use good faith efforts to resolve such disputes in accordance with Section 9.5(a)(iii) below; provided, that any amounts of such Damages not specifically contested by Dyadic in its written response to the Escrow Claim Notice in accordance with clause (B) above shall be deemed to be a Payable Claim payable in accordance with the foregoing.

(iii) In the event that Dyadic timely provides a written objection to an Escrow Claim Notice in accordance with Section 9.5(a)(ii), Dyadic and the Buyer Indemnified Person (and Buyer in the event that Buyer is not the Buyer Indemnified Person) shall, and shall cause their respective Affiliates to, attempt in good faith to agree upon the rights of the respective parties with respect to each such claim. If Dyadic and the Buyer Indemnified Person reach an agreement, a writing in a form reasonably acceptable to each of the Buyer Indemnified Person (and Buyer in the event that Buyer is not the Buyer Indemnified Person) and Dyadic shall be prepared and executed by the parties (any claims covered by such an agreement, a ***"Settled Claim"***), and within three (3) Business Days following the date such agreement is executed, Dyadic and Buyer shall execute joint written instructions instructing the Escrow Agent to deliver to the Buyer Indemnified Person the amount of such Settled Claim out of the Escrow Fund. Any amounts required to be paid as a result of a Settled Claim shall be paid to the Buyer Indemnified Person out of the Escrow Fund within three (3) Business Days after the receipt of the Escrow Agent of such joint instructions, in all events in accordance with the terms of the Escrow Agreement. If no agreement can be reached on an Objected Claim within thirty (30) days after the date of delivery of written notice from Dyadic in accordance with Section 9.5(a)(ii), then upon the expiration of such thirty (30) day period, either Buyer or Dyadic may demand arbitration of the matter in accordance with Section 10.3 of this Agreement. Any claim resolved by arbitration in accordance with the immediately preceding sentence shall be referred to herein as a ***"Resolved Claim"***. Within three (3) Business Days after a claim becomes a Resolved Claim, Dyadic and Buyer shall execute joint written instructions instructing the Escrow Agent to deliver to the Buyer Indemnified Person the amount of such Resolved Claim, if any, out of the Escrow Fund. Any amounts required to be paid as a result of a Resolved Claim, if any, shall be paid to the Indemnified Person out of the Escrow Fund within three (3) Business Days after the receipt of the Escrow Agent of such joint instructions, in all events in accordance with the terms of the Escrow Agreement.

(b) Third-Party Indemnification Claims

(i) Promptly after receipt by an Indemnified Person of notice of the commencement or Threatened commencement of any third-party Proceeding against it (a ***"Third-Party Claim"***), such Indemnified Person shall, if a claim is to be made against an Indemnifying Person under Section 9.1 or Section 9.2, deliver a Claim Notice to the Indemnifying Person pursuant to Section 9.5(a); provided, however, that a delay in notifying the Indemnifying Person shall not relieve the Indemnifying Person of its obligations under the Agreement, except to the extent that such failure shall have caused material prejudice to the Indemnifying Person.

(ii) In the event of a Third-Party Claim, the Indemnifying Person shall have forty-five (45) days after receipt of the Claim Notice relating to such Third-Party Claim to elect to undertake, conduct and control, through counsel of its own choosing and at its own expense, the settlement or defense of such Third-Party Claim. The Indemnified Person is authorized, prior to notice by the Indemnifying Person that it will assume the defense of a Third-Party Claim, at the expense of the Indemnifying Person, to file any motion, answer or other pleading that it shall deem necessary or appropriate upon advice of counsel to protect its interests; provided, however, that prior to such notice from the Indemnifying Person, the Indemnified Person shall not, without the prior written consent of the Indemnifying Person, consent to a compromise or settlement of any Third-Party Claim or consent to the entry of any judgment with respect to such Third-Party Claim. If the Indemnifying Person does not notify the Indemnified Person of its election to undertake the defense of such Third-Party Claim within forty-five (45) days after receipt of the Claim Notice relating to such Third-Party Claim, or timely delivers such notification electing to undertake such defense but fails to assume and maintain such defense, the Indemnified Person shall have the right to contest, settle, compromise or consent to the entry of any judgment with respect to such Third-Party Claim, and, in doing so, shall not thereby waive any right to indemnity therefor pursuant to this Agreement; provided, however, that the Indemnified Person shall not, without the Indemnifying Person's prior written consent (which shall not be unreasonably withheld, conditioned or delayed), settle, compromise or consent to the entry of any judgment of any Third Party Claim that (1) results in an injunction or other equitable relief against such Indemnifying Person or any of its Affiliates, (2) results in money damages in excess of the Purchase Price or (3) results in the finding or admission of any violation of Legal Requirements by any Indemnifying Person; provided, further that at any time the Indemnifying Person may assume the defense of such Third-Party Claim.

(iii) If any Third-Party Claim is brought against an Indemnified Person, the Indemnifying Person may participate in the defense of such Third-Party Claim and, to the extent that it may elect, to assume the defense of such Third-Party Claim with counsel reasonably satisfactory to the Indemnified Person. In such event, the Indemnifying Person shall not, so long as it diligently conducts such defense, be liable to the Indemnified Person under Section 9.1 or Section 9.2, as applicable, for any fees of other counsel with respect to the defense of such Proceeding; provided, however, that, if the Indemnifying Person and the Indemnified Person are both named parties to a Proceeding giving rise to a Third-Party Claim and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them, then the Indemnified Person may participate in such defense with one separate counsel (and one additional separate local counsel) at the reasonable

expense of the Indemnifying Person. An election to assume the defense of a Third-Party Claim shall not be deemed to be an admission that the Indemnifying Person is liable to the Indemnified Person in respect of such Third-Party Claim or that the claims made in the Third-Party Claim are within the scope of or subject to indemnification under Section 9.1 or Section 9.2, as applicable. If the Indemnifying Person assumes the defense of a Third-Party Claim, then the Indemnified Person may participate in the defense of such Third-Party Claim, including attending meetings, conferences, teleconferences, settlement negotiations and other related events (and to employ counsel at its own expense in connection therewith); provided, it being understood that the Indemnifying Person shall control the defense of such Third-Party Claim. If the Indemnifying Person assumes the defense of any such Third-Party Claim, the Indemnified Person shall cooperate with the Indemnifying Person in the defense of such Third-Party Claim. If the Indemnifying Person assumes the defense of the Third-Party Claim, no compromise or settlement of such claim may be effected by the Indemnifying Person without the Indemnified Person's prior written consent (which shall not be unreasonably withheld, conditioned or delayed) unless (i) there is no finding or admission of any violation of Legal Requirements or any violation of the rights of any Indemnified Person, (ii) the sole relief provided is monetary damages that are paid in full by the Indemnifying Person and (iii) the terms of such compromise or settlement include a full and unconditional release of the Indemnified Person from all Liability with respect to such Third-Party Claim. If it is ultimately determined that the Indemnifying Person is not obligated to indemnify, defend or hold harmless the Indemnified Person in connection with any Third-Party Claim, then the Indemnified Person shall promptly reimburse the Indemnifying Person for any and all costs and expenses (including attorney's fees and court costs) incurred by the Indemnifying Person in its defense of such Third-Party Claim.

9.6 NET RECOVERY; MITIGATION; TREATMENT; ETC.

The amount of any Damages for which indemnification is provided under Section 9.1 or Section 9.2, as applicable, shall be net of (a) any amounts recovered by the Indemnified Person pursuant to any indemnification by, or indemnification agreement with, any third party who has brought any such claim or demand, (b) any unaffiliated third party insurance proceeds or other cash receipts or sources of reimbursement received from an unaffiliated third party as an offset against or otherwise covering such Damages and (c) any net Tax benefit actually realized by the Indemnified Person from the incurrence or payment of any Damages in the three (3) Taxable years starting in the Taxable year in which such indemnity obligation arises, in each case, net of all reasonable out-of-pocket costs and expenses actually incurred by the Indemnified Person in obtaining such amounts or proceeds. If the amount to be netted hereunder from any payment required under Section 9.1 or Section 9.2, as applicable, is determined after payment by the Indemnifying Person of any amount otherwise required to be paid to an Indemnified Person pursuant to this Article 9, then the Indemnified Person shall repay to the Indemnifying Person, promptly after such determination, any amount that the Indemnifying Person would not have had to pay pursuant to this Article 9 had such determination been made at the time of such payment by the Indemnifying Person. The parties shall take and shall cause their respective Affiliates to take all commercially reasonable steps in accordance with Legal Requirements to mitigate any Damages for which indemnification is provided under Section 9.1 or Section 9.2, as applicable, upon becoming aware of any event that would reasonably be expected to, or does, give rise to such Damages. Any indemnity payment under this Agreement shall be treated as an adjustment to the Purchase Price for all applicable Tax purposes, unless otherwise required by applicable

Legal Requirements.

ARTICLE 10
GENERAL PROVISIONS

10.1 EXPENSES

Except as otherwise expressly provided in this Agreement, each party to this Agreement shall bear its respective expenses incurred in connection with the preparation, execution and performance of this Agreement and the Contemplated Transactions, including all fees and expenses of Representatives.

10.2 NOTICES

All notices, consents, waivers and other communications under this Agreement must be in writing and shall be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) upon written confirmation of receipt when sent by email; provided, that a hard copy is mailed by registered mail, return receipt requested promptly thereafter, or (c) when received by the addressee, if sent by a nationally recognized overnight delivery service (receipt requested), in each case to the appropriate addresses set forth below (or to such other addresses as a party may designate by notice to the other parties):

If to Buyer:

William Feehery
President, DuPont Industrial Biosciences
Building 356, Experimental Station
Wilmington, Delaware 19880
Email: William.F.Feehery@dupont.com

With a copy to:

E. I. du Pont de Nemours and Company
DuPont Legal
Chestnut Run Plaza
974 Centre Road
Wilmington, Delaware 19805
Attention: General Counsel
Facsimile: (302) 999-5094

If to Sellers:

Dyadic International, Inc.
140 Intracoastal Pointe Drive, Suite 404
Jupiter, Florida 33477-5094

Email: memalfarb@dyadic.com

With a copy to (which shall not constitute notice):
Cahill Gordon & Reindel LLP
80 Pine Street
New York, New York 10005
Attention:
Kimberly C. Petillo-Décossard
Michael B. Weiss
Email:
kpetillo-decossard@cahill.com
mweiss@cahill.com

10.3 DISPUTE RESOLUTION; GOVERNING LAW; JURISDICTION

(a) Any dispute between the parties arising out of, relating to, or in connection with this Agreement or the Contemplated Transactions, including the interpretation, Breach, termination, effectiveness, or validity thereof, (***"Dispute"***), shall be resolved as set forth in this Section 10.3. For the avoidance of doubt, determination of the items in a Protest Notice shall be resolved as set forth in Section 2.3; provided, however, that any dispute concerning whether determination of the items in a Protest Notice shall be determined as set forth in Section 2.3 shall be a Dispute subject to this Section 10.3.

(b) In the event of a Dispute, if the parties are unable to agree on a resolution, such Dispute shall, upon the written request of a party, be referred to designated senior management representatives of the parties for resolution. Such representatives shall promptly meet and, in good faith, attempt to resolve the controversy, claim or issues referred to them. If such representatives do not resolve the Dispute within thirty (30) days after the Dispute is referred to them, then the Dispute shall be settled by binding arbitration, in accordance with the Center for Public Resources (***"CPR"***) Rules for Non-Administered Arbitration of Business Disputes. For Disputes in which the amount in controversy is less than or equal to U.S. $1,000,000, the parties shall mutually select one (1) neutral arbitrator who shall be qualified by experience and training to arbitrate commercial disputes. If the parties cannot agree on an arbitrator or if the amount in controversy exceeds U.S. $1,000,000, then such Dispute shall be settled by three (3) arbitrators who shall be qualified by experience and training to arbitrate commercial disputes, of whom each party involved in the arbitration shall appoint one, and the two appointees shall select the third, subject to meeting the qualifications for selection. If the parties have difficulty finding suitable arbitrators, the parties may seek assistance of CPR and its CPR Panels of Distinguished Neutrals. Judgment upon the award or other remedy rendered by the arbitrators may be entered by any court having jurisdiction thereof. The place of arbitration shall be in New York, New York. The arbitrators shall apply the substantive law of the State of Delaware, without regard to its conflicts of law principles, and their decision thereon shall be final and binding on the parties. Discovery shall be allowed in any form agreed to by the parties, provided that if the parties cannot agree as to a form of discovery (i) all discovery shall be concluded within one hundred twenty (120) days of service of the notice of arbitration, (ii) each party shall be limited to no more than ten (10) requests for the production of any single category of documents, and (iii) each party shall be limited to two (2) depositions each with a maximum

time limit that shall not exceed four (4) hours. Each party shall be responsible for and shall pay for the costs and expenses incurred by such party in connection with any such arbitration; provided, however, that all filing and arbitrators' fees shall be borne fifty percent (50%) by Buyer and fifty percent (50%) by Sellers. Each party does hereby irrevocably consent to service of process by registered mail, return receipt requested with respect to any such arbitration in accordance with and at its address set forth in Section 10.2 (as such address may be updated from time to time in accordance with the terms of Section 10.2). Any arbitration contemplated by this Section 10.3 shall be initiated by sending a demand for arbitration by registered mail, return receipt requested, to the applicable party in accordance with and at the address set forth in Section 10.2 (as such address may be updated from time to time in accordance with the terms of Section 10.2) and such demand letter shall state the amount of relief sought by the party making the demand.

(c) All proceedings and any testimony, documents, communications and materials, whether written or oral, submitted to or generated by the parties to each other or to the arbitration panel in connection with this Section 10.3 shall be deemed to be in furtherance of settlement negotiation and shall be privileged and confidential, and shielded from production in other Proceedings except as may be required by Legal Requirements.

(d) This Agreement shall be governed by the substantive laws of the State of Delaware, without regard to its conflicts of laws principles, and, except as otherwise provided herein, the State and Federal courts in the City of New York, New York shall have exclusive jurisdiction over any Proceeding seeking to enforce any provision of, or based upon any right arising out of, this Agreement or the Contemplated Transactions. The parties hereto do hereby irrevocably (i) submit themselves to the personal jurisdiction of such courts, (ii) agree to service of such courts' process upon them with respect to any such Proceeding, (iii) waive any objection to venue laid therein and (iv) consent to service of process by registered mail, return receipt requested in accordance with and at its address set forth in Section 10.2 (as such address may be updated from time to time in accordance with the terms of Section 10.2). The parties agree that process in any such Proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Nothing herein shall affect the right of any party to serve legal process in any other manner permitted by law or at equity or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction. Sellers and Buyer acknowledge and agree that this Agreement involves at least One Hundred Thousand USD ($100,000). This Agreement shall not be governed by the U.N. Convention on Contracts for the International Sale of Goods.

(e) The parties acknowledge and agree that the foregoing choice of law and forum provisions are the product of an arm's-length negotiation between the parties.

(f) Notwithstanding anything to the contrary in this Section 10.3, either party to this Agreement may seek, in the State or Federal courts in the City of New York, New York, interim or provisional injunctive relief (or similar equitable relief) to maintain the status quo until such time as the designated senior management representatives of the parties resolve a Dispute referred to them or an arbitration award or other remedy is entered in connection with such Dispute pursuant to this Section 10.3 and, by doing so, such party does not waive any right or remedy available under this Agreement.

10.4 EQUITABLE RELIEF; SPECIFIC PERFORMANCE

The parties agree that irreparable damage would occur in the event that any of the material provisions of this Agreement were Breached. It is accordingly agreed that the parties will be entitled, in addition to any and all other rights and remedies that may be available to them in respect of such Breach, to seek equitable relief, including an injunction or specific performance (without any requirement to post bond). In the event that any Proceeding is brought in equity to enforce the provisions of this Agreement, no party will allege, and each party hereby waives the defense, that there is an adequate remedy at law. Subject to the foregoing, each party hereby agrees not to raise any objections to the availability of the equitable remedy of specific performance to specifically enforce the terms and provisions of this Agreement. The parties further agree that by seeking the remedies provided for in this Section 10.4, a party will not in any respect waive its right to seek any other form of relief that may be available to a party under this Agreement or the Confidentiality Agreements (including monetary damages) in the event that this Agreement has been terminated or in the event that the remedies provided for in this Section 10.4 are not available or otherwise are not granted.

10.5 NO IMPLIED WAIVERS; NO JURY TRIAL

Except as otherwise set forth in this Agreement, the rights and remedies of the parties to this Agreement are cumulative and not alternative. Neither the failure nor delay by any party in exercising any right, power or privilege under this Agreement or the documents referred to in this Agreement shall operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege shall preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED UNDER APPLICABLE LEGAL REQUIREMENTS, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT ENTERED INTO IN CONNECTION HEREWITH OR ANY TRANSACTION CONTEMPLATED HEREBY OR THEREBY. EACH PARTY HERETO EXPRESSLY WAIVES AND FOREGOES ANY RIGHT TO RECOVER PUNITIVE, INDIRECT, SPECIAL, EXEMPLARY, LOST PROFITS, DIMINUTION IN VALUE, CONSEQUENTIAL OR SIMILAR DAMAGES (EXCEPT AS AND TO THE EXTENT SUCH DAMAGES ARE PAID TO A THIRD PARTY) IN ANY PROCEEDING ARISING OUT OF OR RESULTING FROM ANY CLAIM RELATING TO THIS AGREEMENT, THE TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY (A) CERTIFIES THAT NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ANY CLAIM, ACTION OR PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVERS AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER AGREEMENTS CONTEMPLATED HEREBY, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.5.

10.6 ENTIRE AGREEMENT AND MODIFICATION

This Agreement supersedes all prior agreements between the parties with respect to its subject matter (including, subject to Section 5.4(g), the Confidentiality Agreements) and constitutes (along with the other Transaction Documents) a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter. This Agreement may not be amended except by a written agreement executed by Buyer and Sellers.

10.7 ASSIGNMENTS, SUCCESSORS AND NO THIRD-PARTY RIGHTS

Except as otherwise provided in this Section 10.7, neither party may assign any of its rights or obligations under this Agreement, in whole or in part, without the prior written consent of the other party. Notwithstanding the foregoing, either party may assign or transfer this Agreement to (a) a third party which acquires all or substantially all of the assets of either Seller or, in the case of Buyer, Buyer's enzyme business, or (b) an Affiliate; provided, however, that (i) such assignment or transfer shall not relieve the transferor from any liabilities or obligations under this Agreement whether arising before or after the date of such assignment or transfer, and (ii) any such transferee shall be bound by all of the terms and conditions of this Agreement. This Agreement shall apply to, be binding in all respects upon and inure to the benefit of the successors and permitted assigns of the parties. Unless otherwise expressly provided in this Agreement, nothing expressed or referred to in this Agreement shall be construed to give any Person other than the parties to this Agreement any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement. This Agreement and all of its provisions and conditions are for the sole and exclusive benefit of the parties to this Agreement and their successors and permitted assigns. Any attempted assignment in violation of this Section 10.7 shall be void.

10.8 SEVERABILITY

If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement shall remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree shall remain in full force and effect to the extent not held invalid or unenforceable.

10.9 SECTION HEADINGS; CONSTRUCTION

The headings of Articles and Sections in this Agreement and the headings in the **Buyer's Disclosure Schedules**, **Sellers' Disclosure Schedules** and **Exhibits** attached hereto are provided for convenience only and shall not affect its construction or interpretation. With respect to any reference made in this Agreement to a Section (or Article, clause or preamble), **Exhibit**, or **Schedule**, such reference shall be to the corresponding section (or article, clause or preamble) of, or the corresponding exhibit or schedule to, this Agreement. All words used in this Agreement shall be construed to be of such gender or number as the circumstances require. Unless otherwise expressly provided, the words "including," "include" and "includes" do not limit the preceding words or terms. Any reference to a specific "day" or to a period of time designated in "days" shall mean a calendar day or period of calendar days unless the day or period is expressly designated as being a Business Day or period of Business Days. The use of "or" is not intended

to be exclusive unless expressly indicated otherwise. All amounts denominated in dollars or "$" in this Agreement are references to United States dollars unless expressly indicated otherwise. The parties hereto acknowledge and agree that (a) each party and its counsel have reviewed and negotiated the terms and provisions of this Agreement and have contributed to its revision, (b) the rule of construction to the effect that any ambiguities are resolved against the drafting party shall not be employed in the interpretation of this Agreement and (c) the terms and provisions of this Agreement shall be construed fairly as to all parties hereto, regardless of which party was generally responsible for the preparation of this Agreement.

10.10 TIME OF THE ESSENCE

With regard to all dates and time periods set forth or referred to in this Agreement, the parties hereto agree that time is of the essence.

10.11 FURTHER ASSURANCES

Each party agrees to, and shall cause its respective Affiliates to (a) furnish, upon the request of the other party, such further information, (b) file, execute and/or deliver to the other party such other agreements and documents and (c) use reasonable efforts to do such other acts and things, all as such other party may reasonably request, in each case, for the purpose of compliance with any Legal Requirements or carrying out the intent of this Agreement and the Contemplated Transactions, including, without limitation, the transfer of the Purchased Assets and Assumed Liabilities from Sellers (or their respective Affiliates) as provided in this Agreement; provided, however, that, except as expressly provided otherwise in this Agreement or in the other Transaction Documents, no party shall be required to make any additional representations or warranties or to incur any material expense or potential exposure to legal liability pursuant to this Section 10.11; provided, further, that nothing contained in such agreements and documents shall modify any of the provisions contained in this Agreement and in the event of a conflict between any provision contained in such agreements or documents and any provision contained in this Agreement, then the provision contained in this Agreement shall control, except in the event of a conflict between any provision of this Agreement and any provision of the Pharma License, in which case the terms and conditions of this Agreement shall govern unless the Pharma License contains a conflicting term or condition expressly stated in the relevant section of the Pharma License.

10.12 COUNTERPARTS

This Agreement may be executed in any number of counterparts (including via facsimile or portable document format (PDF)), each of which shall be deemed an original, but all of which, when taken together, shall constitute one and the same instrument.

[***Signature Page Follows***]

IN WITNESS WHEREOF, Buyer and Sellers have executed and delivered this Agreement as of the date first above written.

BUYER:
DANISCO US INC.

By: /s/ William F. Feehery
Name: William F. Feehery
Title: President, DuPont Industrial Biosciences

DYADIC:
DYADIC INTERNATIONAL, INC.

By: /s/ Mark A. Emalfarb
Name: Mark. A. Emalfarb
Title: CEO

DYADIC:
DYADIC INTERNATIONAL (USA), INC.

By: /s/ Mark. A. Emalfarb
Name: Mark A. Emalfarb
Title: CEO

Annex B

The Pharmaceutical License

PHARMA LICENSE AGREEMENT

This PHARMA LICENSE AGREEMENT (the "Agreement") is made as of November __, 2015, and effective as of the Effective Date (as that term is defined below) by and between Danisco US, Inc., a Delaware corporation having a place of business at Building 356, DuPont Experimental Station, Wilmington, Delaware ("Danisco") and Dyadic International, Inc., a Delaware corporation having its principal office at 140 Intracoastal Pointe Drive, Suite 404, Jupiter, Florida ("Dyadic"). Danisco and Dyadic are each referred to herein by name or, individually, as a "Party" or, collectively, as "Parties." As used in this Agreement, capitalized terms shall have the meanings indicated in Article 1 of this Agreement or as specified elsewhere in the Agreement. Other capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Asset Purchase Agreement.

WHEREAS, pursuant to and in accordance with the terms of the Asset Purchase Agreement, Danisco will acquire all patents, know-how and assets relating to the generation and use of Dyadic's proprietary *Myceliopthora thermophila* (formerly classified as *Chrysosporium lucknowense*, "C1") technology for the expression of genes and secretion of certain corresponding substances and, in connection therewith, Danisco will acquire ownership of all C1 Strains, as well as the Dyadic Know-How, and Dyadic Materials, including, without limitation, certain Genetic Tools;

WHEREAS, Dyadic desires to obtain, and Danisco is willing to grant to Dyadic access and a co-exclusive license, with the right to enforce, with respect to certain patent rights, materials and related know-how, as more specifically provided for hereinafter, in order to permit Dyadic and its Sublicensees to use the C1 Strains, or the Danisco Improved Strains, as well as certain related Know-How and Dyadic Materials, to offer services and to make, use, sell, offer to sell, have made, import and export compositions of matter, but in each case, solely in the Pharmaceutical Field and on the terms and conditions herein;

WHEREAS, Danisco is willing to provide certain Services, when and if agreed, related to the use of the C1 Strains as a Pharmaceutical Platform, all on the terms and conditions herein, and

WHEREAS, in the event Danisco, Dyadic or its Sublicensees use, as applicable, the C1 Strains or the Danisco Improved Strains to make, have made, use, sell, offer to sell, import or export, Pharmaceutical Products or provide services in the Pharmaceutical Field, the Parties have agreed that certain royalties may be payable based on such sales, in all events in accordance with the terms and conditions herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements provided herein below and other consideration, the receipt and sufficiency of which is hereby acknowledged, Danisco and Dyadic hereby agree as follows:

ARTICLE 1 DEFINITIONS

"Affiliate" means, with respect to any Person, any other Person that is controlled by, controls, or is under common control with such first Person, as the case may be. For purposes of this definition of "Affiliate", the term "control" means (a) direct or indirect ownership of fifty percent (50%) or more of the voting interest in the entity in question, or fifty percent (50%) or more interest in the income of the entity in question; provided, however, that if local Law requires a minimum percentage of local ownership of greater than fifty percent (50%), control will be established by direct or indirect beneficial ownership of such greater percentage, or (b) possession, directly or indirectly, of the power to direct or cause the direction of management or policies of the entity in question (whether through ownership of securities or other ownership interests, by contract or otherwise).

"Asset Purchase Agreement" means the Asset Purchase and Sale Agreement dated November __, 2015 between Danisco, Dyadic and Dyadic International (USA), Inc., a Florida corporation, pursuant to which Danisco will acquire certain assets related to C1 Strains, on the terms and subject to the conditions set forth therein.

"C1 Genomic Information" means the genome sequence of C1 Strains and any associated annotations, software, software tools related thereto, all as more fully described in Exhibit A.

"C1 Strain(s)" means, individually and collectively, the *Myceliophthora thermophila* strains acquired by Danisco from Dyadic or its Affiliates pursuant to the Asset Purchase Agreement.

"Confidential Information" means any information of a confidential and proprietary nature, whether oral, written, visual, electromagnetic, or in any other form, which is disclosed by a Party or Licensed Party and which is designated as being confidential in writing within three (3) Business Days of the date of disclosure. Confidential Information does not include information which (i) is or becomes generally available to the public other than as a result of a disclosure by the receiving Party or its Representatives in breach of this Agreement, (ii) is or becomes available to the receiving Party or its Representatives from a source other than the disclosing Party or its Representatives, which such source is not known by the receiving Party to be subject to a contractual obligation to the Disclosing Party prohibiting such disclosure, or (iii) is independently developed by the receiving Party or its Representatives by persons who, the receiving Party can demonstrate by clear and convincing evidence, had no access to, and developed such information without reference to the Confidential Information of the disclosing Party.

"Control" or "Controlled" means ownership or possession of the ability to assign, grant access, license or sublicense, with the right, *inter alia*, to use, as provided for, in any case without violating the applicable terms of any agreement or other arrangement with any Third Party.

"Danisco Background Technology" means Know-How and Genetic Tools known to Danisco and its Affiliates prior to the Effective Date.

"Danisco Background Tool" means any Genetic Tool that consists essentially of either (a) a Genetic Tool owned or controlled by Danisco or any Affiliate of Danisco prior to the Effective Date or that is developed or obtained by Danisco or any Affiliate of Danisco not pursuant to the Services, or (b) such a Genetic Tool that is modified as part of the provision of the Services solely in order to enable use of such Genetic Tool in a C1 Strain or a Danisco Improved Strain. For the avoidance of doubt, the foregoing does not include, and expressly, excludes the Genetic Tools acquired pursuant to the Asset Purchase Agreement and any Services Generated Genetic Tools.

"Danisco Confidential Information" means (i) Confidential Information, created after the Effective Date, relating to any C1 Strain, C1 Genomic Information, Dyadic Material, Danisco Improved Strain, Genetic Tool, Dyadic Know-How, or Danisco Know-How licensed by Danisco under this Agreement, and (ii) Confidential Information of Danisco learned by Dyadic as a result of Danisco's performance of the Services or the transfer of technology pursuant to Article 3.

"Danisco Know-How" means Know-How regarding C1 Strains or Danisco Improved Strains (i) which is actually used and/or developed by the Designated Employees in the course of providing Services to grow any C1 Strain or Danisco Improved Strain to express any Pharmaceutical Product, (ii) which Danisco is free to disclose without breaching any bona fide obligations of confidentiality to any Third Party, and (iii) which is useful with respect to the use of the C1 Strains or Danisco Improved Strains in the Pharmaceutical Field. Notwithstanding anything herein to the contrary, Know-How not actually used in the course of providing Services and included in the definition of Danisco Background Technology is not included in Danisco Know-How unless necessary to grow any C1 Strain or Danisco Improved Strain transferred to Dyadic to express any Pharmaceutical Product. Know-How developed under the Services provided for in Exhibit B which has no known utility in the Pharmaceutical Field shall not be deemed to be Danisco Know-How.

"Danisco Improved Strain" means a C1 Strain modified to express or secrete a Pharmaceutical Product where the performance or characteristics of such C1 Strain, including, without limitation, with respect to any composition of matter produced or expressed therein, has been materially altered as a result of work done by or on behalf of Danisco pursuant to Exhibit B and where such C1 Strain, as materially altered, would, to one reasonably skilled in the art, be useful in the Pharmaceutical Field.

"Danisco Patents" means those Patents, other than the Dyadic Patents, Controlled by Danisco after the Effective Date reasonably necessary for the use of any C1 Strain or modified C1 Strain in the Pharmaceutical Field, including, but not limited to, use thereof as a Pharmaceutical Platform but excluding any claim of such a Patent that exclusively covers, as a composition of matter or method of manufacture, (a) the specific structure, other than as a generic claim, of a Pharmaceutical Product, or (b) an industrial enzyme; *provided, however*, that the foregoing shall not be interpreted in a manner which limits or

otherwise interferes with Dyadic or its Sublicensees' right hereunder with respect to any Pharmaceutical Product that has a different structure, including, without limitation, a distinct amino acid or chemical structure.

"Dyadic Confidential Information" means (i) the identity, characteristics, uses, including any indication, and/or genetic sequence of any Pharmaceutical Product owned, Controlled or being worked on by Dyadic or its Sublicensee, including with respect to which Services will be provided under Exhibit B (ii) Dyadic's selection criteria or assay for identifying Pharmaceutical Products that can be expressed by C1 Strains, (iii) Confidential Information which Danisco, through its Relationship Manager, agrees in writing to receive after Dyadic discloses in writing and in general the contents of such Confidential Information, *provided*, *however*, the Relationship Manager shall not refuse to except such information as Confidential Information, if such information is reasonably necessary for Danisco to perform the Services provided in Exhibit B and (iv) all Confidential Information disclosed by Dyadic pursuant to Section 2.1(b). Notwithstanding the foregoing, in the event that the identity of a Pharmaceutical Product and/or the identity of any pharmaceutical companies interested in such Pharmaceutical Product becomes publicly available, then the identity, characteristics, uses, including any indication, of such Pharmaceutical Product, the fact that Dyadic is interested in producing such Pharmaceutical Product, and/or the fact that Dyadic is working with any such pharmaceutical company with respect to such Pharmaceutical Product shall not be considered to be Dyadic Confidential Information.

"Dyadic Know-How" means the Transferred Know-How relating to the engineering, production, fermentation, composition and use of C1 Strains, as such information existed as of the Effective Date.

"Dyadic Material(s)" means the materials set forth on Exhibit A.

"Dyadic Patents" means the Transferred Patents related to the composition and use of C1 Strains.

"Dosage Forms" means the final dosage form in which a Pharmaceutical Product will be administered to a human or animal.

"Effective Date" means the Closing Date of the Asset Purchase Agreement.

"Genetic Tools" means any composition of matter and genetic elements useful for using, manipulating, engineering, transforming, transfecting, modifying or altering a C1 Strain that was transferred to Danisco pursuant to the Asset Purchase Agreement. Without limiting or expanding the foregoing, Genetic Tools shall include those identified on Exhibit A.

"Improvement" means (a) with respect to each licensee of Dyadic or its Affiliates under a Transferred Agreement, the definition given to that term in the applicable Transferred Agreement, and (b) any modification to a C1 Strain, Genetic Tool, Dyadic Know-How, or

Dyadic Material which improves the ability or characteristics of a C1 Strain with respect to the expression or screening of products other than Pharmaceutical Products.

"Industrial C1 Strain" means any C1 Strain which, to one ordinarily skilled in the art, is primarily useful outside the Pharmaceutical Field and has no significant utility inside the Pharmaceutical Field.

"Industrial C1 Patents" means Patents exclusively covering the practice or use of the Industrial C1 Strains.

"Know-How" means, to the extent necessary or reasonably useful to the use of a C1 Strain or Danisco Improved Strain, any and all technical information, regulatory information, processes, procedures, methods, formulae, protocols, and techniques relating thereto, including, without limitation, the information and fermentation protocols listed on Exhibit A. Expressly included in Know-How is any such Know-How relating to C1 Genomic Information or Genetic Tools.

"Law" means, individually and collectively, any and all laws, ordinances, orders, rules, rulings, directives and regulations of any kind whatsoever of any governmental, court or regulatory authority within the applicable jurisdiction, including the Patent laws of any relevant jurisdiction.

"Licensed Parties" means (a) Dyadic and (b) direct and indirect Sublicensees of Dyadic.

"Net Sales" means all revenues received in connection with the sale of a Pharmaceutical Product or a Dosage Form which was produced, with respect to sales by Danisco, using a C1 Strain or an improved C1 Strain, or, with respect to sales by a Licensed Party, using any C1 Strain or improved C1 Strain where such production is covered by a Danisco Patent minus (i) import, export, excise and sales taxes, and custom duties; (ii) costs of insurance, packing, and transportation customarily charged in the industry; and (iii) rebates, credits and allowances provided with respect to such sales.

"Patents" means (a) United States, Patent Cooperation Treaty, and non-US national patents, re-examinations, reissues, renewals, extensions and term restorations, utility models and registrations, design patents, inventors' certificates and counterparts thereof; and (b) pending applications for United States and foreign patents, including, without limitation, provisional applications, continuations, continued prosecution, divisional and substitute applications, and counterparts thereof.

"Person" means any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization or government or political subdivision thereof.

"Pharmaceutical Field" means the development and use of a C1 Strain as a Pharmaceutical Platform for the research, discovery, development, manufacture or commercialization of any Pharmaceutical Product.

“Pharmaceutical Improvement” means any modification to a C1 Strain, Genetic Tool, Dyadic Know-How, or Dyadic Material which improves the ability or characteristics of a C1 Strain with respect to the expression or screening of Pharmaceutical Products.

“Pharmaceutical Patent” means the claim of any Patent covering a composition of matter consisting of a specific Pharmaceutical Product identified by biologic activity relevant to the Pharmaceutical Field, chemical structure or amino acid sequence or the expression of such amino acid sequence for such specific Pharmaceutical Product in a C1 Strain. For the avoidance of doubt, a Pharmaceutical Patent does not include a Patent which claims the production of a class of Pharmaceutical Products (e.g., vaccines or antibodies) in a C1 Strain or Danisco Improved Strain or using any Know-How, including Dyadic Know-How, Dyadic Materials, or Danisco Know-How, specifically relating thereto.

“Pharmaceutical Platform” means a C1 Strain useful for the discovery, development, expression, modification, improvement, manufacture or commercialization of a composition of matter comprising a Pharmaceutical Product.

“Pharmaceutical Product” means (i) an active pharmaceutical ingredient or active moiety intended for the treatment, diagnosis or prophylaxis of any disease or medical condition in a human or any other animal, (ii) an intermediate which is subsequently processed into an active pharmaceutical ingredient, or (iii) a processing aid used in the production of an active pharmaceutical ingredient. Notwithstanding the foregoing, a Pharmaceutical Product does not mean any enzyme, protein, reactant or biosynthetic product sold as an industrial enzyme and used industrially in grain sugar or fiber processing, animal nutrition, food applications, personal care, fabric and home care, or biofuels and any other application for which industrial enzymes have been traditionally used. With respect to the foregoing sentence, it is understood that a composition of matter that also may have functionality with respect to the excluded categories set forth therein shall not be deemed to be excluded from the definition of a Pharmaceutical Product when intended for the treatment, diagnosis or prophylaxis of any disease or medical condition in a human or any other animal.

“Sanofi Agreement" means an agreement titled "Proof of Concept, Exclusive License Option & Technology Transfer Agreement" entered into between Sanofi Pasteur S.A., EnGen BIO, Inc., and Dyadic Nederland B.V., dated March 30, 2011, as amended.

“Services” means the activities set forth in Exhibit B, as such Exhibit B may be amended or supplemented, the operative and other provisions of which are incorporated herein as if set forth in full.

“Services Generated Tools” means Genetic Tools generated in the course of the provision of the Services. For the avoidance of doubt expressly excluded from the definition of Services Generated Tools is any Danisco Background Tool.

"Sublicensee" means any Person doing business in the Pharmaceutical Field (other than Sanofi Pasteur S.A. and its Affiliates and then solely to the extent relating to a sublicense granted pursuant to Section 2.1(a)(v) hereof) which is a direct or indirect sublicensee of Dyadic in accordance with the terms of this Agreement or to which any C1 Strain, Dyadic Know-How, Dyadic Materials, Danisco Improved Strain, Danisco Know-How, Genetic Tool, or any Dyadic Patent or Danisco Patent is sub-licensed by Dyadic under a written Sublicense Agreement granted in all events in compliance with the requirements of Section 2.1(b) of this Agreement.

"Sublicense Agreement" means an agreement between Dyadic and a Sublicensee that meets the requirements set forth in Section 2.1(b).

"Third Party" means any Person other than Danisco, Dyadic, any Affiliate of either Danisco or Dyadic, or any Sublicensee.

"Transferred Contract Party" means a party to a Transferred Contract other than Dyadic, Dyadic International (USA), Inc., a Florida corporation, or Dyadic Netherland BV. For the purposes of this Agreement, each reference to a Transferred Contract shall be a reference to the Transferred Contract as it exists as of the Effective Date, it being understood that Danisco may enter into amendments to or extend the term of any Transferred Contract where (i) such amendment or term extension is unrelated to the Pharmaceutical Field; (ii) does not extend any additional rights to the counterparty to the Transferred Contract in the Pharmaceutical Field and (iii) such amendment does not alter, waive, amend or diminish the rights of Licensed Parties with respect to the Pharmaceutical Field.

ARTICLE 2 LICENSE AND TECHNOLOGY TRANSFER

2.1 Grants to and Covenants by Dyadic and Dyadic Sublicensees and Sublicensing

(a) License Grants

(i) Subject to the terms and conditions of this Agreement, Danisco on behalf of itself and its Affiliates hereby grants to Dyadic:

(A) a co-exclusive (as between Danisco and Dyadic, but subject to the rights of any Third Party under any Transferred Contract, a non-transferable (except as provided in Section 10.3), worldwide, royalty free, perpetual (subject to Section 9.2) license, with the right to enforce (subject to Section 4.2), and grant sublicenses pursuant to and in accordance with this Section 2.1(a) and Section 2.1(b), to use the C1 Strains, the Dyadic Materials, and the Danisco Improved Strains, and practice under the Dyadic Patents,

(B) a non-exclusive, non-transferable (except as provided in Section 10.3), worldwide, royalty free, perpetual (subject to Section 9.2)

license, with the right to grant sublicenses pursuant to and in accordance with this Section 2.1(a)(i) and Section 2.1(b), to use the Genetic Tools (excluding Danisco Background Technology and Danisco Background Tools), the Services Generated Tools, the Dyadic Know-How and Danisco Know-How,

in the case of (A) and (B) solely to: (1) make, have made (subject to Section 2.1(b)), use, sell, offer to sell, export and import Pharmaceutical Products and (2) provide services using the C1 Strains and any improved C1 Strain, including Danisco Improved Strains but excluding any Danisco Background Technology or Danisco Background Tool embodied therein, as a Pharmaceutical Platform, in both cases, solely for use in the Pharmaceutical Field. Such right to grant sublicenses does not include the further right of any Sublicensee to further sublicense the C1 Strains, the Danisco Improved Strains, the Dyadic Know-How, the Danisco Know-How, the Dyadic Materials, the Genetic Tools, the Services Generated Tools, and the Dyadic Patents for any purpose except to the extent necessary to have Third Parties conduct contract research on behalf of a Licensed Party regarding use of C1 Strains, Dyadic Materials or the Dyadic Know-How or modifications thereto as a Pharmaceutical Platform or for a Sublicensee to exercise its "have made" rights or, with respect to a Pharmaceutical Product, to grant limited sublicenses within multiple tiers of Sublicensee Affiliates or Third Parties solely to permit manufacturing, distributing or marketing such Pharmaceutical Product on behalf of such Sublicensee.

(ii) Subject to the terms and conditions of this Agreement, Danisco on behalf of itself and its Affiliates hereby grants to Dyadic a non-exclusive, non-transferable (except as provided in Section 10.3), worldwide, royalty free, perpetual (subject to Section 9.2) license with the right to grant sublicenses pursuant to and in accordance with this Section 2.1(a)(i) and Section 2.1(b), to use the Danisco Background Technology and the Danisco Background Tools solely to express the specific polypeptide expressed by the Danisco Improved Strain as to which the Services were provided using such Danisco Background Technology or such Danisco Background Tool. Such right to grant sublicenses does not include the further right of any Sublicensee to further sublicense the Danisco Background Technology and the Danisco Background Tools except to permit the expression of the specific polypeptide expressed by the Danisco Improved Strain as to which the Services were provided with respect to such Danisco Background Tool or Danisco Background Technology.

(iii) Subject to the terms and conditions of this Agreement, Danisco on behalf of itself and its Affiliates hereby grants to Dyadic a co-exclusive (as between Danisco and Dyadic, but subject to the rights of any Third Party under any Transferred Contract, non-transferable (except as provided in Section 10.3), worldwide, royalty bearing, perpetual (subject to Section 9.2) right and license,

with the right to grant sublicenses and to enforce (subject 4.2), pursuant to and in accordance with this Section 2.1(a)(ii) and Section 2.1(b), to practice under the Danisco Patents to (A) make, have made (subject to Section 2.1(b)), use, sell, offer to sell, export and import Pharmaceutical Products and (B) provide services using the C1 Strains or a Danisco Improved Strain as a Pharmaceutical Platform, in both cases, solely for use in the Pharmaceutical Field. Such right to grant sublicenses does not include the further right of any Sublicensee to further sublicense the Danisco Patents for any purpose except to the extent necessary to have Third Parties conduct contract research using the C1 Strains or for a Sublicensee to exercise its "have made" rights or, with respect to a Pharmaceutical Product, to grant limited sublicenses within multiple tiers of Sublicensee Affiliates or Third Parties solely to permit manufacturing, distributing or marketing such Pharmaceutical Product on behalf of such Sublicensee.

(iv)With respect to the grant provided for in Section 2.1(a)(iii), such grant shall be royalty bearing in accordance with the following table:

[INTENTIONALLY OMITTED]

Such royalty shall be payable to Danisco within thirty (30) Business Days from the end of each calendar quarter by Dyadic or its Sublicensee and a report regarding Net Sales shall be provided to Danisco. Dyadic and its Sublicensees, no more than once every twelve (12) months, shall permit an audit of their books and records by a national accounting designated by Danisco. Such accounting firm shall confirm the accuracy of any royalty calculation and shall not disclose to Danisco any other information of other than the correct calculation of Net Sales and the amount of the royalty payable to Danisco. In the event that such audit reveals an underpayment of any royalty of more than one percent (1%), the Licensed Party which is obligated to pay such royalty shall reimburse Danisco for the cost of such audit.

Notwithstanding the foregoing, in the event that Danisco owes a royalty or other payment to a Third Party as a result of the use by a Licensed Party of the rights licensed under Section 2.1, the Licensed Party, exercising its sole judgment, shall either forego the right to proceed under such licensed right or, in addition to the royalties provided for above, reimburse Danisco for all payments due to any such Third Party arising from such use upon delivery of an invoice therefor. With respect to any rights provided for in this paragraph, the Licensed Parties shall abide by any conditions for such use applicable to Danisco activities in the Pharmaceutical Field and negotiated in good faith. During the period in which Services are provided, if either Party identifies potential opportunities for in-licensing technology suitable for use in improving C1 Strains as Pharmaceutical Platform, then such Party may provide notice to the patent committee referenced below for consideration. Subject to obligations of confidentiality, prior to using any technology which would result in application of the first sentence of this paragraph, notice will be provided to Dyadic. Within a reasonable time after such notice, but in any event within sixty (60) days after receipt of such notice, Dyadic shall be free to provide alternatives or

comment on such technology and Danisco shall consider such advice; provided however Danisco may proceed or not in its sole discretion exercised in objective good faith.

Except with respect to rights foregone by a Licensed Party pursuant to the preceding paragraph, Danisco and its Affiliates shall not assert, subject to the payment of any royalty provided for herein, as applicable, any Dyadic Patent or Danisco Patent or make a claim of misappropriation or breach of confidentiality, with respect to any Danisco Background Technology (but only to the extent rights are granted to such Danisco Background Technology as set forth in the next sentence), Danisco Know-How, Dyadic Know-How, Dyadic Materials or Genetic Tools against any Licensed Party which, in accordance with the limitations provided for herein, is using a C1 Strain, Dyadic Know-How, Dyadic Materials, Danisco Improved Strain, Danisco Know-How, or Genetic Tool in providing services using C1 Strains as a Pharmaceutical Platform or to produce Pharmaceutical Products, in each case, in compliance with its obligations to Danisco under this Agreement and any Sublicense Agreement. For the purposes of the foregoing, the right granted with respect to any Danisco Background Technology only extends so far as is reasonably necessary for a Licensed Party to actually grow any C1 Strain, C1 Improved Strain or any progeny thereof actually provided by Danisco pursuant to the provision of Services under this Agreement, or express or purify any Pharmaceutical Product which is the subject of a Service, or if such Danisco Background Technology is publically available.

(v) Danisco, on behalf of itself and its Affiliates, hereby grants to Dyadic an exclusive, but subject to the rights of any Third Party under any Transferred Contract, non-transferable, worldwide, royalty free, license, with the right to enforce (subject to Section 4.2), and grant a sublicense solely to Sanofi Pasteur S.A. or its Affiliates in accordance with the terms of the Sanofi Agreement, to use the C1 Strains, the Dyadic Materials, and practice under the Dyadic Patents solely to make, have made, use, sell, offer for sale, or import Products (as that term is defined in Exhibit B to the Sanofi Agreement) for use solely in [INTENTIONALLY OMITTED] vaccines. Dyadic shall promptly notify Danisco in the event that (A) Sanofi Pasteur S.A. (or its affiliate, assignee or successor) exercises the License Option (as defined in the Sanofi Agreement), (B) the Option Period (as defined in the Sanofi Agreement) expires, (C) the Sanofi Agreement terminates or expires prior to the exercise of the License Option and/or (D) the license agreement contemplated by the Sanofi Agreement or any sublicense agreement executed among the parties in connection therewith and pursuant to this Section 2.1(a)(iv) terminates or expires. In the event that the Option Period expires prior to the exercise of the License Option, the Sanofi Agreement terminates or expires prior to the exercise of the License Option or the license agreement contemplated by the Sanofi Agreement or any sublicense agreement executed among the parties in connection therewith and pursuant to this Section 2.1(a)(v) terminates or expires, the license set forth in this Section 2.1(a)(v) shall automatically terminate and this Section 2.1(a)(v) shall be of no further force or effect.

(b) Sublicenses. The license granted pursuant to Section 2.1(a)(i) and (ii) includes the right to grant sublicenses within the scope of such license solely as set forth in this Section 2.1(b) pursuant to a written agreement (each a "Sublicense Agreement") which will contain provisions consistent with the following:

(i) Each Sublicense Agreement shall include this Agreement as an attachment after redaction of Sections 3.2, 3.3 and 3.4.

(ii) Each Sublicense Agreement shall include a provision which reads as follows:

> "Sublicensee acknowledges that it has read the Pharma License Agreement entered into between Danisco US Inc. and Dyadic International Inc. and agrees to be bound by the provisions of such License Agreement as if it were a party to such License Agreement. For the avoidance of doubt, this includes the provisions of Section 10.7 regarding resolution of disputes."

(iii) Each Sublicense Agreement shall include a provision which reads as follows:

> "Sublicensee agrees that Danisco US Inc. or any authorized assignee of Danisco US Inc. is an intended third party beneficiary to any Sublicense Agreement and shall be entitled to enforce the terms of this Agreement directly against Sublicensee."

(iv) Each Sublicense Agreement shall include a provision which reads as follows:

> "This Sublicense Agreement shall not be further sublicensed except that, as applicable, the C1 Strains, the Danisco Improved Strains, the Dyadic Know-How, the Dyadic Materials, Dyadic Patents, Danisco Know-How, the Genetic Tools and the Danisco Patents may be further sublicensed to the extent necessary to Third Parties having no economic interest in the Pharmaceutical Product under development to provide contract research services or contract manufacturing services for a Licensed Party, for a Sublicensee to exercise its 'have made' rights or, with respect to a Pharmaceutical Product, to grant limited sublicenses within multiple tiers of Sublicensee Affiliates or Third Parties solely to permit manufacturing, distributing or marketing such Pharmaceutical Product on behalf of such Sublicensee under terms no less restrictive than the terms set forth in Section 2.2 of the Pharma License Agreement entered into between Danisco US Inc. and Dyadic International Inc. "

During January of each year during the Term of this Agreement, Dyadic shall notify Danisco in writing of the identity and address of each active Sublicensee, and when publicly available, shall promptly report to a designated risk manager at Danisco or an Affiliate of Danisco, who shall not share the information except as needed to assess and manage risk, the identity and proposed indication of the Pharmaceutical Product that is the subject of the Sublicense. All such disclosures shall be deemed to be Dyadic Confidential Information.

2.2 Covenants by Licensed Parties

(a) Licensed Parties shall not (i) use any C1 Strain, improved C1 Strain, Dyadic Know-How, Dyadic Materials, Danisco Know-How, Danisco Improved Strain, Genetic Tools, or practice under the Dyadic Patents or Danisco Patents outside of the Pharmaceutical Field and shall exercise the rights licensed hereunder in compliance with applicable law, or (ii) transfer, license or grant access to any C1 Strain, improved C1 Strain, Dyadic Know-How, Dyadic Materials, Genetic Tools, Danisco Know-How, Danisco Improved Strain, Dyadic Patents or Danisco Patents or derivatives thereof to any Third Party other than in accordance with this Agreement. Any uncured breach of this covenant by a Sublicensee or Dyadic, when finally adjudicated in accordance with Article 10, shall be a material breach of, as applicable, this Agreement or the Sublicense Agreement. Dyadic agrees to notify Danisco in writing within fifteen (15) Business Days if Dyadic has a reasonable basis to believe that any Sublicensee has breached this covenant. In addition to the right of Danisco to proceed separately against any such Sublicensee, Dyadic shall take all commercially reasonable measures to prevent any such Sublicensee from continuing such breach, *provided*, *however*, that Danisco shall be given the right to elect which entity takes the initial enforcement step within ten (10) Business Days of the report of a potential breach. Subject to the foregoing sentence and Danisco's right pursuant to Section 9.2(a) hereof, the Parties will work in good faith to allocate the responsibility for resolving such allegations of unlicensed use cooperatively, it being understood that Danisco shall have the final say.

(b) In the event that Danisco has a reasonable basis to believe that any Licensed Party or Sanofi is using or has used C1 Strain, Dyadic Know-How, Dyadic Materials, Genetic Tools, Danisco Know-How, Danisco Improved Strain or derivatives thereof or practiced under the Dyadic Patents or Danisco Patents in a manner that is inconsistent with the terms of this Agreement, Danisco shall, within fifteen (15) Business Days of its first having such a reasonable basis, provide written notice to Dyadic describing such use and providing reasonable detail as to the basis for the allegation that such use if not permitted by this Agreement. As soon as practicable, but in no event later than fifteen (15) Business Days after Dyadic's receipt of such written notice, the Parties shall confer, either in person or by telephone, to discuss and attempt to resolve Danisco's concerns. In the event that Danisco's concerns are not resolved in such conference, Dyadic will initiate an investigation regarding Danisco's concerns and will, subject to any confidentiality obligations it may have, provide to Danisco a summary of its findings. The Parties will work in good faith to allocate the responsibility for resolving such allegations of unlicensed use cooperatively. In addition to the right of Danisco to proceed separately against any such Sublicensee, Dyadic shall take all commercially reasonable measures to prevent any such Sublicensee from continuing such breach, *provided*, *however*, that Danisco shall be given the right to elect which entity takes the initial enforcement step within ten (10) Business Days of the report of a potential breach. Subject to the foregoing sentence and Danisco's right pursuant to Section 9.2(a) hereof, the Parties will work in good faith to allocate the responsibility for resolving such allegations of unlicensed use cooperatively, it being understood that Danisco shall have the final say.

(c) In all circumstances of an actual or alleged breach of the obligations provided for under this Section 2.2, Dyadic or the applicable Sublicensee shall be free to deny that the allegations are true, that the allegations are not prohibited by this Agreement, or contend that the operative provisions of the Sublicense Agreement are immaterial. In such a case, no breach will be deemed to have occurred unless and until it has been finally adjudicated under the dispute resolution procedures of Section 10.7 of this Agreement or the applicable Sublicense Agreement that there has been a material breach of the obligations provided for under this Agreement and that Danisco will suffer or has suffered more than a de minimis injury as a result thereof.

(d) Dyadic (on behalf of itself, its predecessors, successors, and their respective successors, parent and subsidiary corporations, together with each of their assigns, and legal representatives) hereby covenants and agrees, and shall cause its Affiliates and Sublicensees and Sanofi (each a "Dyadic Party") to covenant and agree in a written agreement not to commence, aid, prosecute or cause to be commenced or prosecuted, any legal action or other proceeding against any Transferred Contract Party or any of its Affiliates, or any of its or their successors and assigns, or any of its or their licensees, sublicensees, third-party toll manufacturers, or direct or indirect customers or distributors solely in connection with the exercise of the rights granted to such Transferred Contract Party in accordance with the applicable Transferred Contract wherein any Dyadic Party alleges infringement (direct or contributory) or inducement of infringement of any Patent owned or Controlled by such Dyadic Party claiming an Improvement as defined in Part (a) of that definition. Nothing in the foregoing shall be deemed to include a Pharmaceutical Patent not required to be included in such covenant unless adjudicated to be so included.

2.3 Ownership of Patents and Grant of Rights to Danisco

(a) Patents based on inventions created or made by Danisco, a Third Party under Danisco's Control, or jointly with such Third Party that (i) arise out of the Services and (ii) which would constitute a Pharmaceutical Patent, shall be solely owned by Dyadic. All other Patents which are based on inventions created or made by Danisco, a Third Party under Danisco's Control or jointly with such Third Party as a result of the Services or inventions made by Danisco outside of the Services shall be owned solely by Danisco.

(b) Inventions, Pharmaceutical Improvements, or Know-How made by a Licensed Party, a Third Party under a Licensed Party's control, or jointly with such Third Party, and any resulting Patents, which relate solely to the Pharmaceutical Field, including, without limitation, any improvements to the C1 Strains, Dyadic Know-How or Dyadic Materials which relate solely to the Pharmaceutical Field shall be, as between Dyadic and Danisco, solely owned by Dyadic. Such Patents, when disclosed publically, are hereby licensed to Danisco in accordance with the other terms of this Agreement, including, without limitation, the royalty provisions of Section 3.4. Each Licensed Party, on its own behalf and on behalf of any Third Party it Controls will not attempt to make any Improvements or inventions solely outside of the Pharmaceutical Field and will not, without Danisco's prior written consent, file for Patents or make any disclosure of any invention with applicability

solely outside of the Pharmaceutical Field. In the event that any Industrial C1 Strain or Industrial C1 Patents or any invention, Improvement, or Know-How relating exclusively thereto is created, each Licensed Party will promptly disclose such invention, Improvement, or Know-How relating exclusively thereto to Danisco and, in accordance with the provisions of this Agreement will immediately assign, without consideration, all such Industrial C1 Strains or Industrial C1 Patents or any invention, Improvement, or Know-How relating exclusively thereto to Danisco.

(c) Inventions, Improvements, or Know-How made by a Licensed Party, a Third Party under a Licensed Party's Control, or jointly with such Third Party, and any resulting Patents, which have applicability both within and without the Pharmaceutical Field shall be solely owned by Danisco, *provided*, *however*, if a Licensed Party, using objective evidence, can establish that the potential use of such inventions, Improvements, or Know-How outside the Pharmaceutical Field is de minimis, it shall be owned by the Licensed Party, *provided*, *however*, that if Danisco, in good faith, objectively exercised, concludes that the dissemination of any C1 Strain or Danisco Improved Strain or Know-How that embodies such an Improvement could cause more than a de minimis injury to Danisco's activities outside of the Pharmaceutical Field, then Danisco shall own such inventions, Improvements, or Know-How and any resulting Patents. Such Patents, inventions, Improvements, or Know-How covered by this Section 2.3(c) are hereby licensed under Section 2.1 to Dyadic or under Section 2.3 (f), 2.3(g) and 2.3(h) to Danisco in accordance with the other terms of this Agreement, including, without limitation, as applicable the royalty provisions of Sections 2.1 and 3.4, it being understood that any such Patent, invention, Improvement, or Know-How made by a Licensed Party, a Third Party under a Licensed Party's Control, or jointly with such Third Party and as to whose ownership is transferred to Danisco shall not be royalty-bearing with respect to any use under this Section 2.3 with respect to any Licensed Party. For the avoidance of doubt, inventions, and any Patent claims arising therefrom, comprising any modification of any C1 Strain, the Dyadic Know-How or the Dyadic Materials to enable or improve the production of Pharmaceutical Products, including without limitation, claims relating to compositions of matter that meet the definition of Pharmaceutical Product and that contain non-immunogenic or human-like proteins or groups, sugars and acids, are solely inside the Pharmaceutical Field. For the further avoidance of doubt, subject to rights granted to Third Parties under the Transferred Contracts, Danisco shall have no right and shall quitclaim any right or license under this Agreement under any Patent claim owned by a Sublicensee covering exclusively the use of specific production hosts other than C1 Strains to produce Pharmaceutical Products and such Patent rights shall be owned by the Sublicensee which made the invention which resulted in the Patent.

(d) Where Dyadic physically transfers to a Sublicensee any untransformed or untransfected C1 Strain or Danisco Improved Strain, all such physical transfers shall be under a valid, written Sublicense Agreement containing provisions extending to Danisco the rights provided for in Section 2.3(b) and (c). In the event that Dyadic is unable to obtain such rights from any potential transferee, then Dyadic may not physically transfer to such Sublicensee any C1 Strain or Danisco Improved Strain other than a C1 Strain that has been transformed or transfected to express or secrete a specific Pharmaceutical Product and

under conditions prohibiting such Sublicensee from reverse engineering such transformed or transfected C1 Strain to its untransformed or untransfected state.

(e) All inventions, Improvements, Pharmaceutical Improvements, or Know-How developed or used in the performance of Services by Danisco, a Third Party under Danisco's Control, or jointly with such Third Party, not otherwise covered by Sections 2.3(a), (b) or (c), shall be owned by Danisco.

(f) With respect to any Patent where the ownership rights are assigned to a Licensed Party under this Agreement, the Licensed Party hereby grants to Danisco an exclusive, irrevocable, worldwide, royalty free license, with the right to sublicense, to make, have made, use, sell, offer for sale, import or export any product that is outside of the Pharmaceutical Field, *provided*, *however*, that such license shall not cover the production of the Pharmaceutical Products in production hosts other than C1 Strains.

(g) With respect to any Patent where the ownership rights are assigned to a Licensed Party under this Agreement, the Licensed Party hereby grants to Danisco a non-exclusive, irrevocable, worldwide, royalty bearing license, without the right to sublicense, to make, have made, use, sell, offer for sale, import or export any product in the Pharmaceutical Field.

(h) Subject to the restrictions set forth in Section 3.3, with respect to any Patent where the ownership rights are assigned to a Licensed Party under this Agreement, the Licensed Party hereby grants to Danisco a non-exclusive, irrevocable, worldwide, royalty free license without the right to sublicense, to research and develop any product in any field including the Pharmaceutical Field.

2.4 No Implied Licenses. Neither Danisco nor any Licensed Party (or any sublicensee of any Licensed Party) has any rights or obligations under this Agreement except as expressly stated herein. Danisco retains all rights in and to the C1 Strains, Danisco Improved Strains, Genetic Tools, Dyadic Know-How, Danisco Know-How, Danisco Background Technology, Dyadic Materials, Dyadic Patents, and Danisco Patents except for the grants of rights for the periods as expressly provided under the terms of this Agreement.

ARTICLE 3 SERVICES TO BE PROVIDED BY DANISCO AND PAYMENTS

3.1 Services

Each Party shall appoint a single individual (the "Relationship Manager"), who may be replaced on written notice to the other Party, to manage the provision of the Services and to discuss any potential deviations or changes in the deliverables or work-plans that may be agreed hereunder. The Relationship Manager shall not have the authority to modify this Agreement, including, without limitation, the Services, deliverables and work-plans provided for in Exhibit B, or to otherwise bind, as applicable, Danisco or Dyadic. Any modification to any work-plans shall be agreed to by the Parties in writing. The

Relationship Manager will be primarily responsible for all communications regarding the Services and coordinating the activities to be performed by each Party related to the Service.

Promptly after the Effective Date, Danisco shall ask Transferred Employees, to the extent such Transferred Employees remain employed by Danisco or its Affiliates, to continue the work in the Pharmaceutical Field that they were performing prior to the Effective Date, and the Relationship Managers shall meet to review the current status of Dyadic's work to use C1 Strains for the production of Pharmaceutical Products and Dyadic's objectives for the Services including the identity of the Pharmaceutical Products to be produced, and realistic milestone objectives for expression of such Pharmaceutical Products in the C1 Strains listed in Exhibit A. Based on the available information and such preliminary work with the C1 Strains as Danisco may believe to be necessary to determine the feasibility of using C1 Strains for production of the Pharmaceutical Products designated by Dyadic, the Parties, using commercially reasonable efforts for a period of up to sixty (60) days from the Effective Date, shall negotiate in good faith to agree upon a work plan covering those subjects set forth in Exhibit B that sets forth in greater detail the Services and the objectives of the Parties. Upon agreement to such work plan, Danisco will designate employees of Danisco or any Affiliate of Danisco (herein the "Designated Employees") who will be assigned to implement the work plan. Such work-plan shall be signed by the Parties and become Exhibit B to this Agreement. Nothing shall require Danisco to agree to any Services, objective or milestone that in its judgment cannot realistically be accomplished in C1 Strains, in facilities maintained by Danisco and its Affiliates or by the Designated Employees. Subject to this Section 3, if the Parties shall execute Exhibit B, for a period of three (3) years from the Effective Date or until Dyadic terminates the Services, Danisco shall use its good faith efforts to provide the Designated Employees with the necessary time and laboratory resources to enable them to perform the Services and attempt to achieve Dyadic's objectives. Danisco may change the identity of the Designated Employees at any time and from time to time by written notice to Dyadic. Dyadic acknowledges that the Services involve research and that the results of research and the timing of such results will always be uncertain.

Dyadic agrees that it will minimize to the maximum extent possible the disclosure of Dyadic Confidential Information to Danisco and shall only provide such information to those Designated Employees who have a need to know.

Through the Relationship Manager, Danisco will inform and obtain written consent from Dyadic's relationship manager prior to the application of any Danisco Background Technology in the course of providing Services. In the event such Danisco Background Technology is applied in the course of providing Services, Dyadic or, as applicable, a Licensed Party, shall be free to use, royalty-free, with, a right of sub-license as provided for in Section 2.1(a)(i) and 2.1(a)(ii), such Danisco Background Technology and/or any Danisco Background Tools, solely as is reasonably necessary to grow the C1 Strain or Danisco Improved Strain to express the Pharmaceutical Product with which it has been transformed or transfected, in each case, to the extent such C1 Strain, Danisco Improved Strain or Pharmaceutical Product were the subject of Services provided hereunder.

In the event that the Parties do not agree to a detailed Exhibit B within sixty (60) days of the Effective Date or at any time after such detailed Exhibit B has been in effect for six (6) months, Dyadic may terminate the obligation of Danisco to provide the Services and the obligation of Dyadic to pay for Services (other than any Services rendered prior to the effectiveness of such termination) by providing Danisco with thirty (30) days prior written notice of such termination. In such event, during such thirty (30) day period Danisco shall, pursuant to the license set forth in Section 2.1, transfer progeny of such C1 Strains, or if applicable Danisco Improved Strains, that have been developed pursuant to the Services, as well as any Dyadic Know-How, Danisco Know-How, the Genetic Tools listed in Exhibit A, and any Services Generated Tools which relate to C1 Strains in the Pharmaceutical Field, and Danisco shall submit its final invoice to Dyadic for the FTEs used in performing work in the Pharmaceutical Field for Dyadic and in transferring technology to Dyadic pursuant to the following paragraph.

During the period when Danisco is providing Services, or during the 60 day period after the Effective Date, Danisco will, upon request by Dyadic, use commercially reasonable efforts to transfer to Dyadic or, if Dyadic does not currently employ or have access to Persons with technical training, Sanofi or its Affiliates, or a Sublicensee information sufficient to enable persons of ordinary skill in the art to grow Danisco Improved Strains and express Pharmaceutical Products in such Danisco Improved Strains, and use and grow the Danisco Improved Strains and the C1 Strains and the Genetic Tools and information listed in Exhibit A, and any Services Generated Tool to express Pharmaceutical Products (hereinafter defined as "Technology Transfer Services"), *provided, however*, it being understood that any such use by the Licensed Parties of the information to be provided pursuant to the Technology Transfer Services shall in all events be subject to the terms of this Agreement. Nothing herein shall require Danisco to (i) transfer technology regarding how to use Danisco Background Technology or Danisco Background Tools except with respect to the use of such Danisco Background Technology or Danisco Background Tools to grow a Danisco Improved Strain and express a Pharmaceutical Product in such Danisco Improved Strain or (ii) transfer technology that has been previously transferred five times to an employee or contractor of Dyadic with technical training. During the 60 day period after the Effective Date, and during the period Services are provided, if any, and at the end of such period, Danisco shall engage in regular technology transfer activities as reasonably requested by Dyadic, and also transfer activities as relating to the Services and any deliverables to be provided pursuant to Exhibit B, *provided, however*, that any such use by the Licensed Parties of such transferred technology shall in all events be subject to the terms of this Agreement. Dyadic shall have a period of six (6) months after termination of the period during which Danisco is obligated to provide Services to request additional technology transfer services with respect to the technology to be transferred under this paragraph. After such six (6) month period, Danisco's obligation to transfer under this paragraph shall be deemed to be complete.

Danisco makes no and expressly disclaims any, and Dyadic disclaims reliance on any, express or implied representation or warranty regarding the success of such efforts,

training and education, and Dyadic acknowledges that not all Pharmaceutical Products will be able to be produced in C1 Strains.

Danisco shall keep Dyadic reasonably informed of progress with respect to data, Services, Services Generated Tools, and the Danisco Improved Strains generated under the Services other than Danisco Background Tools. Danisco shall provide Dyadic with detailed quarterly written reports regarding details and results of the Services.

During the 60 day period after the Effective Date, and during the period that Services are being provided under this Agreement, and for six (6) months after termination of Services, Danisco shall provide Dyadic reasonable access to, and use rights and Know-How related to, (i) the Transferred Books and Records pertaining how to modify, use and grow C1 Strains in the Pharmaceutical Field, including without limitation, any records evidencing lab notebooks, inventions or discoveries made by employees of Dyadic or any Affiliate of Dyadic prior to the Effective Date, (ii) all genomic and other data, regulatory filings and approvals relating to C1 Strains obtained or made by Dyadic prior to the Effective Date, and (iii) all toxicity and pathogenicity data including but not limited to the data generated as part of the submission and approval of the U.S. Food and Drug Administration Generally Regarded as Safe ("GRAS") Notification #292, and any and all additional data generated subsequent to the GRAS #292 Notification, but prior to the Effective Date of the Pharma License. Licensed Parties acknowledge that Danisco makes no and expressly disclaims any, and Licensed Parties disclaim reliance on any express or implied representations or warranties regarding any strain produced by Danisco for Dyadic or any other Licensed Party, that Danisco makes no makes no and expressly disclaims any, and Licensed Parties disclaim reliance on any, express or implied representation or warranty regarding the safety or efficacy of any Pharmaceutical Product produced by such strain, and that Danisco makes no makes no and expressly disclaims any, and Licensed Parties disclaim reliance on any, express or implied representation or warranty regarding the Services or that any strain or any Pharmaceutical Product or that the manufacture of such Pharmaceutical Product does not infringe the intellectual property rights of any Third Party.

After the termination of the Services or with Danisco's prior written consent, Dyadic will be free, without liability of any kind, to solicit up to five (5) employees of Danisco who are Transferred Employees and who have been providing Services to Dyadic with respect to the Pharmaceutical Field to resign from Danisco and become employees of Dyadic. Prior to such solicitation, Dyadic will give the Relationship Manager thirty (30) days notice indicating the names of the Transferred Employees to be solicited and Dyadic will cooperate with Danisco to permit the transition of any work activities being undertaken by such employee to another employee, *provided, however*, that in no event shall any such employee be delayed more than sixty (60) days in accepting employment and working for a Licensed Party.

3.2 Dyadic Payments To Danisco for Services

Dyadic shall make payments to Danisco for Full Time Equivalents (which is 1,720 hours per year or an "FTE") used by Danisco to provide the Services. Without Dyadic's prior written consent, Danisco will not assign more than [INTENTIONALLY OMITTED]. FTEs to provide such Services. Danisco shall keep records with respect to the allocation of time spent by Designated Employees in providing Services and shall invoice Dyadic at the end of each calendar quarter for Services provided pursuant to Section 3.1 at the greater of (a) [INTENTIONALLY OMITTED] annual rate per FTE multiplied by FTEs utilized during that quarter, and (b) [INTENTIONALLY OMITTED] per calendar quarter. In addition, Dyadic shall reimburse Danisco for any Third Party costs reasonably incurred in providing Services. Danisco shall request Dyadic's approval for any Third Party expenditure in excess of [INTENTIONALLY OMITTED] in the aggregate during any calendar year. Dyadic shall pay such invoice within thirty (30) days from receipt.

In the event that Dyadic does not consent to reimburse Danisco for Third Party costs contemplated by Exhibit B, Danisco shall have no obligation to perform the Services associated with such Third Party expenditures.

3.3 Danisco Business Activities

Except as expressly set forth in this Section 3.3, nothing in this Agreement shall prevent Danisco or any Affiliate of Danisco from engaging in any business using any strain, Know-How or Dyadic Materials licensed or developed hereunder, from selling any Pharmaceutical Product, from providing services to any Third Party, or from using the C1 Strains, Dyadic Know-How, Dyadic Materials and Danisco Improved Strains, Genetic Tools, Danisco Know-How, Dyadic Patents, Danisco Patents or any other Know-How in any business or field, including, but not limited to, engaging in business in the Pharmaceutical Field or in the business of researching, developing, producing or selling any Pharmaceutical Product or Dosage Form. As an express limitation on the foregoing, until the sooner of [INTENTIONALLY OMITTED], Danisco will not grant sublicenses to Third Parties to use any C1 Strain (which for the purposes of all of Section 3.3 includes a Danisco Improved Strain) in the Pharmaceutical Field or provide any C1 Strain, Dyadic Know-How (only as it relates to the Pharmaceutical Field) or Dyadic Material or modified C1 Strain or modified Dyadic Materials or Know-How relating thereto (which for the purposes of this Section 3.3 shall include Danisco Know-How (only as it relates to the Pharmaceutical Field)) ("Restricted Materials") to any Third Party, for use in the Pharmaceutical Field except that (i) Danisco may provide Restricted Materials for use in the Pharmaceutical Field to Third Parties pursuant to and in accordance with the terms and conditions of any Transferred Contract and (ii) Danisco may provide, but not sublicense, Restricted Materials to any Third Party providing contract research services, tolling services, or manufacturing services for Danisco or any Affiliate of Danisco where such use is solely in providing such services for Danisco or such Affiliate and where such Third Party is not directly or indirectly the entity that sells, markets or distributes the Dosage Form (each a "Service Provider"), and (iii) without limitation to the foregoing, Danisco may provide Know-How concerning C1 Strains, Genetic Tools, the Dyadic Know-How, the Danisco Know-How, the Dyadic Materials, Danisco Improved Strains or any derivatives thereof useful for creating or modifying such C1 Strains, Danisco Improved

Strains or any derivatives thereof to any Third Party or government agency to the extent that such information is necessary for legal or regulatory reasons. For the avoidance of doubt, Danisco is not subject to any restriction regarding use of or sublicensing of any C1 Strain or modified C1 Strain for uses outside the Pharmaceutical Field nor is Danisco subject to any restriction regarding the transfer of any C1 Strain or modified C1 Strain for uses outside of the Pharmaceutical Field.

Any transfer of a C1 Strain for use in the Pharmaceutical Field permitted by this Section 3.3, which such transfer is made prior to the sooner of [INTENTIONALLY OMITTED], will be accompanied by a valid written agreement, directly enforceable by Dyadic against the transferee, that: (i) implements the restrictions provided for by this Section 3.3; (ii) expressly excludes the right to use such Restricted Materials in the Pharmaceutical Field except as permitted above, and (iii) gives written notice that Dyadic has co-exclusive rights, with the rights to enforce the contractual restrictions set forth in Section 3.3, to use the C1 Strains and the Dyadic Materials in the Pharmaceutical Field and that Dyadic is an intended third party beneficiary of such restrictions on the use of the Restricted Materials in the Pharmaceutical Field.

Nothing herein (including, but not limited to, the previous sentence) shall require Danisco to commence any proceeding against any Third Party to enforce any restriction on the use of any Restricted Materials in the Pharmaceutical Field or otherwise, *provided*, *however*, Danisco will use commercially reasonable efforts to prevent such use and will cooperate fully with Dyadic at Dyadic's expense to enforce its rights under this License Agreement and the written agreement required herein. In the event that Dyadic identifies to Danisco any Third Party which it believes is using any Restricted Materials in ways that are inconsistent with the foregoing, Dyadic may provide the name of such Third Party to Danisco and Danisco will advise Dyadic if such Third Party has received such Restricted Materials pursuant to an agreement with Danisco contemplated by this Section 3.3. Once each calendar year, Dyadic may provide Danisco with a written notice requesting confirmation that Danisco has not provided Restricted Materials to Third Parties for use in the Pharmaceutical Field except to the extent that such transfer is permitted by Article 3 of this Agreement. In such event, Danisco shall respond to such Dyadic request.

[INTENTIONALLY OMITTED]

3.4 Danisco Payments to Dyadic

With respect to any Pharmaceutical Product produced in a C1 Strain by Danisco or an Affiliate of Danisco, Danisco shall, at the end of each calendar quarter commencing on the first commercial sale of such Pharmaceutical Product and until [INTENTIONALLY OMITTED] after the first commercial sale of such Pharmaceutical Product, pay to Dyadic the royalty provided for in the table below.

With respect to any Pharmaceutical Product produced in a C1 Strain by Danisco or an Affiliate of Danisco, Danisco shall at the end of each calendar quarter commencing on the [INTENTIONALLY OMITTED] anniversary of the first commercial sale of such

Pharmaceutical Product and until [INTENTIONALLY OMITTED] after the first commercial sale of such Pharmaceutical Product, pay to Dyadic the royalty provided for in the table below provided that, and only as long as, (i) Dyadic owns at least one non-expired valid patent claiming the production, use or sale of such Pharmaceutical Product by Danisco, or (ii) Danisco is practicing under a non-expired Dyadic Patent to produce, use or sell such Pharmaceutical Product.

[INTENTIONALLY OMITTED]

Danisco agrees that where the production or sale of a Pharmaceutical Product or Dosage Form that is produced in a C1 Strain or Danisco Improved Strain, and where such production or sale is covered by a valid claim of a Patent owned by a Sublicensee of Dyadic pursuant to the terms of this Agreement, whether such Patent is subsequently assigned to Danisco or Dyadic, the applicable royalty rate will be increased by [INTENTIONALLY OMITTED]. Thus, as an illustrative example, the applicable rate for the use of such C1 Strain or Danisco Improved Strain with respect to arm's length sales of a Dosage Form where Danisco is the selling party of such Dosage Form and a C1 Strain or Danisco Improved Strain covered by a valid claim of a Patent owned by a Sublicensee of Dyadic is used to produce a composition of matter that is not an active ingredient but that is used to create an active ingredient included in a Dosage Form would be [INTENTIONALLY OMITTED] and not [INTENTIONALLY OMITTED].

Such royalty shall be payable to Dyadic within thirty (30) Business Days from the end of each calendar quarter by Danisco and a report regarding Net Sales shall be provided to Dyadic. Danisco, no more than once every twelve (12) months, shall permit an audit of their books and records by a national accounting firm designated by Dyadic. Such accounting firm shall confirm the accuracy of any royalty calculation and shall not disclose to Dyadic any other information of other than the correct calculation of Net Sales and the amount of the royalty payable to Dyadic. In the event that such audit reveals an underpayment of any royalty of more than one percent (1%), Danisco shall reimburse Dyadic for the cost of such audit.

ARTICLE 4 DISCLOSURE OF INVENTIONS AND RESULTS; PROSECUTION, MAINTENANCE AND ENFORCEMENT OF PATENTS

4.1 Disclosure Obligations

During the period for which Services are being provided by Danisco to Dyadic, Danisco shall provide to Dyadic pursuant to the terms of the licenses set forth in Article 2 the deliverables specified under the Work Plan, any Dyadic Material, Danisco Improved Strain, and Danisco Know-How, in each case which is developed by the Designated Employees in the course of providing Services during the Services period and that has utility in the Pharmaceutical Field. Notwithstanding the foregoing, nothing shall require Danisco to disclose information which is subject to confidentiality obligations to Third Parties or disclose Danisco Background Technology, except where such disclosure of Danisco Background Technology is necessary to grow the C1 Strain or Danisco Improved

Strain to express the Pharmaceutical Product with respect to which such C1 Strain and/or Danisco Improved strain has been transformed or transfected.

After the sooner of three (3) years from the Effective Date or, in the event Dyadic terminates Services, the date of such termination, except for Dyadic's and, as applicable, its Sublicensee's obligations relating to inventions relating to the Industrial C1 Strains or Industrial C1 Patents, neither Party nor any Licensed Party shall be obligated to disclose any invention, Improvement, Pharmaceutical Improvement, or Know-How to the other Party or any Licensed Party.

4.2 Prosecution and Enforcement of Patents

(a) Danisco shall have the exclusive right to control, at its sole expense, the filing, registration, prosecution, maintenance, enforcement and defense (such as responding to oppositions, nullity actions, re-examinations, revocation actions and similar proceedings) including the right to refrain from filing or maintaining, any Patents or patent applications, covering an invention where ownership is allocated to Danisco or such Patents are otherwise Controlled by Danisco. Notwithstanding the foregoing in the case of substantiated allegations of infringement activity in the Pharmaceutical Field under any Patents owned or Controlled by Danisco pursuant to this Agreement or the Asset Purchase Agreement, Dyadic, shall have the first option to enforce and to control any such action for infringement claim asserted by Dyadic. Danisco shall have the option to join in asserting a claim for infringement and participate in any settlement discussions and shall have a share in the recovery of any damages or settlement terms, after appropriate compensation to Dyadic and, if applicable, Danisco for expenses incurred including, without limitation, attorney's fees, in proportion to the damages established by each Party. Without limiting the foregoing, Dyadic's enforcement rights shall include the right to cause Danisco to execute such documents, including joining litigation as a party, as may be required to permit Dyadic to enforce any applicable Patents against any infringers, but solely with respect to the Pharmaceutical Field. No settlement agreement may without Danisco's written consent limit Danisco's rights with respect to C1 Strains, Dyadic Materials, or Dyadic Know-How or Danisco's rights under this Agreement.

(b) Each Licensed Party shall have the exclusive right to control, at its sole expense, the filing, registration, prosecution, maintenance, enforcement and defense (such as responding to oppositions, nullity actions, re-examinations, revocation actions and similar proceedings) including the right to refrain from filing or maintaining, any Patents or patent applications, covering an invention where ownership is allocated to the Licensed Party.

(c) If a Party decides to decline to control the filing, registration, prosecution or maintenance of any Patents or patent applications it owns or Controls pursuant to Section 2.3 of this Agreement (the "Declining Party"), the Declining Party will immediately notify the other Party of such decision in writing, in order to give the other Party (the "Acting Party") the opportunity, at its sole discretion, to assume responsibility for the filing, registration, prosecution or maintenance of such Patents or patent applications before such Patents or patent applications are potentially negatively impacted by the Declining Party's

decision, including without limitation the Acting Party being barred from acting by virtue of the lapse of any official Patent Registry deadlines. If the Acting Party provides the Declining Party with written notice of its decision to assume responsibility for the filing, registration, prosecution or maintenance of these Patents or patent applications no later than thirty (30) days after receipt of the Declining Party's notice, then Declining Party promptly will assign all right, title and interest the Declining Party has in such Patents or patent applications to the Acting Party, and the Acting hereby grants to the Declining Party an irrevocable non-assert to the Declining Party and the Declining Party's Affiliates and Customers under such assigned Patent or patent applications provided that such non-assert as it applies to Dyadic shall be limited to the scope of rights granted to Dyadic in Section 2.1.

(d) Within thirty (30) days of the execution of this Agreement, the Parties will establish a patent committee to review ownership allocations in accordance with Section 2.3 of this Agreement as well as receive updates on the filing, prosecution and maintenance of Patents that are subject to this Agreement. Such patent committee shall meet on a regular basis when determined by such committee. The patent committee shall be comprised of one (1) representative of each Party and include representation of the Party's patent groups. The Parties agree that, to the extent possible and to the extent consistent with either Party's internal patent strategy, any Patents containing inventions specifically related to the Pharmaceutical Field will be filed as independent Patents from inventions relating within and without the Pharmaceutical Field. The Parties also agree that prior to imitating any interferences relating to Patent within the Pharmaceutical Field, the matter will be reviewed in the first instance by the patent committee who shall attempt to resolve any matters in good faith. The Parties also agree that disputes relating to the characterization of inventions arising under this Agreement will first be presented to the patent committee, where the Parties will discuss in good faith how to characterize the invention. If the Parties are unable to reach a conclusion, the patent committee shall have the authority to decide the matter, subject to the dispute resolution procedures provided for in Section 10.7.

ARTICLE 5 CONFIDENTIALITY

5.1 Confidentiality Obligations. Each Party agrees that for seven (7) years after the termination or expiration of this Agreement, all Danisco Confidential Information and all Dyadic Confidential Information disclosed under this Agreement shall be maintained in strict confidence by the receiving Party, and shall not be used by the receiving Party for any purpose other than the purposes expressly permitted by this Agreement, and shall not be disclosed by the receiving Party to any Third Party except to Sublicensees and to permitted Third Parties such as contract research and/or manufacturing entities which have agreed in writing to obligations of confidentiality and non-use consistent with the obligations of the Parties under this Agreement.

5.2 Permitted Usage. Each of Danisco and any Licensed Party may use and disclose Confidential Information of the other Party as follows: (a) under appropriate confidentiality provisions no less restrictive than those in this Agreement, in connection with the performance of its obligations or exercise of rights granted to such Party in this

Agreement, including, without limitation Sublicensee and Third Party acting as contract researchers; (b) in connection with the filing for, prosecution, maintenance and enforcement of Patents where ownership of the invention to which such Patent relates is assigned to such Licensed Party in accordance with this Agreement; (c) in connection with prosecuting or defending litigation, complying with applicable governmental regulations, filing for, obtaining and maintaining regulatory approvals, or as otherwise required by Law or as permitted by this Agreement; (d) in communication with potential or actual Sublicensees who prior to such disclosure have agreed in writing to be bound by obligations of confidentiality and non-use no less restrictive than the obligations set forth in this Article 5; (e) in confidence to potential or actual investment bankers, advisors (including without limitation financial advisors and accountants), investors, lenders, acquirers, merger partners, or other potential financial or strategic partners, and their attorneys and agents) on a need to know basis who, prior to such disclosure, have agreed in writing to be bound by obligations of confidentiality and non-use no less restrictive than the obligations set forth in this Article 5; *provided, however*, that the receiving Party shall remain responsible for any failure by any Person who receives Confidential Information pursuant to this Section 5.2 to treat such Confidential Information as required under this Article 5; (f) to the extent mutually agreed to by the Parties in writing, or (g) under appropriate confidentiality provisions no less restrictive than those in this Agreement, in connection with, and solely to the extent necessary for, Danisco's performance of its obligations to any Third Party under any Transferred Contract. For clarity, nothing in this Section 5.2 expands the permitted use or disclosure of any C1 Strain, Dyadic Materials, Danisco Improved Strain, Genetic Tools, Dyadic Know-How, Danisco Know-How, Dyadic Patents or Danisco Patents beyond the rights expressly licensed under Article 2.

5.3 Confidential Terms. Except as provided herein, each of the Parties agrees not to disclose to any Third Party the terms and conditions of this Agreement without the prior approval of the other Party. Notwithstanding the foregoing, a Party may disclose the terms of this Agreement in confidence to its Affiliates in connection with the performance of this Agreement and solely on a need-to-know basis; to potential or actual Sublicensees, who prior to disclosure must agree to be bound by obligations of confidentiality and non-use no less restrictive than the obligations set forth herein; or in confidence to potential or actual investment bankers, advisors (including without limitation financial advisors and accountants), investors, lenders, acquirers, merger partners, or other potential financial or strategic partners, and their attorneys and agents) on a need to know basis who, prior to such disclosure, have agreed in writing to be bound by obligations of confidentiality and non-use no less restrictive than the obligations set forth in this Article 5; provided, however, that the receiving Party shall remain responsible for any failure by any Person who receives Confidential Information pursuant to this Section 5.3 to treat such Confidential Information as required under this Article 5. In addition, a Party may disclose the existence (but not the terms and conditions) of this Agreement to Third Parties, subject to Section 5.5.

5.4 Exceptions for Applicable Law or Regulation. Notwithstanding anything to the contrary in this Article 5, a Party may disclose any Confidential Information of the other Party or the terms of this Agreement that is required to be disclosed under Law (including,

without limitation, the requirements of securities filings); provided that, except where impracticable, such Party shall give the other Party reasonable advance notice of such disclosure requirement (which shall include a copy of any applicable subpoena or order) and shall afford the other Party a reasonable opportunity to oppose, limit or secure confidential treatment for such required disclosure. In the event of any such required disclosure, a Party shall disclose only that portion of the Confidential Information of the other Party that is required by Law to be disclosed and, in the event a protective order is obtained by the other Party, nothing in this Article 5 shall be construed to authorize the Party that is subject to the disclosure requirement to use or disclose any Confidential Information of the other Party to any Person other than as required by Law or beyond the scope of the protective order. A Party may disclose this Agreement if required to be disclosed by Law to the extent, and only to the extent, such Law require such disclosure and, in such an event, such Party provides the other Party a reasonable opportunity to review and comment on the general text of such disclosure, which comments shall be incorporated by the disclosing Party if reasonable under the circumstances.

5.5 Public Announcements. Except to the extent required by Law, no Party shall make any public announcement concerning this Agreement or the terms hereof without the prior written consent of the other Party, such consent not to be unreasonably withheld or delayed. Once such consent has been given, the Party as to whom consent has been given shall be free to make public announcements or disclosures substantially similar to that already approved by the other Party. Upon the Effective Date, Dyadic may make a public announcement in a form to be reasonably agreed to by Danisco advising Third Parties that it is licensed to use certain C1 Strains and related technology in the Pharmaceutical Field and, after agreement by the Parties with respect to a detailed Exhibit B, that Danisco is providing certain services for Dyadic. In addition, Dyadic may advise potential Sublicensees of the existence and terms of this Agreement except that the provisions of Article 3 shall not be disclosed to any Third Party. Within sixty (60) days of the Effective Date, the Parties shall negotiate in good faith with respect to those Sections of this Agreement and the rights of the Parties hereunder that may be disclosed without further consent of both Parties. Notwithstanding the foregoing, after notice to the other Party and after appropriate consideration of any objection from such other Party, each Party shall be free to make all such disclosures as may be required by applicable securities or disclosures law.

ARTICLE 6 INDEMNIFICATION

6.1 Indemnification of Danisco. The Licensed Parties shall indemnify, defend and hold Danisco and its Affiliates, agents, employees, officers, and directors (the "Danisco Indemnitees") harmless from and against any and all liability, damage, loss, cost, or expense (including without limitation reasonable attorneys' fees) arising out of claims or suits related to: (a) breach by any Licensed Party of any of its representations, warranties, or covenants under this Agreement; (b) the negligence or willful misconduct of Dyadic or its Affiliates or Sublicensees, and it's or their directors, officers, agents, employees, or consultants; (c) any use, exploitation or sublicense by, or under the authority of, Dyadic, any Affiliate of Dyadic or any Sublicensee of the licenses granted under Section 2.1,

including, without limitation, any development, manufacture, distribution, offer for sale, sale, export, or transfer of any C1 Strain, Dyadic Material, Danisco Improved Strain or any Pharmaceutical Product or Dosage Form; and (d) any Service provided by Danisco or its Affiliates pursuant to Article 3; provided, however, that Dyadic's obligations under Section 6.1(d) will not apply if it has been determined pursuant to Section 10.7 that such liability is due primarily to the willful and knowing misconduct of any of the Danisco Indemnitees.

6.2 Indemnification of Dyadic. Danisco shall indemnify, defend and hold Dyadic and its Affiliates, agents, employees, officers, and directors (the "Dyadic Indemnitees") harmless from and against any and all liability, damage, loss, cost, or expense (including without limitation reasonable attorneys' fees) arising out of claims or suits related to intentional misconduct in the performance of the Services (if applicable) which irreversibly injures Dyadic.

6.2 Procedure. As a condition for either a Danisco Indemnitee or a Dyadic Indemnitee to receive indemnification under this Agreement, it shall: (a) promptly deliver notice in writing (a "Claim Notice") to the Party from whom it seeks an indemnification as soon as it becomes aware of a claim or suit for which indemnification may be sought (provided that the failure to give a Claim Notice promptly shall not prejudice the rights of the applicable Danisco Indemnitee or Dyadic Indemnitee except to the extent that the failure to give prompt notice materially adversely affects the ability of the indemnifying party to defend the claim or suit); (b) cooperate with the indemnifying party in the defense of such claim or suit; and (c) if the indemnifying party confirms in writing to the Danisco Indemnitee or Dyadic Indemnitee its intention to defend such claim or suit within ten (10) days after receipt of the Claim Notice, permit the indemnifying party to control the defense of such claim or suit, including without limitation the right to select defense counsel; provided that, if the indemnifying party fails to (i) provide such confirmation in writing within such ten (10) day period or (ii) after providing such confirmation, diligently and reasonably defend such suit or claim at any time, the indemnifying party's right to defend the claim or suit shall terminate immediately and the Danisco Indemnitee or Dyadic Indemnitee may assume the defense of such claim or suit at the sole expense of the indemnifying party but may not settle or compromise such claim or suit without the consent of the indemnifying party, not to be unreasonably withheld or delayed. In no event, however, may the indemnifying party compromise or settle any claim or suit in a manner which admits fault or negligence on the part of any Danisco Indemnitee or Dyadic Indemnitee or that otherwise materially affects such Danisco Indemnitee or Dyadic Indemnitee's rights under this Agreement or otherwise, or requires any payment by an Danisco Indemnitee or Dyadic Indemnitee without the prior written consent of such Danisco Indemnitee or Dyadic Indemnitee. Except as expressly provided above, the indemnifying party will have no indemnity liability under this Agreement with respect to claims or suits settled or compromised without its prior written consent.

ARTICLE 7 REPRESENTATIONS, WARRANTIES AND COVENANTS

7.1 General. Each Party represents and warrants to the other that: (a) it is duly organized and validly existing under the Law of the jurisdiction of its incorporation, and has full corporate power and authority to enter into this Agreement and to carry out the provisions hereof; (b) it is qualified to do business and is in good standing in each jurisdiction in which it conducts business; (c) duly authorized to execute and deliver this Agreement and to perform its obligations hereunder, and the person executing this Agreement on its behalf has been duly authorized to do so by all requisite corporate action; (d) this Agreement is legally binding upon it and enforceable in accordance with its terms and the execution, delivery and performance of this Agreement by it does not conflict with any agreement, instrument or understanding, oral or written, to which it is a party or by which it may be bound, nor violate any material Law; and (e) it is not aware of any action, suit or inquiry or investigation instituted by any Person which questions or threatens the validity of this Agreement.

7.2 Representations and Covenants by Danisco. Danisco represents and warrants that, subject to any deficiencies in title with respect to assets acquired from Dyadic under the Asset Purchase Agreement, it has good legal title to all Dyadic Patents, Danisco Patents, Dyadic Know-How, Danisco Know-How, Dyadic Materials and Danisco Improved Strains that are licensed pursuant to Article 2 and that it is not party to any agreement (other than any Transferred Contract) with any Third Party that is inconsistent with the terms of this Agreement. Except to the extent contemplated by any Transferred Contract, Danisco shall take no action that would permit any Person that is a party to a Transferred Contract to assert any Patent covering an Improvement against any Licensed Party.

7.3 Representations, Warranties and Covenants By Licensed Parties. Each Licensed Party represents and warrants that: (i) it has the all rights to any Pharmaceutical Product that will be the subject of any Service provided by Danisco pursuant to Article 3; and (ii) it is and will continue to be in compliance with all Laws relating to the research, development, manufacture, commercialization and sale of any Pharmaceutical Product or Dosage Form that is produced pursuant to the license granted in Article 2 or with respect to which Danisco provides Services pursuant to Article 3.

7.4 Disclaimer. EXCEPT AS PROVIDED IN THIS ARTICLE 7 (AND WITHOUT LIMITATION TO ARTICLE 3 HEREOF), DANISCO MAKES NO, AND THE LICENSED PARTIES DISCLAIM RELIANCE ON ANY, REPRESENTATION OR WARRANTY (EXPRESS, IMPLIED, STATUTORY OR OTHERWISE) WITH RESPECT TO THE SUBJECT MATTER OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION WITH RESPECT TO THE SERVICES, ANY DYADIC MATERIALS, DYADIC KNOW-HOW, DANISCO IMPROVED STRAINS AND DANISCO KNOW-HOW LICENSED HEREUNDER OR USED IN PERFORMING SERVICES, OR ANY PHARMACEUTICAL PRODUCT PRODUCED USING ANY SUCH DYADIC MATERIALS, DYADIC KNOW-HOW, DANISCO IMPROVED STRAINS AND DANISCO KNOW-HOW, AND DANISCO SPECIFICALLY DISCLAIMS, AND THE LICENSED PARTIES DISCLAIM RELIANCE ON, ANY AND ALL IMPLIED WARRANTIES OR CONDITIONS OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ALL WARRANTIES THAT THE

DYADIC PATENTS OR DANISCO PATENTS ARE VALID AND ENFORCEABLE, AND THAT THE USE OF THE DYADIC MATERIALS, THE DANISCO IMPROVED STRAINS, DYADIC KNOW-HOW, OR DANISCO KNOW-HOW TO PRODUCE PHARMACEUTICAL PRODUCTS DOES NOT INFRINGE THE INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES. DANISCO SPECIFICALLY DISCLAIMS, AND THE LICENSED PARTIES DISCLAIM RELIANCE ON, ANY REPRESENTATION OR WARRANTY THAT THE STRAINS LICENSED UNDER THIS AGREEMENT AND ANY DERIVATIVES OR MODIFICATIONS (A) ARE ANYTHING OTHER THAN EXPERIMENTAL IN NATURE, (B) HAVE CHARACTERISTICS THAT ARE ALL KNOWN, AND (C) ARE SUITABLE FOR USE IN PRODUCING ANY PHARMACEUTICAL PRODUCT.

ARTICLE 8 LIMITATION OF LIABILITY

8.1 EXCEPT WITH RESPECT TO THE WRONGFUL DISCLOSURE OR USE OF C1 STRAINS BY DANISCO OR A LICENSED PARTY, OR THE FAILURE OF DANISCO OR A LICENSED PARTY TO MAKE PAYMENTS PROVIDED FOR BY THIS AGREEMENT, OR THE BREACH OF ARTICLES 2 THROUGH 7 OF AGREEMENT BY A LICENSED PARTY, NEITHER DANISCO NOR ANY LICENSED PARTY NOR ANY OF THEIR RESPECTIVE AFFILIATES WILL BE LIABLE FOR SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, WHETHER IN CONTRACT, WARRANTY, NEGLIGENCE, TORT, STRICT LIABILITY OR OTHERWISE, ARISING OUT OF THE PERFORMANCE OR FAILURE TO PERFORM ANY OF THE PROVISIONS OF THIS AGREEMENT, EXCEPT TO THE EXTENT SUCH DAMAGES ARE PAYABLE IN CONNECTION WITH A THIRD PARTY CLAIM. DANISCO'S MAXIMUM LIABILITY TO DYADIC AND DYADIC LICENSEES UNDER THIS AGREEMENT PURSUANT TO SECTION 6.2 SHALL BE THE AMOUNT PAID TO DANISCO FOR THE SERVICES WHICH RELATE TO THE CLAIM. NEITHER PARTY SHALL HAVE ANY LIABILITY TO THE OTHER PARTY FOR ANY DIRECT, SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, WHETHER IN CONTRACT, WARRANTY, NEGLIGENCE, TORT, STRICT LIABILITY OR OTHERWISE, ARISING FROM, IN THE CASE OF DYADIC, ANY USE OF RESTRICTED MATERIALS BY ANY THIRD PARTY OR SUBLICENSEE OUTSIDE THE PHARMACEUTICAL FIELD AND, IN THE CASE OF DANISCO, ANY USE OF RESTRICTED MATERIALS BY ANY THIRD PARTY OR LICENSEE OF DANISCO IN THE PHARMACEUTICAL FIELD IN WAYS PROHIBITED BY THIS AGREEMENT UNLESS DYADIC OR DANISCO EXPRESSLY AND KNOWINGLY GRANTED A LICENSE PERMITTING SUCH IMPROPER USE.

ARTICLE 9 TERM AND TERMINATION

9.1 Term. Subject to Section 9.2, the term of this Agreement shall commence on the Effective Date and continue in full force and effect so long as any Licensed Party is using any C1 Strain or Danisco Improved Strain, Dyadic Know-How, or Dyadic Materials, or is practicing under any Patents licensed hereunder, *provided, however*, that any inactivity by

Dyadic with respect to the Pharmaceutical Field for less than one (1) year shall not be deemed a basis for expiration of this Agreement.

9.2 Termination and Patent Challenges

(a) Termination For Breach. Notwithstanding anything herein to the contrary, if any Licensed Party shall at any time breach any material term or condition of its Sublicense Agreement, Dyadic shall advise Danisco in writing of such breach and provide Danisco with all facts known to Dyadic relating to such breach. Dyadic shall use reasonable efforts to remedy or cause its Sublicensee to remedy such breach. In addition, Danisco may commence a dispute against any Licensed Party pursuant to Section 10.7 to recover damages from and obtain injunctive or any other form of equitable relief against the Licensed Party which has breached its obligations. If the breaching Licensed Party shall fail to have cured such breach within sixty (60) days after it has been determined pursuant to Section 10.7 that such Licensed Party is in default, then Danisco may, at its option, and without liability to Dyadic or such Licensed Party terminate and revoke the sublicense running to the applicable Dyadic Sublicensee or if Dyadic is the breaching Party terminate the license grants running to Dyadic in Section 2.1. Any such termination of the license grants running to Dyadic shall not affect the rights of any Dyadic Sublicensee under a Sublicense granted prior to the effective date of such termination.

(b) Dyadic Remedies. In the event that Dyadic provides written notice to Danisco of the breach of its obligations under any section of this Agreement and Danisco does not cure such breach within sixty (60) days after receipt of such written notice, then Dyadic shall be free to initiate arbitration with respect to such allegations of breach. Such arbitration shall be conducted in an expedited manner, but in no case shall the matter not be decided in less than one year without Dyadic's consent. If Danisco by the end of such arbitration has not cured such breach and the arbitrators find such a breach exists, the arbitrators shall award equitable relief directing Danisco to discontinue conduct found to violate this Agreement and award such other relief as may be appropriate.

(c) Patent Challenge. To the extent permitted by Law, in the event that a Party or a Licensed Party wishes to challenge the validity of any Patent subject to this Agreement, other than a Pharmaceutical Patent, such Party or Licensed Party shall first provide sixty (60) days prior written notice of such intent and if such patent challenge is unsuccessful in whole or in part reimburse the other Party's or Licensed Party's reasonable attorney's fees and costs incurred in defending the validity of the Patent in question.

(d) Danisco Remedies. Danisco may, by delivering written notice to Dyadic, terminate this Agreement immediately and without liability to any Licensed Party, in the event that any court or arbitrator of competent jurisdiction shall determine that Danisco does not have the right to license any C1 Strain, improved C1 Strain, Dyadic Know-How, Dyadic Material, Danisco Know-How, Danisco Improved Strain, Genetic Tool, Dyadic Patent or Danisco Patent for use in the Pharmaceutical Field.

9.3 Effect of Termination

(a) Rights and Obligations Upon Termination by Danisco for Breach. As of the effective date of a termination of any license to a Licensed Party pursuant to Section 9.2(a): (i) Section 2.1 shall terminate with respect to the rights granted to the Licensed Party which has breached and all rights in any Dyadic Material, Danisco Improved Strain or any derivative or modification thereof, Dyadic Know-How and Danisco Know-How licensed to the Licensed Party which has breached shall terminate and revert to Danisco; (ii) Dyadic, in the case of a termination of Dyadic's rights, shall return to Danisco, and the applicable Sublicensee, in the case of a termination of such Sublicensee's rights, shall return to Dyadic any Dyadic Materials or Danisco Improved Strains and derivatives and modifications thereof, Dyadic Know-How and Danisco Know-How provided to or created by or under the authority of such Party; and (iii) the Licensed Party which has breached shall return to Danisco and cease using all Confidential Information of Danisco including, but not limited to, Dyadic Know-How and Danisco Know-How.

(b) Accrued Rights. Termination or expiration of this Agreement for any reason will be without prejudice to any rights that will have accrued to the benefit of a Party prior to such termination or expiration. Such termination or expiration will not relieve a Party from accrued payment obligations or from obligations which are expressly indicated to survive termination or expiration of this Agreement.

9.4 Survival. Sections 2.1(a)(iii) (insofar as it relates to the payment of any royalty incurred prior to the expiration or termination of this Agreement), 2.2(a), 2.2(d), 2.3, 2.4, 3.2, 3.4 (insofar as it relates to the payment of any royalty incurred prior to the expiration or termination of this Agreement), 4.2, 9.3, and 9.4, and Articles 5, 6, 7, 8 and 10, together with any other provisions necessary to give effect thereto, shall survive any expiration or termination of this Agreement.

Article 10 GENERAL PROVISIONS

10.1 Entire Agreement of the Parties; Amendments. This Agreement constitutes and contains the entire understanding and agreement of the Parties respecting the subject matter hereof and cancels and supersedes any and all prior and contemporaneous negotiations, correspondence, understandings, and agreements between the Parties, whether oral or written, regarding such subject matter. No waiver, modification, amendment or alteration of any provision of this Agreement will be valid or effective unless made in writing and signed by each of the Parties.

10.2 Further Actions. Each Party agrees to execute, acknowledge, and deliver such further instruments and to do all such other acts as may be necessary or appropriate in order to carry out the express provisions of this Agreement.

10.3 Assignments. Neither this Agreement nor any interest hereunder may be assigned, nor any other obligation delegated, by a Party without the prior written consent of the other Party; provided, however, that a Party shall have the right to assign this Agreement without consent of the other Party to an Affiliate of the assigning Party provided or to any successor in interest to the assigning Party by operation of law, merger, consolidation, or other business reorganization or the sale of all or substantially all of its assets relating to the subject matter of this Agreement. This Agreement shall be binding upon successors and permitted assigns of the Parties. Any assignment not in accordance with this Section 10.3 will be null and void. Notwithstanding any assignment or transfer by operation of law, merger, consolidation or otherwise, the assigning Party shall remain primarily liable for any breaches of the assignee under this Agreement.

10.4 Performance by Affiliates. The Parties recognize that each may perform some or all of its obligations under this Agreement through wholly owned Affiliates or may exercise some or all of its rights under this Agreement through wholly owned Affiliates, provided, however, that each Party shall remain responsible and be guarantor of the performance by such Affiliates and shall cause such Affiliates to comply with the provisions of this Agreement in connection with such performance. In particular and without limitation, (i) all Affiliates of a Party that receive Confidential Information of the other Party pursuant to this Agreement shall be governed and bound by all obligations set forth in Article 5, and (ii) all Affiliates of, as applicable, Dyadic or Danisco, that have access to C1 Strains, Danisco Improved Strains, Improvements, Pharmaceutical Improvements, Dyadic Materials, Genetic Tools or Know-How relating thereto shall be governed and bound by all obligations set forth in this Agreement. Each Party will prohibit all of its Affiliates from taking any action that such Party is prohibited from taking under this Agreement as if such Affiliates were parties to this Agreement.

10.5 Relationship of the Parties. The Parties shall perform their obligations under this Agreement as independent contractors and nothing in this Agreement is intended or will be deemed to constitute a partnership, agency or employer-employee relationship between the Parties. Neither Party will have any right, power or authority to assume, create, or incur any expense, liability, or obligation, express or implied, on behalf of the other.

10.6 Notices. Any notice, request, delivery, approval or consent required or permitted to be given under this Agreement will be in writing and will be deemed to have been sufficiently given if delivered in person, transmitted by facsimile (receipt verified) or by express courier service (signature required) or five (5) days after it was sent by registered
letter, return receipt requested (or its equivalent) to the Party to which it is directed at its address or facsimile number shown below or such other address or facsimile number as such Party will have last given by notice to the other Party.

If to Danisco:

Danisco USA Inc.
c/o President – DuPont Industrial Biosciences

Building 356
Danisco Experimental Station
Wilmington, DE 19880

With a copy to: E. I. du Pont de Nemours and Company
Attention: Legal Department – General Counsel
Fax: 302-773-4679

If to Dyadic: Dyadic International, Inc.
140 Intracoastal Pointe Drive, Suite 404
Jupiter, FL 33477-5094
Attention: Mark A. Emalfarb
Fax: (561) 743-8343

With a copy to:
Cahill Gordon & Rekindle LLP
80 Pine Street
New York, New York 10005
Attention:
Michael B. Weiss
Email:
mweiss@cahill.com

10.7 Governing Law; Dispute Resolution.

(a) The rights and obligations of the Licensed Parties under this Agreement shall be governed, and shall be interpreted, construed, and enforced, in all respects by the Law of the State of Delaware without giving effect to any conflict of Law rule that would result in the application of the Law of any jurisdiction other than the internal Law of the State of Delaware to the rights and duties of the Parties.

(b) If Danisco and any Licensed Party are unable to resolve any dispute between them arising out of this Agreement, either Danisco or any Licensed Party, by written notice to the other, may have such dispute referred to the President of DuPont Industrial Biosciences and the Chief Executive Officer of Dyadic or any other Licensed Party, for attempted resolution by good faith negotiations within fifteen (15) days after such notice is received.

(c) If Danisco and Dyadic or the relevant other Licensed Party do not agree upon a resolution of the dispute, Danisco and the Licensed Parties agree that any dispute that remains unresolved rising out of or relating to this Agreement, including the breach, termination or validity thereof, shall be finally resolved by arbitration in accordance with the International Institute for Conflict Prevention and Resolution ("CPR") Rules for Administered Arbitration (the "Administered Rules" or "Rules") by three arbitrators, of whom each party to the dispute shall designate one, with the third arbitrator to be designated by the two party-appointed arbitrators. The arbitration shall

be governed by the Federal Arbitration Act, 9 USC §§ 1 et seq., and judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The place of the arbitration shall be New York, New York and shall be conducted in accordance with the requirements of CPR's Appeal Procedure. An appeal may be taken under the CPR Arbitration Appeal Procedure from any final award of an arbitral panel in any arbitration arising out of or related to this agreement that is conducted in accordance with the requirements of such Appeal Procedure. Unless otherwise agreed by the parties and the appeal tribunal, the appeal shall be conducted at the place of the original arbitration.

(d) Danisco and the Licensed Parties agree that money damages alone will be inadequate to compensate for any breach of this Agreement and that injunctive relief will be awarded to the extent necessary to restrain any Licensed Party from using any Dyadic Material, Danisco Improved Strain, Dyadic Know-How, Danisco Know-How, Danisco Background Technology, Danisco Background Tool, or Services Generated Tool outside of the Pharmaceutical Field or to restrain Danisco from violating the provisions of Section 3.3.

10.8 Rights in Bankruptcy. The Parties acknowledge and agree that this Agreement constitutes a license of rights to "intellectual property" as that term is defined in Section 101(35A) of Title 11, United States Code (the "Bankruptcy Code") and is therefore governed by Section 365(n) of the Bankruptcy Code. The Parties shall retain and may fully exercise all of their respective rights and elections under the Bankruptcy Code. Notwithstanding anything to the contrary, if a Chapter 11 petition is filed by or against Dyadic, Dyadic shall seek approval of the bankruptcy court to assume this Agreement pursuant to 11 U.S.C. § 363.

10.9 Captions. The captions to this Agreement are for convenience only, and are to be of no force or effect in construing or interpreting any of the provisions of this Agreement.

10.10 Waiver. A waiver by a Party of any of the terms and conditions of this Agreement in any instance will not be deemed or construed to be a waiver of such term or condition for the future, or of any subsequent breach hereof. All rights, remedies, undertakings, obligations, and agreements contained in this Agreement will be cumulative and none of them will be in limitation of any other remedy, right, undertaking, obligation, or agreement of either Party.

10.11 Severability. When possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under Law, but, if any provision of this Agreement is held to be prohibited by or invalid under Law, such provision will be ineffective but only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or of this Agreement. The Parties will make a good faith effort to replace the invalid or unenforceable provision with a valid one which in its economic effect is most consistent with the invalid or unenforceable provision.

10.12 Force Majeure. No liability shall result from a force majeure event or any delay in performance or nonperformance, directly or indirectly caused by circumstances beyond the control of the Party affected, including, but not limited to, act of God, fire, explosion, flood, war, utility failure, order of any court, act or inaction of or by any local or national government or agency, accident, labor strike, pandemic, death, termination or resignation of key employees, inability to obtain material, failure of equipment transportation, or failure of usual transportation mode.

10.13 Counterparts. This Agreement may be executed simultaneously in counterparts, any one of which need not contain the signature of more than one Person but all such counterparts taken together will constitute one and the same agreement.

10.14 Rules of Construction**.**

(a) When a reference is made in this Agreement to an Article, a Section, an Exhibit or a Schedule, such reference shall be to an Article of, a Section of, or an Exhibit or a Schedule to this Agreement unless otherwise indicated.

(b) Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation."

(c) The Parties hereto have participated jointly in the negotiation and drafting of this Agreement with the assistance of counsel and other advisors and, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by the parties hereto and thereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement in duplicate originals by their duly authorized representatives as of the Effective Date.

Danisco USA Inc.	Dyadic International, Inc.
By _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

EXHIBIT A
DYADIC MATERIALS

[INTENTIONALLY OMITTED]

EXHIBIT B
SERVICES

[INTENTIONALLY OMITTED]

Annex C

The Voting Agreement

Annex C-1
Execution Version

VOTING AGREEMENT

This VOTING AGREEMENT (this "***Agreement***") is entered into as of November 9, 2015, by and among the undersigned stockholder ("***Stockholder***") of Dyadic International, Inc., a Delaware corporation (the "***Dyadic***"), and Danisco US Inc., a Delaware corporation (***"Danisco"***).

RECITALS

WHEREAS, concurrently with the execution and delivery of this Agreement, Danisco, Dyadic and Dyadic International (USA), Inc., a Florida corporation (***"Dyadic USA"***), are entering into an Asset Purchase and Sale Agreement (the "***Purchase Agreement***"), pursuant to which Dyadic and Dyadic USA will sell to Danisco and Danisco will purchase from Dyadic and Dyadic USA, the Purchased Assets on the terms and subject to the conditions set forth in the Purchase Agreement;

WHEREAS, as of the date hereof, Stockholder is the record and Beneficial Owner of the number of shares of capital stock of Dyadic and the securities convertible into or exercisable or exchangeable for shares of capital stock of Dyadic set forth opposite Stockholder's name on **Schedule A** hereto (such shares, the ***"Existing Shares,"*** and together with any New Shares (as defined below), the ***"Subject Shares"***);

WHEREAS, Danisco has conditioned its willingness to enter into the Purchase Agreement and to consummate the Contemplated Transactions on the terms and subject to the conditions set forth in the Purchase Agreement upon Stockholder having duly executed and delivered this Agreement to Danisco; and

WHEREAS, as an inducement to the willingness of Danisco to enter into the Purchase Agreement and to consummate the Contemplated Transactions on the terms and subject to the conditions set forth in the Purchase Agreement, Stockholder is willing to agree to each of the matters set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements, covenants and other premises set forth herein, the mutual benefits to be gained by the performance thereof, and for good and valuable consideration, the receipt of which are hereby acknowledged and accepted, the parties hereby agree as follows:

1. Defined Terms.

(a) Capitalized terms used in this Agreement but not otherwise defined herein shall have the meanings ascribed thereto in the Purchase Agreement. The following capitalized terms, as used in this Agreement, shall have the meanings set forth in this Section 1.

"Beneficial Ownership" – means, with respect to any security of any Person, "beneficial ownership" of such security as determined pursuant to Rule 13d-3 under the Exchange Act, including all securities as to which such Person has the right to acquire, without

regard to the 60-day period set forth in such rule. The terms "***Beneficially Own***" and "***Beneficial Owner***" shall have correlative meanings.

"New Shares" – means any shares of capital stock of Dyadic or any securities convertible into or exercisable or exchangeable for shares of capital stock of Dyadic that Stockholder Beneficially Owns or acquires Beneficial Ownership of, in each case, on or after the date of this Agreement (including by conversion, operation of Legal Requirements or otherwise).

"Transfer" – means to directly or indirectly, sell, transfer, pledge, hypothecate, encumber, exchange, assign, grant a participation in, tender or otherwise dispose of (including by gift, merger, or otherwise by operation of Legal Requirements).

2. Representations and Warranties of Stockholder. Stockholder hereby represents and warrants to Danisco, as of the date of this Agreement, as follows:

(a) Ownership. The Existing Shares are Beneficially Owned solely by Stockholder. Stockholder does not own, of record or as Beneficial Owner, or have any right to purchase or acquire (whether currently, upon lapse of time, following the satisfaction of any conditions, upon the occurrence of any event or any combination of the foregoing) (i) any shares of capital stock of Dyadic or securities convertible into or exercisable or exchangeable for shares of capital stock of Dyadic (other than pursuant to any option, stock award or similar compensation plan adopted by Dyadic), other than the Existing Shares and any New Shares that Stockholder Beneficially Owns or acquires Beneficial Ownership of on or after the date of this Agreement, or (ii) any option, warrant, call or other right to purchase or acquire any shares of capital stock of Dyadic or any securities convertible into or exercisable or exchangeable for shares of capital stock of Dyadic (other than pursuant to any option, stock award or similar compensation plan adopted by Dyadic). Stockholder has good, valid and marketable title to the Existing Shares that Stockholder Beneficially Owns free and clear of any Encumbrances, proxies, voting trusts or agreements, understandings, arrangements or other restrictions and limitations of any kind, other than as set forth in this Agreement and pursuant to applicable federal and state securities law restrictions. Stockholder has the sole voting power, sole power of disposition, and sole power to issue instructions and agree to all of the matters set forth in this Agreement, in each case, with respect to all of the Existing Shares that Stockholder Beneficially Owns, and, in each case, with no limitations, qualifications or restrictions on such rights, subject to the terms of this Agreement, applicable law and applicable federal and state securities law restrictions.

(b) Power and Authority; Due Execution and Delivery. Stockholder has the requisite power and authority (including, if Stockholder is an entity, all requisite corporate, company, partnership or other entity power and authority) to execute and deliver this Agreement (and each Person executing this Agreement on behalf of an entity Stockholder has full power, authority and capacity to execute and deliver this Agreement on behalf of such Stockholder and to thereby bind Stockholder), to carry out his, her or its obligations hereunder and to consummate the transactions contemplated hereby. If Stockholder is an entity, Stockholder is duly organized, validly existing and in good standing under the laws of the jurisdiction of organization. The execution and delivery by Stockholder of this Agreement, the performance by him, her or it of the obligations hereunder and the consummation of the transactions

contemplated hereby have been duly and validly authorized by Stockholder (including Stockholder's governing body, members, partners, stockholders or trustees, as applicable) and no other actions or proceedings on the part of Stockholder (or Stockholder's governing body, members, partners, stockholders or trustees, as applicable) to authorize the execution and delivery of this Agreement, the performance by Stockholder of the obligations hereunder or the consummation of the transactions contemplated hereby, are required. This Agreement has been duly executed and delivered by Stockholder and, assuming the due authorization, execution and delivery of this Agreement by Danisco, constitutes a legal, valid and binding agreement of Stockholder, enforceable against him, her or it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equitable principles.

(c) No Conflicts; Consents. None of the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance by Stockholder with the terms of this Agreement will conflict with, or result in any violation or breach of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of, or result in termination, amendment, cancelation or acceleration of any obligation or loss of a material benefit under, or result in the creation of any Encumbrance upon any of the Stockholder's Subject Shares, or give rise to any increased, additional, accelerated or guaranteed rights or entitlements under (i) any provision of any certificate of incorporation, bylaws, trust or other organizational document of Stockholder, (ii) any Contract to or by which Stockholder is a party or bound or to or by which any of the properties or assets of Stockholder (including Stockholder's Subject Shares) is bound or subject or (iii) subject to the governmental filings and other matters referred to in the following sentence, any Legal Requirement or Order, in each case, that would prevent the consummation by Stockholder of the transactions contemplated by this Agreement or the compliance by Stockholder with the terms of this Agreement in any material respect. No consent, approval, order or authorization of, or registration, declaration or filing with, any Governmental Body or other Person (and with respect to trusts, any co-trustee or beneficiary) (***"Consent"***) is required by or with respect to Stockholder in connection with the execution and delivery of this Agreement by Stockholder, the consummation by Stockholder of the transactions contemplated by this Agreement or the compliance by Stockholder with the terms of this Agreement in any material respect, except for (y) filings with the SEC of such reports under the Exchange Act as may be required in connection with this Agreement and the transactions contemplated hereby and (z) those Consents which have already been obtained. Without limiting the foregoing, except for this Agreement (and any amendments thereto), Stockholder has not entered into any voting agreement, voting trust or other Contract with respect to the Subject Shares, or directly or indirectly, granted a proxy (revocable or irrevocable), consent or power of attorney with respect to the Subject Shares.

(d) Reliance by Dyadic, Dyadic USA and Danisco. Stockholder hereby understands and acknowledges that each of Dyadic, Dyadic USA and Danisco is entering into the Purchase Agreement and consummating the transactions contemplated thereby in reliance upon Stockholder's execution and delivery of this Agreement.

(e) Absence of Litigation. There are no Proceedings pending or, to the actual knowledge (without inquiry or investigation) of Stockholder, Threatened, and no Order outstanding, or, to the knowledge of Stockholder, Threatened, against Stockholder or the Subject

Shares which would be reasonably likely to prevent or materially delay Stockholder from performing his, her or its obligations under this Agreement or consummating the transactions contemplated hereby on a timely basis.

3. Voting.

(a) Agreement to Vote. Stockholder, in its capacity as a stockholder of Dyadic, hereby irrevocably and unconditionally agrees that, during the term of this Agreement, at any annual or special meeting of the stockholders of Dyadic, however called, including any postponement or adjournment thereof, Stockholder shall, in each case to the fullest extent that the Subject Shares are entitled to vote thereon, (i) appear at such annual or special meeting, in person or by proxy, or otherwise cause its Subject Shares to be counted as present thereat for purposes of calculating a quorum, and (ii) vote (or cause to be voted), in person or by proxy, all of Stockholder's Subject Shares (A) in favor of the approval of the Purchase Agreement and the consummation of the Contemplated Transactions (in each case, as the same may be amended on or after the date hereof) and (B) against (x) any action or agreement that would result, or would be reasonably expected to result, in a breach of any covenant, warranty or any other obligation or agreement of Dyadic or any of its Affiliates contained in the Purchase Agreement (as the same may be amended on or after the date hereof), (y) any Acquisition Proposal or any Contract relating thereto, and (z) any action, Contract or transaction that would to the knowledge of Stockholder reasonably be expected to impede, interfere with, delay, postpone, discourage, prevent, nullify, frustrate the purposes of, be in opposition to or in competition or inconsistent with, or materially and adversely affect, the Purchase Agreement or consummation of the Contemplated Transactions (in each case, as the same may be amended on or after the date hereof).

(b) No Inconsistent Actions. Stockholder hereby covenants and agrees that, except for this Agreement (and any amendments thereto), during the term of this Agreement, Stockholder will not (i) enter into any voting agreement, voting trust or other Contract with respect to the Subject Shares, (ii) directly or indirectly, grant a proxy (revocable or irrevocable), consent or power of attorney with respect to the Subject Shares, (iii) take any action that would make any representation or warranty of Stockholder, in its capacity as a stockholder of Dyadic, contained herein untrue or incorrect in any material respect or have the effect of prohibiting or preventing Stockholder from performing any of his, her or its material obligations under this Agreement, solely in his, her or its capacity as a stockholder of Dyadic, or (iv) commit or agree to take any action, that to Stockholder's knowledge, is inconsistent with Section 3 of this Agreement.

4. Additional Covenants.

(a) Prohibition on Transfers. Stockholder covenants and agrees that, during the term of this Agreement, Stockholder shall not (i) Transfer any of the Subject Shares, Beneficial Ownership thereof or any other interest therein, or (ii) enter into any Contract, option, call or other arrangement with respect to the Transfer of any Subject Shares, Beneficial Ownership thereof or any other interest therein, to any Person, other than in accordance with the terms of this Agreement, provided, however, that Stockholder shall have the right to Transfer any Subject Shares to an Affiliate or in connection with a donative transfer to any immediate

family member or any trust, including, but not limited to, a charitable remainder trust, for the benefit of Stockholder or any immediate family member of Stockholder, provided, that prior to any such Transfer the transferee of Stockholder's Subject Shares executes an instrument, in a form reasonably acceptable to Danisco, assuming all the rights, benefits and obligations of Stockholder hereunder prior to such transfer. Stockholder acknowledges and agrees that any Transfer permitted by this Section 4(a) shall not be effective until the transferee agrees to be bound in writing by the terms of this Agreement. Any Transfer in violation of this Agreement shall be null and void.

(b) Stock Splits, Dividends and Distributions, etc. In the event of a stock split, stock dividend or distribution, or any change in the shares of capital stock of Dyadic by reason of any split-up, reverse stock split, recapitalization, combination, reclassification, exchange of shares or the like, the terms "Existing Shares" and "Subject Shares" shall be deemed to refer to and include such shares as well as all such stock dividends and distributions and any securities into which or for which any or all of such shares may be changed or exchanged or which are received in such transaction.

(c) Publicity. Stockholder hereby permits Dyadic and Danisco to include and disclose in statements of beneficial ownership, the Disclosure Materials (including any proxy) and in such other schedules, certificates, applications, agreements or documents as such entities reasonably determine to be necessary or appropriate in connection with the consummation of the Contemplated Transactions, Stockholder's identity and ownership of the Subject Shares and the nature of Stockholder's commitments, arrangements and understandings pursuant to this Agreement.

5. Stockholder Capacity. Stockholder has entered into this Agreement solely in the capacity as a Beneficial Owner of the Subject Shares and not in Stockholder's capacity as a director or officer. Notwithstanding anything to the contrary contained in this Agreement, none of the provisions of this Agreement shall be construed to prohibit, limit or restrict any Stockholder or any Representative of any Stockholder who is an officer or director of Dyadic or any of its subsidiaries from taking any actions (or not taking any actions) in Stockholder's capacity as an officer or director of Dyadic or any of its subsidiaries, including from exercising his, her or its fiduciary duties or taking any other action in his, her or its capacity as an officer or director, including, without limitation, with respect to the Purchase Agreement and the transactions contemplated thereby and none of such actions (or determining not to take any actions) in such capacity shall be deemed to constitute a breach of this Agreement.

6. Termination. This Agreement shall terminate automatically, without any notice or other action by any person, upon the first to occur of (a) the Closing, (b) the termination of the Purchase Agreement in accordance with its terms, and (c) the mutual written consent of all of the parties hereto. After the occurrence of such applicable event, this Agreement shall be of no further force. Upon termination of this Agreement, no party shall have any further obligations or liabilities under this Agreement; provided that, nothing in this Section 6 shall relieve any party from any liability for intentional breach of this Agreement occurring prior to such termination.

7. Further Assurances. From time to time and without additional consideration, Stockholder shall execute and deliver, or cause to be executed and delivered, such additional

instruments, and shall take such further actions, as Danisco may reasonably request that are reasonably necessary and appropriate for the purpose of carrying out and furthering the intent of this Agreement.

8. No Ownership Interest. Nothing contained in this Agreement shall be deemed to vest in Danisco any direct or indirect ownership or incidence of ownership of or with respect to any Subject Shares. All rights, Beneficial Ownership and economic benefit relating to the Subject Shares shall remain vested in and belong to Stockholder, and Danisco shall have no authority to direct Stockholder in the voting or disposition of any of the Subject Shares, except as otherwise provided herein.

9. Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, legal representatives and permitted assigns. No party to this Agreement may assign any of its rights or delegate any of its obligations under this Agreement, by operation of Legal Requirements or otherwise, without the prior written consent of the other party hereto. Any purported assignment in violation of this Agreement is void.

10. Miscellaneous.

(a) Expenses. All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expense.

(b) Entire Agreement. This Agreement constitutes the entire agreement and supersedes all other prior agreements, understandings, representations and warranties both written and oral, among the parties, with respect to the subject matter hereof.

(c) Modification or Amendment. The parties hereto may modify or amend this Agreement by written agreement of each of the parties hereto.

(d) Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or circumstance, is invalid or unenforceable, (i) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (ii) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

(e) Governing Law; Dispute Resolution; Specific Performance.

(i). This Agreement and all claims or causes of action (whether in contract, tort or otherwise) that may be based upon, arise out of or relate to this Agreement or the negotiation, execution or performance of this Agreement (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement), shall be governed by and

construed in accordance with the laws of the State of Delaware without regard to the conflicts of law principles thereof to the extent that such principles would direct a matter to another jurisdiction.

(ii). Each of the parties hereto, by its execution hereof (A) hereby irrevocably acknowledges and agrees that any Proceeding arising out of or related to this Agreement or the transactions contemplated hereby, the rights and obligations arising hereunder, and/or the interpretation, making, performance, breach or termination hereof, shall be brought and determined exclusively in a court of competent jurisdiction located in Florida or in any United States district court located in Florida, (B) hereby agrees not to commence any such Proceeding other than before one of the above-named courts, and (C) hereby waives to the extent not prohibited by applicable Legal Requirements, and agrees not to assert, by way of motion, as a defense or otherwise, in any such Proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that any such Proceeding brought in one of the above-named courts should be dismissed on grounds of *forum non conveniens*, should be transferred or removed to any court other than one of the above-named courts, or should be stayed by reason of the pendency of some other Proceeding in any other court other than one of the above-named courts or that this Agreement or the subject matter hereof may not be enforced in or by such courts. The parties hereto do hereby irrevocably (w) submit themselves to the personal jurisdiction of such courts, (x) agree to service of such courts' process upon them with respect to any such Proceeding, (y) waive any objection to venue laid therein and (z) consent to service of process by registered mail, return receipt requested in accordance with and at its address set forth in Section 10(h) (as such address may be updated from time to time in accordance with the terms of Section 10(h)).

(iii). Without limiting the remedies available to the parties hereunder, the parties hereby acknowledge and agree that the failure of any party to perform its agreements and covenants hereunder will cause irreparable injury to the other parties, for which damages, even if available, will not be an adequate remedy. Accordingly, each of the parties shall be entitled to seek specific performance of the terms hereof, including an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, this, being in addition to any other remedy to which they are entitled at law or in equity and, the parties may apply to the above-named courts for a temporary restraining order, preliminary injunction or other interim or conservatory relief, as necessary, to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, and such courts shall have exclusive jurisdiction over any such Proceeding. Each of the parties further hereby waives (i) any defense in any action for specific performance that a remedy at law would be adequate and (ii) any requirement under any Legal Requirements to post security as a prerequisite to obtaining equitable relief.

(iv). Notwithstanding the foregoing, a party hereto may commence any Proceeding in a court other than the above-named courts solely for the purpose of enforcing an order or judgment issued by one of the above-named courts.

(v). TO THE EXTENT NOT PROHIBITED BY APPLICABLE LEGAL REQUIREMENTS THAT CANNOT BE WAIVED, EACH OF THE PARTIES HERETO HEREBY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY

WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION, SUIT OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF SUCH ACTION, SUIT OR PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) EACH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) EACH PARTY MAKES THIS WAIVER VOLUNTARILY AND (D) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10(e)(v). THE PARTIES HERETO AGREE THAT ANY OF THEM MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTIES HERETO IRREVOCABLY TO WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION WHATSOEVER BETWEEN OR AMONG THEM RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY AND THAT SUCH ACTIONS WILL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

(f) No Third Party Beneficiaries. This Agreement is not intended, and shall not be deemed, to confer any rights or remedies upon any person other than the parties hereto and their respective successors and permitted assigns.

(g) Mutual Drafting; Legal Advice. This Agreement is the mutual product of the parties hereto, and each provision hereof has been subject to the mutual consultation, negotiation and agreement of each of the parties, and shall not be construed for or against any party hereto. Stockholder acknowledges that (i) Stockholder has read this Agreement in its entirety, understands it and agrees to be bound by its terms and conditions, and has been granted the opportunity to ask questions of, and to receive answers from legal counsel concerning the terms and conditions of this Agreement; (ii) Stockholder has been advised to seek independent legal advice and has received such advice or has, without undue influence, elected to waive the benefit of any such advice; and (iii) Stockholder is entering into this Agreement voluntarily.

(h) Notices. All notices and other communications under this Agreement must be in writing and shall be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) upon written confirmation of receipt when sent by email; provided, that a hard copy is mailed by registered mail, return receipt requested promptly thereafter, or (c) when received by the addressee, if sent by a nationally recognized overnight delivery service (receipt requested), in each case to the appropriate addresses set forth below (or to such other addresses as a party may designate by notice to the other parties):

If to Danisco to:

William Feehery
President, DuPont Industrial Biosciences
Building 356, Experimental Station
Wilmington, Delaware 19880
Email: William.F.Feehery@dupont.com

With a copy to:

E. I. du Pont de Nemours and Company
DuPont Legal
Chestnut Run Plaza
974 Centre Road
Wilmington, Delaware 19805
Attention: General Counsel
Facsimile: (302) 999-5094

If to Stockholder to the notice information set forth on the signature page hereto.

(i) Counterparts. This Agreement may be executed in any number of counterparts (including in facsimile or other electronic forms), each such counterpart being deemed to be an original instrument, and all such counterparts shall together constitute one and the same agreement.

[***Signature Page Follows***]

IN WITNESS WHEREOF, the parties have executed this Voting Agreement as of the date first written above.

DANISCO US INC.

By: /s/ William Feehery
Name: William Feehery
Title: President, DuPont Industrial Biosciences

IN WITNESS WHEREOF, the parties have executed this Voting Agreement as of the date first written above.

STOCKHOLDERS THAT ARE NOT INDIVIDUALS

_ Francisco Trust U/A/D February 28, 1996__ By: **/s/ Morley Alperstein, Trustee**
Name of Entity Stockholder Signature of Authorized Person

_ Morley Alperstein as Trustee
Name of Authorized Person Printed

_Trustee, Morley Alperstein
Title of Authorized Person Printed

Notice Information:

Name: Morley Alperstein as Trustee
Address: [INTENTIONALLY OMITTED]

Email: [INTENTIONALLY OMITTED]
Fax: [INTENTIONALLY OMITTED]

SCHEDULE A

Existing Shares

Name of Stockholder	Common Shares Held	$ Convertible Debt (CD) Held	Conversion Price	Convertible Shares	Warrant Coverage 25%	Warrants held if Convertible Debt called & paid off before 1/1/2016	Stock Options beneficially owned	Beneficial Ownership if CD coverted	Beneficial Ownership if CD not coverted
Francisco Trust	**4,010,082**	$ 500,000	$1.28	**390,625**	25%	97,656	-	**4,400,707**	4,107,738

Annex C-2
Execution Version

VOTING AGREEMENT

This VOTING AGREEMENT (this "***Agreement***") is entered into as of November 9, 2015, by and among the undersigned stockholder ("***Stockholder***") of Dyadic International, Inc., a Delaware corporation (the "***Dyadic***"), and Danisco US Inc., a Delaware corporation (***"Danisco"***).

RECITALS

WHEREAS, concurrently with the execution and delivery of this Agreement, Danisco, Dyadic and Dyadic International (USA), Inc., a Florida corporation (***"Dyadic USA"***), are entering into an Asset Purchase and Sale Agreement (the "***Purchase Agreement***"), pursuant to which Dyadic and Dyadic USA will sell to Danisco and Danisco will purchase from Dyadic and Dyadic USA, the Purchased Assets on the terms and subject to the conditions set forth in the Purchase Agreement;

WHEREAS, as of the date hereof, Stockholder is the record and Beneficial Owner of the number of shares of capital stock of Dyadic and the securities convertible into or exercisable or exchangeable for shares of capital stock of Dyadic set forth opposite Stockholder's name on **Schedule A** hereto (such shares, the ***"Existing Shares,"*** and together with any New Shares (as defined below), the ***"Subject Shares"***);

WHEREAS, Danisco has conditioned its willingness to enter into the Purchase Agreement and to consummate the Contemplated Transactions on the terms and subject to the conditions set forth in the Purchase Agreement upon Stockholder having duly executed and delivered this Agreement to Danisco; and

WHEREAS, as an inducement to the willingness of Danisco to enter into the Purchase Agreement and to consummate the Contemplated Transactions on the terms and subject to the conditions set forth in the Purchase Agreement, Stockholder is willing to agree to each of the matters set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements, covenants and other premises set forth herein, the mutual benefits to be gained by the performance thereof, and for good and valuable consideration, the receipt of which are hereby acknowledged and accepted, the parties hereby agree as follows:

1. Defined Terms.

(a) Capitalized terms used in this Agreement but not otherwise defined herein shall have the meanings ascribed thereto in the Purchase Agreement. The following capitalized terms, as used in this Agreement, shall have the meanings set forth in this Section 1.

"Beneficial Ownership" – means, with respect to any security of any Person, "beneficial ownership" of such security as determined pursuant to Rule 13d-3 under the Exchange Act, including all securities as to which such Person has the right to acquire, without

regard to the 60-day period set forth in such rule. The terms "***Beneficially Own***" and "***Beneficial Owner***" shall have correlative meanings.

"New Shares" – means any shares of capital stock of Dyadic or any securities convertible into or exercisable or exchangeable for shares of capital stock of Dyadic that Stockholder Beneficially Owns or acquires Beneficial Ownership of, in each case, on or after the date of this Agreement (including by conversion, operation of Legal Requirements or otherwise).

"Transfer" – means to directly or indirectly, sell, transfer, pledge, hypothecate, encumber, exchange, assign, grant a participation in, tender or otherwise dispose of (including by gift, merger, or otherwise by operation of Legal Requirements).

2. Representations and Warranties of Stockholder. Stockholder hereby represents and warrants to Danisco, as of the date of this Agreement, as follows:

(a) Ownership. The Existing Shares are Beneficially Owned solely by Stockholder. Stockholder does not own, of record or as Beneficial Owner, or have any right to purchase or acquire (whether currently, upon lapse of time, following the satisfaction of any conditions, upon the occurrence of any event or any combination of the foregoing) (i) any shares of capital stock of Dyadic or securities convertible into or exercisable or exchangeable for shares of capital stock of Dyadic (other than pursuant to any option, stock award or similar compensation plan adopted by Dyadic), other than the Existing Shares and any New Shares that Stockholder Beneficially Owns or acquires Beneficial Ownership of on or after the date of this Agreement, or (ii) any option, warrant, call or other right to purchase or acquire any shares of capital stock of Dyadic or any securities convertible into or exercisable or exchangeable for shares of capital stock of Dyadic (other than pursuant to any option, stock award or similar compensation plan adopted by Dyadic). Stockholder has good, valid and marketable title to the Existing Shares that Stockholder Beneficially Owns free and clear of any Encumbrances, proxies, voting trusts or agreements, understandings, arrangements or other restrictions and limitations of any kind, other than as set forth in this Agreement and pursuant to applicable federal and state securities law restrictions. Stockholder has the sole voting power, sole power of disposition, and sole power to issue instructions and agree to all of the matters set forth in this Agreement, in each case, with respect to all of the Existing Shares that Stockholder Beneficially Owns, and, in each case, with no limitations, qualifications or restrictions on such rights, subject to the terms of this Agreement, applicable law and applicable federal and state securities law restrictions.

(b) Power and Authority; Due Execution and Delivery. Stockholder has the requisite power and authority (including, if Stockholder is an entity, all requisite corporate, company, partnership or other entity power and authority) to execute and deliver this Agreement (and each Person executing this Agreement on behalf of an entity Stockholder has full power, authority and capacity to execute and deliver this Agreement on behalf of such Stockholder and to thereby bind Stockholder), to carry out his, her or its obligations hereunder and to consummate the transactions contemplated hereby. If Stockholder is an entity, Stockholder is duly organized, validly existing and in good standing under the laws of the jurisdiction of organization. The execution and delivery by Stockholder of this Agreement, the performance by him, her or it of the obligations hereunder and the consummation of the transactions

contemplated hereby have been duly and validly authorized by Stockholder (including Stockholder's governing body, members, partners, stockholders or trustees, as applicable) and no other actions or proceedings on the part of Stockholder (or Stockholder's governing body, members, partners, stockholders or trustees, as applicable) to authorize the execution and delivery of this Agreement, the performance by Stockholder of the obligations hereunder or the consummation of the transactions contemplated hereby, are required. This Agreement has been duly executed and delivered by Stockholder and, assuming the due authorization, execution and delivery of this Agreement by Danisco, constitutes a legal, valid and binding agreement of Stockholder, enforceable against him, her or it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equitable principles.

(c) No Conflicts; Consents. None of the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance by Stockholder with the terms of this Agreement will conflict with, or result in any violation or breach of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of, or result in termination, amendment, cancelation or acceleration of any obligation or loss of a material benefit under, or result in the creation of any Encumbrance upon any of the Stockholder's Subject Shares, or give rise to any increased, additional, accelerated or guaranteed rights or entitlements under (i) any provision of any certificate of incorporation, bylaws, trust or other organizational document of Stockholder, (ii) any Contract to or by which Stockholder is a party or bound or to or by which any of the properties or assets of Stockholder (including Stockholder's Subject Shares) is bound or subject or (iii) subject to the governmental filings and other matters referred to in the following sentence, any Legal Requirement or Order, in each case, that would prevent the consummation by Stockholder of the transactions contemplated by this Agreement or the compliance by Stockholder with the terms of this Agreement in any material respect. No consent, approval, order or authorization of, or registration, declaration or filing with, any Governmental Body or other Person (and with respect to trusts, any co-trustee or beneficiary) (***"Consent"***) is required by or with respect to Stockholder in connection with the execution and delivery of this Agreement by Stockholder, the consummation by Stockholder of the transactions contemplated by this Agreement or the compliance by Stockholder with the terms of this Agreement in any material respect, except for (y) filings with the SEC of such reports under the Exchange Act as may be required in connection with this Agreement and the transactions contemplated hereby and (z) those Consents which have already been obtained. Without limiting the foregoing, except for this Agreement (and any amendments thereto), Stockholder has not entered into any voting agreement, voting trust or other Contract with respect to the Subject Shares, or directly or indirectly, granted a proxy (revocable or irrevocable), consent or power of attorney with respect to the Subject Shares.

(d) Reliance by Dyadic, Dyadic USA and Danisco. Stockholder hereby understands and acknowledges that each of Dyadic, Dyadic USA and Danisco is entering into the Purchase Agreement and consummating the transactions contemplated thereby in reliance upon Stockholder's execution and delivery of this Agreement.

(e) Absence of Litigation. There are no Proceedings pending or, to the actual knowledge (without inquiry or investigation) of Stockholder, Threatened, and no Order outstanding, or, to the knowledge of Stockholder, Threatened, against Stockholder or the Subject

Shares which would be reasonably likely to prevent or materially delay Stockholder from performing his, her or its obligations under this Agreement or consummating the transactions contemplated hereby on a timely basis.

3. Voting.

(a) Agreement to Vote. Stockholder, in its capacity as a stockholder of Dyadic, hereby irrevocably and unconditionally agrees that, during the term of this Agreement, at any annual or special meeting of the stockholders of Dyadic, however called, including any postponement or adjournment thereof, Stockholder shall, in each case to the fullest extent that the Subject Shares are entitled to vote thereon, (i) appear at such annual or special meeting, in person or by proxy, or otherwise cause its Subject Shares to be counted as present thereat for purposes of calculating a quorum, and (ii) vote (or cause to be voted), in person or by proxy, all of Stockholder's Subject Shares (A) in favor of the approval of the Purchase Agreement and the consummation of the Contemplated Transactions (in each case, as the same may be amended on or after the date hereof) and (B) against (x) any action or agreement that would result, or would be reasonably expected to result, in a breach of any covenant, warranty or any other obligation or agreement of Dyadic or any of its Affiliates contained in the Purchase Agreement (as the same may be amended on or after the date hereof), (y) any Acquisition Proposal or any Contract relating thereto, and (z) any action, Contract or transaction that would to the knowledge of Stockholder reasonably be expected to impede, interfere with, delay, postpone, discourage, prevent, nullify, frustrate the purposes of, be in opposition to or in competition or inconsistent with, or materially and adversely affect, the Purchase Agreement or consummation of the Contemplated Transactions (in each case, as the same may be amended on or after the date hereof).

(b) No Inconsistent Actions. Stockholder hereby covenants and agrees that, except for this Agreement (and any amendments thereto), during the term of this Agreement, Stockholder will not (i) enter into any voting agreement, voting trust or other Contract with respect to the Subject Shares, (ii) directly or indirectly, grant a proxy (revocable or irrevocable), consent or power of attorney with respect to the Subject Shares, (iii) take any action that would make any representation or warranty of Stockholder, in its capacity as a stockholder of Dyadic, contained herein untrue or incorrect in any material respect or have the effect of prohibiting or preventing Stockholder from performing any of his, her or its material obligations under this Agreement, solely in his, her or its capacity as a stockholder of Dyadic, or (iv) commit or agree to take any action, that to Stockholder's knowledge, is inconsistent with Section 3 of this Agreement.

4. Additional Covenants.

(a) Prohibition on Transfers. Stockholder covenants and agrees that, during the term of this Agreement, Stockholder shall not (i) Transfer any of the Subject Shares, Beneficial Ownership thereof or any other interest therein, or (ii) enter into any Contract, option, call or other arrangement with respect to the Transfer of any Subject Shares, Beneficial Ownership thereof or any other interest therein, to any Person, other than in accordance with the terms of this Agreement, provided, however, that Stockholder shall have the right to Transfer any Subject Shares to an Affiliate or in connection with a donative transfer to any immediate

family member or any trust, including, but not limited to, a charitable remainder trust, for the benefit of Stockholder or any immediate family member of Stockholder, provided, that prior to any such Transfer the transferee of Stockholder's Subject Shares executes an instrument, in a form reasonably acceptable to Danisco, assuming all the rights, benefits and obligations of Stockholder hereunder prior to such transfer. Stockholder acknowledges and agrees that any Transfer permitted by this Section 4(a) shall not be effective until the transferee agrees to be bound in writing by the terms of this Agreement. Any Transfer in violation of this Agreement shall be null and void.

(b) Stock Splits, Dividends and Distributions, etc. In the event of a stock split, stock dividend or distribution, or any change in the shares of capital stock of Dyadic by reason of any split-up, reverse stock split, recapitalization, combination, reclassification, exchange of shares or the like, the terms "Existing Shares" and "Subject Shares" shall be deemed to refer to and include such shares as well as all such stock dividends and distributions and any securities into which or for which any or all of such shares may be changed or exchanged or which are received in such transaction.

(c) Publicity. Stockholder hereby permits Dyadic and Danisco to include and disclose in statements of beneficial ownership, the Disclosure Materials (including any proxy) and in such other schedules, certificates, applications, agreements or documents as such entities reasonably determine to be necessary or appropriate in connection with the consummation of the Contemplated Transactions, Stockholder's identity and ownership of the Subject Shares and the nature of Stockholder's commitments, arrangements and understandings pursuant to this Agreement.

5. Stockholder Capacity. Stockholder has entered into this Agreement solely in the capacity as a Beneficial Owner of the Subject Shares and not in Stockholder's capacity as a director or officer. Notwithstanding anything to the contrary contained in this Agreement, none of the provisions of this Agreement shall be construed to prohibit, limit or restrict any Stockholder or any Representative of any Stockholder who is an officer or director of Dyadic or any of its subsidiaries from taking any actions (or not taking any actions) in Stockholder's capacity as an officer or director of Dyadic or any of its subsidiaries, including from exercising his, her or its fiduciary duties or taking any other action in his, her or its capacity as an officer or director, including, without limitation, with respect to the Purchase Agreement and the transactions contemplated thereby and none of such actions (or determining not to take any actions) in such capacity shall be deemed to constitute a breach of this Agreement.

6. Termination. This Agreement shall terminate automatically, without any notice or other action by any person, upon the first to occur of (a) the Closing, (b) the termination of the Purchase Agreement in accordance with its terms, and (c) the mutual written consent of all of the parties hereto. After the occurrence of such applicable event, this Agreement shall be of no further force. Upon termination of this Agreement, no party shall have any further obligations or liabilities under this Agreement; provided that, nothing in this Section 6 shall relieve any party from any liability for intentional breach of this Agreement occurring prior to such termination.

7. Further Assurances. From time to time and without additional consideration, Stockholder shall execute and deliver, or cause to be executed and delivered, such additional

instruments, and shall take such further actions, as Danisco may reasonably request that are reasonably necessary and appropriate for the purpose of carrying out and furthering the intent of this Agreement.

8. No Ownership Interest. Nothing contained in this Agreement shall be deemed to vest in Danisco any direct or indirect ownership or incidence of ownership of or with respect to any Subject Shares. All rights, Beneficial Ownership and economic benefit relating to the Subject Shares shall remain vested in and belong to Stockholder, and Danisco shall have no authority to direct Stockholder in the voting or disposition of any of the Subject Shares, except as otherwise provided herein.

9. Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, legal representatives and permitted assigns. No party to this Agreement may assign any of its rights or delegate any of its obligations under this Agreement, by operation of Legal Requirements or otherwise, without the prior written consent of the other party hereto. Any purported assignment in violation of this Agreement is void.

10. Miscellaneous.

(a) Expenses. All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expense.

(b) Entire Agreement. This Agreement constitutes the entire agreement and supersedes all other prior agreements, understandings, representations and warranties both written and oral, among the parties, with respect to the subject matter hereof.

(c) Modification or Amendment. The parties hereto may modify or amend this Agreement by written agreement of each of the parties hereto.

(d) Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or circumstance, is invalid or unenforceable, (i) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (ii) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

(e) Governing Law; Dispute Resolution; Specific Performance.

(i). This Agreement and all claims or causes of action (whether in contract, tort or otherwise) that may be based upon, arise out of or relate to this Agreement or the negotiation, execution or performance of this Agreement (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement), shall be governed by and

construed in accordance with the laws of the State of Delaware without regard to the conflicts of law principles thereof to the extent that such principles would direct a matter to another jurisdiction.

(ii). Each of the parties hereto, by its execution hereof (A) hereby irrevocably acknowledges and agrees that any Proceeding arising out of or related to this Agreement or the transactions contemplated hereby, the rights and obligations arising hereunder, and/or the interpretation, making, performance, breach or termination hereof, shall be brought and determined exclusively in a court of competent jurisdiction located in Florida or in any United States district court located in Florida, (B) hereby agrees not to commence any such Proceeding other than before one of the above-named courts, and (C) hereby waives to the extent not prohibited by applicable Legal Requirements, and agrees not to assert, by way of motion, as a defense or otherwise, in any such Proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that any such Proceeding brought in one of the above-named courts should be dismissed on grounds of *forum non conveniens*, should be transferred or removed to any court other than one of the above-named courts, or should be stayed by reason of the pendency of some other Proceeding in any other court other than one of the above-named courts or that this Agreement or the subject matter hereof may not be enforced in or by such courts. The parties hereto do hereby irrevocably (w) submit themselves to the personal jurisdiction of such courts, (x) agree to service of such courts' process upon them with respect to any such Proceeding, (y) waive any objection to venue laid therein and (z) consent to service of process by registered mail, return receipt requested in accordance with and at its address set forth in Section 10(h) (as such address may be updated from time to time in accordance with the terms of Section 10(h)).

(iii). Without limiting the remedies available to the parties hereunder, the parties hereby acknowledge and agree that the failure of any party to perform its agreements and covenants hereunder will cause irreparable injury to the other parties, for which damages, even if available, will not be an adequate remedy. Accordingly, each of the parties shall be entitled to seek specific performance of the terms hereof, including an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, this, being in addition to any other remedy to which they are entitled at law or in equity and, the parties may apply to the above-named courts for a temporary restraining order, preliminary injunction or other interim or conservatory relief, as necessary, to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, and such courts shall have exclusive jurisdiction over any such Proceeding. Each of the parties further hereby waives (i) any defense in any action for specific performance that a remedy at law would be adequate and (ii) any requirement under any Legal Requirements to post security as a prerequisite to obtaining equitable relief.

(iv). Notwithstanding the foregoing, a party hereto may commence any Proceeding in a court other than the above-named courts solely for the purpose of enforcing an order or judgment issued by one of the above-named courts.

(v). TO THE EXTENT NOT PROHIBITED BY APPLICABLE LEGAL REQUIREMENTS THAT CANNOT BE WAIVED, EACH OF THE PARTIES HERETO HEREBY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY

WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION, SUIT OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF SUCH ACTION, SUIT OR PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) EACH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) EACH PARTY MAKES THIS WAIVER VOLUNTARILY AND (D) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10(e)(v). THE PARTIES HERETO AGREE THAT ANY OF THEM MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTIES HERETO IRREVOCABLY TO WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION WHATSOEVER BETWEEN OR AMONG THEM RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY AND THAT SUCH ACTIONS WILL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

(f) No Third Party Beneficiaries. This Agreement is not intended, and shall not be deemed, to confer any rights or remedies upon any person other than the parties hereto and their respective successors and permitted assigns.

(g) Mutual Drafting; Legal Advice. This Agreement is the mutual product of the parties hereto, and each provision hereof has been subject to the mutual consultation, negotiation and agreement of each of the parties, and shall not be construed for or against any party hereto. Stockholder acknowledges that (i) Stockholder has read this Agreement in its entirety, understands it and agrees to be bound by its terms and conditions, and has been granted the opportunity to ask questions of, and to receive answers from legal counsel concerning the terms and conditions of this Agreement; (ii) Stockholder has been advised to seek independent legal advice and has received such advice or has, without undue influence, elected to waive the benefit of any such advice; and (iii) Stockholder is entering into this Agreement voluntarily.

(h) Notices. All notices and other communications under this Agreement must be in writing and shall be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) upon written confirmation of receipt when sent by email; provided, that a hard copy is mailed by registered mail, return receipt requested promptly thereafter, or (c) when received by the addressee, if sent by a nationally recognized overnight delivery service (receipt requested), in each case to the appropriate addresses set forth below (or to such other addresses as a party may designate by notice to the other parties):

If to Danisco to:

William Feehery
President, DuPont Industrial Biosciences
Building 356, Experimental Station
Wilmington, Delaware 19880
Email: William.F.Feehery@dupont.com

With a copy to:

E. I. du Pont de Nemours and Company
DuPont Legal
Chestnut Run Plaza
974 Centre Road
Wilmington, Delaware 19805
Attention: General Counsel
Facsimile: (302) 999-5094

If to Stockholder to the notice information set forth on the signature page hereto.

(i) Counterparts. This Agreement may be executed in any number of counterparts (including in facsimile or other electronic forms), each such counterpart being deemed to be an original instrument, and all such counterparts shall together constitute one and the same agreement.

[***Signature Page Follows***]

IN WITNESS WHEREOF, the parties have executed this Voting Agreement as of the date first written above.

DANISCO US INC.

By: /s/ William Feehery
Name: William Feehery
Title: President, DuPont Industrial Biosciences

IN WITNESS WHEREOF, the parties have executed this Voting Agreement as of the date first written above.

INDIVIDUAL STOCKHOLDERS

/s/ Lisa K. Emalfarb_____ Name Printed: **_Lisa K. Emalfarb___**
Signature

If held jointly, both holders must sign:

_____ Name Printed: _____
Signature

Notice Information:

Name: Lisa K. Emalfarb
Address: [INTENTIONALLY OMITTED]

Email: [INTENTIONALLY OMITTED]
Fax: [INTENTIONALLY OMITTED]

SCHEDULE A

Existing Shares

Name of Stockholder	Common Shares Held	$ Convertible Debt (CD) Held	Conversion Price	Convertible Shares	Warrant Coverage 25%	Warrants held if Convertible Debt called & paid off before 1/1/2016	Stock Options beneficially owned	Beneficial Ownership if CD coverted	Beneficial Ownership if CD not coverted
Lisa K. Emalfarb	**1,594,662**	NA	NA	NA	NA	NA	**71,674**	**1,666,336**	1,666,336

Annex C-3
Execution Version

VOTING AGREEMENT

This VOTING AGREEMENT (this "***Agreement***") is entered into as of November 2, 2015, by and among the undersigned stockholder ("***Stockholder***") of Dyadic International, Inc., a Delaware corporation (the "***Dyadic***"), and Danisco US Inc., a Delaware corporation (***"Danisco"***).

RECITALS

WHEREAS, concurrently with the execution and delivery of this Agreement, Danisco, Dyadic and Dyadic International (USA), Inc., a Florida corporation (***"Dyadic USA"***), are entering into an Asset Purchase and Sale Agreement (the "***Purchase Agreement***"), pursuant to which Dyadic and Dyadic USA will sell to Danisco and Danisco will purchase from Dyadic and Dyadic USA, the Purchased Assets on the terms and subject to the conditions set forth in the Purchase Agreement;

WHEREAS, as of the date hereof, Stockholder is the record and Beneficial Owner of the number of shares of capital stock of Dyadic and the securities convertible into or exercisable or exchangeable for shares of capital stock of Dyadic set forth opposite Stockholder's name on **Schedule A** hereto (such shares, the ***"Existing Shares,"*** and together with any New Shares (as defined below), the ***"Subject Shares"***);

WHEREAS, Danisco has conditioned its willingness to enter into the Purchase Agreement and to consummate the Contemplated Transactions on the terms and subject to the conditions set forth in the Purchase Agreement upon Stockholder having duly executed and delivered this Agreement to Danisco; and

WHEREAS, as an inducement to the willingness of Danisco to enter into the Purchase Agreement and to consummate the Contemplated Transactions on the terms and subject to the conditions set forth in the Purchase Agreement, Stockholder is willing to agree to each of the matters set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements, covenants and other premises set forth herein, the mutual benefits to be gained by the performance thereof, and for good and valuable consideration, the receipt of which are hereby acknowledged and accepted, the parties hereby agree as follows:

1. Defined Terms.

(a) Capitalized terms used in this Agreement but not otherwise defined herein shall have the meanings ascribed thereto in the Purchase Agreement. The following capitalized terms, as used in this Agreement, shall have the meanings set forth in this Section 1.

"Beneficial Ownership" – means, with respect to any security of any Person, "beneficial ownership" of such security as determined pursuant to Rule 13d-3 under the Exchange Act, including all securities as to which such Person has the right to acquire, without

regard to the 60-day period set forth in such rule. The terms "***Beneficially Own***" and "***Beneficial Owner***" shall have correlative meanings.

"New Shares" – means any shares of capital stock of Dyadic or any securities convertible into or exercisable or exchangeable for shares of capital stock of Dyadic that Stockholder Beneficially Owns or acquires Beneficial Ownership of, in each case, on or after the date of this Agreement (including by conversion, operation of Legal Requirements or otherwise).

"Transfer" – means to directly or indirectly, sell, transfer, pledge, hypothecate, encumber, exchange, assign, grant a participation in, tender or otherwise dispose of (including by gift, merger, or otherwise by operation of Legal Requirements).

2. Representations and Warranties of Stockholder. Stockholder hereby represents and warrants to Danisco, as of the date of this Agreement, as follows:

(a) Ownership. The Existing Shares are Beneficially Owned solely by Stockholder. Stockholder does not own, of record or as Beneficial Owner, or have any right to purchase or acquire (whether currently, upon lapse of time, following the satisfaction of any conditions, upon the occurrence of any event or any combination of the foregoing) (i) any shares of capital stock of Dyadic or securities convertible into or exercisable or exchangeable for shares of capital stock of Dyadic (other than pursuant to any option, stock award or similar compensation plan adopted by Dyadic), other than the Existing Shares and any New Shares that Stockholder Beneficially Owns or acquires Beneficial Ownership of on or after the date of this Agreement, or (ii) any option, warrant, call or other right to purchase or acquire any shares of capital stock of Dyadic or any securities convertible into or exercisable or exchangeable for shares of capital stock of Dyadic (other than pursuant to any option, stock award or similar compensation plan adopted by Dyadic). Stockholder has good, valid and marketable title to the Existing Shares that Stockholder Beneficially Owns free and clear of any Encumbrances, proxies, voting trusts or agreements, understandings, arrangements or other restrictions and limitations of any kind, other than as set forth in this Agreement and pursuant to applicable federal and state securities law restrictions. Stockholder has the sole voting power, sole power of disposition, and sole power to issue instructions and agree to all of the matters set forth in this Agreement, in each case, with respect to all of the Existing Shares that Stockholder Beneficially Owns, and, in each case, with no limitations, qualifications or restrictions on such rights, subject to the terms of this Agreement, applicable law and applicable federal and state securities law restrictions.

(b) Power and Authority; Due Execution and Delivery. Stockholder has the requisite power and authority (including, if Stockholder is an entity, all requisite corporate, company, partnership or other entity power and authority) to execute and deliver this Agreement (and each Person executing this Agreement on behalf of an entity Stockholder has full power, authority and capacity to execute and deliver this Agreement on behalf of such Stockholder and to thereby bind Stockholder), to carry out his, her or its obligations hereunder and to consummate the transactions contemplated hereby. If Stockholder is an entity, Stockholder is duly organized, validly existing and in good standing under the laws of the jurisdiction of organization. The execution and delivery by Stockholder of this Agreement, the performance by him, her or it of the obligations hereunder and the consummation of the transactions

contemplated hereby have been duly and validly authorized by Stockholder (including Stockholder's governing body, members, partners, stockholders or trustees, as applicable) and no other actions or proceedings on the part of Stockholder (or Stockholder's governing body, members, partners, stockholders or trustees, as applicable) to authorize the execution and delivery of this Agreement, the performance by Stockholder of the obligations hereunder or the consummation of the transactions contemplated hereby, are required. This Agreement has been duly executed and delivered by Stockholder and, assuming the due authorization, execution and delivery of this Agreement by Danisco, constitutes a legal, valid and binding agreement of Stockholder, enforceable against him, her or it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equitable principles.

(c) No Conflicts; Consents. None of the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance by Stockholder with the terms of this Agreement will conflict with, or result in any violation or breach of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of, or result in termination, amendment, cancelation or acceleration of any obligation or loss of a material benefit under, or result in the creation of any Encumbrance upon any of the Stockholder's Subject Shares, or give rise to any increased, additional, accelerated or guaranteed rights or entitlements under (i) any provision of any certificate of incorporation, bylaws, trust or other organizational document of Stockholder, (ii) any Contract to or by which Stockholder is a party or bound or to or by which any of the properties or assets of Stockholder (including Stockholder's Subject Shares) is bound or subject or (iii) subject to the governmental filings and other matters referred to in the following sentence, any Legal Requirement or Order, in each case, that would prevent the consummation by Stockholder of the transactions contemplated by this Agreement or the compliance by Stockholder with the terms of this Agreement in any material respect. No consent, approval, order or authorization of, or registration, declaration or filing with, any Governmental Body or other Person (and with respect to trusts, any co-trustee or beneficiary) (***"Consent"***) is required by or with respect to Stockholder in connection with the execution and delivery of this Agreement by Stockholder, the consummation by Stockholder of the transactions contemplated by this Agreement or the compliance by Stockholder with the terms of this Agreement in any material respect, except for (y) filings with the SEC of such reports under the Exchange Act as may be required in connection with this Agreement and the transactions contemplated hereby and (z) those Consents which have already been obtained. Without limiting the foregoing, except for this Agreement (and any amendments thereto), Stockholder has not entered into any voting agreement, voting trust or other Contract with respect to the Subject Shares, or directly or indirectly, granted a proxy (revocable or irrevocable), consent or power of attorney with respect to the Subject Shares.

(d) Reliance by Dyadic, Dyadic USA and Danisco. Stockholder hereby understands and acknowledges that each of Dyadic, Dyadic USA and Danisco is entering into the Purchase Agreement and consummating the transactions contemplated thereby in reliance upon Stockholder's execution and delivery of this Agreement.

(e) Absence of Litigation. There are no Proceedings pending or, to the actual knowledge (without inquiry or investigation) of Stockholder, Threatened, and no Order outstanding, or, to the knowledge of Stockholder, Threatened, against Stockholder or the Subject

Shares which would be reasonably likely to prevent or materially delay Stockholder from performing his, her or its obligations under this Agreement or consummating the transactions contemplated hereby on a timely basis.

3. Voting.

(a) Agreement to Vote. Stockholder, in its capacity as a stockholder of Dyadic, hereby irrevocably and unconditionally agrees that, during the term of this Agreement, at any annual or special meeting of the stockholders of Dyadic, however called, including any postponement or adjournment thereof, Stockholder shall, in each case to the fullest extent that the Subject Shares are entitled to vote thereon, (i) appear at such annual or special meeting, in person or by proxy, or otherwise cause its Subject Shares to be counted as present thereat for purposes of calculating a quorum, and (ii) vote (or cause to be voted), in person or by proxy, all of Stockholder's Subject Shares (A) in favor of the approval of the Purchase Agreement and the consummation of the Contemplated Transactions (in each case, as the same may be amended on or after the date hereof) and (B) against (x) any action or agreement that would result, or would be reasonably expected to result, in a breach of any covenant, warranty or any other obligation or agreement of Dyadic or any of its Affiliates contained in the Purchase Agreement (as the same may be amended on or after the date hereof), (y) any Acquisition Proposal or any Contract relating thereto, and (z) any action, Contract or transaction that would to the knowledge of Stockholder reasonably be expected to impede, interfere with, delay, postpone, discourage, prevent, nullify, frustrate the purposes of, be in opposition to or in competition or inconsistent with, or materially and adversely affect, the Purchase Agreement or consummation of the Contemplated Transactions (in each case, as the same may be amended on or after the date hereof).

(b) No Inconsistent Actions. Stockholder hereby covenants and agrees that, except for this Agreement (and any amendments thereto), during the term of this Agreement, Stockholder will not (i) enter into any voting agreement, voting trust or other Contract with respect to the Subject Shares, (ii) directly or indirectly, grant a proxy (revocable or irrevocable), consent or power of attorney with respect to the Subject Shares, (iii) take any action that would make any representation or warranty of Stockholder, in its capacity as a stockholder of Dyadic, contained herein untrue or incorrect in any material respect or have the effect of prohibiting or preventing Stockholder from performing any of his, her or its material obligations under this Agreement, solely in his, her or its capacity as a stockholder of Dyadic, or (iv) commit or agree to take any action, that to Stockholder's knowledge, is inconsistent with Section 3 of this Agreement.

4. Additional Covenants.

(a) Prohibition on Transfers. Stockholder covenants and agrees that, during the term of this Agreement, Stockholder shall not (i) Transfer any of the Subject Shares, Beneficial Ownership thereof or any other interest therein, or (ii) enter into any Contract, option, call or other arrangement with respect to the Transfer of any Subject Shares, Beneficial Ownership thereof or any other interest therein, to any Person, other than in accordance with the terms of this Agreement, provided, however, that Stockholder shall have the right to Transfer any Subject Shares to an Affiliate or in connection with a donative transfer to any immediate

family member or any trust, including, but not limited to, a charitable remainder trust, for the benefit of Stockholder or any immediate family member of Stockholder, provided, that prior to any such Transfer the transferee of Stockholder's Subject Shares executes an instrument, in a form reasonably acceptable to Danisco, assuming all the rights, benefits and obligations of Stockholder hereunder prior to such transfer. Stockholder acknowledges and agrees that any Transfer permitted by this Section 4(a) shall not be effective until the transferee agrees to be bound in writing by the terms of this Agreement. Any Transfer in violation of this Agreement shall be null and void.

(b) Stock Splits, Dividends and Distributions, etc. In the event of a stock split, stock dividend or distribution, or any change in the shares of capital stock of Dyadic by reason of any split-up, reverse stock split, recapitalization, combination, reclassification, exchange of shares or the like, the terms "Existing Shares" and "Subject Shares" shall be deemed to refer to and include such shares as well as all such stock dividends and distributions and any securities into which or for which any or all of such shares may be changed or exchanged or which are received in such transaction.

(c) Publicity. Stockholder hereby permits Dyadic and Danisco to include and disclose in statements of beneficial ownership, the Disclosure Materials (including any proxy) and in such other schedules, certificates, applications, agreements or documents as such entities reasonably determine to be necessary or appropriate in connection with the consummation of the Contemplated Transactions, Stockholder's identity and ownership of the Subject Shares and the nature of Stockholder's commitments, arrangements and understandings pursuant to this Agreement.

5. Stockholder Capacity. Stockholder has entered into this Agreement solely in the capacity as a Beneficial Owner of the Subject Shares and not in Stockholder's capacity as a director or officer. Notwithstanding anything to the contrary contained in this Agreement, none of the provisions of this Agreement shall be construed to prohibit, limit or restrict any Stockholder or any Representative of any Stockholder who is an officer or director of Dyadic or any of its subsidiaries from taking any actions (or not taking any actions) in Stockholder's capacity as an officer or director of Dyadic or any of its subsidiaries, including from exercising his, her or its fiduciary duties or taking any other action in his, her or its capacity as an officer or director, including, without limitation, with respect to the Purchase Agreement and the transactions contemplated thereby and none of such actions (or determining not to take any actions) in such capacity shall be deemed to constitute a breach of this Agreement.

6. Termination. This Agreement shall terminate automatically, without any notice or other action by any person, upon the first to occur of (a) the Closing, (b) the termination of the Purchase Agreement in accordance with its terms, and (c) the mutual written consent of all of the parties hereto. After the occurrence of such applicable event, this Agreement shall be of no further force. Upon termination of this Agreement, no party shall have any further obligations or liabilities under this Agreement; provided that, nothing in this Section 6 shall relieve any party from any liability for intentional breach of this Agreement occurring prior to such termination.

7. Further Assurances. From time to time and without additional consideration, Stockholder shall execute and deliver, or cause to be executed and delivered, such additional

instruments, and shall take such further actions, as Danisco may reasonably request that are reasonably necessary and appropriate for the purpose of carrying out and furthering the intent of this Agreement.

8. No Ownership Interest. Nothing contained in this Agreement shall be deemed to vest in Danisco any direct or indirect ownership or incidence of ownership of or with respect to any Subject Shares. All rights, Beneficial Ownership and economic benefit relating to the Subject Shares shall remain vested in and belong to Stockholder, and Danisco shall have no authority to direct Stockholder in the voting or disposition of any of the Subject Shares, except as otherwise provided herein.

9. Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, legal representatives and permitted assigns. No party to this Agreement may assign any of its rights or delegate any of its obligations under this Agreement, by operation of Legal Requirements or otherwise, without the prior written consent of the other party hereto. Any purported assignment in violation of this Agreement is void.

10. Miscellaneous.

(a) Expenses. All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expense.

(b) Entire Agreement. This Agreement constitutes the entire agreement and supersedes all other prior agreements, understandings, representations and warranties both written and oral, among the parties, with respect to the subject matter hereof.

(c) Modification or Amendment. The parties hereto may modify or amend this Agreement by written agreement of each of the parties hereto.

(d) Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or circumstance, is invalid or unenforceable, (i) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (ii) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

(e) Governing Law; Dispute Resolution; Specific Performance.

(i). This Agreement and all claims or causes of action (whether in contract, tort or otherwise) that may be based upon, arise out of or relate to this Agreement or the negotiation, execution or performance of this Agreement (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement), shall be governed by and

construed in accordance with the laws of the State of Delaware without regard to the conflicts of law principles thereof to the extent that such principles would direct a matter to another jurisdiction.

(ii). Each of the parties hereto, by its execution hereof (A) hereby irrevocably acknowledges and agrees that any Proceeding arising out of or related to this Agreement or the transactions contemplated hereby, the rights and obligations arising hereunder, and/or the interpretation, making, performance, breach or termination hereof, shall be brought and determined exclusively in a court of competent jurisdiction located in Florida or in any United States district court located in Florida, (B) hereby agrees not to commence any such Proceeding other than before one of the above-named courts, and (C) hereby waives to the extent not prohibited by applicable Legal Requirements, and agrees not to assert, by way of motion, as a defense or otherwise, in any such Proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that any such Proceeding brought in one of the above-named courts should be dismissed on grounds of *forum non conveniens*, should be transferred or removed to any court other than one of the above-named courts, or should be stayed by reason of the pendency of some other Proceeding in any other court other than one of the above-named courts or that this Agreement or the subject matter hereof may not be enforced in or by such courts. The parties hereto do hereby irrevocably (w) submit themselves to the personal jurisdiction of such courts, (x) agree to service of such courts' process upon them with respect to any such Proceeding, (y) waive any objection to venue laid therein and (z) consent to service of process by registered mail, return receipt requested in accordance with and at its address set forth in Section 10(h) (as such address may be updated from time to time in accordance with the terms of Section 10(h)).

(iii). Without limiting the remedies available to the parties hereunder, the parties hereby acknowledge and agree that the failure of any party to perform its agreements and covenants hereunder will cause irreparable injury to the other parties, for which damages, even if available, will not be an adequate remedy. Accordingly, each of the parties shall be entitled to seek specific performance of the terms hereof, including an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, this, being in addition to any other remedy to which they are entitled at law or in equity and, the parties may apply to the above-named courts for a temporary restraining order, preliminary injunction or other interim or conservatory relief, as necessary, to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, and such courts shall have exclusive jurisdiction over any such Proceeding. Each of the parties further hereby waives (i) any defense in any action for specific performance that a remedy at law would be adequate and (ii) any requirement under any Legal Requirements to post security as a prerequisite to obtaining equitable relief.

(iv). Notwithstanding the foregoing, a party hereto may commence any Proceeding in a court other than the above-named courts solely for the purpose of enforcing an order or judgment issued by one of the above-named courts.

(v). TO THE EXTENT NOT PROHIBITED BY APPLICABLE LEGAL REQUIREMENTS THAT CANNOT BE WAIVED, EACH OF THE PARTIES HERETO HEREBY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY

WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION, SUIT OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF SUCH ACTION, SUIT OR PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) EACH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) EACH PARTY MAKES THIS WAIVER VOLUNTARILY AND (D) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10(e)(v). THE PARTIES HERETO AGREE THAT ANY OF THEM MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTIES HERETO IRREVOCABLY TO WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION WHATSOEVER BETWEEN OR AMONG THEM RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY AND THAT SUCH ACTIONS WILL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

(f) No Third Party Beneficiaries. This Agreement is not intended, and shall not be deemed, to confer any rights or remedies upon any person other than the parties hereto and their respective successors and permitted assigns.

(g) Mutual Drafting; Legal Advice. This Agreement is the mutual product of the parties hereto, and each provision hereof has been subject to the mutual consultation, negotiation and agreement of each of the parties, and shall not be construed for or against any party hereto. Stockholder acknowledges that (i) Stockholder has read this Agreement in its entirety, understands it and agrees to be bound by its terms and conditions, and has been granted the opportunity to ask questions of, and to receive answers from legal counsel concerning the terms and conditions of this Agreement; (ii) Stockholder has been advised to seek independent legal advice and has received such advice or has, without undue influence, elected to waive the benefit of any such advice; and (iii) Stockholder is entering into this Agreement voluntarily.

(h) Notices. All notices and other communications under this Agreement must be in writing and shall be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) upon written confirmation of receipt when sent by email; provided, that a hard copy is mailed by registered mail, return receipt requested promptly thereafter, or (c) when received by the addressee, if sent by a nationally recognized overnight delivery service (receipt requested), in each case to the appropriate addresses set forth below (or to such other addresses as a party may designate by notice to the other parties):

If to Danisco to:

William Feehery
President, DuPont Industrial Biosciences
Building 356, Experimental Station
Wilmington, Delaware 19880
Email: William.F.Feehery@dupont.com

With a copy to:

E. I. du Pont de Nemours and Company
DuPont Legal
Chestnut Run Plaza
974 Centre Road
Wilmington, Delaware 19805
Attention: General Counsel
Facsimile: (302) 999-5094

If to Stockholder to the notice information set forth on the signature page hereto.

(i) Counterparts. This Agreement may be executed in any number of counterparts (including in facsimile or other electronic forms), each such counterpart being deemed to be an original instrument, and all such counterparts shall together constitute one and the same agreement.

[***Signature Page Follows***]

IN WITNESS WHEREOF, the parties have executed this Voting Agreement as of the date first written above.

DANISCO US INC.

By: /s/ William Feehery
Name: William Feehery
Title: President, DuPont Industrial Biosciences

IN WITNESS WHEREOF, the parties have executed this Voting Agreement as of the date first written above.

STOCKHOLDERS THAT ARE NOT INDIVIDUALS

_Mark A. Emalfarb Trust U/A/D October 1, 1987__ By: **_/s/ Mark A. Emalfarb, Trustee_____**

Name of Entity Stockholder — Signature of Authorized Person

_Mark A. Emalfarb as Trustee_____
Name of Authorized Person Printed

_Trustee, Mark A. Emalfarb_____
Title of Authorized Person Printed

Notice Information:

Name: Mark A. Emalfarb as Trustee
Address: [INTENTIONALLY OMITTED]

Email: [INTENTIONALLY OMITTED]

Fax: [INTENTIONALLY OMITTED]

SCHEDULE A

Existing Shares

Name of Stockholder	Common Shares Held	$ Convertible Debt (CD) Held	Conversion Price	Convertible Shares	Warrant Coverage 25%	Warrants held if Convertible Debt called & paid off before 1/1/2016	Stock Options beneficially owned	Beneficial Ownership if CD coverted	Beneficial Ownership if CD not coverted
Mark A Emalfarb Trust	**3,427,687**	$ 1,000,000	$1.48	**675,676**	25%	168,919	**165,826**	**4,269,189**	3,762,432

Annex D

Opinion of Houlihan Lokey Capital, Inc.

November 9, 2015

The Board of Directors
Dyadic International, Inc.
140 Intracoastal Pointe Drive, Suite 404
Jupiter, Florida 33477

Dear Board of Directors:

We understand that Danisco US Inc. ("Danisco"), a wholly owned subsidiary of E. I. du Pont de Nemours and Company ("DuPont"), Dyadic International, Inc. ("Dyadic") and Dyadic International (USA), Inc., a wholly owned subsidiary of Dyadic ("Dyadic USA" and, together with Dyadic and its other affiliates, the "Dyadic Entities"), propose to enter into the Agreement (defined below) pursuant to which, among other things, the Dyadic Entities will sell substantially all of their respective assets to Danisco, and Danisco will assume specified liabilities of the Dyadic Entities, relating to the business of conducting research, development and commercial activities to facilitate the discovery, development, manufacture and sale of biocatalysts and related products (the "Transaction" and, such assets and liabilities pertaining to such business, the "Business"), for aggregate cash consideration of $75 million (the "Consideration"), subject to certain adjustments and allocations as provided for in, or contemplated by, the Agreement (as to which adjustments and allocations we express no opinion).

We also understand that, as contemplated by the Agreement, certain related documents will be entered into, including a Pharma License Agreement to be entered into between Danisco and Dyadic (the "License Agreement") and an Asset Purchase and Sale Agreement to be entered into between Genencor International B.V. and Dyadic Nederland B.V. (the "Dutch Agreement" and, together with the License Agreement and other agreements and documents, including transition services, voting and escrow agreements, contemplated to be entered into in connection with the Transaction, collectively, the "Related Documents"). We have been advised that, (i) the License Agreement will provide for, among other things, (A) the granting of certain licenses to and the right to sublicense certain proprietary rights related to the Myceliopthora thermophila technology that will be sold by the Dyadic Entities to Danisco pursuant to the Agreement to permit each party to use the other party's proprietary rights in respect thereof, including certain improvements, to offer services and to make, use and sell compositions of matter, in each case solely in the pharmaceutical field, (B) the payment by Dyadic to Danisco of royalties in the event that the Dyadic Entities produce and sell any pharmaceutical products utilizing certain of Danisco's proprietary rights (other than the patents sold by the Dyadic Entities to Danisco pursuant to the Agreement) after consummation of the Transaction, and (C) the payment by Danisco to Dyadic of royalties in the event that Danisco or any of its affiliates produces and sells any pharmaceutical products utilizing certain proprietary rights sold by the Dyadic Entities to Danisco pursuant to the Agreement and (ii) the Dutch Agreement will provide for certain terms and conditions relating to the sale by Dyadic Nederland B.V. of its assets to Genencor International B.V., and the assumption of specified liabilities by Genencor International B.V., in accordance with the Agreement and the Dutch Agreement (the transactions contemplated by the Dutch Agreement, together with the transactions contemplated by the Agreement and the Related Documents (other than the Transaction), collectively, the "Related

Transactions"). The terms and conditions of the Transaction and the Related Transactions are more fully set forth in the Agreement and the Related Documents.

The Board of Directors of Dyadic (the "Board") has requested that Houlihan Lokey Capital, Inc. ("Houlihan Lokey") provide an opinion (the "Opinion") to the Board as to whether, as of the date hereof, the Consideration to be received by Dyadic in the Transaction pursuant to the Agreement is fair to Dyadic from a financial point of view.

In connection with this Opinion, we have made such reviews, analyses and inquiries as we have deemed necessary and appropriate under the circumstances. Among other things, we have:

1. reviewed a draft, dated November 9, 2015, of the Asset Purchase and Sale Agreement to be entered into among Danisco, Dyadic and Dyadic USA (the "Agreement") and drafts dated or made available to us on November 9, 2015 of certain Related Documents;

2. reviewed certain publicly available business and financial information relating to the Business that we deemed to be relevant;

3. reviewed certain information relating to the historical, current and future operations, financial condition and prospects of the Business made available to us by Dyadic, including probability-weighted financial projections and other estimates relating to the Business for the fiscal years ended December 31, 2015 through December 31, 2020 under both a base case and an alternative upside case (and any adjustments thereto) prepared by or discussed with the management of Dyadic, and discussed with the management of Dyadic its assessments as to the relative likelihood of achieving the future financial results reflected in such alternative cases;

4. spoken with certain members of the management of Dyadic and certain of its representatives and advisors regarding the businesses, operations, financial condition and prospects of the Business, the Transaction, the Related Transactions and related matters;

5. compared the financial and operating performance of the Business with that of public companies that we deemed to be relevant;

6. considered the publicly available financial terms of certain transactions that we deemed to be relevant;

7. reviewed the current and historical market prices and trading volumes for shares of the common stock, par value $0.001 per share, of Dyadic ("Dyadic Common Stock") and the current and historical market prices and trading volumes of publicly traded securities of certain other companies that we deemed to be relevant; and

8. conducted such other financial studies, analyses and inquiries and considered such other information and factors as we deemed appropriate.

We have relied upon and assumed, without independent verification, the accuracy and completeness of all data, material and other information furnished, or otherwise made available, to us, discussed with or reviewed by us, or publicly available, and do not assume any responsibility with respect to such data, material and other information. In addition, the management of Dyadic has advised us in consultation with the Board, and we have assumed, that the financial projections and other estimates

utilized in our analyses (including any adjustments thereto), including estimates of the management of Dyadic as to costs associated with the Business as if it were a standalone business, have been reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments of such management as to the future financial results and condition of the Business under the alternative cases reflected therein and the other matters covered thereby. We express no opinion with respect to any such projections or estimates utilized in our analyses or the assumptions on which they are based. We have relied upon and assumed, without independent verification, that there has been no change in the businesses, assets, liabilities, financial condition, results of operations, cash flows or prospects of the Business since the respective dates of the most recent financial statements and other information, financial or otherwise, provided to us that would be material to our analyses or this Opinion, that the financial projections and other estimates relating to the Business reviewed by us reflect all of (and only) the assets and liabilities to be sold and assumed in the Transaction and the Related Transactions (excluding revenue generated as a result of the Pharma License Agreement) and that there is no information or any facts that would make any of the information reviewed by us incomplete or misleading. We also have relied upon, without independent verification, the assessments of the management of Dyadic as to, among other things, (i) the Related Transactions, including with respect to the timing thereof and the assets, liabilities and financial and other terms involved, (ii) the potential impact on the Business of certain market, cyclical and other trends in and prospects for, and governmental and regulatory matters relating to, the biocatalyst industry, including biofuels and commodity pricing, which are subject to significant volatility and which, if different than as assumed, could have a material impact on our analyses or this Opinion, (iii) existing and future technology, products, product candidates, related indications, services and intellectual property of the Business and the validity of, and risks associated with, such technology, products, product candidates, related indications, services and intellectual property (including, without limitation, the validity and life of patents or other intellectual property, the timing and probability of successful testing, development and commercialization of such products, product candidates and related indications, approval thereof by appropriate governmental authorities and the potential impact of competition), (iv) existing and future licenses (including the License Agreement) and other collaboration arrangements of the Business and (v) existing and future relationships, agreements and arrangements with, and the ability to attract and retain, key suppliers, customers and other commercial relationships of the Business. We have assumed that there will be no developments with respect to any such matters that would be material in any respect to our analyses or this Opinion.

We have relied upon and assumed, without independent verification, that (a) the representations and warranties of all parties to the Agreement and the Related Documents are true and correct, (b) each party to the Agreement and the Related Documents will fully and timely perform all of the covenants and agreements required to be performed by such party, (c) all conditions to the consummation of the Transaction and the Related Transactions will be satisfied without waiver thereof, and (d) the Transaction and the Related Transactions will be consummated in a timely manner in accordance with the terms described in the Agreement and the Related Documents, without any amendments or modifications thereto. We also have relied upon and assumed, without independent verification, that (i) the Transaction and the Related Transactions will be consummated in a manner that complies in all respects with all applicable foreign, federal and state statutes, rules and regulations and other relevant documents and requirements, and (ii) all governmental, regulatory, and other consents and approvals necessary for the consummation of the Transaction and the Related Transactions will be obtained and that no delay, limitations, restrictions or conditions will be imposed or amendments, modifications or waivers made that would be material in any respect to our analyses or this Opinion. We further have relied upon and assumed, without independent verification, at the direction of Dyadic, that escrowed amounts will be paid in full and any adjustments to or allocations of the Consideration and any liabilities retained by the

Dyadic Entities relating to the Business in connection with the Transaction and the Related Transactions will not be material in any respect to our analyses or this Opinion. In addition, we have relied upon and assumed, without independent verification, that the final Agreement when executed will not differ in any respect from the draft of the Agreement identified above.

Furthermore, in connection with this Opinion, we have not been requested to make, and have not made, any physical inspection or independent appraisal or evaluation of any of the assets, properties or liabilities (fixed, contingent, derivative, off-balance sheet or otherwise) of the Business, the Dyadic Entities or any other business or party nor were we provided with any such appraisal or evaluation. We did not estimate, and express no opinion regarding, the liquidation value of the Business, the Dyadic Entities or any other business or entity. This Opinion is based on analyses of the Business (excluding assets and liabilities to be retained by the Dyadic Entities) as a going concern in its entirety and we did not estimate, and express no opinion regarding, the value of the assets and liabilities to be sold and assumed in the Transaction and the Related Transactions individually or independent from the Business. At the direction of Dyadic, this Opinion makes no assumption concerning, and therefore does not consider, the potential effects of any litigation, claims or investigations or possible assertion of claims, outcomes or damages arising out of any such matters and we have assumed, at the direction of Dyadic, that any such litigation, claims or investigations or possible assertion of claims, outcomes or damages would not be material in any respect to our analyses or this Opinion. We have undertaken no independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims or other contingent liabilities to which the Business, the Dyadic Entities or any other business or entity is or may be a party or is or may be subject, or of any governmental investigation of any possible unasserted claims or other contingent liabilities to which the Business, the Dyadic Entities or any other business or entity is or may be a party or is or may be subject.

We have not been requested to, and did not, initiate any discussions or negotiations with, or solicit any indications of interest from, third parties with respect to the Transaction or any Related Transactions, the securities, assets, businesses or operations of the Dyadic Entities or any other party, or any alternatives to the Transaction or any Related Transactions. This Opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. We have not undertaken, and are under no obligation, to update, revise, reaffirm or withdraw this Opinion, or otherwise comment on or consider events occurring or coming to our attention after the date hereof. We also are not expressing any opinion as to the price or range of prices at which shares of Dyadic Common Stock will trade, or any other securities of any of the Dyadic Entities may be transferable, at any time.

This Opinion is furnished solely for the use of the Board (solely in its capacity as such) in connection with its evaluation of the Transaction and may not be relied upon by any other person or entity (including, without limitation, security holders, creditors or other constituencies of Dyadic) or used for any other purpose without our prior written consent. This Opinion should not be construed as creating any fiduciary duty on Houlihan Lokey's part to any party. This Opinion is not intended to be, and does not constitute, a recommendation to the Board, any security holder or any other party as to how to act or vote with respect to any matter relating to the Transaction, any Related Transactions or otherwise. This Opinion may not be disclosed, reproduced, disseminated, quoted, summarized or referred to at any time, in any manner or for any purpose, nor shall any references to Houlihan Lokey or any of its affiliates be made, without the prior written consent of Houlihan Lokey.

In the ordinary course of business, certain of our employees and affiliates, as well as investment funds in which they may have financial interests or with which they may co-invest, may acquire, hold or

sell, long or short positions, or trade, in debt, equity, and other securities and financial instruments (including loans and other obligations) of, or investments in, the Dyadic Entities, DuPont or any other party that may be involved in the Transaction and the Related Transactions and their respective affiliates or any currency or commodity that may be involved in the Transaction and the Related Transactions.

Houlihan Lokey and/or certain of its affiliates have in the past provided financial advisory services to DuPont for which services Houlihan Lokey and/or such affiliates have received compensation, including, among other things, having provided certain financial advisory services to DuPont in connection with its spin-off of The Chemours Company, which transaction was completed in July 2015. Houlihan Lokey and certain of its affiliates may provide investment banking, financial advisory and/or other financial or consulting services to Dyadic, DuPont, other participants in the Transaction and the Related Transactions or certain of their respective affiliates in the future, for which Houlihan Lokey and such affiliates may receive compensation. Furthermore, in connection with bankruptcies, restructurings, and similar matters, Houlihan Lokey and certain of its affiliates may in the past have acted, may currently be acting and may in the future act as financial advisor to debtors, creditors, equity holders, trustees, agents and other interested parties (including, without limitation, formal and informal committees or groups of creditors) that may have included or represented and may include or represent, directly or indirectly, or may be or have been adverse to, Dyadic, DuPont, other participants in the Transaction or the Related Transactions or certain of their respective affiliates, for which advice and services Houlihan Lokey and such affiliates have received and may receive compensation.

Houlihan Lokey has been engaged as financial advisor to the Board in connection with the Transaction and will receive fees for such services, portions of which were payable in connection with the preparation and delivery of this Opinion upon Dyadic's request and a portion of which is payable upon public announcement or disclosure of the Transaction following execution of the Agreement, which fees are not contingent upon the successful completion of the Transaction or the conclusion contained in this Opinion. Houlihan Lokey also may receive a fee in connection with certain pre-closing services provided by Houlihan Lokey to Dyadic at the request of the Board in connection with certain alternate transactions involving the Dyadic Entities, which fee would be contingent upon the successful completion of any such transaction. In addition, Dyadic has agreed to reimburse certain of our expenses and to indemnify us and certain related parties for certain potential liabilities arising out of our engagement.

We have not been requested to opine as to, and this Opinion does not express an opinion as to or otherwise address, among other things: (i) the underlying business decision of the Board, the Dyadic Entities, their respective security holders or any other party to proceed with or effect the Transaction or the Related Transactions, (ii) any aspects relating to the ongoing operations of the Dyadic Entities (including, without limitation, any assets or liabilities retained by the Dyadic Entities) following consummation of, or the use of proceeds from or pro forma effects of, the Transaction or any Related Transactions, (iii) the terms of any arrangements, understandings, agreements or documents related to, or the form, structure or any other portion, aspect or implication of, the Transaction (other than the Consideration to the extent expressly specified herein), the Related Transactions or otherwise, including, without limitation, any terms, aspects or implications of the License Agreement or any Related Documents or indemnification, escrow or other agreements or arrangements to be entered into in connection with or contemplated by the Transaction, the Related Transactions or otherwise, (iv) any time value discount that might be applicable to escrowed amounts, (v) the fairness of any portion or aspect of the Transaction or any Related Transactions to the holders of any class of securities, creditors or other constituencies of the Dyadic Entities or to any other party, (vi) the relative merits of the Transaction or the Related Transactions as compared to any alternative business strategies or transactions that might be available for the Dyadic Entities or any other party, (vii) the fairness of any portion or aspect of the

Transaction or any Related Transactions to any one class or group of the Dyadic Entities' or any other party's security holders or other constituents vis-à-vis any other class or group of the Dyadic Entities' or such other party's security holders or other constituents (including, without limitation, the allocation of any consideration amongst or within such classes or groups of security holders or other constituents), (viii) whether or not the Dyadic Entities, their respective security holders or any other party are receiving or paying reasonably equivalent value in the Transaction or the Related Transactions, (ix) the solvency, creditworthiness or fair value of the Dyadic Entities or any other participant in the Transaction or the Related Transactions, or any of their respective assets, under any applicable laws relating to bankruptcy, insolvency, fraudulent conveyance or similar matters, or (x) the fairness, financial or otherwise, of the amount, nature or any other aspect of any compensation to or consideration payable to or received by any officers, directors or employees of any party to the Transaction or the Related Transactions, any class of such persons or any other party, relative to the Consideration or otherwise. Furthermore, no opinion, counsel or interpretation is intended in matters that require legal, regulatory, accounting, insurance, tax or other similar professional advice. It is assumed that such opinions, counsel or interpretations have been or will be obtained from appropriate professional sources. Furthermore, we have relied, with the consent of the Board, on the assessments of the Board, Dyadic and their respective advisors as to all legal, regulatory, accounting, insurance and tax matters with respect to the Business, the Dyadic Entities, the Transaction, the Related Transactions or otherwise. The issuance of this Opinion was approved by a committee authorized to approve opinions of this nature.

Based upon and subject to the foregoing, and in reliance thereon, it is our opinion that, as of the date hereof, the Consideration to be received by Dyadic in the Transaction pursuant to the Agreement is fair to Dyadic from a financial point of view.

Very truly yours,

HOULIHAN LOKEY CAPITAL, INC.