

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

October 26, 2016

Dear Shareholder:

You are cordially invited to attend a special meeting of shareholders of Dyadic International, Inc. ("Dyadic"), which will be held on Wednesday, December 7, 2016, at 10:00 a.m., Eastern Standard Time, at the Wyndham Grand Jupiter at Harbourside Place, 122 Soundings Avenue, Jupiter, Florida 33477. On the following pages, you will find the formal notice of the special meeting and the proxy statement.

At the special meeting, you will be asked to (1) approve a proposal to amend Dyadic's Restated Certificate of Incorporation to effect a reverse stock split (the "Reverse Stock Split") of the Company's issued and outstanding shares of common stock at a ratio between 1-for-2 and 1-for-4 and effective upon a date, in each case, to be determined by the Company's board of directors (the "Board"), and (2) approve adjournments or postponements of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the foregoing proposals (the "Adjournment Proposal").

Our Board of Directors unanimously recommends that shareholders vote "FOR" the Reverse Stock Split and the Adjournment Proposal. The proxy statement attached to this letter provides you with information about the proposals. We encourage you to read the proxy statement in its entirety before you vote.

Whether or not you expect to attend the special meeting, it is important that your shares be represented. Please vote your shares using the internet or a toll-free telephone number, or by completing and mailing the proxy card in the postage-paid envelope provided. Instructions on using each of these voting methods are outlined in the proxy statement. If you hold shares through a broker or other nominee, you should follow the procedures provided by your broker or nominee.

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 7, 2016

To the Shareholders of Dyadic International, Inc.:

NOTICE IS HEREBY GIVEN that a special meeting of shareholders of Dyadic International, Inc. (“Dyadic,” “we,” “us”, "our", or the “Company”), will be held on Wednesday, December 7, 2016, at 10:00 a.m., Eastern Standard Time, at the Wyndham Grand Jupiter at Harbourside Place, 122 Soundings Avenue, Jupiter, Florida 33477, unless adjourned or postponed to a later date. The special meeting is being held for the following purposes:

(1) To approve a proposal to amend Dyadic's Restated Certificate of Incorporation to effect a reverse stock split (the "Reverse Stock Split") of the Company's issued and outstanding shares of common stock at a ratio between 1-for-2 and 1-for-4 and effective upon a date, in each case, to be determined by the Company's board of directors (the "Board");

(2) To approve adjournments or postponements of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the foregoing proposals (the "Adjournment Proposal").

The affirmative vote of the holders of a majority of the outstanding shares of our common stock will be required to approve an amendment to the Restated Certificate of Incorporation to effect the Reverse Stock Split. The affirmative vote of a majority of the shares of common stock present in person or proxy at the special meeting will be required to approve the Adjournment Proposal. The Board has unanimously determined that the Reverse Stock Split and the Adjournment Proposal are in the best interests of the Company and its shareholders and has approved and authorized the Reverse Stock Split and the Adjournment Proposal.

Our Board of Directors unanimously recommends that shareholders vote “FOR” the Reverse Stock Split and the Adjournment Proposal.

The Board has fixed the close of business on October 21, 2016 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.

The attached proxy statement describes the proposed Reverse Stock Split in details. 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 through www.cstproxyvote.com, prior to 7:00 p.m., Eastern Standard Time, on Tuesday, December 6, 2016. You will need “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 by calling (866) 894-0537 (available 24 hours a day) prior to 7:00 p.m., Eastern Standard Time, on Tuesday, December 6, 2016. You will need “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 mail 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.

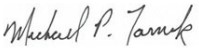
If you hold your shares through a broker, bank or other nominee and wish to vote your shares of Dyadic common stock at the special meeting, you must obtain a legal proxy from your broker, bank or other nominee.

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 Reverse Stock Split.

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

October 26, 2016

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

PROXY STATEMENT
SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON DECEMBER 7, 2016

This proxy statement and the enclosed form of proxy are furnished in connection with the solicitation of the proxies by the Board of Directors of Dyadic International, Inc., a Delaware corporation ("Dyadic," "we," "us", "our", or the "Company"), 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. This proxy statement and the enclosed form of proxy are being mailed to shareholders shortly after this proxy statement is issued on October 26, 2016.

Date, Time and Place

The special meeting of Dyadic shareholders will be held on Wednesday, December 7, 2016, at 10:00 a.m., Eastern Standard Time, at Wyndham Grand Jupiter at Harbourside Place, 122 Soundings Avenue, Jupiter, Florida 33477, unless adjourned or postponed to a later date.

Record Date; Shareholders Entitled to Vote

The record date for the special meeting is October 21, 2016. 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 34,170,060 shares of Dyadic common stock outstanding. Shareholders will have one vote with respect to the matter to be considered at the special meeting for each share of Dyadic common stock they owned on the record date. The common stock is our only outstanding class of voting securities.

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 Reverse Stock Split, 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) To approve a proposal to amend Dyadic's Restated Certificate of Incorporation to effect a reverse stock split (the

"Reverse Stock Split") of the Company's issued and outstanding shares of common stock at a ratio between 1-for-2 and 1-for-4 and effective upon a date, in each case, to be determined by the Company's board of directors (the "Board") and (2) To approve adjournments or postponements of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the foregoing proposals (the "Adjournment Proposal"). This proxy statement describes the proposed Reverse Stock Split in details. We encourage you to read the proxy statement in its entirety before you vote.

Our Board of Directors recommends that our shareholders vote "**FOR**" the proposal to approve the Reverse Stock Split 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 Proposals

The proposal to approve the Reverse Stock Split 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 Reverse Stock Split, 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 Reverse Stock Split.

As of the record date, there were 34,170,060 shares of Dyadic common stock outstanding. 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 Reverse Stock Split. We encourage all of our shareholders to vote their shares of Dyadic common stock pursuant to one of the methods set forth below.

Voting Instructions

Voting and Proxies

Shareholders at the close of business on October 21, 2016, 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 through www.cstproxyvote.com, prior to 7:00 p.m., Eastern Standard Time, on Tuesday, December 6, 2016. You will need "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 by calling (866) 894-0537 (available 24 hours a day) prior to 7:00 p.m., Eastern Standard Time, on Tuesday, December 6, 2016. You will need "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 either our corporate office at 140 Intracoastal Pointe Drive, Suite 404, Jupiter, Florida 33477, Attention: Heidi Zosiak, telephone: (561) 743-8333 or Continental Stock Transfer & Trust Company, 17 Battery Place, New York, New York 10004, telephone: (917) 262-2373.

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 such 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 will pay the cost of preparing, assembling and mailing the proxy statement and the accompanying Notice of special meeting and proxy card. In addition to the use of mail, our directors, officers and employees may solicit proxies by telephone or other electronic means or in person. These persons will not receive additional compensation for soliciting proxies. Arrangements also will be made with brokerage houses and other custodians, nominees and fiduciaries for the forwarding of solicitation materials to the beneficial owners of stock held of record by these persons, and we will reimburse them for reasonable out-of-pocket expenses.

PROPOSAL 1 - REVERSE STOCK SPLIT

Introduction

Our Board of Directors has approved, and recommended that our shareholders approve, a proposal to permit our Board of Directors, in its sole discretion, to file a certificate of amendment to our Restated Certificate of Incorporation ("Certificate of Incorporation"), in substantially the form attached hereto as Annex A, to effect a reverse stock split (the "Reverse Stock Split") of the outstanding shares of our common stock at a ratio between 1-for-2 and 1-for-4 and effective upon a date, in each case, to be determined by the Company's board of directors (the "Board").

If our shareholders approve the Reverse Stock Split, and our Board of Directors decides to implement it, the Reverse Stock Split will become effective upon the filing of the amendment to our Restated Certificate of Incorporation with the Delaware Secretary of State.

Even if the shareholders approve the Reverse Stock Split, we may abandon or postpone the proposal if our Board of Directors determines that it is no longer in the best interests of the Company and our shareholders. If the Reverse Stock Split is not implemented by our Board of Directors within 12 months of the special meeting, the proposal will be deemed abandoned, without further effect. In that case, our Board of Directors may again seek shareholder approval at a future date if it deems a reverse stock split to be advisable at that time.

Reasons for the Reverse Stock Split

Although the proposed Reverse Stock Split will not have the effect of increasing the equity market capitalization of the Company, we believe that implementing the Reverse Stock Split will maximize the anticipated benefits for the Company and our existing shareholders by making shares of our common stock more attractive to certain prospective shareholders in the following significant ways:

- *Stock Price Requirement for Uplisting to the NASDAQ Stock Market or another National Stock Exchange*. We are in the process of exploring the opportunity with respect to our common stock of a potential uplisting on the NASDAQ Stock Market ("NASDAQ") or another national stock exchange. The anticipated impact of the Reverse Stock Split may enable us to meet certain minimum trading price requirements.

- *Investor Pool*. A higher stock price may increase the interest in our common stock and potentially broaden the pool of investors who may not find our shares attractive at their current prices due to the trading volatility often associated with stocks below certain prices. Additionally, certain investors and brokers are adverse, or in some cases, have policies that do not allow them to purchase shares of companies listed on the OTC Markets.

- *Transaction Costs*. It may encourage investors who had previously been dissuaded from purchasing our common stock because the brokerage commissions, as a percentage of the total transaction value, tend to be higher for low-priced stocks than commissions on higher-priced stocks.

- *Equity Research*. Although low equity market capitalization is a more prominent reason analysts decline to provide equity research coverage, analysts at many brokerage firms do not provide coverage of lower-priced stocks. Additionally, certain analysts are adverse, or in some cases, have policies that do not allow them to issue research on companies listed on the OTC Markets.

For the above reasons, we believe that providing the Board with the flexibility to effect the Reverse Stock Split will have the potential to make our common stock a more attractive and cost effective investment for certain investors, which we believe may help improve our stock price and our business opportunities over the long term, and is therefore in the best interest of the Company and our shareholders. However, the Board reserves its right to abandon the reverse stock split if it determines, in its sole discretion, that it would no longer be in our and our shareholders' best interests.

Certain Risks Associated with the Reverse Stock Split

Although we expect that the Reverse Stock Split will result in an increase in the market price of our common stock, we cannot assure you that the Reverse Stock Split, if implemented, will have the effect of raising the price of our common stock over its current price or over the long term. There are a number of risks associated with the Reverse Stock Split, including the following:

- The Board cannot predict the effect of the Reverse Stock Split upon the market price for our shares of common stock, and the history of similar reverse stock splits for companies in like circumstances has varied. The market price per share of our common stock may fluctuate positively or negatively during the shareholder approval solicitation period until the date the actual authorization of the reverse stock split, the effect of which our Board cannot predict.

- The Reverse Stock Split will dramatically reduce the number of issued and outstanding shares of common stock relative to the number of authorized shares of common stock, currently 100,000,000 shares. A large amount of available shares of common stock could have adverse consequences, including but not limited to our current shareholders could be potentially diluted by future issuances of shares of common stock for capital raising purposes, to acquire additional assets, for equity compensation of officers and directors and for other corporate purposes.

- The market price of our shares of common stock may also be affected by the Company's performance, prospects and other factors which may be detailed from time to time in the reports we file with the OTC Markets and in our press releases, conference calls, and otherwise, the effect of which our Board cannot predict.

- Although the Board believes that a higher stock price may help generate the interest of new investors, the Reverse Stock Split may not result in a per share price that will successfully attract certain types of investors and such resulting share price may not satisfy the investing guidelines of institutional investors or investment funds. Further, other factors, such as our financial results, market conditions and the market perception of our business, may adversely affect the interest of new investors in the shares of our common stock. As a result, the trading liquidity of the shares of our common stock may not improve as a result of the Reverse Stock Split and there can be no assurance that the Reverse Stock Split, if completed, will result in the intended benefits described above.

- The Reverse Stock Split could be viewed negatively by the market and other factors, such as those described above, and therefore, may adversely affect the market price of the shares of our common stock. Consequently, the market price per post-Reverse Stock Split share may not increase in proportion to the reduction of the number of shares of our common stock outstanding before the implementation of the Reverse Stock Split. Accordingly, the total market capitalization of our shares of common stock after the Reverse Stock Split may be lower than the total market capitalization before the Reverse Stock Split.

- In the future, the market price of the shares of our common stock following the Reverse Stock Split may not exceed or remain higher than the market price of the shares of our common stock prior to the Reverse Stock Split. If the Reverse Stock Split is effected and the market price of our common stock then increases, the Board may dependent upon circumstances existing at such time, elect to amend, suspend or discontinue the Company's previously announced 2016 share repurchase plan, the effect of which our Board cannot predict.

- If the Reverse Stock Split is effected and the market price of the shares of our common stock then declines, the percentage decline as an absolute number and as a percentage of the Company's overall market capitalization may be greater than would occur in the absence of Reverse Stock Split. Additionally, the liquidity of the shares of our common stock could be adversely affected by the reduced number of shares that would be outstanding after the implementation of the Reverse Stock Split.

- The Reverse Stock Split may result in some shareholders owning "odd lots" of less than 100 shares of common stock. Odd lot shares may be more difficult to sell and brokerage commissions and other transaction costs in

odd lots are generally somewhat higher than the costs of transactions in "round lots" of even multiples of 100 shares.

Material Effects of the Reverse Stock Split

Upon the effectiveness of the amendment to our Certificate of Incorporation effecting the Reverse Stock Split, depending on the ratio for the Reverse Stock Split determined by the Board, a minimum of two and a maximum of four shares in aggregate of existing common stock will be combined into one new share of common stock. Based on the number of shares of common stock issued and outstanding as of the record date, immediately following the Reverse Stock Split the Company would have approximately 17,085,030 shares of common stock issued and outstanding if the ratio for the Reverse Stock Split is 1-for-2, and approximately 8,542,515 shares of common stock issued and outstanding if the ratio for the Reverse Stock Split is 1-for-4, which is the highest ratio allowed under this proposal. The Reverse Stock Split would be effected simultaneously for all of our common stock. Even if shareholder approval of the Reverse Stock Split is obtained, the Board may abandon the Reverse Stock Split in its sole discretion if it determines that the Reverse Stock Split is no longer in the best interests of the Company and its shareholders.

Effect on Authorized, Issued and Outstanding Shares of Common Stock. The Reverse Stock Split will not itself change the number of authorized shares of our common stock, but it will have the effect of creating additional unissued shares of common stock available for future issuance. Although at present we have no current arrangements or understandings providing for issuance of the additional shares that would be made available for issuance upon effectiveness of the Reverse Stock Split, these additional shares may be used by us for various purposes in the future without further shareholder approval. While the Reverse Stock Split will make additional shares available for the Company to use in the future, the primary purpose of the Reverse Stock Split is to increase our stock price in order to meet the minimum price requirements for a potential uplisting to the NASDAQ or another national stock exchange and to provide other potential benefits that we anticipate as outlined above.

The Reverse Stock Split would not impact the relative voting or other rights that accompany the shares of our common stock (subject to the treatment of fractional shares). Any shares of our common stock held as treasury shares will be adjusted to reflect the Reverse Stock Split. Except for any changes that result from the treatment of fractional shares as discussed below, the completion of the Reverse Stock Split alone would not affect any shareholder's proportionate equity interest in the Company. For example, a shareholder who owns a number of shares that, prior to the Reverse Stock Split, represented 1% of our outstanding shares would continue to own 1% of our outstanding shares after the Reverse Stock Split. All issued and outstanding shares of common stock will remain fully paid and non-assessable after the Reverse Stock Split.

A new committee on uniform securities identification procedures ("CUSIP") number, which is a number used to identify our equity security, will be assigned to the common stock following the Reverse Stock Split. Stock certificates with the old CUSIP numbers will need to be exchanged by following the procedures described below.

Effect on Authorized Preferred Stock. Currently, the Company is authorized to issue up to a total of 5 million shares of preferred stock, par value $0.0001 per share, none of which are issued and outstanding. The proposed Reverse Stock Split would not impact the total authorized number of shares of preferred stock or the par value of the preferred stock.

Effect on Currently Outstanding Employee Equity Awards and Number of Shares Available for Future Issuance Under our Stock Incentive Plans. The Reverse Stock Split will not increase the number of shares available for future issuance under our stock incentive plans. On the effective date of the Reverse Stock Split, all outstanding awards under our stock incentive plans will be adjusted to reflect the Reverse Stock Split. The number of shares subject to our outstanding awards will be reduced in the same ratio, rounded to the nearest whole share. The per share exercise price of options also will be increased by the ratio, so that the aggregate dollar amount payable for the purchase of the shares subject to the options will remain unchanged (subject to the rounding of shares). In addition, in connection with any Reverse Stock Split, our Board of Directors would also make a corresponding reduction in the number of shares available for future issuance under our stock incentive plan so as to avoid the effect of increasing the number of authorized but unissued shares available for future issuance under such plan.

Effect on Currently Outstanding Warrants. If the Reverse Stock Split is implemented, it would reduce the number of shares of common stock issuable upon the exercise and settlement of our outstanding warrants. Additionally, the exercise price of outstanding warrants would likewise increase in proportion to the Reverse Stock Split ratio.

Potential Anti-Takeover Implications

The Reverse Stock Split is not being proposed in response to any effort of which we are aware to accumulate shares of our common stock or obtain control of us, nor is it part of a plan by management to recommend a series of similar amendments to our Board of Directors and shareholders. However, the increase in the number of authorized shares of common stock that are not issued or outstanding or reserved for issuance pursuant to the Reverse Stock Split could, under certain circumstances, have an anti-takeover effect (for example, by permitting issuances which would dilute the stock ownership of a person seeking to effect a change in the composition of our Board of Directors or contemplating a tender offer or other transaction for the combination of us with another company). A takeover may be beneficial to independent shareholders because, among other reasons, a potential suitor may offer such shareholders a premium for their shares of common stock compared to the then-existing market price. The Reverse Stock Split is not being recommended by our Board as part of an anti-takeover strategy.

Treatment of Fractional Shares

No fractional shares of common stock will be issued in connection with the Reverse Stock Split. If, as a result of the Reverse Stock Split, a shareholder of record would otherwise hold a fractional share, the shareholder will receive a cash payment (without interest and subject to applicable withholding taxes) in lieu of the issuance of any such fractional shares in an amount per share equal to the fair value of the fractional share as of the effective date of the Reverse Stock Split, as determined by the Board of Directors. The Board of Directors has approved utilizing the closing price of the common stock per share on the OTC Markets on the trading day immediately preceding the effective date of the Reverse Stock Split, for determining fair value, unless otherwise determined by the Board of Directors prior to the effective date of the Reverse Stock Split. No transaction costs (other than applicable withholding taxes) will be assessed to shareholders for the cash payment they may receive. Shareholders will not be entitled to receive interest for the period of time between the effective date of the Reverse Stock Split and the date payment is made for fractional shares. After the Reverse Stock Split, then current shareholders will have no further interest in the Company with respect to fractional shares. Such shareholders will only be entitled to receive the cash payment described above. Such cash payments may reduce the number of post-split shareholders; however, this is not the purpose of the Reverse Stock Split.

Shareholders should be aware that under the escheat laws of various jurisdictions, sums due for fractional interests that are not timely claimed after the effective date of the Reverse Stock Split may be required to be paid to designated agents for each such jurisdictions, unless correspondence has been received by the Company or the transfer agent concerning ownership of such funds within the time permitted in such jurisdiction. Therefore, if applicable, shareholders otherwise entitled to receive such funds, but who do not receive them due to, for example, their failure to timely comply with the transfer agent's instructions, will have to seek to obtain such funds directly from the state to which they were paid.

Exchange of Stock Certificates

If the Company's shareholders approve the Reverse Stock Split and the Board determines that it is in the Company's best interest to effect the Reverse Stock Split, the combination of, and reduction in, the number of our outstanding shares as a result of the Reverse Stock Split will occur automatically on the date that the amended Restated Certificate of Incorporation is filed with the Delaware Secretary of State (referred to as the “effective date”), without any action on the part of our shareholders and without regard to the date that stock certificates representing any certificated shares prior to the Reverse Stock Split are physically surrendered for new stock certificates.

As soon as practicable after the effective date, transmittal forms will be mailed to each shareholder holding shares of our common stock in certificated form. The letter of transmittal will contain instructions on how a shareholder

should surrender his, her or its certificate(s) representing shares of our common stock (the "Old Certificates") to the transfer agent.

Neither Continental Stock Transfer & Trust Company (the Company's transfer agent, the "Transfer Agent"), nor Dyadic will be issuing physical stock certificates in the exchange, meaning that your shares will be recorded on the books and records of the Transfer Agent. Instead of a physical certificate, your common stock will be reflected in book entry form and you will receive an account statement representing your holdings in the Company. You can request a physical certificate from the Transfer Agent at any time by following the instructions included on the letter of transmittal.

No account statement will be issued to a shareholder until such shareholder has surrendered all Old Certificates, together with a properly completed and executed letter of transmittal, to the Transfer Agent. Shareholders will then receive an account statement representing the number of whole shares of common stock that they are entitled as a result of the Reverse Stock Split. Until surrendered, each outstanding Old Certificate held by shareholders would only represent the number of whole shares of post-Reverse Stock Split common stock to which these shareholders are entitled, based on the ratio of the Reverse Stock Split. If an Old Certificate has a restrictive legend on the back of the Old Certificate (s), the account statement issued will reflect the same restriction. If a shareholder is entitled to a payment in lieu of any fractional share, such payment will be made as described above under "Treatment of Fractional Shares."

STOCKHOLDERS SHOULD NOT DESTROY ANY STOCK CERTIFICATES AND SHOULD NOT SUBMIT THEIR STOCK CERTIFICATES UNTIL THEY RECEIVE A TRANSMITTAL FORM FROM OUR TRANSFER AGENT. STOCKHOLDERS ARE ENCOURAGED TO PROMPTLY SURRENDER CERTIFICATES TO THE TRANSFER AGENT FOLLOWING RECEIPT OF TRANSMITTAL FORMS IN ORDER TO AVOID HAVING SHARES POSSIBLY BECOMING SUBJECT TO ESCHEAT LAWS.

Shares Held Through a Bank, Broker or Other Nominee

If you hold shares of our common stock in "street name" through a bank, broker, custodian or other nominee, we will treat your common stock in the same manner as shareholders whose shares are registered in their own names. Banks, brokers and other nominees will be instructed to effect the Reverse Stock Split for their customers holding our common stock in street name. However, these banks, brokers and other nominees may have different procedures for processing a Reverse Stock Split. If you hold shares of our common stock in street name, we encourage you to contact your bank, broker, custodian or other nominee.

Accounting Consequences

The par value per share of our common stock will remain unchanged at $0.001 per share after the Reverse Stock Split. As a result, on the effective date of the Reverse Stock Split, the stated capital on our balance sheet attributable to our common stock (including a retroactive adjustment of prior periods) will be reduced proportionally, based on the exchange ratio of the Reverse Stock Split, from its present amount, and the additional paid-in capital account will be credited with the amount by which the stated capital is reduced. The amounts of net income or loss per common share and net book value per common share will be increased because there will be fewer shares of our common stock outstanding. We do not anticipate that any other accounting consequences would arise as a result of the Reverse Stock Split, and the Company's shareholders' equity in its consolidated balance sheet would not change in total.

No Appraisal Rights

Under the Delaware General Corporation Law, our shareholders do not have any dissenter's appraisal rights with respect to the proposed Reverse Stock Split, and we will not independently provide our shareholders with any such rights.

Certain U.S. Federal Income Tax Consequences of the Reverse Stock Split

The following is a summary of certain U.S. federal income tax considerations of the Reverse Stock Split. It addresses only U.S. shareholders (as defined below) who hold our common stock as capital assets. It does not purport to be a discussion of all potential U.S. federal income tax consequences to U.S. shareholders and does not address U.S. shareholders subject to special rules, such as financial institutions, tax-exempt entities, insurance companies, dealers in securities, partnerships or other pass-through entities (or investors therein), shareholders subject to alternative minimum tax, shareholders who hold their pre-Reverse Stock Split shares as part of a straddle, hedge or conversion transaction, and shareholders who acquired their pre-Reverse Stock Split shares pursuant to the exercise of employee stock options or otherwise as compensation. It does not address any consequences arising under U.S. federal tax laws other than income tax laws (such as estate or gift tax laws and Medicare contribution tax laws) or any consequences arising under state, local, foreign or other tax laws. Each shareholder is advised to consult its own tax advisor as to its situation.

For purposes of this discussion, a "U.S. shareholder" is a beneficial owner of our common stock that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized under the laws of the United States, any state thereof, or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if a court within the United States can exercise primary supervision over its administration and one or more United States persons have the authority to control all of the substantial decisions of that trust (or if the trust has a valid election in place to be treated as a U.S. trust).

If any entity treated as a partnership for U.S. federal income tax purposes, holds our common stock, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding our common stock, you should consult your own tax advisor.

This discussion does not apply to shareholders other than U.S. shareholders ("non-U.S. shareholders"). A non-U.S. shareholder should consult its own tax advisor.

This discussion is based on the Internal Revenue Code of 1986, as amended (the "Code"), applicable Treasury Regulations promulgated thereunder, judicial authority and current administrative rulings and practices each as in effect on the date of this proxy statement. Changes to any of the foregoing authorities could alter the tax consequences described below, possibly with retroactive effect. No ruling from the Internal Revenue Service or opinion of counsel will be obtained regarding any U.S. federal income tax consequences to shareholders arising as a result of the Reverse Stock Split.

We believe that the Reverse Stock Split, if implemented, should qualify as a recapitalization under the provisions of the Code. If the Reverse Stock Split so qualifies, then except to the extent of cash received in lieu of a fractional share (as described below), no gain or loss will be recognized by a U.S. shareholder that exchange its shares of pre-split common stock for shares of post-split common stock. The post-split common stock in the hands of a U.S. shareholder following the Reverse Stock Split will have an aggregate tax basis equal to the aggregate tax basis of the pre-split common stock held by that U.S. shareholder immediately prior to the Reverse Stock Split, reduced by the portion of the aggregate tax basis of such shares of pre-split common stock that is allocable to any fractional share of post-split common stock. A U.S. shareholder's holding period for a share of post-split common stock generally will be the same as the holding period for the shares of pre-split common stock exchanged therefor.

A U.S. shareholder who receives cash in lieu of a fractional share as a result of the Reverse Stock Split would generally be treated as having received the fractional share of post-split common stock pursuant to the Reverse Stock Split and then, immediately thereafter, as having exchanged such fractional share for cash in a redemption by the Company. While not free from doubt, this redemption should be treated as a taxable sale of the fractional share with respect to which a U.S. shareholders should recognize gain or loss equal to the difference, if any, between the amount of cash received and the portion of the shareholder's adjusted tax basis of the shares of pre-split common stock exchanged

in the Reverse Stock Split which is allocable to such fractional share. Any such gain or loss generally will be capital gain or loss and will be long term capital gain or loss if the U.S. shareholder's holding period for the shares of pre-split common stock deemed exchanged for such fractional share is more than one year as of the effective date of the Reverse Stock Split. Any long term capital gain recognized by noncorporate shareholders (including individuals) generally will be taxed at a reduced rate. The deductibility of capital losses is subject to limitations.

Interests of Directors and Executive Officers

Our directors and executive officers do not have substantial interests, directly or indirectly, in the matters set forth in this proposal except to the extent of their ownership of shares of our common stock, stock options, warrants, or their interests in any of our other securities.

Reservation of Right to Abandon Reverse Stock Split

We reserve the right to abandon the Reverse Stock Split proposal without further action by our shareholders at any time before the effectiveness of the filing of the amended Certificate of Incorporation with the Delaware Secretary of State, even if the Reverse Stock Split has been approved by our shareholders at the special meeting. By voting in favor of the Reverse Stock Split, you are expressly also authorizing our Board of Directors to delay (for up to 12 months after the special meeting) or abandon the Reverse Stock Split if it determines, in its sole discretion, that such action is in the best interests of the Company and its shareholders.

Required Vote and Board Recommendation

The affirmative vote of the holders of a majority of the shares of our common stock outstanding on the record date will be required to approve the Reverse Stock Split proposal to effect the Reverse Stock Split. Accordingly, withheld votes and abstentions will have the same effect as a vote against the proposal.

The Board of Directors recommends that you vote *FOR* to effect the Reverse Stock Split.

PROPOSAL 2 - ADJOURNMENT PROPOSAL

Introduction

If at the special meeting the number of shares of common stock present or represented and voting in favor of the Reverse Stock Split is insufficient to approve the Reverse Stock Split, management may move to adjourn, postpone or continue the special meeting in order to enable the Board to continue to solicit additional proxies in favor of the proposed the Reverse Stock Split. In this Adjournment Proposal, we are asking you to authorize the holder of any proxy solicited by the Board to vote in favor of adjourning, postponing or continuing the special meeting and any later adjournments. If the shareholders approve the Adjournment Proposal, we could adjourn, postpone or continue the special meeting, and any adjourned session of the special meeting, to use the additional time to solicit additional proxies in favor of the Reverse Stock Split. Among other things, approval of the Adjournment Proposal could mean that, even if proxies representing a sufficient number of votes against the Reverse Stock Split have been received, we could adjourn, postpone or continue the special meeting without a vote on the Reverse Stock Split and seek to convince the holders of those shares to change their votes to votes in favor of the Reverse Stock Split.

Required Vote and Board Recommendation

The Adjournment Proposal will be approved if a majority of the shares of common stock present in person or by proxy votes **FOR** the proposal. Accordingly, abstentions and broker non-votes, if any, will be counted as votes **AGAINST** the Adjournment Proposal. No proxy that is specifically marked **AGAINST** the Reverse Stock Split will be voted in favor of the Adjournment Proposal, unless it is specifically marked FOR the discretionary authority to adjourn, postpone or continue the special meeting to a later date.

The Board believes that if the number of shares of common stock present or represented at the special meeting and voting in favor of the Reverse Stock Split proposal are insufficient to approve such proposal, it is in the best interests of the shareholders to enable the Board, for a limited period of time, to continue to seek to obtain a sufficient number of additional votes to approve the Reverse Stock Split.

THE BOARD RECOMMENDS A VOTE “FOR” APPROVAL OF THE ADJOURNMENT PROPOSAL.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

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, 2016 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 the record date, there were 34,170,060 shares of Dyadic common stock issued and outstanding. The beneficial ownership table below includes those shares that are currently exercisable or exercisable within sixty (60) days of the record date.

Name and Address of Beneficial Owner (1)	Number of Common Share Equivalents Beneficially Owned	Percentage of Common Share Equivalents Beneficially Owned (%) (2) (13)
Five Percent Shareholders		
Pinnacle Family Office Investments, L.P. (3) (13)	5,003,052	14.4%
Mark A. Emalfarb U/A/D October 1, 1987 (4) (13)	4,519,662	13.1%
The Francisco Trust U/A/D February 28, 1996 (5) (13)	4,041,234	11.8%
SC Fundamental Value Fund, L.P. (6)	2,371,067	6.9%
Named Executive Officers and Directors:		
Mark A. Emalfarb (4)	4,519,662	13.1%
Stephen J. Warner (7)	119,923	*
Michael P. Tarnok (8)	206,429	*
Seth J. Herbst, MD (9)	202,423	*
Jack Kaye (10)	80,207	*
Thomas L. Dubinski (11)	332,092	1.0%
Arindam Bose (12)	7,500	*
All executive officers and directors as a group (7 persons):	5,468,236	15.5%

* Less than 1%

(1) Except as otherwise noted, the address for each shareholder is c/o Dyadic International, Inc., 140 Intracoastal Pointe Drive, Suite 404, Jupiter, FL 33477.

(2) Based on 34,170,060 shares of common stock issued and outstanding as of the record date. Shares of common stock subject to options or warrants currently exercisable or exercisable within 60 days are

deemed outstanding for purposes of computing the percentage of the person holding such options or warrants, but are not deemed outstanding for purposes of computing the percentage of any other person.

(3) Includes 4,363,590 shares of common stock and 639,462 stock warrants with a $1.48 per share strike price with a December 31, 2016 expiration date.

(4) Includes 4,116,987 shares held by Mark A. Emalfarb beneficially through the MAE Trust, of which Mr. Emalfarb is the sole beneficiary and serves as sole trustee. In addition, Mr. Emalfarb holds 172,325 stock warrants with a $1.48 per share strike price with a December 31, 2016 expiration date and 230,350 shares of common stock underlying options that are presently exercisable. The address of the MAE Trust is 193 Spyglass Court, Jupiter, 33477.

(5) Includes 3,955,071 shares of common stock and 86,163 stock warrants with a $1.48 per share strike price with a December 31, 2016 expiration date. The trustee of the Francisco Trust is Morley Alperstein and the beneficiaries thereof are the spouse and descendants of Mark A. Emalfarb. The address of the Francisco Trust is 17236 Gulf Pine Circle, Wellington, Florida 33414. Mr. Emalfarb disclaims beneficial ownership of such shares.

(6) Includes 2,371,067 shares held by SC Fundamental Value Fund, L.P. The address of the SC Fundamental is c/o SC Fundamental LLC 747 Third Avenue, 27th Floor, New York, NY 10017

(7) Includes 7,423 shares of common stock and 112,500 shares of common stock underlying options that are presently exercisable.

(8) Includes 138,929 shares of common stock and 67,500 shares of common stock underlying options that are presently exercisable.

(9) Includes 9,923 shares of common stock and 192,500 shares of common stock underlying options that are presently exercisable.

(10) Includes 37,707 shares of common stock and 42,500 shares of common stock underlying options that are presently exercisable.

(11) Includes 78,759 shares of common stock and 253,333 shares of common stock underlying options that are presently exercisable.

(12) Includes 7,500 shares of common stock underlying options that are presently exercisable.

(13) The percentage of common share equivalents beneficially owned includes the beneficial ownership of warrants assuming such warrants are exercised on a cash basis with a $1.48 per share exercise price. The warrants also contain a provision to allow the holder to exercise the warrants on a net cashless basis, under which the number of shares issued upon exercise equal to the results obtained by multiplying the difference between the fair market value per share on the date of exercise and the exercise price per share, by the number of warrant being exercise and dividing the product by the fair market value per share on the date of exercise. If the warrant holder elects to exercise on a net cashless basis, the number of shares issued upon the exercise of warrant would be lower.

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, but are not limited to, the approval or failure of our shareholders to approve the Reverse Stock Split, the expected benefits of the Reverse Stock Split, the completion or failure to complete the Reverse Stock Split for any other reason, and other factors discussed in our publicly available filings, including information set forth under the caption "Risk Factors" in our December 31, 2015 Annual Report filed with OTC Markets on March 29, 2016. 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.

OTHER BUSINESS AT THE SPECIAL MEETING

The Board of Directors knows of no other items that are likely to be brought before the meeting except those that are set forth in the foregoing Notice of Special Meeting of Shareholders. If any other matters properly come before the meeting, the persons designated on the enclosed proxy will vote in accordance with their judgment on such matters.

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 and Consolidated Financial Statements for the fiscal year ended December 31, 2015;
- Quarterly Report for the three-month period ended March 31, 2016, and the six-month period ended June 30, 2016.

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:

140 Intracoastal Pointe Drive, Suite 404, Jupiter, Florida 33477, Attention: Heidi Zosiak, telephone: (561) 743-8333 or Continental Stock Transfer & Trust Company, 17 Battery Place, New York, New York 10004, telephone: (917) 262-2373.

ANNEX A

FORM OF CERTIFICATE TO RESTATED CERTIFICATE OF INCORPORATION OF DYADIC INTERNATIONAL, INC

Dyadic International, Inc. (the "***Company***"), a corporation organized and existing under the General Corporation Law of the State of Delaware (the "***Delaware General Corporation Law***"), hereby certifies as follows:

1. Pursuant to Sections 242 and 228 of the Delaware General Corporation Law, the amendment herein set forth has been duly approved by the Board of Directors and holders of a majority of the outstanding capital stock of the Company.

2. Article IV of the Restated Certificate of Incorporation is amended by adding the following paragraph:

   "Upon the effectiveness of this Certificate of Amendment to the Restated Certificate of Incorporation of the Corporation, every [number of shares] shares of the Corporation's issued and outstanding Common Stock, par value $0.0001 per share, that are issued and outstanding immediately prior to [date] shall, automatically and without any further action on the part of the Corporation or the holder thereof, be combined into one (1) validly issued, fully paid and non-assessable share of the Corporation's Common Stock, par value $0.0001 per share. No fractional shares of new Common Stock will be issued, and shareholders who would otherwise be entitled to receive one or more fractional shares of new Common Stock shall instead receive a cash payment equal to the fair value, as determined by the Board of Directors, of such fractional shares as of the effective date."

3. The foregoing amendment shall be effective as of _____, 2016.

4. This Certificate of Amendment to Restated Certificate of Incorporation was duly adopted and approved by the shareholders of this Company on the ____ day of _____, 2016 in accordance with Section 242 of the Delaware General Corporation Law.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Amendment to Certificate of Incorporation as of the ____ day of _____, 2016.

DYADIC INTERNATIONAL, INC.

By **

Mark Emalfarb
Chief Executive Officer

ANNEX B

PROXY
SPECIAL MEETING OF STOCKHOLDERS OF
DYADIC INTERNATIONAL, INC.
THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS
DECEMBER 7, 2016

The undersigned shareholder(s) of Dyadic International, Inc., a Delaware corporation (the "Company"), hereby revoking any proxy heretofore given, does hereby appoint Mark A. Emalfarb and/or Thomas Dubinski, individually, with full power to act alone, the true and lawful attorneys-in-fact and proxies of the undersigned, with full powers of substitution, and hereby authorize(s) them and each of them, to represent the undersigned and to vote all shares of common stock of the Company that the undersigned is entitled to vote at the 2016 Special Meeting of Shareholders of the Company to be held on Wednesday, December 7, 2016, at 10:00 a.m., Eastern Standard Time, at Wyndham Grand Jupiter at Harbourside Place, 122 Soundings Avenue, Jupiter, Florida 33477, and any and all adjournments and postponements thereof, with all powers the undersigned would possess if personally present, on the following proposals, each as described more fully in the accompanying proxy statement, and any other matters coming before said meeting.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR"
THE FOLLOWING PROPOSALS

1. To approve a proposal to amend Dyadic's Restated Certificate of Incorporation to effect a reverse stock split (the "Reverse Stock Split") of the Company's issued and outstanding shares of common stock at a ratio between 1-for-2 and 1-for-4 and effective upon a date to be determined by the Company's board of directors (the "Board").

   FOR [ ] **AGAINST [ ]** **ABSTAIN [ ]**

2. To approve adjournments or postponements of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the foregoing proposals (the "Adjournment Proposal").

   FOR [ ] **AGAINST [ ]** **ABSTAIN [ ]**

This proxy will be voted in the manner directed herein by the undersigned. IF NO DIRECTION IS GIVEN, THIS PROXY WILL BE VOTED "FOR" THE PROPOSALS 1 AND 2 AND IN THE DISCRETION OF THE PROXIES ON SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE 2016 SPECIAL MEETING OF SHAREHOLDERS OR ANY ADJOURNMENTS OR POSTPONEMENTS THEREOF TO THE EXTENT PERMITTED UNDER APPLICABLE LAW.

Receipt of the Notice of 2016 Special Meeting of Shareholders and accompanying Proxy Statement is hereby acknowledged.

IMPORTANT

- *Vote by Internet*. Record holders can vote online through www.cstproxyvote.com, prior to 7:00 p.m., Eastern Standard Time, on Tuesday, December 6, 2016. You will need "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 by calling (866) 894-0537 (available 24 hours a day) prior to 7:00 p.m., Eastern Standard Time, on Tuesday, December 6, 2016. You will need "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 mail 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.

Signature(s) _____ Date _____, 2016

Signature(s) _____ Date _____, 2016

Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, corporate officer, custodian, trustee or guardian, please give full title as such. If the signer is a corporation, please sign using the full corporate name by a duly authorized officer, giving full title as such. If signer is a partnership, please sign in the partnership's name by a duly authorized person.