

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

DYADIC INTERNATIONAL INC

Form: 8-K

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 19, 2008

Dyadic International, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

333-102629
(Commission File Number)

45-0486747
(I. R. S. Employer Identification No.)

140 Intracostal Pointe Drive, Suite 404
Jupiter, Florida 33477
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(561) 743-8333**

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.

On November 14, 2008, Dyadic International, Inc., or Dyadic, entered into a nonexclusive license agreement, or the Agreement, with Codexis, Inc., or Codexis, and Dyadic International (USA), Inc., or Dyadic USA. Among other things, the Agreement covers use in certain fields including biofuels and chemical and pharmaceutical intermediate production. The Agreement includes an upfront payment by Codexis of \$10 million provided that certain performance criteria are satisfied. The Agreement also provides for certain in its entirety by reference to Exhibit 10.1 to this current report.

On November 14, 2008, Dyadic entered into a Non-Disturbance Agreement with Mark A. Emalfarb Trust, Francisco Trust, and Mark A. Emalfarb, collectively referred to as the Secured Parties, and Dyadic International USA and Codexis. Among other things, the action against Dyadic, Dyadic USA or their affiliates which could diminish, disturb or interfere with (i) Dyadic or Dyadic USA's rights to the intellectual property or other materials licensed to Codexis under the Agreement or (ii) Codexis's rights to the licensed intell to the Non-Disturbance Agreement, is an entity created for the primary benefit of Mark A. Emalfarb, and the Francisco Trust, also a party to the Non-Disturbance Agreement, is an entity created for the primary benefit of Mark A. Emalfarb's wife and children. A co

On November 14, 2008, Dyadic and Dyadic USA entered into an Amended & Restated Note for the benefit of the Mark A. Emalfarb Trust in the principal amount of \$2,424,394 which is due on January 1, 2009. Among other things, the Amended & Restated Note by Dyadic USA in favor of the Mark A. Emalfarb Trust in the principal amount of \$3 million. Under the Amended & Restated Note, Dyadic shall pay to the Mark A. Emalfarb Trust interest at a rate of fourteen percent (14%) per year and shall also make certain sch Restated Note, and is an entity created for the primary benefit of Mark A. Emalfarb, who is the Chief Executive Officer of Dyadic, and the Francisco Trust is a party to the Amended & Restated Note, and is an entity created for the primary benefit of Mark A. Emalf

In connection with the Amended and Restated Note, on November 14, 2008, Dyadic, Dyadic USA and the Secured Parties entered into a Loan and Security Agreement, or the Loan Agreement, which superseded the Security Agreement dated as of May 7, 2000, other things, the Loan Agreement secures the borrowings under the Amended and Restated Note with all of the assets of Dyadic and Dyadic USA. Mark A. Emalfarb, a party to the Loan Agreement, is the Chief Executive Officer of Dyadic. Additionally, the Mari of Mark A. Emalfarb's wife and children. A copy of the

Loan Agreement is attached hereto as Exhibit 10.4. This summary is qualified in its entirety by reference to Exhibit 10.4 to this current report.

On November 14, 2008, Dyadic USA entered into a Collateral Assignment of Inventions and Patents and Patent Applications, referred to as the Patent Collateral Assignment, and Collateral Assignment of Trademarks and Account Control Agreements, together with Secured Parties. Among other things, under the Collateral Assignment, Dyadic USA grants, transfers and assigns to Secured Parties all right title and interest in the patents identified by the Agreement for purposes of securing any and all obligations owed to Secured Parties. An entity created for the primary benefit of Mark A. Emalfarb and the Francisco Trust, also a party to the Collateral Assignment, is an entity created for the primary benefit of Mark A. Emalfarb's wife and children. A copy of the Patent Collateral Assignment is attached hereto as Exhibit 10.4 to this current report.

Item 8.01 Other Events.

On November 14, 2008, Dyadic issued a press release announcing the execution of the Agreement. A copy of this press release is attached hereto as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

Exhibit Number	Exhibit Title
10.1 +	License Agreement, dated as of November 14, 2008, by and among Codexis, Inc., Dyadic International (USA), Inc. and Dyadic International Inc.
10.2	Non-Disturbance Agreement, dated as of November 14, 2008, by and among Mark A. Emalfarb Trust, Francisco Trust, Mark A. Emalfarb, Dyadic International (USA), Inc., Dyadic International, Inc. and Codexis, Inc.
10.3	Amended and Restated Note, dated November 14, 2008, by Dyadic International, Inc. and Dyadic International (USA), Inc. for the benefit of the Mark A. Emalfarb Trust.
10.4	Loan and Security Agreement, dated November 14, 2008, by Dyadic International (USA), Inc., Dyadic International, Inc., Mark A. Emalfarb Trust, Francisco Trust and Mark A. Emalfarb.
10.5	Collateral Assignment of Inventions and Patents and Patent Applications, dated November 14, 2008, by and among Dyadic International (USA), Inc., Mark A. Emalfarb Trust, Francisco Trust, and Mark A. Emalfarb.
10.6	Collateral Assignment of Trademarks, dated November 14, 2008, by and among Dyadic International (USA), Inc., Mark A. Emalfarb Trust, Francisco Trust, and Mark A. Emalfarb.
99.1	Press release of Dyadic International, Inc. dated November 14, 2008.

+ Registrant has omitted portions of the referenced exhibit and filed such exhibit separately with the Securities and Exchange Commission pursuant to a request for confidential treatment under Rule 24b-2 promulgated under the Securities Exchange Act of 1934.

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: November 20, 2008

Dyadic International, Inc.

/s/ Vito Pontrelli
Vito Pontrelli, Interim Chief Executive Officer

Exhibit Index

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LICENSE AGREEMENT

This LICENSE AGREEMENT (the "Agreement") is made as of November 14, 2008 (the "Effective Date") by and between **Codexis, Inc.**, a Delaware corporation, having a place of business at 200 Penobscot Drive, Redwood City, California 94063, United States of America, ("**Codexis**") and **Dyadic International (USA), Inc.**, a corporation organized under the laws of Florida, having its principal office at 140 Intracoastal Pointe Drive, Suite 404, Jupiter, Florida 33477-5094, United States of America, and **Dyadic International, Inc.**, a Delaware corporation, having a place of business at 140 Intracoastal Pointe Drive, Suite 404, Jupiter, Florida 33477-5094, United States of America, (Dyadic International (USA), Inc. and Dyadic International, Inc., collectively, hereinafter "**Dyadic**"). Codexis and Dyadic are each referred to herein by name or, individually, as a "**Party**" or, collectively, as "**Parties**."

BACKGROUND

WHEREAS, Dyadic owns or has rights under certain patent rights and know-how relating to the generation and use of its proprietary *Chrysosporium lucknowense* ("**C1**") technology for the expression of certain genes and secretion of certain corresponding enzymes and, in addition, Dyadic owns or has rights under certain related Dyadic Materials (as defined herein);

WHEREAS, Codexis desires to obtain a non-exclusive license under such patent rights and know-how of Dyadic and, in addition, to obtain access to the Dyadic Materials, all on the terms and conditions herein;

WHEREAS, Dyadic desires to grant such license to Codexis, and Dyadic desires to provide access to the Dyadic Materials to Codexis, all on the terms and conditions herein; and

WHEREAS, Codexis agrees to provide consideration to Dyadic in exchange for the grant of such license in the form of certain payments and, in addition, in a demonstration of the value of C1 technology in the development and commercialization of one or more certain products, as further described 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, Dyadic and Codexis hereby agree as follows:

ARTICLE 1

DEFINITIONS

As used in this Agreement, capitalized terms shall have the meanings indicated in this Article 1 or as specified elsewhere in this Agreement:

"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 Section 0, 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 one hundred percent (100%) of the maximum ownership percentage that may, under such local Law, be owned by foreign interests, 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).

1.1 **"Broad Codexis Product"** means any Licensed Product that is (a) a protein that is not included within the Dyadic Materials and that is produced by a Broad Production Strain; (b) a combination of any protein not included within the Dyadic Material that materially enhances the performance or value of the Licensed Product with any protein(s) included in the Dyadic Materials for use in Category A and/or Category F; (c) a combination of proteins included within the Dyadic Materials that is produced in a ratio that is different than the ratio produced by the Dyadic Materials; or (d) any protein(s) that is produced by a strain other than a Production Strain that incorporates any component of the Dyadic Materials or any derivative or modification thereof.

1.2 **"Broad Production Strain(s)"** means any strain generated by Codexis utilizing the Dyadic Material, or any derivative or modification thereof, and/or the Licensed IP that produces a Licensed Product for use in Category A and/or Category F.

1.3 **"C1 Strains"** means, individually and collectively, the Dyadic strains identified on [Exhibit D](#), together with any progeny (but not any derivatives or modifications) of such strains.

1.4 **"Category"** means any of the categories A, B, C, D, E and/or F as set forth on [Exhibit A](#).

1.5 **"Codexis Exclusive Partner"** has the meaning set forth in Section [2.1\(c\)\(1\)](#).

1.6 **"Codexis Product"** means any Narrow Codexis Product and/or any Broad Codexis Product.

1.7 **"Confidential Information"** means any information of a confidential and proprietary nature, including but not limited to know-how, information, invention disclosures, patent applications, proprietary materials and/or technologies, economic information, business or research strategies, purchase orders (and any information included therein), trade secrets, and material embodiments thereof, disclosed by a Party to the other Party and characterized to the receiving Party as confidential. For clarity, any reports delivered by Codexis to Dyadic under this Agreement, including without limitation pursuant to Section [4.1](#), shall be deemed to be the Confidential

1.8 Information of Codexis. The Dyadic Materials shall be considered Confidential Information of Dyadic.

1.9 "Contract Activities" means any activities directed to [***]¹.

1.10 "Control" or "Controlled" means, with respect to all or any portion of any gene, the gene itself, protein, compound, material, information or intellectual property right, that the Party owns or has a license to any portion of any such gene, the gene itself, protein, compound, material, information or intellectual property right and has the ability to grant to the other Party access, a license or a sublicense (as applicable) to any portion of any such gene, the gene itself, protein, compound, material, information or intellectual property right as provided for herein without violating the terms of any agreement or other arrangements with any Third Party.

1.11 "Dollar" or "\$" means the lawful currency of the United States.

1.12 "Dyadic Material" means, individually and collectively, (a) the C1 Strains, and (b) the promoters, fusion proteins, signal peptides, selectable markers, vectors, genetic constructs, genes, expression products, DNA and other materials set forth on Exhibit D, together with any progeny (but not any derivatives or modifications) thereof.

1.13 "Escrow Agreement" means that certain Escrow Agreement between Codexis and Dyadic, substantially in the form attached hereto as Exhibit K, pursuant to which the license issuance fee paid by Codexis to Dyadic pursuant to Section 3.1(c) will be held and, after satisfaction of the certain conditions set forth on Schedule 1.13, released to Dyadic, as further described therein.

1.14 "Field" means any and all Categories.

1.15 "First Commercial Sale" means, with respect to each Category, the milestone event set forth on Exhibit B for such Category.

1.16 "Improvement" means [***].

1.17 "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.

1.18 "Licensed IP" means the (a) Licensed Patents; and (b) Licensed Know-how.

1.19 "Licensed Know-how" means, to the extent necessary or reasonably useful for the (a) research, development, manufacture, use or sale of Licensed Products, or (b) research,

¹ [***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT FILED SEPARATELY WITH THE COMMISSION

1.20 development or use of a Production Strain, any and all technical information, information regarding genetic mutations, regulatory information, clinical information, know-how, processes, procedures, methods, formulae, protocols, techniques, software and data, which are not claimed in, covered by or otherwise disclosed in the Licensed Patents, that (i) Dyadic Controls as of the Effective Date, and (ii) is directly related to the Licensed Patents, the Dyadic Materials or a Production Strain.

1.21 "**Licensed Patents**" means (a) the Patents listed on [Exhibit C](#), and (b) any and all other Patents Controlled by Dyadic as of the Effective Date related to the C1 expression system, the C1 high-throughput screening system and/or any C1-derived enzymes (and the genes encoding the same) that are necessary or useful [***].

1.22 "**Licensed Product**" means any product (a) with respect to which Codexis and/or its Affiliates has (i) conducted research and/or development activities and (ii) a material commercialization interest at the time of the first commercial sale or use of such product, and (b) (i) the manufacture, use, sale, offer for sale, or import of which would, but for the rights granted to Codexis pursuant to Section [2.1\(a\)](#), infringe a Valid Claim; or (ii) that arose from, or whose manufacture involves, the use of any of the Dyadic Materials or any derivative or modification of any the Dyadic Materials.

1.23 "**MTEP**" means metric ton of enzyme protein.

1.24 "**Narrow Codexis Product**" means any Licensed Product, excluding any Broad Codexis Product, that is produced by a Narrow Production Strain and is (a) a protein that is not included within the Dyadic Materials; or (b) a combination of any protein not included within the Dyadic Material that materially enhances the performance or value of the Licensed Product with any protein(s) included in the Dyadic Materials.

1.25 "**Narrow Production Strain(s)**" means any strain generated by Codexis utilizing the Dyadic Material, or any derivative or modification thereof, and/or the Licensed IP that produces a Licensed Product for use in Category B, C, D or E.

1.26 "**Patents**" means all: (a) United States and foreign patents, re-examinations, reissues, renewals, extensions and term restorations, 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.

² [***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT FILED SEPARATELY WITH THE COMMISSION

1.27 "Person" means any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization or government or political subdivision thereof.

1.28 "Production Strain" means any Narrow Production Strain and/or any Broad Production Strain.

1.29 "Shuffling Technology" means any and all techniques, methodologies, processes, materials and/or instrumentation, including without limitation any and all Patents, know-how, confidential information and materials relating thereto, that, in each case, relates to the characterization, development and optimization of genes and proteins for commercial uses through the recombination and/or rearrangement and/or mutation of genetic material for the creation of genetic diversity, and generally applicable screening techniques, methodologies, or processes of using the resulting genetic material to identify potential usefulness.

1.30 "Territory" means worldwide.

1.31 "Third Party" means any Person other than Dyadic, Codexis, or any Affiliate of either Dyadic or Codexis.

1.32 "Valid Claim" means (a) any claim of an issued and unexpired patent within the Licensed Patents which has not been held unenforceable or invalid by a court or other governmental agency of competent jurisdiction in a decision that is not appealed or is unappealable, and which patent has not been disclaimed or admitted to be invalid or unenforceable through reissue or otherwise, or (b) a pending claim in a pending patent application within the Licensed Patents that has not been abandoned, finally rejected, or expired without the possibility of appeal or refiling.

ARTICLE 2

LICENSES AND TECHNOLOGY TRANSFER

2.1 Grants to Codexis.

(a) **Licensed IP and Dyadic Materials.** Subject to the terms and conditions of this Agreement, including without limitation Section 2.7(a), Dyadic hereby grants to Codexis and its Affiliates a non-exclusive [***]³ right and license, with the right to grant sublicenses through [***] in accordance with Section 2.1(c), under the Licensed IP, to develop, make, have made, use, sell, offer for sale and import Licensed Products, and to use the Dyadic Materials to develop, make, have made, use, sell, offer for sale and import Licensed Products, for use in the Field in the Territory. Notwithstanding anything to the contrary, the licenses granted pursuant to this Section 2.1(a) do not include a license for Codexis to provide Contract Activities.

³ [***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT FILED SEPARATELY WITH THE COMMISSION

(b) Copyrights. Subject to the terms and conditions of this Agreement, Dyadic hereby grants to Codexis and its Affiliates a non-exclusive, fully paid right and license under any and all copyrights in the Dyadic Materials, with the right to grant sublicenses [***] in accordance with Section 2.1(c), to reproduce and distribute copies of instruction manuals and information within the Dyadic Materials, and to incorporate such copyrighted works within the Dyadic Materials, in whole or in part, into derivative works for distribution, as reasonably necessary to practice the rights and license granted to Codexis under Section 2.1(a). Dyadic will retain all other rights in such copyrighted works within the Dyadic Materials; provided that Codexis will own any copyright in derivative works created by, or on behalf of, Codexis.

(c) Sublicenses. The licenses granted pursuant to Section 2.1(a) and Section 2.1(b) include the right to grant sublicenses through multiple tiers of sublicensees within the scope of such license set forth in this Section 2.1(c) pursuant to a written agreement (each a "Sublicense Agreement") as follows:

(1) In Category A, Codexis may grant sublicenses pursuant to this Section 2.1(c) [***]⁴ (the "Codexis Exclusive Partner") and in accordance with this Section 2.1(c) and Section 2.7;

(2) In Categories B, C, D, and E and, subject to Section 8.4, Category F, Codexis may grant sublicenses pursuant to this Section 2.1(c) to any Third Party, other than [***], solely in accordance with this Section 2.1(c) and Section 2.7;
and

(3) With respect to each sublicense granted by Codexis, Codexis shall grant such sublicense only in connection with the assignment or license by Codexis to such Third Party sublicensee of a right, under intellectual property owned or otherwise controlled by Codexis that was not licensed from Dyadic hereunder, to make, have made, use, sell or import (a) any Codexis Product in the case of a sublicense with respect to Category A and/or Category F, or (b) a Narrow Codexis Product in the case of a sublicense with respect to Category B, C, D and/or E. Codexis may not transfer any Dyadic Materials, or any derivative or modification thereof, to any Third Party other than (x) as a Licensed Product and/or a Production Strain in accordance with this Section 2.1(c)(3), and (y) under the terms of a Sublicense Agreement. Notwithstanding the foregoing, Codexis may transfer to its sublicensee(s) [***]. For purposes of this Section 2.1(c)(3), "reverse engineering" means the identification, modification, derivatization or other manipulation of genetic material included in a Production Strain, including for example any gene, portion of any gene, promoter, regulator, inducer, metabolic pathway, metabolomics, transcriptomics, secretion signal, vector, plasmid, protein, compound, or other material in or of such Production Strain. Codexis shall remain obligated to make all payments due to Dyadic under the terms of this Agreement with respect to the activities of its Third Party sublicensees with respect to Licensed Products. Codexis shall remain

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(4) fully responsible to Dyadic for the performance of its sublicensee(s). Promptly following execution of any Sublicense Agreement hereunder, Codexis shall notify Dyadic in writing of the identity of the sublicensee, such information to be Codexis Confidential Information and subject to the restrictions set forth in Article 6. Upon a written request of Dyadic, Codexis will provide a complete copy of any Sublicense Agreement to an independent law firm, mutually acceptable to both Dyadic and Codexis, to review the terms of such Sublicense Agreement and the terms of this Agreement and, after such review, provide to Dyadic a written statement that the terms of such Sublicense Agreement are or are not consistent with the terms of this Section 2.1(c). Such independent law firm shall provide no other information to Dyadic regarding such Sublicense Agreement. All information provided to Dyadic by such independent law firm will be Codexis Confidential Information and subject to the restrictions set forth in Article 6.

2.2 Bona Fide Offer. At any time [***]⁵ anniversary of the Effective Date, if Dyadic receives a written offer from a Third Party (the "Offering Party") for an exclusive license with respect to the Licensed IP and/or the Dyadic Materials for any particular Category or Categories, other than Category A and/or Category F, (the "Subject Category or Categories") on financial terms that are more favorable, when taken as a whole, than those set forth herein with respect to such Subject Category or Categories (a "Bona Fide Offer"), then Dyadic shall provide written notice thereof to Codexis. Codexis shall have the right, but not the obligation, to pay to Dyadic the First Commercial Sale milestone payment set forth in Section 3.3(a) with respect to such Subject Category or Categories and, if Codexis makes such payment within [***] days after the date of delivery to Codexis by Dyadic of such notice, then (a) Dyadic will have no right to terminate the rights and licenses granted by Dyadic to Codexis with respect to such Subject Category or Categories hereunder pursuant to this Section 2.2, (b) Dyadic shall have no further rights to present any additional Bona Fide Offers to Codexis pursuant to this Section 2.2 with respect to such Subject Category or Categories for which Codexis has made such payment, and (c) Codexis shall have no further payment obligations to Dyadic under Section 3.3(a) with respect to such Subject Category or Categories. If Codexis does not make such payment within such [***] day period, Dyadic shall have the right, for a period of [***] days after the expiration of such [***] day period, which may be extended by [***] days upon written notice by Dyadic to Codexis, (the "Negotiation Period") to enter into an exclusive license agreement with respect to such Subject Category or Categories on financial terms at least as favorable to Dyadic as those set forth in the Bona Fide Offer. In the event that Dyadic enters into such an agreement during the Negotiation Period, Dyadic shall promptly provide written notice thereof to Codexis and the licenses granted to Codexis hereunder with respect to such Subject Category or Categories, but only with respect to such Subject Category or Categories, shall terminate for all purposes of this Agreement as of the date of Codexis receipt of such written notice. In the event that Dyadic does not provide such written notice to Codexis within [***] business days after the expiration of the Negotiation Period that Dyadic has entered into such an agreement, such written notice to include the name of and contact information for the Offering

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2.3 Party, the licenses granted to Codexis with respect to such Subject Category or Categories shall remain in full force and effect, unless otherwise terminated pursuant to this Agreement.

2.4 Diligence Requirements. Dyadic will have an option to provide written notice to Codexis that the licenses granted to Codexis under Section 2.1(a) and Section 2.1(b) with respect to any particular Category for which Codexis (a) has not achieved First Commercial Sale (other than Category A and/or Category F) and (b) has not made a payment of the First Commercial Sale milestone payment in accordance with Section 2.2, will terminate [***] days after the date of such notice, in accordance with the following:

(a) At any time after [***] years after Codexis is required to make the payment set forth in Section 3.1(c), unless Codexis makes the payment pursuant to Section 3.2(a) for such Category and, if Codexis makes such payment pursuant to Section 3.2(a), such licenses for such Category will not terminate for all purposes of this Agreement and will continue in full force and effect for a period of [***] 5 years after Dyadic's receipt of such payment (unless otherwise terminated as set forth in this Agreement); and

(b) At any time after [***] years after Dyadic's receipt of the payment pursuant to Section 2.4(a) (i.e. a first payment pursuant to Section 2.4(a)), unless Codexis makes a payment pursuant to Section 3.2(a) (i.e. a second payment pursuant to Section 2.4(a)) for such Category and, if Codexis makes such payment pursuant to Section 3.2(a), such licenses will not terminate for all purposes of this Agreement and will continue in full force and effect for a period of [***] years after Dyadic's receipt of such payment (unless otherwise terminated as set forth in this Agreement), upon which date the licenses shall terminate for all purposes of this Agreement, unless Codexis makes the payment set forth in Section 3.3(a).

If Codexis does not make any payments in accordance with this Section 2.4, the licenses granted to Codexis with respect to such Category or Categories shall terminate (the "Terminated Category or Categories") and Dyadic shall be free to grant licenses, whether exclusive or non-exclusive, in Dyadic's sole discretion, with respect to such Terminated Category or Categories.

2.5 Acknowledgement. By entering into this Agreement with Dyadic, Codexis acknowledges that the Licensed IP and the Dyadic Materials have value to Dyadic and, in addition, may have value to Codexis in connection with the development and commercialization of one or more Codexis Products. As a result, Codexis agrees that it will (a) make all payments set forth in Article 3; (b) not transfer any Codexis Product to any Third Party except through a sale or other transaction that would result in the payment of milestones to Dyadic pursuant to Section 3.3; and

⁶ [***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT FILED SEPARATELY WITH THE COMMISSION

2.6 (c) not grant a right to any Third Party with respect to any Codexis Product other than pursuant to a Sublicense Agreement in accordance with Section [2.1\(c\)](#).

2.7 Restrictions on Use and Transfer of the Dyadic Materials and Production Strains .

(a) The Dyadic Materials, the Production Strains and any derivatives or modifications thereof, shall be used by Codexis and its Affiliates (i) only in accordance with this Agreement, including, with respect to Third Party sublicensees of Codexis, Section [2.1\(c\)](#), and (ii) in compliance with Law.

(b) Codexis shall not (i) deliver or transfer any C1 Strain to any Third Party, or (ii) deliver or transfer any Production Strain to any Third Party except pursuant to a Sublicense Agreement in accordance with Section [2.1\(c\)](#).

(c) The Production Strains, the Dyadic Materials and any derivatives or modifications thereof must be used by Codexis and its Affiliates with prudence and appropriate caution [***].

(d) Unless otherwise agreed upon in writing by the Parties, the restrictions set forth in Section [2.1\(c\)\(3\)](#) regarding [***].⁷

(e) In the event that Dyadic has a reasonable basis to believe that Codexis, or any Affiliate or sublicensee of Codexis or its Affiliates, is using or has used any of the Dyadic Materials or any Production Strain in a manner that is inconsistent with the terms of this Agreement, Dyadic shall provide written notice to Codexis describing such reasonable basis prior to initiating any legal action or proceeding. As soon as practicable, but in no event later than [***] business days after Codexis' receipt of such written notice, the Parties shall confer, either in person or by telephone, to discuss and attempt to resolve Dyadic's concerns. In the event that Dyadic's concerns are not resolved in such conference, Codexis will initiate an investigation regarding Dyadic's concerns and, in a separate conference, either in person or by telephone, will provide to Dyadic a summary of its findings.

2.8 Materials Delivery; Technology Transfer.

(a) Dyadic, utilizing Dyadic's usual and customary means of shipment of similar materials, shall deliver to Codexis the Dyadic Materials within [***] days after the Effective Date. For purposes of this Agreement, Codexis shall be deemed to have received the Dyadic Materials upon receipt by Codexis and/or its Affiliates of all of the materials set forth on [Exhibit D](#) at the facility(ies) designated in writing by Codexis to Dyadic. In the [***] month period after receipt of the Dyadic Materials by Codexis, Dyadic shall provide to Codexis, [***], information and technical

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(b) assistance reasonably requested by Codexis, including, but not limited to, up to [***] full time equivalents ("FTEs"), to facilitate an effective transfer of the Licensed Know-how from Dyadic to Codexis (the "Initial FTE Requirement"). For purposes of clarification, the work conducted by Dyadic and/or its Affiliates at its facilities in The Netherlands in training Codexis personnel in the use of, including without limitation in the conduct of validation activities with respect to, the Dyadic Materials shall be included in the Initial FTE Requirement. Information and technical assistance shall be provided by Dyadic to Codexis pursuant to a technology transfer plan to be agreed upon by the Parties with the goal of cost-effectiveness and reasonableness. In addition, upon Codexis' request, after the expiration of such [***] month period, Dyadic shall provide or, upon prior written agreement by Codexis, shall use good faith diligent efforts to arrange for the [***] to provide, Codexis with up to [***] FTEs to support Codexis in each of the [***] years after receipt of the Dyadic Materials by Codexis. Codexis shall reimburse Dyadic for such support in such [***] years at a rate equal to [***] per FTE per year in the [***] year, such rate to increase by [***] on each anniversary, beginning on the [***] anniversary, of the receipt of the Dyadic Materials by Codexis or, if such support is provided to Codexis by [***], Codexis shall [***], as applicable. In addition, if Codexis requests that such support, or the FTE support described above with respect to the first [***] months after receipt of the Dyadic Materials by Codexis, be provided at Codexis' facilities, Codexis shall [***] Dyadic (or [***], as applicable) for [***]. For clarity, the obligations under this Section [2.8\(a\)](#) relate to information and technical assistance relating solely to the Licensed IP, and it is understood and agreed that Dyadic shall not be required to transfer any information hereunder that is not Licensed IP, or to generate any Licensed Know-how in any format in which it does not already exist.

(c) At any time or from time to time after the delivery of the Dyadic Materials to Codexis pursuant to Section [2.8\(a\)](#), Dyadic, within [***] days after a written request by Codexis, will [***]; provided, however, that if such request occurs after the payment to Dyadic pursuant to Section [3.1\(c\)](#), (i) Dyadic's obligations [***] shall be limited to materials for [***] at the time of receipt of such written request, and (ii) Codexis shall reimburse Dyadic for its [***] incurred with the [***] of any such [***].

(d) Dyadic shall retain all right, title and interest in and to the Dyadic Materials, subject to the rights and licenses granted to Codexis herein.

2.9 Covenant [***].

(a) Dyadic Covenant. [***].

(b) Codexis Covenant. [***].

⁸ [***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT FILED SEPARATELY WITH THE COMMISSION

(c) **Covenant Agreements.** Dyadic and Codexis each agrees to indemnify, defend and hold harmless the Codexis Indemnitees or the Dyadic Indemnitees, as applicable, and the other Party's licensees, sublicensees, distributors and customers from and against any and all liability, damage, loss, cost, or expense (including without limitation reasonable attorneys' fees) arising out of claims or suits brought by or on behalf of any Codexis Party or Dyadic Party, as applicable, alleging [***] set forth in this Section 2.9, in each case in accordance with the indemnification procedures set forth in Section 7.4. Dyadic and Codexis each agrees to (i) identify the other Party (either specifically or by reference to such other Party as a licensee or sublicensee) in writing in each Covenant Agreement [***] in this Section 2.9; and (ii) require, in each Covenant Agreement, that the relevant Codexis Party or Dyadic Party, as applicable, agree (x) not to assign, sell or otherwise transfer any Patent covered by the Covenant Agreement to a Third Party unless such Third Party agrees to be bound by the Covenant Agreement and (y) that any such sale, assignment or transfer in contravention of this requirement shall be deemed void and ineffective.

2.10 No Other Rights. Dyadic and Codexis each acknowledges that the rights and licenses granted under this Article 2 and elsewhere in this Agreement are limited to the scope expressly granted. Accordingly, except for the rights expressly granted under this Agreement, no right, title, or interest of any nature whatsoever is granted whether by implication, estoppel, reliance, or otherwise, by either Party to the other Party. All rights with respect to technology, patents or other intellectual property rights that are not specifically granted herein are reserved to the owner thereof.

ARTICLE 3

LICENSE FEES

3.1 License Issuance Fees. In consideration of the rights and licenses granted by Dyadic hereunder, Codexis shall pay the [***] 2 fees as follows:

(a) [***];

(b) [***];

⁹ [***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT FILED SEPARATELY WITH THE COMMISSION

(c) [***].

Notwithstanding anything to the contrary, if after Codexis or its designee conducts reasonable due diligence and validation activities with respect to the Dyadic Materials, Codexis determines, on or before [***] days after receipt of the Dyadic Materials by Codexis, that the Dyadic Materials do not satisfy the performance criteria set forth on Exhibit E, Codexis shall not be required to pay any payment under Sections 3.1(a), 3.1(b) and 3.1(c) that would have been due after such determination. For purposes of clarification, Dyadic will train Codexis personnel in the use of, including without limitation in the conduct of validation activities with respect to, the Dyadic Materials in its facilities in The Netherlands; provided, however, that the determination of whether the Dyadic Materials received by Codexis from Dyadic do or do not satisfy the performance criteria set forth in Exhibit E will be made by Codexis personnel in Codexis' facilities in accordance with this Section 3.1. In the event that data obtained by Codexis, as of the expiration of the [***] day period beginning on the date of receipt by Codexis of the Dyadic Materials, indicate that the Dyadic Materials do not satisfy the performance criteria set forth on Exhibit E, samples of the Dyadic Materials received by Codexis from Dyadic will be provided to a skilled practitioner for analysis and a final determination as to whether the Dyadic Materials do or do not satisfy such performance criteria; provided however, that prior to providing such Dyadic Materials to such a skilled practitioner, Codexis shall notify Dyadic of Codexis data, and Dyadic, at Dyadic's expense, shall have the right to send a Dyadic representative to Codexis' facility where such performance criteria were tested to repeat the determination of such performance criteria. The Parties agree that [***] will be enlisted as the skilled practitioner to resolve any dispute between the Parties as to whether the Dyadic Materials do or do not satisfy such performance criteria. If it is determined upon mutual agreement of the Parties, or through the good faith efforts of [***], that the Dyadic Materials do not satisfy the performance criteria, this Agreement shall terminate in accordance with Section 10.2(d) and, within [***]14 days after the effective date of such termination, Dyadic shall reimburse Codexis in full for each payment made by Codexis under Section 3.1(a) and Section 3.1(b), as applicable, [***] as of the date such payment was originally made to Dyadic and, in addition, all fees held in escrow as a consequence of the payment made by Codexis under Section 3.1(c) shall be released to Codexis pursuant to the terms of the Escrow Agreement. The fees and expenses incurred in connection with the verification of the performance of the Dyadic Materials shall be paid by Dyadic if it is determined that the Dyadic Materials do not satisfy such performance criteria and by Codexis if it is determined that the Dyadic Materials do satisfy such performance criteria. For purposes of clarification, in the event that data obtained by Codexis, on or before the expiration of the [***] period beginning on the date of receipt by Codexis of the Dyadic Materials, indicate that the Dyadic Materials do not satisfy the performance criteria set forth on Exhibit E, Codexis shall have no obligation to make any payment to Dyadic pursuant to Section 3.1(a), 3.1(b) or 3.1(c) that has not been made by Codexis prior to such determination by Codexis unless and until there has been a final determination in accordance with this Section 3.1 that the Dyadic Materials do satisfy such performance criteria.

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On or before the Effective Date, the Parties will enter into the Escrow Agreement. Notwithstanding anything to the contrary, the Escrow Agreement will provide that, in the event that the certain conditions set forth on Schedule 1.13 have not been satisfied within [***] days after the Effective Date, all fees held in escrow as a consequence of the payment made by Codexis under Section 3.1(c) shall be released to Codexis.

3.2 License Maintenance Fees.

(a) In the event that Dyadic provides a written notice to Codexis pursuant to Section 2.4(a), or pursuant to Section 2.4(b), with respect to any particular Category (other than Category A and/or Category F), Codexis shall have a right, but not an obligation, to pay to Dyadic, within ninety [***] days after receipt of such notice, a payment equal to [***] of the applicable total payment for such particular Category set forth in Section 3.3(a). In the event that Codexis makes such a payment, the licenses set forth in Section 2.1(a) and Section 2.1(b) shall not terminate with respect to such particular Category, and shall continue in full force and effect with respect to such particular Category for the period specified in Section 2.4 (unless otherwise terminated as set forth in this Agreement).

(b) [***] of any payment made under Section 3.2(a) with respect to any particular Category shall be creditable against the payment made by Codexis for such particular Category pursuant to Section 3.3(a) and Codexis shall make the balance of any payment due pursuant to Section 3.3(a) when it becomes due, regardless of whether Codexis has made a payment under Section 3.3(a). If Codexis makes a payment for any particular Category pursuant to Section 3.3(a), including without limitation for purposes set forth in Section 2.2, Codexis shall have no obligation to make any payments under Section 3.2(a) thereafter with respect to such particular Category, and the licenses set forth in Section 2.1(a) and Section 2.1(b) with respect to such particular Category shall remain in full force and effect through the Term (unless otherwise terminated as set forth in this Agreement).

3.3 Milestone Payments.

(a) First Commercial Sale.

(i) Within [***] days after the First Commercial Sale of a Licensed Product, on a Category-by-Category basis, Codexis shall pay to Dyadic the [***] 11 milestone payments set forth, on a Category-by-Category basis, on Exhibit F, less [***] of any amounts previously paid by Codexis for the Category that includes such Licensed Product pursuant to Section 3.2(a). For the purposes of clarification, (i) in the event of a First Commercial Sale of a second Licensed Product in any Category, no additional payment shall be due under this Section 3.3(a), and (ii) in the event that

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(ii) Codexis has made a payment to Dyadic for a particular Category for purposes set forth in Section 2.2, no additional payment shall be due to Dyadic upon a First Commercial Sale of a Licensed Product in such Category.

(iii) Notwithstanding anything to the contrary, Codexis shall pay to Dyadic the [***] milestone payment set forth on Exhibit E corresponding to Category F only after the First Commercial Sale of a Licensed Product in Category F by and for the benefit of a Person (including Codexis) other than the Codexis Exclusive Partner (including for Codexis or its Affiliates). Accordingly for purposes of clarification, in the event that there is a First Commercial Sale of a License Product in Category F by or for the benefit of the Codexis Exclusive Partner, Codexis shall have no obligation to pay to Dyadic the [***] milestone payment set forth on Exhibit E corresponding to Category F under this Section 3.3(a).

(b) Facility Fees.

(i) For the first (1st) [***] years after the First Commercial Sale of the first Licensed Product in the Field by or for the benefit of the Codexis Exclusive Partner in Category A or Category F (as applicable), for each commercial scale facility used to manufacture Licensed Products for use in such Category by or for the benefit of the Codexis Exclusive Partner, that starts operations during such [***] year period and utilizes any Licensed Product, Codexis shall pay to Dyadic, within [***] days after the start of such operations at such facility, a [***] fee equal to [***] per (A) [***] of annual end-product capacity in Category A, with respect to facilities used to produce such end-product or (B) annual capacity to produce the amount of [***] for use in Category F that would be sufficient to produce [***] of annual end-product capacity in Category A, with respect to facilities used to produce such [***]; provided that Codexis shall not be required to pay any amount greater than [***] under this Section 3.3(b)(i) with respect to any particular commercial scale facility; provided further that, any and all payments (including such [***]¹² limit) due under this Section 3.3(b)(i) shall be reduced by [***] for each commercial scale facility located in a jurisdiction in which no Valid Claim exists covering the development, manufacture, use, sale, offer for sale, importation or other exploitation of any Licensed Product produced at such facility. Any expansion of such a commercial scale facility within such [***] year period shall be subject to additional fees based on the size of such expansion, subject to the forgoing [***] cap per facility. For purposes of illustration, if a facility having [***] per year end-product capacity in Category A becomes operational during the [***] year period after the First Commercial Sale of the first Licensed Product in the Field by or for the benefit of the Codexis Exclusive Partner in Category A in a jurisdiction in which a Valid Claim exists, Codexis will pay to Dyadic a facility fee equal to [***]. If, during such [***] year period such facility's capacity is expanded to [***] per year of end-product in Category A and a Valid Claim exists in such jurisdiction at the time of such expansion, Codexis will pay to Dyadic an additional [***].

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(ii) For the first (1st) [***] years after the First Commercial Sale of the first Licensed Product in the Field by and for the benefit of a Person (including Codexis) other than the Codexis Exclusive Partner in Category F (including by and for Codexis or its Affiliates), for each commercial scale facility used to manufacture Licensed Products for use in Category F by and for the benefit of such a Person, that starts operations during such [***] year period and utilizes any Licensed Product, Codexis shall pay to Dyadic, within [***] days after the start of such operations, a [***] fee equal to (A) [***] if annual [***] capacity at such facility is greater than [***] metric tons but less than [***] metric tons, or (B) [***] if annual [***] capacity at such facility is greater than [***] metric tons; provided that any and all payments due under this Section 3.3(b)(ii) shall be reduced by [***] for each commercial scale facility located in a jurisdiction in which no Valid Claim exists covering the development, manufacture, use, sale, offer for sale, importation or other exploitation of any Licensed Product produced at such facility. Any expansion of a commercial scale facility having an annual [***] capacity less than [***] metric tons or [***] metric tons, respectively, within such [***] year period shall be subject to a fee based on the size of such expansion. For purposes of illustration, if a commercial scale facility with an annual [***] capacity less than [***] metric tons is expanded to have an annual [***] capacity greater than [***] metric tons but less than [***] metric tons during the [***] year period after the First Commercial Sale of the first Licensed Product for use in Category F by and for the benefit of a Person (including Codexis) other than the Codexis Exclusive Partner in a jurisdiction in which a Valid Claim exists at the time such expanded facility becomes operational, Codexis will pay to Dyadic a facility fee equal to [***]. For purposes of further illustration, if a commercial scale facility with an annual [***] capacity equal to [***] metric tons is expanded to have an annual [***] capacity greater than [***] metric tons during the [***] year period after the First Commercial Sale of the first Licensed Product for use in Category F by and for the benefit of a Person (including Codexis) other than the Codexis Exclusive Partner in a jurisdiction in which a Valid Claim exists at the time such expanded facility becomes operational, Codexis will pay to Dyadic an additional [***].

(iii) For purposes of clarification, no commercial scale facility used to manufacture Licensed Products for use in the Field in Categories B, C, D and/or E shall be subject to a facility fee under this Section 3.3(b). For purposes of further clarification, after the expiration of the [***] year period after the First Commercial Sale of the first Licensed Product in the Field, no further payments under this Section 3.3(b) shall be due to Dyadic.

(c) Enzyme Volume Fee. For the first (1st) [***]¹³ years after the First Commercial Sale of the first Licensed Product in the Field in each of Categories B, C, D and/or E, as applicable, Codexis shall pay to Dyadic an enzyme volume fee based on the cumulative total quantity of all Licensed Products sold in the Field in Categories B, C, D and/or E, as set forth in Exhibit G. The fees due pursuant to this Section 3.3(c) shall be based on the cumulative volume of Licensed Product(s) sold in Categories B, C, D and/or E; provided that any volume of Licensed Product sold

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(d) after the applicable [***] year period for any particular Category shall not be included in the cumulative volume calculation. For purposes of clarification, volumes with respect to Licensed Products in the Field in Category A and Category F are not included in the calculation of enzyme volume under [Exhibit G](#) and are not included in calculation of any fees payable under this Section [3.3\(c\)](#). For purposes of further clarification, after the expiration of the [***] year period after the First Commercial Sale of the first Licensed Product in the Field in a particular Category, no further payments under this Section [3.3\(c\)](#) shall be due to Dyadic on any Licensed Product in such particular Category.

(e) **Category F Products Fee.** During the first (1st) [***] years after the First Commercial Sale of the first Licensed Product in the Field in Category F by and for the benefit of a Person (including Codexis) other than the Codexis Exclusive Partner, Codexis shall pay to Dyadic a fee equal to [***] per metric ton of [***] produced. [***].

ARTICLE 4

PAYMENT AND REPORTS

4.1 Facility Fee Reports and Payments. For each calendar quarter after the First Commercial Sale of the first Licensed Product in the Field in Category A and/or Category F, within [***] days after the end of each such calendar quarter, Codexis shall determine and shall deliver to Dyadic a report specifying (a) each facility for which a Facility Fee is due under Section [3.3\(b\)](#), (b) the end-product or [***] capacity thereof, as applicable, and (c) the amount payable to Dyadic under Section [3.3\(b\)](#). Any and all payments payable to Dyadic under Section [3.3\(b\)](#) shall be due and payable within [***] days after the end of the calendar quarter in which the particular commercial scale facility initiated operations for purposes of Section [3.3\(b\)](#). If no payment is due, Codexis shall so report.

4.2 Enzyme Volume Fee Reports and Payments. For each calendar quarter after the First Commercial Sale of the first Licensed Product in the Field in Categories B, C, D and/or E, within [***] ¹⁴ days after the end of each such calendar quarter, Codexis shall determine and shall deliver to Dyadic a report specifying, on a Category-by-Category basis, (a) the MTEP of Licensed Product sold in each of Categories B, C, D and/or E, and (b) the amount payable to Dyadic under Section [3.3\(c\)](#) in accordance with [Exhibit G](#). Any and all payments payable to Dyadic under Section [3.3\(c\)](#) shall be due and payable within [***] days after the end of the calendar quarter in which the applicable Licensed Products were sold for purposes of payments under Section [3.3\(c\)](#). If no payment is due, Codexis shall so report.

4.3 Category F Products Reports and Payments. For each calendar quarter after the First Commercial Sale of the first Licensed Product in the Field in Category F by and for the benefit

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4.4 of a Person (including Codexis) other than the Codexis Exclusive Partner, within [***] days after the end of each such calendar quarter, Codexis shall determine and shall deliver to Dyadic a report specifying, (a) the metric tons of [***] produced and used in the production of products in Category F, and (b) the amount payable to Dyadic under Section 3.3(e). Any and all payments payable to Dyadic under Section 3.3(e) shall be due and payable within [***] days after the end of the calendar quarter in which the applicable [***] were sold for purposes of production of products in Category F. If no payment is due, Codexis shall so report.

4.5 **Payment Method.** All payments due under this Agreement to Dyadic shall be made by bank wire transfer in immediately available funds to an account designated by Dyadic, and except as otherwise provided for payments due under Section 3.3, within thirty (30) days after receipt by Codexis of a relevant invoice for such payment. All payments hereunder shall be made in Dollars.

4.6 **Withholdings Taxes.** Any withholding or other tax that is required by Law to be withheld with respect to payments owed by Codexis pursuant to this Agreement shall be deducted by Codexis from such payment prior to remittance. Codexis shall promptly furnish Dyadic evidence of any such taxes withheld and reasonably assist Dyadic in obtaining applicable credits with respect thereto. Without limiting the foregoing, Codexis agrees, at Dyadic's request, to reasonably cooperate with Dyadic in availing itself of the benefit of any tax treaty to minimize such withholding tax with respect to payments hereunder to the extent permitted under Law.

4.7 **Inspection of Records.** Codexis shall keep, and shall require its Affiliates and sublicensees to keep, full and accurate books and records setting forth the name and address of each commercial scale facility for which a payment is due under Section 3.3(b) (each, a "Facility"), MTEP of Licensed Product sold for Categories B, C, D and/or E for which a payment is due under Section 3.3(c), and metric tons of [***] produced for use in production of products in Category F for which a payment is due under Section 3.3(e). Codexis shall require each of its sublicensees to provide to Codexis full and accurate copies of all books and records setting forth (a) the list of each Facility and/or (b) MTEP of Licensed Product sold by or for the benefit of such sublicensee in Categories B, C, D and/or E and/or (c) the metric tons of [***] produced for use in production of products in Category F by and for the benefit of such sublicensee; provided that the production of such [***]¹⁵ would result in a payment obligation to Dyadic pursuant to Section 3.3(e). Codexis shall permit Dyadic, by independent qualified public accountants engaged by Dyadic and reasonably acceptable to Codexis, to examine Codexis' and its Affiliates' books and records at any reasonable time, solely to determine the accuracy of the Facility Fees and/or the MTEP sold and/or the metric tons of [***] produced, but not later than [***] years following the rendering of any corresponding reports, accountings and payments pursuant to this Article 4. The foregoing right of review may be exercised [***] month period. The independent qualified public accountants engaged by Dyadic shall be under a confidentiality obligation to Codexis to disclose to Dyadic only the amount and

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4.8 accuracy of payments reported and actually paid or otherwise payable under this Agreement. The opinion of such independent accountants regarding such payments shall be binding on the Parties other than in the case of clear error. Dyadic shall bear the cost of any such examination and review; provided that if the inspection and audit shows an underpayment of any payment under Section 3.3(b) or Section 3.3(c) or Section 3.3(e) of more than [***] of the amount due for the applicable period, then Codexis shall promptly reimburse Dyadic for all costs incurred in connection with such examination and review. Codexis shall promptly pay to Dyadic the amount of any underpayment of any payment under Section 3.3(b) and/or Section 3.3(c) and/or Section 3.3(e) revealed by an examination and review with interest on the underpayment at the rate specified in Section 4.9 from the date such payment was originally due. Any overpayment of any payment under Section 3.3(b) and/or Section 3.3(c) and/or Section 3.3(e) by Codexis revealed by an examination and review shall be fully-creditable against future payments under Article 3. Except as otherwise provided in this Section 4.7 above, all matters reviewed by such independent qualified public accountants shall be deemed Confidential Information of Codexis and subject to the confidentiality obligations of Article 6.

4.9 Late Payment. Any payments or portions thereof due hereunder which are not paid when due shall bear interest equal to the lesser of the rate equal to [***], on the date such payment was due or the maximum rate permitted by Law, calculated on the number of days such payment is delinquent. This Section 4.9 shall in no way limit any other remedies available to either Party.

ARTICLE 5

INTELLECTUAL PROPERTY

5.1 Prosecution of Licensed Patents. Dyadic shall, at Dyadic's sole cost and expense, [***], file for, prosecute, respond to oppositions, nullity actions, re-examinations, revocation actions and similar proceedings (including without limitation conducting or participating in interference and oppositions) filed by Third Parties against, and maintain the patents and patent applications within the Licensed Patents that are owned or otherwise controlled by Dyadic; provided that, in the event that Dyadic decides to cease activities relating to obtaining and maintaining any patent application or patent within the Licensed Patents that is owned or otherwise controlled by Dyadic, Dyadic shall provide written notice thereof to Codexis and, prior to taking action that would result in the abandonment of any such patent application or patent, Dyadic shall engage in good faith discussion with Codexis, such discussion to occur at least [***]¹⁶ days prior to the date when government rights would be lost as a consequence of abandonment of such patent application or patent.

5.2 Enforcement of Licensed Patents. In the event that Codexis reasonably believes that any Licensed Patent is being infringed by a Third Party, Codexis shall promptly notify Dyadic and provide Dyadic with evidence thereof. As between the Parties, Dyadic shall have the sole right

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5.3 to enforce such Licensed Patents with respect to such infringement, or to defend any declaratory judgment action with respect thereto, at Dyadic's expense.

5.4 **Cooperation.** Codexis agrees to cooperate with Dyadic as reasonably requested by Dyadic, at Dyadic's expense, in connection with the activities undertaken pursuant to this Article 5.

ARTICLE 6

CONFIDENTIALITY

6.1 Confidentiality Obligations. Each Party agrees that, during the term of this Agreement and for [***] years thereafter, all Confidential Information of the other Party shall be maintained in strict confidence, and shall not be used for any purpose other than the purposes expressly permitted by this Agreement, and shall not be disclosed to any Third Party. The foregoing obligations will not apply to any portion of Confidential Information to the extent that it can be established by competent proof that such portion:

- (a) was already known to the recipient as evidenced by its written records, other than under an obligation of confidentiality, at the time of disclosure;
- (b) was generally available to the public or was otherwise part of the public domain at the time of its disclosure to the recipient;
- (c) became generally available to the public or otherwise becomes part of the public domain after its disclosure and other than through any act or omission of the recipient in breach of this Agreement; or
- (d) was subsequently lawfully disclosed to the recipient by a Third Party other than in contravention of a confidentiality obligation of such Third Party to the disclosing party.

6.2 Permitted Usage. Each 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 or retained by such Party in this Agreement; (b) in connection with the filing for, prosecution, maintenance and enforcement of the Licensed Patents in accordance with this Agreement; (c) in connection with complying with the terms of agreements with Third Parties, prosecuting or defending litigation, complying with applicable governmental regulations, filing for, obtaining and maintaining regulatory approvals, or otherwise required by Law; provided, however, that if a Party is required by Law to make any disclosure of the other Party's Confidential Information it will give reasonable advance notice to the other Party of such disclosure requirement and will use its reasonable efforts to secure confidential treatment of such Confidential Information required to be disclosed; (d) in communication with potential or actual collaborators, partners, or licensees (including without limitation potential 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

6.3 obligations set forth in this Article 6; (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; provided, however, that the receiving Party shall remain responsible for any failure by any Person who receives Confidential Information pursuant to this Section [6.2](#) to treat such Confidential Information as required under this Article 6; and/or (f) to the extent mutually agreed to by the Parties in a prior writing.

6.4 Confidential Terms. 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 collaborators, partners, or licensees (including without limitation potential 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 in this Article 6; and/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; provided, however, that the receiving Party shall remain responsible for any failure by any Person who receives Confidential Information pursuant to this Section [6.4](#) to treat such Confidential Information as required under this Article 6.

6.5 Exceptions for Applicable Law or Regulation. Notwithstanding anything to the contrary in this Article 6, 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; 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 6 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.

6.6 Codexis Confidential Information. Dyadic has requested that (a) all Codexis Confidential Information, including without limitation any and all information provided by Codexis to Dyadic pursuant to Section [2.1\(c\)](#), Section [4.1](#), Section [4.2](#), Section [4.3](#) and/or Section [4.7](#), be

6.7 delivered by Codexis to Dyadic's Chief Executive Officer, outside counsel as indicated in Section 10.10, or, with respect to financial reports and payments as specified in Section 4.1, Section 4.2, Section 4.3 and/or Section 4.7, to Dyadic's internal accounting staff, and to no other employee, representative or agent of Dyadic, and (b) any information delivered by Codexis to any employee, representative or agent of Dyadic, other than (i) as set forth in subsection (a) of this Section 6.6 or (ii) in response to a request for such information by any employee, representative or agent of Dyadic, be deemed to be non-confidential information for purposes of this Article 6 and this Agreement (collectively, the "**Dyadic Request**"). Notwithstanding anything to the contrary, exchange of technical information in connection with the delivery of the Dyadic Material and the technology transfer as contemplated by Section 2.8 shall be deemed to be Confidential Information of the providing Party.

6.8 **Public Announcements.** Except to the extent required by Law, neither Party shall make any public announcements concerning this Agreement or the terms hereof without the prior written consent of the other Party; provided that, upon the Effective Date, the Parties will issue a joint press release announcing this Agreement and the relationship of the Parties. Such press release will be in the form attached hereto as Exhibit H. Thereafter, each Party may disclose to Third Parties the information contained in such press release without the need for further approval by the other Party.

ARTICLE 7

INDEMNIFICATION

7.1 **Indemnification by Codexis.** Codexis 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 Third Party claims or suits related to: (a) breach by Codexis of any of its representations, warranties, or covenants under this Agreement; (b) the negligence or willful misconduct of Codexis or its Affiliates, and its or their directors, officers, agents, employees, or consultants; and (c) any exploitation by, or under the authority of, Codexis of the licenses granted under Section 2.1 (including by any Affiliate or sublicensee); provided, however, that Codexis' obligations pursuant to this Section 7.1 will not apply to the extent such claims or suits result from (i) any claim or suit by a Third Party that use or exploitation of the Dyadic Materials as delivered to Codexis infringe intellectual property rights of such Third Party except with respect to any such claim or suit that is a consequence of actions by Codexis to modify or derivatize such Dyadic Materials, the combination of such Dyadic Materials with other materials or (ii) the negligence or willful misconduct of any of the Dyadic Indemnitees or breach by Dyadic of its representations, warranties, or covenants set forth in this Agreement, or to the extent that Dyadic has indemnification obligations with respect to such claims or suits under Section 7.2.

7.2 **Indemnification by Dyadic.** Dyadic shall indemnify, defend, and hold Codexis and its Affiliates, sublicensees, agents, employees, officers, and directors (the "**Codexis Indemnitees**") harmless from and against any and all liability, damage, loss, cost, or expense (including without

7.3 limitation reasonable attorneys' fees) arising out of Third Party claims or suits related to: (a) breach by Dyadic of any of its representations, warranties, or covenants under this Agreement; and (b) the negligence or willful misconduct of Dyadic or its Affiliates, and its or their directors, officers, agents, employees, or consultants; provided, however, that Dyadic's obligations pursuant to this Section 7.2 will not apply to the extent such claims or suits result from the negligence or willful misconduct of any of the Codexis Indemnitees or breach by Codexis of its representations, warranties, or covenants set forth in this Agreement, or to the extent that Codexis has indemnification obligations with respect to such claims or suits under Section 7.1.

7.4 Procedure. As a condition to a Party's right to receive indemnification under Section 7.1, Section 7.2 or Section 2.9(c), it shall: (a) promptly deliver notice in writing (a "Claim Notice") to the other Party as soon as it becomes aware of a claim or suit for which indemnification may be sought pursuant to Section 7.1, Section 7.2 or Section 2.9(c) (provided that the failure to give a Claim Notice promptly shall not prejudice the rights of an indemnified Party 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, at the expense of the indemnifying Party; and (c) if the indemnifying Party confirms in writing to the indemnified Party its intention to defend such claim or suit within [***]12 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 [***] 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 in the case of (i) and otherwise upon [***] days' written notice by the indemnified Party to the indemnifying Party, and the indemnified Party 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 indemnified Party or that otherwise materially affects such indemnified Party's rights under this Agreement or requires any payment by an indemnified Party without the prior written consent of such indemnified Party. Except as expressly provided above, the indemnifying Party will have no liability under this Article 7 or Article 2 with respect to claims or suits settled or compromised without its prior written consent.

ARTICLE 8

REPRESENTATIONS, WARRANTIES, AND COVENANTS

8.1 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

¹⁷ [***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT FILED SEPARATELY WITH THE COMMISSION

8.2 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.

8.3 Dyadic Representations, Warranties and Covenants.

(a) Dyadic represents and warrants that, as of the Effective Date, except as set forth on Schedule 9.3(a), (i) the Patents set forth on Exhibit C are a complete list of all Patents that claim or disclose Dyadic's C1 expression system, the C1 high-throughput screening system and/or C1-derived enzymes that are necessary or useful in the [***]¹⁸; (ii) Dyadic is the owner of each, and no Person has any valid claim of ownership with respect to any, of the Patents listed on Exhibit C and of the Dyadic Materials; (iii) to the knowledge of Dyadic, the Dyadic Materials [***]; (iv) Dyadic has the right and authority to enter into this Agreement and to grant the rights and licenses granted to Codexis herein; (v) Dyadic is in compliance with Law applicable to the transfer of biological materials, including without limitation guidelines and recommendations with respect to biodiversity, and has obtained any and all authorizations, licenses and/or permits required for transfer by Dyadic of the Dyadic Materials to Codexis, except in each as would not be reasonably expected to have a material adverse effect on Codexis' ability to practice the rights granted to Codexis pursuant to Section 2.1(a) and Section 2.1(b); (vi) the Licensed IP and the Dyadic Materials are free and clear of any and all liens and/or encumbrances; (vii) Dyadic has not granted any right, license or interest in the Licensed IP, or any portion thereof, inconsistent with the rights and licenses granted to Codexis herein; (viii) there are no Third Party actions, claims or demands, and, to Dyadic's knowledge, (A) there are no threatened or pending Third Party actions, claims or demands and (B) there is no reasonable basis to support any Third Party action, claim or demand, relating either to the Licensed IP or the right of Dyadic to grant to Codexis the rights and licenses granted herein; (ix) Dyadic does not own or otherwise control any Patent, other than those set forth on Exhibit C that claim (A) any composition of matter or formulation thereof (including any manufacture, offer for sale, sale, importation or use of such composition or formulation) or (B) any use in the Field, that would, in each of (A) and/or (B), be necessary or reasonably useful in the practice of the rights granted to Codexis pursuant to Section 2.1(a) and Section 2.1(b); (x) the Dyadic Materials delivered to Codexis pursuant to Section 2.8 include the tangible materials that are currently being used for the benefit of Dyadic at Dyadic, [***] and Dyadic's Affiliate in The Netherlands for similar purposes as those

¹⁸ [***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT FILED SEPARATELY WITH THE COMMISSION

(b) contemplated hereunder and, to Dyadic's knowledge, it is not in possession of any other such materials that would be necessary for the practice of the rights granted to Codexis pursuant to Section 2.1(a) and Section 2.1(b), other than any such materials for which Dyadic has contractual obligations as of the Effective Date that would preclude such delivery to Codexis; (xi) Dyadic has not granted a license right to any Third Party to practice the Licensed IP, to use the Dyadic Materials, or to practice or to use any component of the foregoing that would result in any Improvement made by, for the benefit of or under the authority of, such Third Party to be exempt from the covenant granted by Dyadic to Codexis in Section 2.9(a); (xii) to Dyadic's knowledge, the Dyadic Materials are not [***]¹⁹; (xiii) [***] to be delivered to Codexis as part of the Dyadic Materials [***]; (xiv) the certificate of secretary for Dyadic International (USA), Inc. attached hereto as Exhibit I is true, accurate and correct; (xv) the certificate of secretary for Dyadic International, Inc. attached hereto as Exhibit J is true, accurate and correct; and (xvi) [***] strain provided to Codexis [***]. For clarity, Codexis acknowledges that Dyadic [***] to Dyadic other than the [***] and that [***].

(c) Dyadic covenants that (i) Dyadic will not, during the Term, undertake any obligation, or grant any right, license, interest or lien, that conflicts with its obligations, or the rights and licenses granted to Codexis, under the terms of this Agreement, or impairs the rights granted by Dyadic to Codexis under the terms of this Agreement; (ii) Dyadic will, as soon as practicable, deliver to Codexis [***].

8.4 Codexis Covenants. Codexis covenants that:

(a) Codexis and its Affiliates will not (i) solicit or initiate any inquiry, proposal or offer from, or provide any information specific to the Licensed IP to, or conduct any research using the Licensed IP for the benefit of, any Third Party set forth on Schedule 8.4(a) regarding any sublicense in Category F prior to [***]²⁰ months after the Effective Date, and (ii) grant a sublicense to any Third Party in Category F, other than Codexis Exclusive Partner, prior to [***] months after the Effective Date; and

(b) if all actions set forth in Schedule 8.3(c) have not been completed by Dyadic within [***] days after receipt of the Dyadic Materials by Codexis, as evidenced by delivery to Codexis of an executed certificate and supporting materials and documentation, as further described in subsection (ii) of Section 8.3(c), Codexis will enter into the Escrow Agreement with Dyadic.

8.5 Disclaimer. EXCEPT AS PROVIDED IN THIS ARTICLE 8, NEITHER PARTY MAKES ANY REPRESENTATION OR WARRANTY (EXPRESS, IMPLIED, STATUTORY OR

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²⁰ [***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT FILED SEPARATELY WITH THE COMMISSION

8.6 OTHERWISE) WITH RESPECT TO THE SUBJECT MATTER OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION WITH RESPECT TO THE DYADIC MATERIALS OR ANY DERIVATIVE OR MODIFICATION OF THE DYADIC MATERIALS, AND EACH PARTY SPECIFICALLY DISCLAIMS ANY AND ALL IMPLIED WARRANTIES OR CONDITIONS OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND ALL WARRANTIES AND CONDITIONS OF THE VALIDITY OF THE LICENSED PATENTS OR NONINFRINGEMENT OF THIRD PARTY INTELLECTUAL PROPERTY RIGHTS. THIS SECTION 8.6 SHALL NOT BE CONSTRUED TO LIMIT EITHER PARTY'S OBLIGATIONS UNDER ARTICLE 7.

ARTICLE 9

LIMITATION OF LIABILITY

9.1 EXCEPT FOR ANY LIABILITY THAT IS THE CONSEQUENCE OF WILLFUL MISCONDUCT OF A PARTY, OR A BREACH OF ARTICLE 6, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, CONSEQUENTIAL, EXEMPLARY OR INCIDENTAL DAMAGES (INCLUDING LOST OR ANTICIPATED REVENUES OR PROFITS RELATING TO THE SAME), HOWEVER CAUSED AND ON ANY THEORY OF LIABILITY ARISING OUT OF THIS AGREEMENT, WHETHER SUCH CLAIM IS BASED ON CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, AND WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE. THESE LIMITATIONS SHALL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY PROVIDED HEREIN. THIS ARTICLE 9 SHALL NOT BE CONSTRUED TO LIMIT EITHER PARTY'S OBLIGATIONS UNDER ARTICLE 7.

ARTICLE 10

TERM AND TERMINATION

10.1 **Term.** Unless terminated earlier pursuant to Section 10.2, the term of this Agreement shall commence on the Effective Date and continue in full force and effect for as long as Codexis has an obligation to pay Dyadic any of the amounts set forth under Article 3 (the "Term").

10.2 Termination.

(a) **For Convenience.** Any provision herein notwithstanding, Codexis shall have the right to terminate this Agreement at will at any time after making the payments set forth in Section 3.1, by giving Dyadic [***] 21 days' written notice referencing this Section 10.2(a).

²¹ [***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT FILED SEPARATELY WITH THE COMMISSION

(b) For Material Breach. If either Party shall at any time breach any material term, condition or agreement herein, and shall fail to have initiated and actively pursued remedy of any such default or breach within [***] days after receipt of written notice thereof, or [***] days with respect to any breach of a payment obligation, by the other Party, that other Party may, at its option, terminate this Agreement and revoke any rights and licenses herein. Any termination of the Agreement under this Section [10.2\(b\)](#) shall not, however, prejudice the right of the Party who terminates this Agreement to recover any milestone payment or other sums due at the time of such cancellation, and it being understood that if within [***] days, or [***] days with respect to any breach of a payment obligation, after receipt of any such notice the breaching Party shall have initiated and actively pursued remedy of its default, then the rights and licenses herein granted shall remain in force as if no breach or default had occurred on the part of the breaching Party, unless such breach or default is not in fact remedied within [***] days, or [***] days with respect to any breach of a payment obligation, of such notice.

(c) Termination due to Challenge of Patent. To the extent permitted by Law, the licenses granted by Dyadic to Codexis under this Agreement may, at Dyadic's option, be terminated as to any country by Dyadic in the event that Codexis challenges the validity of a Dyadic Patent in such country.

(d) Termination due to Failure to meet Performance Criteria. This Agreement shall terminate automatically, without any requirement of further action by either Party, upon confirmation, in accordance with Section [3.1](#), that the Dyadic Materials did not meet the performance criteria. In the event of termination of this Agreement in accordance with this Section [10.2\(d\)](#), Dyadic shall reimburse Codexis in full for each payment made by Codexis under Section [3.1\(a\)](#) and Section [3.1\(b\)](#), as applicable, plus interest at the rate specified in Section [4.9](#) as of the date such payment was originally made to Dyadic and, in addition, all fees held in escrow as a consequence of the payment made by Codexis under Section [3.1\(c\)](#) shall be released to Codexis pursuant to the terms of the Escrow Agreement.

10.3 Effect of Termination/Expiration.

(a) Rights and Obligations Upon Expiration. Upon expiration (but not earlier termination) of this Agreement, all rights and licenses granted by either Party to the other Party hereunder that were in effect immediately prior to the effective date of such expiration shall become irrevocable, perpetual and fully-paid.

(b) Rights and Obligations Upon Termination. As of the effective date of a termination (but not expiration) of this Agreement for any reason: (i) Section [2.1](#) shall terminate and all rights in the Licensed IP shall revert to Dyadic, except as provided in Section [10.3\(d\)](#); (ii) Dyadic shall have the right to retain all amounts correctly paid hereunder; provided that, in the event of termination of this Agreement pursuant to Section [10.2\(d\)](#), nothing in this Section [10.3\(a\)](#) shall limit Dyadic's obligation to reimburse Codexis in full for each of the payments made by Codexis under Section [3.1](#) plus interest at the rate specified in Section [4.9](#) as of the date such payments were

(c) originally made to Dyadic; (iii) each Party shall return to the other Party any materials (including, without limitation, the Dyadic Materials), and any and all improvements, derivatives or modifications thereof provided to it by such Party pursuant to this Agreement, except as provided in Section 10.3(d); and (iv) each Party shall return to the other Party and cease using all Confidential Information of the other, except as provided in Section 10.3(d); provided that counsel of each Party may retain one (1) copy of such Confidential Information for ensuring compliance with Article 6.

(d) **Termination by Codexis for Material Breach; Retained Licensed Products.** As of the effective date of a termination by Codexis pursuant to Section 10.2(b) for a material breach by Dyadic, all terms and conditions of this Agreement including the rights and licenses granted by Dyadic to Codexis hereunder that were in effect immediately prior to the effective date of such termination shall survive; provided that any and all payments due by Codexis to Dyadic under Article 3 as of the effective date of such termination shall be reduced by [***]; and provided further that, in the event of such a termination by Codexis due to a breach by Dyadic of its obligations under Section 2.9(a), Codexis shall have no further payment obligations to Dyadic under Article 3.

(e) **Covenant [***]**²². The provisions of Section 2.9 shall survive expiration of this Agreement, but shall not survive earlier termination except as expressly provided in this Section 10.3(e). In the event of a termination of this Agreement by Codexis pursuant to Section 10.2(c), the provisions of Section 2.9(a), and Section 2.9(c) (but only as applicable to Section 2.9(a)), shall survive. In the event of a termination of this Agreement (i) by Codexis for convenience pursuant to Section 10.2(a) or (ii) by Dyadic for Codexis' breach pursuant to Section 10.2(b), the provisions of Section 2.9(b), and Section 2.9(c) (but only as applicable to Section 2.9(b)), shall survive.

(f) **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.

(g) **Survival.** Articles 1, 6 (for the period set forth in Section 6.1), 7, 9 and 11, and Sections 2.10, 4.7, 8.5, and 10.3 (as applicable), shall survive the expiration and any termination of this Agreement. Except as otherwise provided in this Section 10.3, all other provisions of this Agreement shall terminate upon the expiration or termination of this Agreement.

²² [***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT FILED SEPARATELY WITH THE COMMISSION

(h)

GENERAL PROVISIONS

10.4 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; provided that any waiver, modification, amendment or alteration of Section 6.6 or Section 10.10 shall be valid and effective only by the procedure set forth in such Section 6.6 and/or Section 10.10, as applicable.

10.5 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.

10.6 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 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 in a manner such that the assigning Party will remain liable and responsible for the performance and observance of all of its duties and obligations hereunder. This Agreement shall be binding upon successors and permitted assigns of the Parties. Any assignment not in accordance with this Section 10.6 will be null and void.

10.7 Performance by Affiliates. The Parties recognize that each may perform some or all of its obligations under this Agreement through Affiliates or may exercise some or all of its rights under this Agreement through Affiliates, provided, however, that each Party shall remain responsible and be guarantor of the performance by its Affiliates and shall cause its 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 6, and (ii) all Affiliates of Codexis that have access to the Dyadic Materials or any derivative or modification thereof shall be governed and bound by all obligations set forth in Section 2.7 and Article 6. 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.

10.8 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

10.9 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.

10.10 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); provided that no postal strike or other disruption is then in effect or comes into effect within two (2) days after such mailing, 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 Codexis: Codexis, Inc.
200 Penobscot Drive
Redwood City, CA 94063
Attention: General Manager, Bioindustrials
Fax: [***]

With a copy to: Codexis, Inc.
200 Penobscot Drive
Redwood City, CA 94063
Attention: General Counsel
Fax: [***]

If to Dyadic: Dyadic International (USA), Inc.
140 Intracoastal Pointe Drive, Suite 404
Jupiter, FL 33477-5094
Attention: Mark A. Emalfarb
Fax: [***]

With a copy to: Robert Levin
Levin & Ginsburg
180 North LaSalle Street, Suite 3200
Chicago, IL 60601
Fax: [***]

²³ [***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT FILED SEPARATELY WITH THE COMMISSION

²⁴ [***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT FILED SEPARATELY WITH THE COMMISSION

10.11 Compliance with Law. Each Party shall comply with all Law in connection with its activities pursuant to this Agreement.

10.12 Governing Law; Dispute Resolution. The rights and obligations of the Parties under this Agreement shall be governed, and shall be interpreted, construed, and enforced, in all respects by the Law of the State of New York, as permitted by Section 5-1401 of the New York General Obligations Law (or similar successor provision), 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 New York to the rights and duties of the Parties. All actions and proceedings arising out of or relating to this Agreement shall be heard and determined in any New York State or federal court sitting in New York City, New York County, New York, and the Parties hereby irrevocably submit to the jurisdiction of such courts in any such action or proceeding and irrevocably waive any defense of an inconvenient forum to the maintenance of any such action or proceeding.

10.13 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.

10.14 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.

10.15 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.

10.16 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.

10.17 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.

10.18 [Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement in duplicate originals by their duly authorized representatives as of the Effective Date.

CODEXIS, INC.
("Codexis")

By:/s/ Alan Shaw _____

Name:Alan Shaw _____

Title:President and CEO _____

DYADIC INTERNATIONAL (USA), INC.
("Dyadic")

By:/s/ Mark A. Emalfarb _____

Name:Mark A. Emalfarb _____

Title:CEO _____

DYADIC INTERNATIONAL, INC.
("Dyadic ")

By:/s/ Mark A. Emalfarb _____

Name:Mark A. Emalfarb _____

Title:CEO _____

EXHIBIT A

FIELD

The Field shall consist of the following Categories:

Category A, [***]²⁵.

Category B, [***].

Category C, [***].

Category D, [***].

Category E, [***].

Category F, [***].

The Field shall not include [***] and (vi) any other use not set forth in Categories A through F. For purposes of this Exhibit A, the term [***] means [***].

²⁵ [***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT FILED SEPARATELY WITH THE COMMISSION

EXHIBIT B

FIRST COMMERCIAL SALE

The First Commercial Sale, on a Category-by-Category basis, shall be:

Category A [***]²⁶: The first sale of one thousand kilograms (1,000 kg) or more of formulated enzyme product for use in a commercial or pre-commercial facility.

Category B, [***]: The first sale of [***].

Category C, [***]: The first sale of [***].

Category D, [***]: The first sale of [***].

Category E, [***]: The first sale of [***].

Category F, [***]: The first sale of [***].

²⁶ [***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT FILED SEPARATELY WITH THE COMMISSION

EXHIBIT C
 LICENSED PATENTS

Title	Country	Status	Application No.	App. Date	Patent No.	Issue Date
*** 1.1	***	***	***	***	***	***
2.	***	***	***	***	***	***
3.	***	***	***	***	***	***
4.	***	***	***	***	***	***
*** 5.	***	***	***	***	***	***
6.	***	***	***	***	***	***
*** 7.	***	***	***	***	***	***
*** 8.	***	***	***	***	***	***
9.	***	***	***	***	***	***
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14.	***	***	***	***	***	***
15. v	***	***	***	***	***	***
16.	***	***	***	***	***	***
17.	***	***	***	***	***	***
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91.	***	***	***	***	***	***	***
92.	***	***	***	***	***	***	***
93.	*** ³⁵	***	***	***	***	***	***
94.	***	***	***	***	***	***	***
95.	***	***	***	***	***	***	***
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99.	***	***	***	***	***	***	***
100.	***	***	***	***	***	***	***
101.	***	***	***	***	***	***	***
102.	***	***	***	***	***	***	***
103.	*** ³⁶	***	***	***	***	***	***
104.	***	***	***	***	***	***	***
105.	***	***	***	***	***	***	***
106.	***	***	***	***	***	***	***

27 [***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT FILED SEPARATELY WITH THE COMMISSION

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EXHIBIT D

MATERIALS

[**] [2 pages redacted]³⁷

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EXHIBIT E
MATERIALS PERFORMANCE CRITERIA

Milestone 1.

Item	Duration
***	***
***	***
***	***
***	***
	Total ***

Deliverable ***: ***.

Milestone 2. ***

Transformation:

Item	Duration
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Deliverable ***: ***.

³⁸ *** DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT FILED SEPARATELY WITH THE COMMISSION

Milestone 3. [**]

Item	Duration
[**] 32	[**]
	[**][**]
	[**][**]

Deliverable [**]: [**].

³⁹ [**] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT FILED SEPARATELY WITH THE COMMISSION

EXHIBIT F

FIRST COMMERCIAL SALE MILESTONE PAYMENTS

Category	Amount
A	[**] ⁴⁰
B	[**]
C	[**]
D	[**]
E	[**]
F	[**]

* Payable only after the First Commercial Sale of a Licensed Product in Category F by and for the benefit of a Person (including Codexis) other than the Codexis Exclusive Partner, as described in Section [3.3\(a\)\(iii\)](#).

⁴⁰ [**] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT FILED SEPARATELY WITH THE COMMISSION

EXHIBIT G

ENZYME VOLUME FEE MILESTONE PAYMENTS

For the commercial sales of enzymes for use in the Field in Categories B, C, D and/or E, Codexis shall pay Dyadic an enzyme volume fee milestone pursuant to Section [3.3\(c\)](#) based on the cumulative volume of all such enzyme(s) in a particular Category that have been sold by Codexis, its Affiliates or its sublicensees during the ⁴¹ years after the First Commercial Sale of the first Licensed Product in such particular Category as measured in MTEP, as follows:

	MTEP	\$ per MTEP	Full Segment Payment	Cumulative Segment Payment
Segment 1	***	***	***	***
Segment 2	***	***	***	***
Segment 3	***	***	***	***
Segment 4	***	***	***	***
Segment 5	***	***	***	***
Segment 6	***	***	***	***
Segment 7	***	***	***	***
Segment 8	***	***	***	***

*For illustration purposes, if sales of enzyme were *** MTEP, the Full Segment 8 Payment would equal ***, and the Cumulative Segment Payment would equal *** (i.e., ***).

MTEP will be calculated using ***.

⁴¹ *** DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT FILED SEPARATELY WITH THE COMMISSION

EXHIBIT H
FORM OF PRESS RELEASE

See Attached

Codexis, Inc.
200 Penobscot Drive
Redwood City, CA 94063
Tel: 650.421-8100
www.codexis.com

Dyadic International, Inc.
140 Intracoastal Pointe Drive, Suite 404
Jupiter, Florida 33477-5094 USA
Phone: 1-561-743-8333
www.dyadic.com

Codexis, Dyadic In Enzyme Production System License Agreement

Redwood City, CA and Jupiter, FL – (Date) – Codexis, Inc. and Dyadic International (USA), Inc. today announced a license agreement covering use of Dyadic's C1 expression system for large-scale production of enzymes in certain fields including biofuels and chemical and pharmaceutical intermediate production. The agreement includes an upfront payment by Codexis of \$10 million provided that certain performance criteria are satisfied. Additional financial terms were not disclosed.

"Codexis develops improved biocatalysts which are solving specific industrial challenges for global leaders in pharmaceuticals and bioindustrials. We are developing advanced biofuels from non-food biomass sources, and we have other programs aimed at addressing critical environmental issues," said Alan Shaw, Ph.D., Codexis President and Chief Executive Officer. "The Dyadic production system expands our technology platform, providing improved capability and efficiency in enzyme production across many Codexis programs."

"Dyadic's C1 expression system enables the cost-effective manufacture of industrial enzymes at commercial scale," said Mark Emalfarb, Dyadic Founder and Chief Executive Officer. "We anticipate our C1 System may help overcome limitations of current techniques, and can be an important tool as Codexis develops new fuels and other clean technology products."

About Codexis

Codexis Inc. is a clean technology company. Codexis develops biocatalysts used to create powerful, efficient and cleaner chemistry-based manufacturing processes in the life sciences, bioindustrial and chemical marketplaces. Codexis technology is used by global pharmaceutical

companies for cost-effective manufacturing of human therapeutics and in the energy industry to enable advanced biofuels. Future commercial applications include carbon management, water treatment and chemical manufacturing. For more information, visit www.codexis.com.

About Dyadic

Dyadic International, Inc. is engaged in the development, manufacture and sale of biological products using a number of proprietary fungal strains to produce enzymes and other biomaterials, principally focused on a system for protein production based on the patented *Chrysosporium lucknowense* fungus, known as C1.

Dyadic is applying its technologies for the production of enzymes for various industrial applications such as pulp and paper, food and feed, and is working on diminishing its reliance of enzyme sales into the textile industry. Dyadic uses, for itself and others, its patented and proprietary technologies to conduct research and development activities for the discovery, development, and manufacture of products and enabling solutions to the bioenergy, industrial enzyme and pharmaceutical industries.

Cautionary Statement for Forward-Looking Statements

Certain statements made in this press release may be considered "forward-looking statements." These forward-looking statements are based upon current expectations and involve a number of assumptions, risks and uncertainties that could cause our actual results, performance or achievements to be materially different from such forward-looking statements. In view of such risks and uncertainties, investors and stockholders should not place undue reliance on our forward-looking statements. Such statements speak only as of the date of this release, and we undertake no obligation to update any forward looking statements made herein.

Contact:

Codexis: Lyn Christenson, lyn.christenson@codexis.com, 650-421-8144, www.codexis.com, or Justin Jackson, jjackson@burnsmc.com, Burns McClellan, 212-213-0006

Dyadic: Richard Jundzil, rjundzil@dyadic.com, 561-743-8333. www.dyadic.com.

EXHIBIT I
CERTIFICATE OF SECRETARY

DYADIC INTERNATIONAL (USA), INC.

See Attached

CERTIFICATE OF SECRETARY
OF
DYADIC INTERNATIONAL (USA), INC.

The undersigned, Vito Pontrelli, hereby certifies as follows:

- A. He is the duly elected, qualified and acting Secretary of Dyadic International (USA), Inc., a Florida corporation (the "Company").
- B. Attached hereto as Exhibit A is a true and complete copy of the resolutions of the Company's Board of Directors, adopted at the November 12, 2008 meeting of the Board of Directors, approving the execution of the License Agreement by and between Codexis, Inc. and the Company of even date herewith (the "License Agreement") and the taking of other actions necessary and appropriate for the Company to enter into the License Agreement and to carry out the provisions thereof; such resolutions have not been modified or rescinded since their adoption and remain in full force and effect.
- C. Each person that approved the resolutions attached hereto as Exhibit A is a duly elected and qualified member of the Company's Board of Directors.
- D. The approval of the stockholders of the Company is not required under the Company's Certificate of Incorporation, Bylaws or any applicable law for the Company to enter into the License Agreement or to carry out the provisions thereof.

IN WITNESS WHEREOF, the undersigned has executed this Secretary's Certificate this 14th day of November, 2008.

By: /s/ Vito Pontrelli

Vito Pontrelli
Secretary

EXHIBIT J
CERTIFICATE OF SECRETARY

DYADIC INTERNATIONAL, INC.

See Attached

**CERTIFICATE OF SECRETARY
OF
DYADIC INTERNATIONAL, INC.**

The undersigned, Vito Pontrelli, hereby certifies as follows:

- A. He is the duly elected, qualified and acting Secretary of Dyadic International, Inc., a Delaware corporation (the "Company").
- B. Attached hereto as Exhibit A is a true and complete copy of the resolutions of the Company's Board of Directors, adopted at the November 12, 2008 meeting of the Board of Directors, approving the execution of the License Agreement by and between Codexis, Inc. and the Company of even date herewith (the "License Agreement") and the taking of other actions necessary and appropriate for the Company to enter into the License Agreement and to carry out the provisions thereof; such resolutions have not been modified or rescinded since their adoption and remain in full force and effect.
- C. Each person that approved the resolutions attached hereto as Exhibit A is a duly elected and qualified member of the Company's Board of Directors.
- D. The approval of the stockholders of the Company is not required under the Company's Certificate of Incorporation, Bylaws or any applicable law for the Company to enter into the License Agreement or to carry out the provisions thereof.

IN WITNESS WHEREOF, the undersigned has executed this Secretary's Certificate this 14th day of November, 2008.

By: /s/ Vito Pontrelli
Vito Pontrelli
Secretary

EXHIBIT K
FORM OF ESCROW AGREEMENT

See attached

ESCROW AGREEMENT

This Escrow Agreement (this "**Escrow Agreement**") dated this ___ day of _____, 2009 (the "**Effective Date**"), is entered into by and among **Codexis, Inc.**, a Delaware corporation, having a place of business at 200 Penobscot Drive, Redwood City, California 94063, United States of America, ("**Codexis**"), **Dyadic International (USA), Inc.**, a corporation organized under the laws of Florida, having its principal office at 140 Intracoastal Pointe Drive, Suite 404, Jupiter, Florida 33477-5094, United States of America ("**Dyadic**") (Dyadic and Codexis, are each referred to herein by name or collectively, as the "**Parties**," and individually, as a "**Party**"), and Wells Fargo Bank, National Association, as escrow agent ("**Escrow Agent**").

RECITALS

A. Dyadic owns or has rights under certain biological materials, patent rights and know-how relating to the generation and use of its and his proprietary *Chrysosporium lucknowense* ("**C1**") technology for the expression of certain genes and secretion of certain corresponding enzymes.

B. Codexis and Dyadic have entered into a non-exclusive license under such C1 patent rights and know-how of Dyadic and, in addition, Dyadic have agreed to provide Codexis access to the biological materials under the License Agreement by and between the Parties, dated November 14, 2008 (the "**License Agreement**").

C. Dyadic and Codexis have agreed that Codexis shall place into escrow with the Escrow Agent, a portion of the license fees set forth under Section 3.1 of the License Agreement, and the Escrow Agent agrees to strictly hold and distribute such funds in accordance with the terms of this Escrow Agreement.

In consideration of the promises and agreements of the Parties and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties and the Escrow Agent agree as follows:

ARTICLE 1

ESCROW DEPOSIT

Section 1.1. Receipt of Escrow Property. Within [***]45 days after receipt of the Dyadic Materials (as defined in the License Agreement), Codexis shall notify the Escrow Agent that they shall deliver to the Escrow Agent the amount of [***] (the "Escrow Property") [***].

Section 1.2. Investments.

(a) Subject to the terms and conditions set forth in this Escrow Agreement, the Escrow Agent is authorized and directed to deposit, transfer, hold and invest the Escrow Property and any investment income thereon as set forth in Exhibit A hereto, or as set forth in any subsequent written instruction signed by the Parties. Any investment earnings and income on the Escrow Property shall become part of the Escrow Property, and shall be disbursed in accordance with Section 1.3 and Section 1.5 of this Escrow Agreement.

(b) The Escrow Agent is hereby authorized and directed to sell or redeem any such investments as it deems necessary to make any payments or distributions required under this Escrow Agreement. The Escrow Agent shall have no responsibility or liability for any loss which may result from any investment or sale of investment made pursuant to this Escrow Agreement. The Escrow Agent is hereby authorized, in making or disposing of any investment permitted by this Escrow Agreement, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or any such affiliate is acting as agent of the Escrow Agent or for any third person or dealing as principal for its own account. The Parties acknowledge that the Escrow Agent is not providing investment supervision, recommendations, or advice.

Section 1.3. Disbursements.

(a) If the conditions set forth in Schedule 1.13 of the License Agreement are met, the Parties shall provide a joint instruction to Escrow Agent to release the Escrow Property to Dyadic and Escrow Agent shall promptly, and in any event within [***] business days of receipt of such instruction, disburse such Escrow Property in accordance with such instruction.

⁴² [***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT FILED SEPARATELY WITH THE COMMISSION

(b) If it is determined in accordance with the License Agreement that the Dyadic Materials do not meet the performance criteria set forth in Exhibit E of the License Agreement, the Parties shall provide a joint instruction to Escrow Agent to release the Escrow Property to Codexis and Escrow Agent shall promptly, and in any event within [***]⁴³ business days of receipt of such instruction, disburse such Escrow Property in accordance with such instruction.

(c) Notwithstanding anything to the contrary in this Escrow Agreement, the Escrow Property shall be immediately disbursed to Codexis [***] days after the Effective Date if the Escrow Property has not previously been disbursed in accordance with Section 1.3(a) or (b) hereof.

Section 1.4. Income Tax Allocation and Reporting.

(a) The Parties agree that, for tax reporting purposes, all interest and other income from investment of the Escrow Property shall, as of the end of each calendar year and to the extent required by the Internal Revenue Service, be reported as having been earned by [***], whether or not such income was disbursed during a such calendar year.

(b) Prior to closing, the Parties shall provide the Escrow Agent with certified tax identification numbers by furnishing appropriate forms W-9 or W-8 and such other forms and documents that the Escrow Agent may request. The Parties understand that if such tax reporting documentation is not provided and certified to the Escrow Agent, the Escrow Agent may be required by the Internal Revenue Code of 1986, as amended, and the Regulations promulgated there under, to withhold a portion of any interest or other income earned on the investment of the Escrow Property.

(c) To the extent that the Escrow Agent becomes liable for the payment of any taxes in respect of income derived from the investment of the Escrow Property, the Escrow Agent shall satisfy such liability to the extent possible from the Escrow Property. The Parties, jointly and severally, shall indemnify, defend and hold the Escrow Agent harmless from and against any tax, late payment, interest, penalty or other cost or expense that may be assessed against the Escrow Agent on or with respect to the Escrow Property and the investment thereof unless such tax, late payment, interest, penalty or other expense was directly caused by the gross negligence or willful misconduct of the Escrow Agent. The indemnification provided by this Section 1.4(c) is in

⁴³ [***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT FILED SEPARATELY WITH THE COMMISSION

addition to the indemnification provided in Section 3.1 and shall survive the resignation or removal of the Escrow Agent and the termination of this Escrow Agreement.

Section 1.5. Termination. Upon the disbursement of all of the Escrow Property, including any interest and investment earnings thereon, this Escrow Agreement shall terminate and be of no further force and effect except that the provisions of Sections 1.4(c), 3.1 and 3.2, 4.3, 4.4, 4.5, 4.7, 4.8, 4.9 and Article 5 hereof shall survive termination.

ARTICLE 2

DUTIES OF THE ESCROW AGENT

Section 2.1. Scope of Responsibility. Notwithstanding any provision to the contrary, the Escrow Agent is obligated only to perform the duties specifically set forth in this Escrow Agreement, which shall be deemed purely ministerial in nature. Under no circumstances will the Escrow Agent be deemed to be a fiduciary to any Party or any other person under this Escrow Agreement. The Escrow Agent will not be responsible or liable for the failure of any Party to perform in accordance with this Escrow Agreement. The Escrow Agent shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument, or document other than this Escrow Agreement, whether or not an original or a copy of such agreement has been provided to the Escrow Agent; and the Escrow Agent shall have no duty to know or inquire as to the performance or nonperformance of any provision of any such agreement, instrument, or document. References in this Escrow Agreement to any other agreement, instrument, or document are for the convenience of the Parties, and the Escrow Agent has no duties or obligations with respect thereto. This Escrow Agreement sets forth all matters pertinent to the escrow contemplated hereunder, and no additional obligations of the Escrow Agent shall be inferred or implied from the terms of this Escrow Agreement or any other agreement.

Section 2.2. Attorneys and Agents. The Escrow Agent shall be entitled to rely on and shall not be liable for any action taken or omitted to be taken by the Escrow Agent in accordance with the advice of counsel or other professionals retained or consulted by the Escrow Agent. The Escrow Agent shall be reimbursed as set forth in Section 3.1 for any and all compensation (fees, expenses and other costs) paid and/or reimbursed to such counsel and/or professionals. The Escrow Agent may perform any and all of its duties through its agents, representatives, attorneys, custodians, and/or nominees.

Section 2.3. Reliance. The Escrow Agent shall not be liable for any action taken or not taken by it in accordance with the direction or consent of the Parties or their respective agents, representatives, successors, or assigns. The Escrow Agent shall not be liable for acting or refraining from acting upon any notice, request, consent, direction, requisition, certificate, order, affidavit, letter, or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, without further inquiry into the person's or persons' authority. Concurrent with the execution of this Escrow Agreement, the Parties shall deliver to the Escrow Agent authorized signers' forms in the form of Exhibit B-1 and Exhibit B-2 to this Escrow Agreement.

Section 2.4. Right Not Duty Undertaken. The permissive rights of the Escrow Agent to do things enumerated in this Escrow Agreement shall not be construed as duties.

Section 2.5. No Financial Obligation. No provision of this Escrow Agreement shall require the Escrow Agent to risk or advance its own funds or otherwise incur any financial liability or potential financial liability in the performance of its duties or the exercise of its rights under this Escrow Agreement.

ARTICLE 3

PROVISIONS CONCERNING THE ESCROW AGENT

Section 3.1. Indemnification. The Parties, jointly and severally, shall indemnify, defend and hold harmless the Escrow Agent from and against any and all loss, liability, cost, damage and expense, including, without limitation, attorneys' fees and expenses or other professional fees and expenses which the Escrow Agent may suffer or incur by reason of any action, claim or proceeding brought against the Escrow Agent, arising out of or relating in any way to this Escrow Agreement or any transaction to which this Escrow Agreement relates, unless such loss, liability, cost, damage or expense shall have been finally adjudicated to have been directly caused by the willful misconduct or gross negligence of the Escrow Agent. The provisions of this Section 3.1 shall survive the resignation or removal of the Escrow Agent and the termination of this Escrow Agreement.

Section 3.2. Limitation of Liability. the escrow agent SHALL NOT be liable, directly or indirectly, for any (i) damages, Losses or expenses arising out of the services provided hereunder, other than damages, losses or expenses which have been finally adjudicated to have DIRECTLY resulted from the escrow agent's GROSS negligence or willful misconduct, or (ii) special, Indirect or consequential damages or LOSSES OF ANY KIND WHATSOEVER

(INCLUDING WITHOUT LIMITATION LOST PROFITS), even if the escrow agent has been advised of the possibility of such LOSSES OR damages AND REGARDLESS OF THE FORM OF ACTION.

Section 3.3. Resignation or Removal. The Escrow Agent may resign by furnishing written notice of its resignation to the Parties, and the Parties may remove the Escrow Agent by furnishing to the Escrow Agent a joint written notice of its removal along with payment of all fees and expenses to which it is entitled through the date of termination. Such resignation or removal, as the case may be, shall be effective [***] days after the delivery of such written notice or upon the earlier appointment of a successor, and the Escrow Agent's sole responsibility thereafter shall be to safely keep the Escrow Property and to deliver the same to a successor escrow agent as shall be appointed by the Parties, as evidenced by a joint written notice filed with the Escrow Agent or in accordance with a court order. If the Parties have failed to appoint a successor escrow agent prior to the expiration of [***] days following the delivery of such notice of resignation or removal, the Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor escrow agent or for other appropriate relief, and any such resulting appointment shall be binding upon the Parties.

Section 3.4. Compensation. The Escrow Agent shall be entitled to compensation for its services as stated in the fee schedule attached hereto as Exhibit C. [***]. The fee agreed upon for the services rendered hereunder is intended as full compensation for the Escrow Agent's services as contemplated by this Escrow Agreement; provided, however, that in the event that the conditions for the disbursement of funds under this Escrow Agreement are not fulfilled, or the Escrow Agent renders any service not contemplated in this Escrow Agreement, or there is any assignment of interest in the subject matter of this Escrow Agreement, or any material modification hereof, or if any material controversy arises hereunder, or the Escrow Agent is made a party to any litigation pertaining to this Escrow Agreement or the subject matter hereof, then the Escrow Agent shall be compensated for such extraordinary services and reimbursed for all costs and expenses, including reasonable attorneys' fees and expenses, occasioned by any such delay, controversy, litigation or event. If any amount due to the Escrow Agent hereunder is not paid within [***] days of the date due, the Escrow Agent [***] may [***].

Section 3.5. Disagreements. If any conflict, disagreement or dispute arises between, among, or involving any of the parties hereto concerning the meaning or validity of any provision hereunder or concerning any other matter relating to this Escrow Agreement, or the Escrow Agent is in doubt as to the action to be taken hereunder, the Escrow Agent is authorized to retain the Escrow Property until the Escrow Agent (i) receives a final non-appealable order of

⁴⁴ [***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT FILED SEPARATELY WITH THE COMMISSION

a court of competent jurisdiction or a final non-appealable arbitration decision directing delivery of the Escrow Property, (ii) receives a written agreement executed by each of the parties involved in such disagreement or dispute directing delivery of the Escrow Property, in which event the Escrow Agent shall be authorized to disburse the Escrow Property in accordance with such final court order, arbitration decision, or agreement, or (iii) files an interpleader action in any court of competent jurisdiction, and upon the filing thereof, the Escrow Agent shall be relieved of all liability as to the Escrow Property [***]. The Escrow Agent shall be entitled to act on any such agreement, court order, or arbitration decision without further question, inquiry, or consent.

Section 3.6. Merger or Consolidation. Any corporation or association into which the Escrow Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer all or substantially all of its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which the Escrow Agent is a party, shall be and become the successor escrow agent under this Escrow Agreement and shall have and succeed to the rights, powers, duties, immunities and privileges as its predecessor, without the execution or filing of any instrument or paper or the performance of any further act.

Section 3.7. Attachment of Escrow Property; Compliance with Legal Orders. In the event that any Escrow Property shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting the Escrow Property, the Escrow Agent is hereby expressly authorized, in its sole discretion, to respond as it deems appropriate or to comply with all writs, orders or decrees so entered or issued, or which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction. In the event that the Escrow Agent obeys or complies with any such writ, order or decree it shall not be liable to any of the Parties or to any other person, firm or corporation, should, by reason of such compliance notwithstanding, such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

ARTICLE 4

MISCELLANEOUS

Section 4.1. Successors and Assigns. This Escrow Agreement shall be binding on and inure to the benefit of the Parties and the Escrow Agent and their respective successors and permitted assigns. No other persons shall have any rights under this Escrow Agreement. No assignment of the interest of any of the Parties shall be binding unless and until written notice of such assignment shall be delivered to the other Party and the Escrow Agent and shall require the

prior written consent of the other Party and the Escrow Agent (such consent not to be unreasonably withheld).

Section 4.2. Escheat. The Parties are aware that under applicable state law, property which is presumed abandoned may under certain circumstances escheat to the applicable state. The Escrow Agent shall have no liability to the Parties, their respective heirs, legal representatives, successors and assigns, or any other party, should any or all of the Escrow Property escheat by operation of law.

Section 4.3. Notices. All notices, requests, demands, and other communications required under this Escrow Agreement shall be in writing, in English, and shall be deemed to have been duly given if delivered (i) personally, (ii) by facsimile transmission with written confirmation of receipt, (iii) by overnight delivery with a reputable national overnight delivery service, or (iv) by mail or by certified mail, return receipt requested, and postage prepaid. If any notice is mailed, it shall be deemed given five business days after the date such notice is deposited in the United States mail. Any notice given shall be deemed given upon the actual date of such delivery. If notice is given to a party, it shall be given at the address for such party set forth below. It shall be the responsibility of the Parties to notify the Escrow Agent and the other Party in writing of any name or address changes. In the case of communications delivered to the Escrow Agent, such communications shall be deemed to have been given on the date received by the Escrow Agent.

If to Codexis:

Codexis, Inc.
200 Penobscot Drive
Redwood City, CA 94063
Attention: General Manager, Bioindustrials
Fax: [***]⁴⁵

With a copy to:

Codexis, Inc.
200 Penobscot Drive
Redwood City, CA 94063
Attention: General Counsel
Fax: [***]

⁴⁵ [***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT FILED SEPARATELY WITH THE COMMISSION

If to Dyadic:

Dyadic International, Inc.
140 Intracoastal Pointe Drive, Suite 404
Jupiter, FL 33477-5094
Attention: Mark A. Emalfarb
Fax: [***]

With a copy to:

Robert Levin
Levin & Ginsburg
180 North LaSalle Street, Suite 3200
Chicago, IL 60601
Fax: [***]

If to the Escrow Agent:

Wells Fargo Bank, National Association
707 Wilshire Blvd, 17th Floor
MAC #E2818-176
Los Angeles, CA 90017
Attention: [***] Corporate Trust and Escrow Services
Telephone: [***]
Facsimile: [***]

Section 4.4. Governing Law. This Escrow Agreement shall be governed by and construed in accordance with the laws of the State of New York.

Section 4.5. Entire Agreement. This Escrow Agreement sets forth the entire agreement and understanding of the parties related to the Escrow Property.

Section 4.6. Amendment. This Escrow Agreement may be amended, modified, superseded, rescinded, or canceled only by a written instrument executed by the Parties and the Escrow Agent.

Section 4.7. Waivers. The failure of any party to this Escrow Agreement at any time or times to require performance of any provision under this Escrow Agreement shall in no manner affect the right at a later time to enforce the same performance. A waiver by any party to this Escrow Agreement of any such condition or breach of any term, covenant, representation, or warranty contained in this Escrow Agreement, in any one or more instances, shall neither be construed as a further or continuing waiver of any such condition or breach nor a waiver of any other condition or breach of any other term, covenant, representation, or warranty contained in this Escrow Agreement.

Section 4.8. Headings. Section headings of this Escrow Agreement have been inserted for convenience of reference only and shall in no way restrict or otherwise modify any of the terms or provisions of this Escrow Agreement.

Section 4.9. Counterparts. This Escrow Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original, and such counterparts shall together constitute one and the same instrument.

ARTICLE 5
CONFIDENTIALITY

Section 5.1. Escrow Agreement Terms. The existence of and the terms and conditions of this Escrow Agreement shall be held in strict confidence by the Parties and the Escrow Agent, subject only to disclosure in response to a valid court order, or as required under the regulations of a court, other governmental body or as a matter of law.

[The remainder of this page left intentionally blank.]

IN WITNESS WHEREOF, this Escrow Agreement has been duly executed as of the date first written above.

Codexis, Inc. ("Codexis")

By: _____
Name: _____
Title: _____

Dyadic International (USA), Inc. ("Dyadic")

By: _____
Name: _____
Title: _____

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Escrow Agent

By: _____
Name: _____
Title: _____

EXHIBIT A

Agency and Custody Account Direction

For Cash Balances

Direction to use Wells Fargo Advantage Funds for Cash Balances for the escrow account or accounts (the "Account") established under the Escrow Agreement to which this Exhibit A is attached.

You are hereby directed to invest, as indicated below or as I shall direct further from time to time, all cash in the Account in the following money market portfolio of Wells Fargo Advantage Funds (the "Fund") or another permitted investment of my choice (Check One):

- Wells Fargo Advantage Funds, Government Money Market Fund
- Wells Fargo Advantage Funds, Cash Investment Money Market Fund
- Wells Fargo Advantage Funds, Prime Investment Money Market Fund
- Wells Fargo Advantage Funds, Treasury Plus Money Market Fund
- Wells Fargo Advantage Funds, 100% Treasury Money Market Fund
- Wells Fargo Advantage Funds, National Tax-Free Money Market Fund

I acknowledge that I have received, at my request, and reviewed the Fund's prospectus and have determined that the Fund is an appropriate investment for the Account.

I understand from reading the Fund's prospectus that Wells Fargo Funds Management, LLC ("Wells Fargo Funds Management"), a wholly-owned subsidiary of Wells Fargo & Company, provides investment advisory and other administrative services for the *Wells Fargo Advantage Funds*. Other affiliates of Wells Fargo & Company provide sub-advisory and other services for the Funds. Boston Financial Data Services serves as transfer agent for the Funds. The Funds are distributed by Wells Fargo Funds Distributor, LLC, Member NASD/SIPC, an affiliate of Wells Fargo & Company. I also understand that Wells Fargo & Company will be paid, and its bank affiliates may be paid, fees for services to the Funds and that those fees may include Processing Organization fees as described in the Fund's prospectus.

I understand that you will not exclude amounts invested in the Fund from Account assets subject to fees under the Account agreement between us.

I understand that investments in the Fund are not obligations of, or endorsed or guaranteed by, Wells Fargo Bank or its affiliates and are not insured by the Federal Deposit Insurance Corporation.

I acknowledge that I have full power to direct investments of the Account.

I understand that I may change this direction at any time and that it shall continue in effect until revoked or modified by me by written notice to you.

I understand that if I choose to communicate this investment direction solely via facsimile, then the investment direction will be understood to be enforceable and binding.

Authorized Representative
Codexis, Inc.

Authorized Representative
Dyadic International (USA), Inc.

Date

Date

EXHIBIT B-1
CERTIFICATE AS TO AUTHORIZED SIGNATURES

The specimen signatures shown below are the specimen signatures of the individuals who have been designated as authorized representatives of **Codexis, Inc.** and are authorized to initiate and approve transactions of all types for the escrow account or accounts established under the Escrow Agreement to which this Exhibit B-1 is attached, on behalf of **Codexis, Inc.**

Name / Title	Specimen Signature
Name	Signature
Title	
Name	Signature
Title	

EXHIBIT B-2
CERTIFICATE AS TO AUTHORIZED SIGNATURES

The specimen signatures shown below are the specimen signatures of the individuals who have been designated as authorized representatives of **Dyadic International (USA), Inc.** and are authorized to initiate and approve transactions of all types for the escrow account or accounts established under the Escrow Agreement to which this Exhibit B-2 is attached, on behalf of **Dyadic International (USA), Inc.**

Name / Title	Specimen Signature
Name _____	Signature _____
Title _____	
Name _____	Signature _____
Title _____	

EXHIBIT C

FEEES OF ESCROW AGENT

[**]⁴⁶

1.1

SCHEDULE OF FEES

to act as ESCROW AGENT for the

Codexis Cash Escrow Account

Escrow Agent Acceptance and Administration Fee:

[**]

1.1. Fees as they relate to Wells Fargo Bank acting in the capacity of Escrow Agent – includes creation and examination of the Escrow Agreement; acceptance of the Escrow appointment; setting up of Escrow Account(s) and accounting records; and coordination of receipt of funds for deposit to the Escrow Account.

1.2. Also includes ordinary administration services by Escrow Agent – includes daily routine account management; investment transactions; cash transaction processing (including wires and check processing); monitoring claim notices pursuant to the agreement; disbursement of the funds in accordance with the agreement; and mailing of trust account statements to all applicable parties.

1.3. Tax reporting is included for up to [**] entities. Should additional reporting be necessary, a [**] per reporting charge will be assessed.

1.4. This fee is [**].

1.5. Should this Escrow Account be in existence for more than [**] months, an Annual Fee of [**] will be assessed.

1.6.

Wells Fargo's bid is based on the following assumptions:

- Number of Escrow Accounts to be established: [**]
- Number of Deposits to Escrow Account: Not more than [**]⁴⁷

⁴⁶ [**] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT FILED SEPARATELY WITH THE COMMISSION

⁴⁷ [**] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT FILED SEPARATELY WITH THE COMMISSION

- Number of Withdrawals from Escrow Fund: Not more than [**]
- Term of Escrow: Not more than [**]
- **THIS FEE SCHEDULE ASSUMES THAT BALANCES IN THE ESCROW ACCOUNT WILL BE INVESTED IN MONEY MARKET FUNDS "OR DEPOSITORY ACCOUNTS" THAT WELLS FARGO HAS A RELATIONSHIP WITH**
- **ALL FUNDS WILL BE RECEIVED FROM OR DISTRIBUTED TO A DOMESTIC OR AN APPROVED FOREIGN ENTITY**
- **IF THE ACCOUNT(S) DOES NOT OPEN WITHIN [**] MONTHS OF THE DATE SHOWN BELOW, THIS PROPOSAL WILL BE DEEMED TO BE NULL AND VOID**

1.7.

Out-of Pocket Expenses: _____ [**]

We only charge for out-of-pocket expenses in response to specific tasks assigned by the client. Therefore, we cannot anticipate what specific out-of-pocket items will be needed or what corresponding expenses will be incurred. Possible expenses would be, but are not limited to, express mail and messenger charges, travel expenses to attend closing or other meetings. There are no charges for indirect out-of-pocket expenses.

This fee schedule is based upon the assumptions listed above which pertain to the responsibilities and risks involved in Wells Fargo undertaking the role of Escrow Agent. These assumptions are based on information provided to us as of the date of this fee schedule. Our fee schedule is subject to review and acceptance of the final documents. Should any of the assumptions, duties or responsibilities change, we reserve the right to affirm, modify or rescind our fee schedule.

Submitted on: October 27, 2008

SCHEDULE 1.13

ESCROW RELEASE CONDITIONS

Amounts held in escrow, pursuant to the terms of the Escrow Agreement, will be released to Dyadic after delivery to Codexis of evidence in writing of:

[***]

⁴⁸ [***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT FILED SEPARATELY WITH THE COMMISSION

SCHEDULE 8.3(a)

SCHEDULE OF EXCEPTIONS

This Schedule of Exceptions is made and given pursuant to Section [8.3\(a\)](#) of the License Agreement, dated as of November 14, 2008 (the "**Agreement**"), between Dyadic International (USA), Inc., a Florida corporation (the "**Company**"), and Codexis, Inc., a Delaware corporation ("**Codexis**"). All capitalized terms used but not defined herein shall have the meanings as defined in the Agreement, unless otherwise provided. The section numbers below correspond to the section numbers of the representations and warranties in the Agreement; *provided, however*, that any information disclosed herein under any section number shall be deemed to be disclosed and incorporated into any other section number under the Agreement where such disclosure would be appropriate.

[**][3 pages redacted]

⁴⁹ [***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT FILED SEPARATELY WITH THE COMMISSION

SCHEDULE 8.3(c)

POST-CLOSING ACTIONS

[***]⁵⁰

⁵⁰ [***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT FILED SEPARATELY WITH THE COMMISSION

SCHEDULE [8.4\(a\)](#)

Third Parties

[***]⁵¹

⁵¹ [***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT FILED SEPARATELY WITH THE COMMISSION



NON-DISTURBANCE AGREEMENT

THIS NON-DISTURBANCE AGREEMENT (this "**Agreement**") is made and entered as of the 14th day of November, 2008, by and among Mark A. Emalfarb Trust under agreement dated October 1, 1997 (" **Emalfarb Trust**"), Francisco Trust under agreement dated February 28, 1996 ("**Francisco Trust**") and Mark A. Emalfarb, individually ("**Mr. Emalfarb**") and collectively with Emalfarb Trust and Francisco Trust, the "**Secured Parties**" and each a "**Secured Party**", Dyadic International (USA), Inc., a Florida corporation (formerly known as Dyadic International, Inc.) (the "**Borrower**"), Dyadic International, Inc., a Delaware corporation ("**Parent**"), and Codexis, Inc., a Delaware corporation ("**Codexis**").

RECITALS

WHEREAS, pursuant to that certain Amended and Restated Note dated November 14, 2008 issued by Borrower and Parent to Emalfarb Trust, and that certain Loan and Security Agreement dated November 14, 2008 by and among the Borrower and Parent, as debtor, and the Secured Parties, the Secured Parties have a security interest in all of Borrower's and Parent's assets;

WHEREAS, Codexis proposes to obtain a non-exclusive license from the Borrower to certain patent rights and know-how relating to the generation and use of the Borrower's proprietary C1 technology for the expression of certain genes and secretion of certain corresponding enzymes and other materials owned by the Borrower, pursuant to a license agreement dated the date hereof, by and among Codexis, the Borrower and the Parent (the "**License Agreement**").

NOW, THEREFORE, in consideration of mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Defined Terms.

- (a) "**Dyadic Materials**" shall have the meaning ascribed to such term in the License Agreement.
 - (b) "**Licensed IP**" shall have the meaning ascribed to such term in the License Agreement.
 - (c) "**Note**" shall mean the Amended and Restated Note, dated as of November 14, 2008, and any other note that has been issued or may in the future be issued by the Borrower or Parent to any Secured Party evidencing secured indebtedness, and "**Notes**" shall mean all such notes.
 - (d) "**Security Agreement**" means (i) the Loan and Security Agreement, dated November 14, 2008, by and among the Borrower and Parent, as debtor, and the Secured parties, and (ii) any other agreement related to secured indebtedness that has been entered into or may in the future be entered into between the Borrower or Parent and any Secured Party, and "**Security Agreements**" shall mean all such agreements.
-

2. Each Secured Party represents that it has the power and authority to enter into this Agreement and to consent to the execution of the License Agreement by the Borrower. Each Secured Party hereby consents to the execution of the License Agreement by the Borrower.

3. Each Secured Party agrees that so long as the License Agreement shall be in effect and has not been terminated in accordance with its terms and regardless of whether Borrower or any other party breaches or defaults on the performance of any of the obligations secured pursuant to the Security Agreements, such Secured Party will not take any action against Borrower, Parent, or any of their affiliates which could diminish, disturb or interfere with any of Codexis' rights under the License Agreement, including Codexis' rights with respect to the Licensed IP and the Dyadic Materials established in accordance with the License Agreement.

4. Each Secured Party agrees that so long as the License Agreement shall be in effect and has not been terminated in accordance with its terms and regardless of whether Borrower or any other party breaches or defaults on the performance of any of the obligations secured pursuant to the Security Agreements, such Secured Party will not take any action to terminate any rights of Borrower in the Licensed IP or Dyadic Materials or any rights related thereto.

5. If, notwithstanding Paragraphs 3 and 4 above, any Secured Party or any agent thereof, shall assume, assign, take in satisfaction of debt, sell, transfer, or convey, the Licensed IP, Dyadic Materials, or any other rights licensed by Codexis pursuant to the License Agreement, through foreclosure or other means (including judicial or non-judicial sale), such Secured Party shall cause the License Agreement to continue in full force and effect as a direct license between the party acquiring the Licensed IP and/or rights to the Dyadic Materials or other rights (which may include any Secured Party or any third party) as the licensor, and Codexis as the licensee, and no additional payments shall be required from Codexis other than unpaid amounts set forth in the License Agreement. Notwithstanding the foregoing, nothing herein shall be deemed to require any Secured Party to take any action that would violate any applicable law or court order.

6. So long as the License Agreement shall be in effect and has not been terminated in accordance with its terms, no Secured Party shall join Codexis as defendant in any proceeding which may be instituted to foreclose or enforce any of the Security Agreements.

7. 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 by and among the parties, whether oral or written, regarding such subject matter. This Agreement may be modified, changed or amended only in writing signed by the parties hereto, or their respective successors, assigns, executors, administrators or heirs. This Agreement shall inure to the benefit of and be binding upon the parties hereto, and their respective successors, assigns, executors, administrators or heirs. No Secured Party shall be liable for any breach or default under this Agreement by any other Secured Party. Each Secured Party agrees that it shall not transfer or assign any interest in a Note or Security Agreement without first obtaining a written agreement from such transferee or assignee agreeing to be bound by the terms of this Agreement in form and substance satisfactory to Codexis. Each Secured Party shall only be bound by the

terms of this Agreement for so long as it is a secured party under a Security Agreement; provided that any assignment or transfer of an interest in a Security Agreement is made in compliance with the terms of this Agreement.

8. Each Secured Party represents and warrants to Codexis that, as of the date hereof, such Secured Party has not initiated foreclosure proceedings and is not exercising remedies under any Security Agreement against the Borrower or any of its assets, and has no present intention to do so. Each Secured Party represents and warrants to Codexis that the Loan and Security Agreement, dated as of November 14, 2008 by and among the Borrower and Parent, as debtor, and the Secured Parties, the Loan Documents referred to therein, and the Amended and Restated Note, dated as of November 14, 2008 issued by the Borrower and Parent to Emalfarb Trust, are the only currently effective agreements governing secured indebtedness between Borrower, Parent and the Secured Parties.

9. Concurrently with the execution of this Agreement, the Borrower and the Secured Parties shall cause the Note to have the following legend on the first page of the Note:

"THE SALE, ASSIGNMENT OR TRANSFER OF THE OBLIGATIONS EVIDENCED HEREBY IS SUBJECT TO THE TERMS AND CONDITIONS OF A NON-DISTURBANCE AGREEMENT BY AND BETWEEN CODEXIS, INC., THE MARK A. EMALFARB TRUST UNDER AGREEMENT DATED OCTOBER 1, 1987, AS AMENDED, FRANCISCO TRUST UNDER AGREEMENT DATED FEBRUARY 28, 1996, AS AMENDED, MARK A. EMALFARB, AND DYADIC INTERNATIONAL (USA), INC. EACH SUCCESSIVE HOLDER OF THIS NOTE OR ANY PORTION THEREOF, AGREES (1) TO BE BOUND BY THE TERMS OF THE NON-DISTURBANCE AGREEMENT AND (2) THAT IF ANY CONFLICT EXISTS BETWEEN THE TERMS OF THIS NOTE OR ANY DOCUMENT OR SECURITY AGREEMENT EXECUTED IN CONNECTION WITH THE DELIVERY OF THIS NOTE AND THE TERMS OF THE NON-DISTURBANCE AGREEMENT, THE TERMS OF THE NON-DISTURBANCE AGREEMENT SHALL GOVERN AND BE CONTROLLING."

Borrower and Parent agree to take such action and to sign and deliver to Secured Parties, such instruments and documents as may be reasonably requested by any of the Secured Parties to perfect the liens granted to them in all of Borrower's assets and to conform all of the Security Agreements such that all Secured Parties have all the rights granted to any Secured Party. Mark A. Emalfarb shall assign to Borrower any interest in which he may have in any of the Licensed IP upon such terms and conditions as he and Borrower shall agree.

10. Because the award of monetary damages would be an inadequate remedy, in the event of a breach or threatened breach by any Secured Party of any of the provisions of this Agreement, Codexis shall be entitled to an injunction restraining the breaching Secured Party from undertaking any such breach or threatened breach. Nothing herein shall be construed as prohibiting Codexis from pursuing any other remedies available to it for such breach or threatened breach, including the recovery of damages from the Secured Parties. The Secured Parties agree and acknowledge that Codexis may take such action as it deems necessary or appropriate in its sole discretion to notify third parties of its rights and interests under the License Agreement and this Agreement, which action may include the filing of UCC financing

statements and filings with the United States Patent and Trademark Office, or their equivalents in foreign jurisdictions.

11. The interpretation, validity and enforcement of this Agreement shall be governed by and construed under the internal laws of the State of New York, excluding its principles of conflict of laws.

12. This Agreement may be executed in any number of counterparts, all of which counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the Secured Parties, Codexis, Borrower and Parent have executed this Agreement on the date first above written.

SECURED PARTIES

THE MARK A. EMALFARB TRUST under Agreement dated October 1, 1987, as amended

By: /s/ Mark A. Emalfarb, Trustee

Mark A. Emalfarb, Trustee

FRANCISCO TRUST, under agreement dated February 28, 1996, as amended

By: /s/ Morley Alperstein, Trustee

Morley Alperstein, Trustee

/s/ Mark A. Emalfarb

MARK A. EMALFARB, as an individual

CODEXIS:

CODEXIS, INC., a Delaware corporation

By: /s/ Alan Shaw

Name: Alan Shaw

Title: President and CEO

AGREED AND ACKNOWLEDGED:

DYADIC INTERNATIONAL (USA), INC.,

a Florida corporation

By: /s/ Mark A. Emalfarb

Name: Mark A. Emalfarb

Title: CEO

DYADIC INTERNATIONAL, INC.,

a Delaware corporation

By: /s/ Mark A. Emalfarb

Name: Mark A. Emalfarb

Title: CEO

THE SALE, ASSIGNMENT OR TRANSFER OF THE OBLIGATIONS EVIDENCED HEREBY IS SUBJECT TO THE TERMS AND CONDITIONS OF A NON-DISTURBANCE AGREEMENT DATED AS OF NOVEMBER 14, 2008 BY AND BETWEEN CODEXIS, INC., THE MARK A. EMALFARB TRUST UNDER AGREEMENT DATED OCTOBER 1, 1987, AS AMENDED, FRANCISCO TRUST UNDER AGREEMENT DATED FEBRUARY 28, 1996, AS AMENDED, MARK A EMALFARB, AND DYADIC INTERNATIONAL (USA), INC. EACH SUCCESSIVE HOLDER OF THIS NOTE OR ANY PORTION THEREOF, AGREES (1) TO BE BOUND BY THE TERMS OF THE NON-DISTURBANCE AGREEMENT AND (2) THAT IF ANY CONFLICT EXISTS BETWEEN THE TERMS OF THIS NOTE OR ANY DOCUMENT OR SECURITY AGREEMENT EXECUTED IN CONNECTION WITH THE DELIVERY OF THIS NOTE AND THE TERMS OF THE NON-DISTURBANCE AGREEMENT, THE TERMS OF THE NON-DISTURBANCE AGREEMENT SHALL GOVERN AND BE CONTROLLING.

Jupiter, Florida
Dated as of November 14, 2008

AMENDED & RESTATED NOTE

FOR VALUE RECEIVED, DYADIC INTERNATIONAL (USA), INC. (formerly known as Dyadic International, Inc.), a Florida corporation ("Dyadic Florida") and DYADIC INTERNATIONAL, INC., a Delaware corporation ("Dyadic Delaware" and together with Dyadic Florida, the "Borrower"), jointly and severally promise to pay to the order of the MARK A. EMALFARB TRUST, under agreement dated October 1, 1987, as amended, (hereafter, together with any subsequent holder hereof, called "Lender"), at its main office at 193 Spyglass Court, Jupiter, Florida 33477, or at such other place as Lender may direct, on or before January 1, 2009, the scheduled maturity date hereof, the unpaid principal balance of TWO MILLION FOUR HUNDRED TWENTY FOUR THOUSAND TWO HUNDRED NINETY FOUR AND NO /100 UNITED STATES DOLLARS (\$2,424,294.00) (the "Loan"), plus accrued interest.

This Amended & Restated Note ("Amended Note") modifies, amends and is issued in replacement of that certain Revolving Note dated as of May 29, 2003 as amended, by Dyadic Florida in favor of Lender in the original aggregate principal amount of Three Million and No/100 United States Dollars (\$3,000,000.00) (the "Prior Note"). This Amended Note shall not operate as a novation, but only as a substitute for, and replacement of, the Prior Note.

1. PAYMENTS OF INTEREST AND PRINCIPAL AND FEES .

1.1 Interest under Prior Note. Borrower acknowledges and agrees that notwithstanding anything contained in the Prior Note to the contrary, (i) from and after January 1, 2008, interest payable under the Prior Note accrued at a rate equal to fourteen percent (14%) per annum (the "Interest Rate"), and (ii) Borrower paid quarterly interest payments to Lender from and after January 1, 2008 at a rate equal to eight percent (8%) per annum (the "Payment Rate"). Any such interest which accrued but remained unpaid as of the date hereof pursuant to the Prior Note, as

modified, or interest which hereafter accrues under this Amended Note but is unpaid pursuant to the terms of Section 1.2 hereof, is hereinafter collectively referred to as the "Deferred Interest".

1.2 Interest under Amended Note. From and after the date hereof, interest shall accrue under this Amended Note at the Interest Rate payable on all sums due under the Loan Documents (as hereinafter defined), including, without limitation, on the principal balance and Deferred Interest outstanding hereunder from time to time. Notwithstanding the foregoing, Borrower agrees to pay interest to Lender hereunder at the Payment Rate, which interest payments shall be due on the last day of each calendar quarter after the date hereof. All accrued and unpaid interest, including, but not limited to Deferred Interest, shall be paid to Lender on the Maturity Date (as hereinafter defined).

1.3 Payment of Principal. The entire outstanding principal balance of the Loan and accrued interest thereon shall be due and payable on January 1, 2009 (or on the first Business Day thereafter, if said date is not a Business Day) ("Maturity Date"), unless earlier due and payable by reason of the acceleration of the maturity of this Amended Note. As used herein, the term "Business Day" shall mean any day on which banking associations are required to be open for business in Jupiter, Florida.

1.4 Scheduled Payments. Contemporaneously with the execution of this Amended Note, Dyadic Florida entered into a certain License Agreement with Codexis, Inc. ("License Agreement"). The terms of said License Agreement provide for payment to Dyadic Florida of certain license issuance fees ("License Fees"). Notwithstanding anything contained herein to the contrary and in addition to the payment of interest as required above, Borrower shall pay to Lender the following amounts from such License Fees: (i) One Million Dollars (\$1,000,000) on or before the first to occur of December 15, 2008, or the date upon which Dyadic Florida receives or is scheduled to receive the first payment of such License Fees; and (ii) fifty percent (50%) or such lesser percentage as Lender is willing to accept of each additional payment received by Dyadic Florida pursuant to such License Agreement. Such amount shall first be applied to any accrued but unpaid interest existing as of such date, next to any Deferred Interest, and next to the payment of principal.

1.5 Calculation of Interest. Interest on this Amended Note shall be calculated on the basis of a 360-day year and the actual number of days elapsed in any portion of a month for which interest may be due.

1.6 Fees. All costs, expenses and charges incurred in connection with this Loan, including but not limited to documenting, evidencing, securing, filing, protecting or enforcing any of Lender's rights under the Loan Documents (as hereinafter defined), unless otherwise agreed to in writing by the Lender, shall be charged to, and be borne and paid within three (3) Business Days (as hereinafter defined) of Lender's demand by Borrower, including but not limited to Lender's attorneys' fees.

2. **REFERENCES TO COLLATERAL, FACILITY TYPE AND OTHER LOAN DOCUMENTS.**

2.1 Lender's Funding Obligation. Borrower acknowledges that the Loan has been fully funded and that Lender shall have no obligation whatsoever to, make any additional advances

hereunder or otherwise to extend credit to Borrower. Any principal amount of the Loan which is repaid prior to the Maturity Date may not be reborrowed at any time.

2.2 Collateral. This Amended Note is secured without limitation as provided in the following and all related documents, in each case as amended, modified, renewed, restated or replaced from time to time (the Amended Note and such other documents are collectively referred to herein as the "Loan Documents"):

- (a) Loan and Security Agreement of even date herewith executed by Borrower ("LSA");
- (b) Collateral Assignment of Inventions and Patents and Patent Applications executed by Borrower;
- (c) Control Agreement of even date herewith executed by and among Borrower, Lender and Citibank.
- (d) Collateral Assignment of Trademarks executed by Borrower; and
- (e) UCC Financing Statements of even date herewith of Borrower.

3. **USE OF PROCEEDS.**

Borrower represents and warrants that the proceeds of this Amended Note were and will be used solely for business purposes, and not for personal, family or household use, within the meaning of Federal Truth-in-Lending and similar state laws and regulations.

4. **REPRESENTATIONS.**

Borrower hereby represents and warrants to Lender that

- (a) Borrower is existing and in good standing under the laws of their state or other jurisdiction of formation, are duly qualified, in good standing and authorized to do business in each jurisdiction where failure to do so might have a material adverse impact on the consolidated assets, condition or prospects of Borrower; the execution, delivery and performance of this Amended Note and all related documents and instruments are within Borrower's powers and have been authorized by all necessary corporate action;
 - (b) the execution, delivery and performance of this Amended Note and all related documents and instruments have received any and all necessary governmental approval, and do not and will not contravene or conflict with (i) any provision of law or charter, operating agreement or bylaws of Borrower or (ii) any agreement affecting Borrower or its property.
 - (c) There has been no material adverse change in the business, condition, properties, assets, operations or prospects of Borrower since the date of the latest financial statements, if any, provided on behalf of Borrower to Lender.
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- (d) Borrower has filed or caused to be filed all federal, state, and local tax returns that are required to be filed, and has paid or has caused to be paid all of its taxes, including without limitation any taxes shown on such returns or on any assessment received by it, to the extent that such taxes have become due.

5. **DEFAULT.**

The occurrence and continuation of any of the following events shall constitute a "Default":

- (a) failure to pay, when and as due, any principal, interest or other amounts payable hereunder or failure to comply with or perform any agreement or covenant of Borrower contained herein; or failure to pay when and as due, any principal, interest, or other amounts payable to Lender under any other notes executed and delivered to Lender by Borrower; or
- (b) any "Default" as defined in the LSA, or default, or event of default, or similar event shall occur or continue to occur beyond the expiration of any notice and cure periods under any other Loan Document, or any Loan Document shall not be, or shall cease to be, enforceable in accordance with its terms.

Notwithstanding the foregoing, or anything contained herein or in any of the Loan Documents, Debtor's failure to pay all of the sums payable under this Amended Note on the Maturity Date shall constitute a Default, and Secured Party shall be under no obligation to provide any notice of the Maturity Date, or failure to pay, and Debtor shall have no right or opportunity to cure such Default

6. **DEFAULT REMEDIES.**

- (a) Upon the occurrence and during the continuance of any Default specified in Section 5, Lender at its option may declare this Amended Note (principal, interest and other amounts) immediately due and payable without action of any kind on the part of Lender. Upon the occurrence and during the continuance of any Default, Lender may exercise any rights and remedies under this Amended Note, any related document or instrument (including without limitation any pertaining to collateral), and at law or in equity.
 - (b) Lender may, by written notice to Borrower, at any time and from time to time, waive any Default or "Unmatured Event of Default" (as defined below), which shall be for such period and subject to such conditions as shall be specified in any such notice. In the case of any such waiver, Lender and Borrower shall be restored to their former position and rights hereunder, and any Default or Unmatured Event of Default so waived shall be deemed to be cured and not continuing; but no such waiver shall extend to or impair any subsequent or other Default or Unmatured Event of Default. No failure to exercise, and no delay in exercising, on the part of Lender of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies of
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Lender herein provided are cumulative and not exclusive of any rights or remedies provided by law. "Unmatured Event of Default" means any event or condition which might become a Default if continuing after notice or the passage of time or both.

- (c) Borrower acknowledges the existence of certain defaults under the Prior Note and documents executed in connection therewith (the "Prior Loan Documents") and that it received proper notice and opportunity to cure such defaults from Lender in accordance with the terms of the Prior Note and Prior Loan Documents. So long as no Default or Unmatured Event of Default shall occur under the terms of this Amended Note, Lender agrees to forbear in the exercise of the Lender's rights and remedies against Borrower under the Prior Note and Prior Loan Documents.

7. **NO INTEREST OVER LEGAL RATE.**

Borrower does not intend or expect to pay, nor does Lender intend or expect to charge, accept or collect any interest which, when added to any fee or other charge upon the principal which may legally be treated as interest, shall be in excess of the highest lawful rate. If acceleration, prepayment or any other charges upon the principal or any portion thereof, or any other circumstance, result in the computation or earning of interest in excess of the highest lawful rate, then any and all such excess is hereby waived and shall be applied against the remaining principal balance. Without limiting the generality of the foregoing, and notwithstanding anything to the contrary contained herein or otherwise, no deposit of funds shall be required in connection herewith which will, when deducted from the principal amount outstanding hereunder, cause the rate of interest hereunder to exceed the highest lawful rate.

8. **PAYMENTS, ETC.**

All payments hereunder shall be made in immediately available funds, and shall be applied first to accrued interest payable at the Payment Rate, then to Deferred Interest and then to principal; however, if a Default occurs, Lender may, in its sole discretion, and in such order as it may choose, apply any payment to interest, principal and/or lawful charges and expenses then accrued. All payments hereunder shall be made without deduction for or on account of any present or future taxes, duties or other charges levied or imposed on this Amended Note or the proceeds, Lender or Borrower, by any government or political subdivision thereof. Borrower shall upon request of Lender pay all such taxes, duties or other charges in addition to principal and interest, including without limitation all documentary stamp and intangible taxes, but excluding income taxes based solely on Lender's income.

9. **NOTICES.**

All notices, requests and demands to or upon the respective parties hereto shall be deemed to have been given or made when deposited in the mail, postage prepaid, addressed if to Lender to its main office indicated above, and if to Borrower to its address set forth below, or to such other address as may be hereafter designated in writing by the respective parties hereto or, as to Borrower, may appear in Lender's records.

10. **MISCELLANEOUS.**

This Amended Note and any document or instrument executed in connection herewith shall be governed by and construed in accordance with the internal laws of the State of Florida. Unless the context requires otherwise, wherever used herein the singular shall include the plural and vice versa, and the use of one gender shall also denote the other. Captions herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof; references herein to Sections or provisions without reference to the document in which they are contained are references to this Amended Note. This Amended Note shall bind Borrower, its successors and assigns, and shall inure to the benefit of Lender, its successors and assigns, except that Borrower may not transfer or assign any of its rights or interest hereunder without the prior written consent of Lender. Borrower agrees to pay upon demand all expenses (including without limitation attorneys' fees, legal costs and expenses, whether in or out of court, in original or appellate proceedings or in bankruptcy) incurred or paid by Lender or any holder hereof in connection with the enforcement or preservation of its rights hereunder or under any document or instrument executed in connection herewith. Borrower expressly and irrevocably waives notice of dishonor or Default or other default as well as presentment, protest, demand and notice of any kind in connection herewith.

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IN WITNESS WHEREOF, the undersigned have caused this Amended Note to be executed and delivered as of the 14th day of November, 2008, at Jupiter, Florida.

DYADIC INTERNATIONAL (USA), INC. (formerly known as Dyadic International, Inc.), a Florida corporation

By: /s/ Vito G. Pontrelli
Name: Vito G. Pontrelli
Title: Interim CFO

DYADIC INTERNATIONAL, INC., a Delaware corporation

By: /s/ Vito G. Pontrelli
Name: Vito G. Pontrelli
Title: Interim CFO

Address of Borrower for Notices:

140 Intracoastal Pointe Drive
Suite 404
Jupiter, Florida 33477

LOAN AND SECURITY AGREEMENT

Dated as of November 14, 2008

This Loan and Security Agreement (as modified from time to time, the "Agreement") has been executed by DYADIC INTERNATIONAL (USA), INC. (formerly known as Dyadic International, Inc.), a Florida corporation ("Dyadic Florida"), and DYADIC INTERNATIONAL, INC., a Delaware corporation ("Dyadic Delaware" and together with Dyadic Florida, the "Debtor"), as debtor, in favor of the MARK A. EMALFARB TRUST, under agreement dated October 1, 1987, as amended (the "MAE Trust"), Francisco Trust, under agreement dated February 29, 1996, as amended, and Mark A. Emalfarb, individually ("MAE"), collectively, as secured party (together with any successor, assign or subsequent holder, individually and collectively referred to as the "Secured Party"), with its main office c/o the MAE Trust at 193 Spyglass Court, Jupiter, Florida 33477. If more than one person or entity executes this Agreement, the term "Debtor" refers to each of them individually and some or all of them collectively, and their obligations hereunder shall be joint and several.

Each Debtor is jointly and severally indebted to MAE Trust pursuant to the terms of that certain Revolving Note dated as of May 29, 2003, as amended, in the original principal amount of Three Million Dollars (\$3,000,000) (the "Prior Note"). The Prior Note is secured by, among other things, a certain Security Agreement dated as of May 7, 2000, as amended, and a Security Agreement dated as of May 29, 2003, as amended (collectively, "Prior Security Agreement"), pursuant to which Dyadic Florida granted a security interest in and to certain personal property owned by Debtor as more particularly described in the Prior Security Agreement.

Debtor acknowledges and agrees that (i) certain defaults exist under the Prior Note and Prior Security Agreement, (ii) Debtor has received proper notice and opportunities to cure such defaults under the terms of the Prior Note and Prior Security Agreement, and (iii) Debtor has failed to cure such defaults as of the date hereof.

As of the date hereof, the outstanding principal balance of the Prior Note is Two Million Four Hundred Twenty-Four Thousand Two Hundred Ninety-Four and No/100 Dollars (\$2,424,294.00), plus accrued and unpaid interest (such principal and accrued and unpaid interest being hereinafter referred to as the "Loan").

Notwithstanding the existence of such uncured defaults, until the first to occur of the maturity date specified in the Amended Note (as hereinafter defined) or the date upon which a Default (as hereinafter defined) shall occur, Secured Party has agreed to forbear on the exercise of its rights under the Prior Note and Prior Security Agreement in exchange for Debtor's agreement to (i) execute and deliver that certain Amended and Restated Note dated as of even date herewith (the "Amended Note") in the original principal amount of Two Million Four Hundred Twenty Four Thousand Two Hundred Ninety Four and No/100 Dollars (\$2,424,294), and (ii) otherwise observe and comply with the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the foregoing recitals and other valuable consideration, the receipt and adequacy of which are hereby acknowledged, Debtor agrees as follows:

1. DEFINITIONS. As used in this Agreement:

(a) "Account", "Account Debtor", "Chattel Paper", "Commercial Tort Claims", "Deposit Accounts", "Documents", "Equipment", "Fixtures", "General Intangibles", "Goods", "Instruments", "Inventory", "Investment Property", "Letter of Credit Rights", "Proceeds" and "Tangible Chattel Paper" shall have the respective meanings assigned to such terms, as of the date of this Agreement, in the Uniform Commercial Code.

(b) Capitalized terms not expressly defined herein shall have the meaning ascribed to such terms in the Amended Note.

(c) "Collateral" shall mean the property of Debtor described in Section 2 hereof, together with all other personal property of Debtor now or hereafter pledged to Secured Party to secure, either directly or indirectly, repayment of the Secured Obligations.

(d) "License Agreement" shall have the meaning set forth in Section 8 hereof.

(e) "Loan Documents" shall mean all documents evidencing and securing Loan, including, without limitation, the documents described in Section 6.

(f) "Secured Obligations" shall mean and include without limitation any and all of Debtor's indebtedness, liabilities and other obligations to any Secured Party of every kind, nature and description, direct or indirect, joint or several, absolute or contingent, due or to become due, now existing or hereafter arising including, without limitation, the indebtedness and liabilities under the Amended Note, this Agreement and the other Loan Documents including, without limitation: (i) all obligations to perform acts or refrain from taking any action, (ii) each and all of the obligations of any Debtor owing to any Secured Party, whether now existing or hereafter arising, (iii) all indemnification and other obligations arising pursuant to any contract, agreement, or any bylaw of any Debtor or under applicable law, (iv) the damages due MAE by reason of claims asserted by him in that certain arbitration proceeding between Mark A. Emalfarb, claimant, and Dyadic, Inc., respondent (American Arbitration Association # 32 460 00765 07), (iv) claims of MAE Trust and Francisco Trust relating to their conversion of indebtedness into shares of capital of Dyadic Florida or Dyadic Delaware, and (v) any other claim against any of Debtor.

(g) "Uniform Commercial Code" shall mean the Uniform Commercial Code as adopted in the State of Florida, including all of its revisions, amendments and modifications that may occur during the term of this Agreement.

2. SECURITY INTEREST. As security for the payment or other satisfaction of all Secured Obligations, Debtor hereby assigns to Secured Party and grants to Secured Party a continuing security interest in all of Debtor's personal property, including, without limitation, the

following property of Debtor, whether now or hereafter owned (in whole or in part), existing, acquired or arising and wherever now or hereafter located: (a) all Accounts and all Goods whose sale, lease or other disposition by Debtor has given rise to Accounts and have been returned to, or repossessed or stopped in transit by, Debtor; (b) all Chattel Paper, Instruments, Documents and General Intangibles (including, without limitation, all patents, patent applications, trademarks, trademark applications, tradenames, trade secrets, goodwill, copyrights, copyright applications, registrations, licenses, software, franchises, customer lists, tax refund claims, claims against carriers and shippers, guarantee claims, contract rights including, without limitation, leases and grants, payment intangibles, security interests, security deposits, rights to indemnification, strains and micro-organisms and related mutants and derivatives thereof now existing or hereafter produced, fermentation processes and protocols, proprietary and confidential information and materials, sequenced genome, annotated genome, genes, genetic material, research and development projects, research tools and materials, research equipment and supplies and know-how); (c) all Inventory including, without limitation, raw materials; (d) all Goods (other than Inventory) including, without limitation, Equipment, vehicles and Fixtures; (e) all Investment Property; (f) all Deposit Accounts, bank accounts, prepaid expenses and all deposits and cash; (g) all Letter of Credit Rights; (h) all Commercial Tort Claims, and all other claims and causes of action, whether in contract, tort or otherwise; (i) any property of Debtor now or hereafter in the possession, custody or control of Secured Party or any agent or any parent, affiliate or subsidiary of any of Secured Party or any participant with MAE Trust in the Loan, if any, for any purpose (whether for safekeeping, deposit, collection, custody, pledge, transmission or otherwise); (j) all other personal property described in the Prior Security Agreements; and (k) all additions and accessions to, substitutions for, and replacements, products and Proceeds of the foregoing property, including, without limitation, proceeds of all insurance policies insuring the foregoing property, and all of Debtor's books and records relating to any of the foregoing and to Debtor's business.

3. SECURED OBLIGATIONS. The Collateral shall secure the payment and performance of each and all of the Secured Obligations. This Agreement shall continue and remain in effect notwithstanding that at any particular time there may be no Secured Obligations outstanding. Notwithstanding the foregoing, this Agreement shall terminate when Secured Party gives the Debtor written notice that the Secured Obligations and all amounts payable thereunder have been fully paid, and that all commitments and obligations of Secured Party with respect to the Secured Obligations have terminated.

4. REPRESENTATIONS. Debtor hereby represents and warrants to Secured Party that:

(a) Each Debtor is existing and in good standing under the laws of their state or other jurisdiction of formation, are duly qualified, in good standing and authorized to do business in each jurisdiction where failure to do so might have a material adverse impact on the consolidated assets, condition or prospects of Debtor; the execution, delivery and performance of this Agreement and all related documents and instruments are within Debtor's powers and have been authorized by all necessary corporate, action.

(b) The execution, delivery and performance of this Agreement and all related documents and instruments have received any and all necessary governmental approval, and do

not and will not contravene or conflict with any provision of law, charter or by-laws of any Debtor or any agreement affecting such Debtor or its property.

(c) There has been no material adverse change in the business, condition, properties, assets, operations or prospects of Debtor since the date of the latest financial statements, if any, provided on behalf of Debtor to Secured Party.

(d) No financing statement, mortgage, notice of judgment, or any similar instrument (other than those security interests in existence at the execution of the Loan Documents which have been disclosed to and approved by Secured Party) covering any of the Collateral is on file in any public office.

(e) Debtor is the lawful owner of all Collateral, free and clear of all liens, pledges, charges, mortgages, and claims other than any in favor of Secured Party, except liens for current taxes not delinquent and those liens previously disclosed to Secured Party.

(f) All Accounts and Inventory of Debtor are genuine, are in all respects what they purport to be, are not evidenced by a judgment, and represent undisputed, bona fide transactions completed or to be completed in accordance with the terms and conditions of any document related thereto; none of the Collateral has been sold or pledged to any other person or entity, except as previously disclosed to Secured Party; and each Debtor has no knowledge of any fact or circumstance which would impair the validity or collectability of any of the Collateral.

(g) Debtor has filed or caused to be filed all federal, state, and local tax returns that are required to be filed, and has paid or has caused to be paid all of its taxes, including without limitation any taxes shown on such returns or on any assessment received by it, to the extent that such taxes have become due.

5. COVENANTS OF DEBTOR. Debtor agrees that so long as this Agreement remains in effect, it will:

(a) NOTIFY SECURED PARTY IN WRITING AT LEAST THIRTY (30) DAYS IN ADVANCE OF ANY CHANGE WHATSOEVER IN THE NAME OF DEBTOR OR THE NAME(S) UNDER WHICH DEBTOR CONDUCTS BUSINESS, ANY NEW NAMES UNDER WHICH DEBTOR INTENDS TO DO BUSINESS, AND ANY NEW ADDRESSES AT OR FROM WHICH DEBTOR INTENDS TO DO BUSINESS OR TO KEEP COLLATERAL OF ANY KIND;

(b) provide and maintain insurance with respect to the Collateral, the operation of Debtor's business, and certain employees or officers of Debtor as required by Secured Party from time to time; all such insurance shall be in such amounts and against such risks as shall be satisfactory in all respects to Secured Party, with Secured Party named as additional insured and loss payee;

(c) defend the Collateral against the claims and demands of all persons other than Secured Party and promptly pay all taxes, assessments, and charges upon the Collateral; and not

sign (or permit to be signed), without the prior consent of Secured Party, any financing statements or other documents creating or perfecting a lien upon or security interest in any of the Collateral except in favor of Secured Party, or otherwise create, suffer, or permit to exist any liens or security interests upon any Collateral other than in favor of Secured Party, except tax liens, provided that such liens are removed before related taxes become delinquent;

(d) execute such financing statements and other documents (and pay the cost of filing and recording the same in all public offices deemed necessary by Secured Party) and do such other acts as Secured Party may request to establish and maintain a valid and perfected security interest in the Collateral free and clear of all other liens and claims, except tax liens, provided that such liens are removed before related taxes become delinquent;

(e) deliver to Secured Party any certificates or other documents of title representing or issued with respect to any of the Collateral, with Secured Party's security interest and lien endorsed thereon, and record such certificates or documents with all appropriate regulatory agencies;

(f) furnish to Secured Party, immediately upon the request of Secured Party, any evidence of ownership of the Collateral, including without limitation bills of sale, paid invoices, certificates of title, or applications for title;

(g) keep at its address for notices set forth under or opposite its signature hereto its records concerning the Collateral, which records shall be of such character as will enable Secured Party to determine at any time the status of the Collateral; furnish to Secured Party such information concerning Debtor, the Collateral, and the account debtors as Secured Party may from time to time reasonably request; and permit Secured Party from time to time, at reasonable times, to inspect the Collateral and to inspect, audit, and make copies of, and extracts from, all records and all other papers in the possession of Debtor pertaining to the Collateral and the account debtors; Secured Party shall have the right at any reasonable time or times to make direct verification with the account debtors of any and all of the accounts

(h) keep and maintain the Collateral in good operating condition and repair, and make all necessary replacements and renewals to the Collateral so that the value and operating efficiency thereof shall at all times be maintained and preserved;

(i) make appropriate entries upon its financial statements and its books and records disclosing Secured Party's security interest in the Collateral;

(j) provide to Secured Party from time to time such financial statements of and other information concerning Debtor as Secured Party shall reasonably request;

(k) if at any time any of the Collateral shall be or become evidenced by any instrument, note, or other document, immediately deliver such instrument, note, or document to Secured Party, endorsed as requested by Secured Party;

- (l) immediately notify Secured Party of any material loss or depreciation in the value of the Collateral;
- (m) not open any new deposit accounts without the prior written approval of Security Party;
- (n) not amend the License Agreement (as hereinafter defined) without the prior written approval of Secured Party; and
- (o) except if and to the extent specifically permitted by this Agreement, not sell, transfer, or otherwise dispose of any Collateral (other than a sale or disposition of any Inventory no longer useful in connection with the operation of Debtor's business, provided that prior to the sale or other disposition thereof such Inventory has been replaced by other Inventory of at least equal value and utility which is subject to the lien of this Agreement with the same priority as the Inventory so sold or disposed of, except for Dyadic Florida's liquidation of Inventory without purchasing replacement Inventory from and after June 21, 2008 to the date of a Default under this Agreement) without Secured Party's prior written consent.

6. DOCUMENTATION: Debtor agrees to deliver to Secured Party contemporaneously with the execution of this Agreement except as otherwise indicated, the following documents in form and substance acceptable to Secured Party:

- (a) Amended and Restated Note;
 - (b) Collateral Assignment of Inventions and Patents and Patent Applications ("Collateral Patent Assignment");
 - (c) One or more blank assignments under the terms of the Collateral Patent Assignment;
 - (d) Collateral Assignment of Trademarks ("Collateral Trademark Assignment");
 - (e) One or more blank assignments under the terms of the Collateral Trademark Assignment;
 - (f) UCC Financing Statement regarding patents to be filed with the United States Patent and Trademark Office;
 - (g) UCC Financing Statements for Debtor to be filed with the respective Secretaries of State of the states of formation of each Debtor;
 - (h) all documentation required under applicable law to perfect and enforce same;
 - (i) Control Agreement between Debtor, Secured Party and Citibank.
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Such documentation as necessary to reprice stock warrants to purchase to 1,500,000 shares of common stock of Dyadic Delaware (the "Common Stock") issued to MAE Trust and other loan participants in connection with the Prior Note. The purchase price for such warrants shall be repriced to equal the price per share equal to the Average Closing Price for the Common Stock during the Trading Period (as hereinafter defined). For purposes of this paragraph, certain capitalized terms shall be defined as follows:

"Trading Period" shall mean the period commencing November 12, 2008 and ending December 23, 2008. In the event the Common Stock shall cease to be publicly traded during such period, then the Trading Period shall sooner end on the last Trading Day during which the Common Stock was traded during such period.

"Average Closing Price" shall mean the average of the closing prices for the Common Stock on each Trading Day during the Trading Period; provided, however, if on any Trading Day during the Trading Period, no shares of Common Stock are traded, then, for the purposes of such calculation, the closing price for such Trading Day shall be the average of the closing prices for the Trading Days preceding and following the day(s) during which no such trading occurred.

"Trading Day" shall mean a day in which the Common Stock is available to be publicly traded on the "Bulletin Board" or any recognized public exchange."

(j) Prior to December 15, 2008, a written agreement of Dyadic Nederland BV, a Dutch corporation, ("Dyadic BV") pursuant to which Dyadic BV grants to Secured Party a legal, valid and binding lien, pledge, mortgage and security interest in any and all: equipment and other personal property owned by Dyadic BV, including, without limitation, all grants and other funding sources, patents, patent applications, trademarks, trademark applications, tradenames, trade secrets, goodwill, copyrights, copyright applications, registrations, licenses, software, franchises, customer lists, tax refund claims, claims against carriers and shippers, insurance claims, claims against board members, employees and officers, auditors and lawyers, and other professionals, guarantee claims, contract rights, payment intangibles, security interests, security deposits, rights to indemnification, strains and micro-organisms and related mutants and derivatives thereof now existing or hereafter produced, fermentation processes and protocols, proprietary and confidential information and materials, sequenced genome, annotated genome, genes, genetic material, research and development projects, research tools and materials, research equipment and supplies and know-how; all inventory; all goods (other than inventory), including, without limitation, equipment, vehicles and fixtures; all investment property; all deposits, accounts, bank accounts, prepaid expenses and all cash; all rights under letters of rights; all commercial tort and other claims; any property of Debtor or Dyadic BV now or hereafter in the possession, custody or control of Dyadic BV or any agent, if any, for any purpose (whether for safekeeping, deposit, collection, custody, pledge, transmission or otherwise); all other personal property of Dyadic BV; and all additions and accessions to, substitutions for, and replacements, products and proceeds of the foregoing property, including, without limitation,

(k) proceeds of all insurance policies insuring the foregoing property, and all of Dyadic BV's books and records relating to any of the foregoing and to its business;

(l) Prior to December 15, 2008, agreements with any of the following to the extent desired by Secured Party to enable Secured Party to achieve as additional collateral security all property of Debtor and its subsidiaries, all in form and substance acceptable to Secured Party: (i) Bio-Technical Resources, of Manitowoc, Wisconsin, (ii) TNO, of the Netherlands, (iii) Ferm-Tech, Ltd of Moscow Russia, (iv) Polfa Tarchomin SA, of Warsaw, Poland SA, (v) Martek Biosciences Corporation, of Kingstree, South Carolina, (vi) Enmex, S.A. de C.V., of Tlalnepanitla, Edo de Mexico, (vii) the owner of each facility in which research, development, production or processing is taking place on behalf of Debtor or any of its subsidiaries, (viii) each financial institution holding deposits or other assets of Debtor or any subsidiary of any of Debtor, and (ix) each landlord of any premises leased by any of Debtor, Dyadic BV or their respective subsidiaries.

7. USE OF THE INVENTORY. Until notice to the contrary is given by Secured Party, Debtor may use, consume, and sell Inventory in carrying on its business in the ordinary course of business substantially in the same manner as now conducted, but a sale in the ordinary course of business shall not include any transfer or sale in satisfaction, partial or complete, of a debt owed by Debtor.

8. CODEXIS LICENSE. Secured Party has consented to Debtor's execution of a certain non-exclusive license to Codexis, Inc., a Delaware corporation ("Codexis") for the use of certain patents and other property as more particularly described in that certain License Agreement dated on or about November 14, 2008 (the "License Agreement"). In connection therewith, MAE assigned and transferred certain patent rights to Dyadic Florida, and Secured Party entered into a certain Non-Disturbance Agreement by and among them, Debtor and Codexis, which among other things, permits Codexis certain rights to the use of the licensed property notwithstanding a Default by Debtor under the terms of the Amended Note or this Agreement. Debtor acknowledges that Secured Party's consent to the restrictions on its exercise of the Collateral pursuant to the Non-Disturbance Agreement constitutes additional consideration for the Debtor's performance of its obligations under the Amended Note and this Agreement.

9. COLLECTIONS.

(a) Until notice to the contrary is given by Secured Party, Debtor (i) shall collect the accounts for Secured Party at Debtor's own expense, and (ii) may grant, in the ordinary course of business, to any party obligated on any of the Collateral, any rebate, refund, or allowance to which such party may be lawfully entitled and accept in connection therewith the return of any goods the sale or lease of which shall have given rise to such accounts.

(b) At any time and from time to time, whether before or after the occurrence of a Default, Secured Party, at Debtor's expense, may or, upon request of Secured Party, Debtor shall, notify any account debtors of the existence of this Agreement and direct such account debtors to pay directly to Secured Party the amounts due or to become due from such account debtors.

Each account debtor so notified and directed may accept the receipt of Secured Party for any such payment as a full release of any amounts so paid.

(c) Secured Party may enforce collection of any or all of the Collateral by suit or otherwise, and surrender, release, or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) any indebtedness thereunder.

(d) Secured Party at any time may, and upon direction of Debtor or upon the happening of a Default shall, apply all payments received from account debtors to the Secured Obligations when due (whether by acceleration or otherwise) and may credit any balance after such payment to the account of Debtor.

10. **WARRANTY-FUTURE.** The request or application by Debtor for any Secured Obligations secured hereby shall be a representation and warranty by Debtor as of the date of such request or application that: (i) no Default or Unmatured Event of Default (in each case as defined herein) has occurred or is continuing as of such date; and (ii) Debtor's representations and warranties herein are true and correct as of such date as though made on such date, except that Section 4(c) shall be deemed to refer to the then most recent financial statements furnished to Secured Party.

11. **EVENTS OF DEFAULT.** The occurrence and continuation of any of the following described events shall constitute a "Default":

(a) failure to pay, when and as due, any principal, interest or other amounts payable hereunder or in connection with any of the Secured Obligations, or failure to comply with or perform any agreement or covenant of Debtor contained herein, failure to pay when and as due, any principal, interest, or other amounts payable to Lender under any other notes executed and delivered to Lender by Borrower; or

(b) any default, event of default, or similar event shall occur or continue beyond the expiration of any applicable notice and cure period under any Loan Document, or any such Loan Document shall not be, or shall cease to be, enforceable in accordance with its terms; or

(c) there shall occur any default or event of default which shall continue beyond the expiration of any applicable notice and cure period, or any event or condition that might become such with notice or the passage of time or both, or any similar event, or any event that requires the prepayment of borrowed money or the acceleration of the maturity thereof, under the terms of any evidence of indebtedness or other agreement issued or assumed or entered into by Debtor, or under the terms of any indenture, agreement, or instrument under which any such evidence of indebtedness or other agreement is issued, assumed, secured, or guaranteed; or

(d) any representation, warranty, schedule, certificate, financial statement, report, notice, or other writing furnished by or on behalf of Debtor to any Secured Party is false or misleading in any material respect on the date as of which the facts therein set forth are stated or certified; or

- (e) any guaranty of or pledge of collateral security for the Secured Obligations, including without limitation this Agreement, shall be repudiated or become unenforceable or incapable of performance; or
 - (f) any of Debtor shall fail to maintain its existence in good standing in its state of formation or shall fail to be duly qualified, in good standing and authorized to do business in each jurisdiction where failure to do so might have a material adverse impact on the consolidated assets, condition or prospects of any of Debtor; or
 - (g) any of Debtor shall dissolve, liquidate, merge, consolidate, or cease to be in existence for any reason; or
 - (h) MAE, without his written consent, is not an employee of Dyadic Florida and Dyadic Delaware with at least the same level of compensation and benefits currently received by him; or
 - (i) MAE, without his written consent, is not the chief executive officer of each of Dyadic Florida, Dyadic Delaware and Dyadic BV; or
 - (j) MAE, without his written consent, is not a director of each of Dyadic Florida, Dyadic Delaware and Dyadic BV; or
 - (k) any proceeding (judicial or administrative) shall be commenced against Debtor, or with respect to any assets of Debtor, which shall threaten to have a material and adverse effect on the assets, condition or prospects of Debtor and such proceeding shall not be discharged or dismissed within ten (10) days of Secured Party's written notice thereof to Debtor; or final judgment(s) and/or settlement(s) shall be entered or agreed to in any suit or action commenced against Debtor; or
 - (l) Debtor shall hereafter grant or any person (other than Secured Party) shall hereafter obtain a security interest in any of the Collateral, without Secured Party's written consent, or a court shall determine that Secured Party does not have valid perfected security interest in any of the Collateral enforceable in accordance with the terms hereof, or any notice of a federal tax lien against Debtor shall be filed with any public recorder which lien is not being contested in good faith; or
 - (m) there shall be any material loss or depreciation in the value of any of the Collateral for any reason (other than Dyadic Florida's liquidation of inventory from and after June 21, 2008 to the date of a Default under this Agreement without purchasing replacement inventory), or Secured Party shall otherwise reasonably deem itself insecure; or, unless expressly permitted by this Agreement or the related documents, all or any part of any of the Collateral or any direct, indirect, legal, equitable or beneficial interest therein is assigned, transferred or sold without Secured Party's prior written consent; or
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(n) any bankruptcy, insolvency, reorganization, arrangement, readjustment, liquidation, dissolution, or similar proceeding, domestic or foreign, is instituted by or against Debtor, or Debtor shall take any steps toward, or to authorize, such a proceeding; or

(o) Debtor shall become insolvent, generally shall fail or be unable to pay its debts as they mature, shall admit in writing its inability to pay its debts as they mature, shall make a general assignment for the benefit of its creditors, shall enter into any composition or similar agreement, or shall suspend the transaction of all or a substantial portion of its usual business.

Notwithstanding the foregoing, or anything contained herein or in any of the Loan Documents, Debtor's failure to pay all of the Secured Obligations on the Maturity Date shall constitute a Default, and Secured Party shall be under no obligation to provide any notice of the Maturity Date, or failure to pay, and Debtor shall have no right or opportunity to cure such Default.

12. DEFAULT REMEDIES.

(a) Notwithstanding any provision of any document or instrument evidencing or relating to any Secured Obligations, if Debtor is in Default under the terms of this Agreement, the Secured Obligations shall be immediately and automatically due and payable without action of any kind on the part of Secured Party. Upon the occurrence and during the continuance of any Default, Secured Party may exercise any rights and remedies under this Agreement, any related document or instrument (including without limitation any pertaining to Collateral), and at law or in equity.

(b) If any Default shall have occurred and be continuing, then, in addition to having the right to exercise any rights and remedies of a secured party upon default under the Uniform Commercial Code in effect in the State where the main office of Secured Party and/or any Collateral is located, Secured Party may, in its sole discretion, exercise any rights or powers set forth in this Agreement. Upon request of Secured Party, Debtor shall promptly assemble the Collateral and deliver it to a place designated by Secured Party. Without limiting any other provision hereof, Debtor shall pay all related expenses, including, without limitation, Secured Party's attorneys' fees. If any notification of intended disposition of any of the Collateral is required by law, such notification, if mailed, shall be deemed reasonably and properly given if mailed at least ten days before such disposition, postage prepaid, addressed to Debtor at the address of Debtor shown below. Secured Party shall, in addition to and not in limitation of all rights of offset under applicable law, have the right to appropriate and apply all of the Collateral in its possession to payment of the Secured Obligations. Secured Party may proceed to sell or otherwise dispose of the Collateral at public or private sale for cash or credit; provided, however, that Debtor shall be credited with proceeds of such sale only when the proceeds are actually received by Secured Party. Secured Party may apply any proceeds of the Collateral to the payment of expenses and costs to exercise of Secured Party's rights hereunder, and any balance of such proceeds shall be applied toward the Secured Obligations in such order as Secured Party shall determine in its sole discretion. Any balance remaining shall be returned to Debtor.

(c) Secured Party may, by written notice to Debtor, at any time and from time to time, waive any Default or "Unmatured Event of Default" (as defined below), which shall be for such period and subject to such conditions as shall be specified in any such notice. In the case of any such waiver, Secured Party and Debtor shall be restored to their former position and rights hereunder, and any Default or Unmatured Event of Default so waived shall be deemed to be cured and not continuing; but no such waiver shall extend to or impair any subsequent or other Default or Unmatured Event of Default. No failure to exercise, and no delay in exercising, on the part of Secured Party of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies of Secured Party herein provided are cumulative and not exclusive of any rights or remedies provided by law. "Unmatured Event of Default" means any event or condition which might become a Default with it continuing after notice or the passage of time or both.

13. RIGHTS OF SECURED PARTY. Secured Party may, from time to time, at its option (but shall have no duty to):

(a) perform any agreement of Debtor hereunder that Debtor shall have failed to perform

(b) take any other reasonable action which Secured Party deems necessary or desirable for the preservation of the Collateral or Secured Party's interest therein and the carrying out of this Agreement or any of the other Loan Documents, including without limiting the generality of the foregoing: (i) any action to collect or realize upon the Collateral; (ii) the discharge of taxes, liens, security interests or other encumbrances at any time levied or placed on the Collateral; (iii) the discharge or keeping current of any obligation of Debtor having effect on the Collateral; or (iv) receiving, endorsing and collecting all checks and other orders for the payment of money made payable to Debtor representing any dividend, interest payment or other distribution payable or distributable in respect of the Collateral or any part thereof, and to give full discharge for the same; and

(c) file, or cause to be filed, photocopies or carbon copies of any financing statement or other Loan Document respecting any right of Secured Party in the Collateral, and any such photocopy or carbon copy of the signature of Debtor on such photocopy or carbon copy shall be deemed an original for purposes of such filing. Debtor hereby authorizes Secured Party to sign financing statements on Debtor's behalf to be filed in all jurisdictions in which such authorization is permitted.

Debtor hereby appoints Secured Party as Debtor's attorney in fact, which appointment is and shall be deemed to be irrevocable and coupled with an interest, for purposes of performing acts and signing and delivering any agreement, document, or instrument, on behalf of Debtor in accordance with this Section. Debtor will, on demand, reimburse Secured Party for all reasonable expenses so incurred by Secured Party. In the event Debtor fails to reimburse Secured Party on demand, the amount of such expenses shall accrue interest thereon at the rate of fourteen percent (14%).

14. FURTHER ASSURANCES. Debtor agrees to do such further acts and things, and to execute and deliver such additional conveyances, assignments, agreements, and instruments, as Secured Party may at any time request in connection with the administration or enforcement of this Agreement or related to the Collateral or any part thereof or in order better to assure and confirm unto Secured Party its rights, powers and remedies hereunder, including without limitation, delivery of possession to Secured Party of any certificates or other collateral which may be perfected solely by means of possession by a secured party under the Uniform Commercial Code.

15. OBLIGATIONS UNCONDITIONAL; WAIVER OF DEFENSES. Debtor irrevocably agrees that no fact or circumstance whatsoever which might at law or in equity constitute a discharge or release of, or defense to the obligations of, a guarantor or surety shall limit or affect any obligations of Debtor under this Agreement or any document or instrument executed in connection herewith. Without limiting the generality of the foregoing:

(a) Secured Party may at any time and from time to time, without notice to Debtor, take any or all of the following actions without affecting or impairing the liability of Debtor on this Agreement:

- (i) renew or extend time of payment of the Secured Obligations;
- (ii) accept, substitute, release or surrender any security for the Secured Obligations; and
- (iii) release any person primarily or secondarily liable on the Secured Obligations (including without limitation any indorser, and any guarantor)

(b) No delay in enforcing payment of the Secured Obligations, nor any amendment, waiver, change, or modification of any terms of any document or instrument which evidences or is given in connection with the Secured Obligations, shall release Debtor from any obligation hereunder. The obligations of Debtor under this Agreement are and shall be primary, continuing, unconditional and absolute (notwithstanding that at any time or from time to time all of the Secured Obligations may have been paid in full), irrespective of the value, genuineness, regularity, validity or enforceability of any documents or instruments respecting or evidencing the Secured Obligations. In order to hold Debtor liable or exercise rights or remedies hereunder, there shall be no obligation on the part of Secured Party, at any time, to resort for payment to any guarantor or to any other security for the Secured Obligations. Secured Party shall have the right to enforce this Agreement as against any one or all of Debtor and irrespective of whether or not other proceedings or steps are being taken against any other property securing the Secured Obligations or any other party primarily or secondarily liable on any of the Secured Obligations.

(c) Except as otherwise provided in any note, agreement, instrument or document evidencing the Secured Obligations, Debtor irrevocably waives presentment, protest, demand, notice of dishonor or default, notice of acceptance of this Agreement, notice of any loans made, extensions granted or other action taken in reliance hereon, and all demands and notices of any kind in connection with this Agreement or the Secured Obligations.

(d) While this Agreement remains in full force and effect, Debtor waives any claim or other right which Debtor might now have or hereafter acquire against any other person primarily or contingently liable on the Secured Obligations (including without limitation any maker, indorser or guarantor) or that arises from the existence or performance of Debtor's obligations under this Agreement, including without limitation any right of subrogation, reimbursement, exoneration, contribution, indemnification, or participation in any claim or remedy of Secured Party against Debtor or any other person primarily or contingently liable on the Secured Obligations (including without limitation any maker, indorser or guarantor) or any other collateral security for the Secured Obligations, which Secured Party now has or hereafter acquires, however arising.

16. NOTICES. All notices, requests and demands to or upon the respective parties hereto shall be deemed to have been given or made when deposited in the mail, postage prepaid, addressed if to Secured Party to its main office indicated above, and if to Debtor to its address set forth below, or to such other address as may be hereafter designated in writing by the respective parties hereto or, as to Debtor, may appear in Secured Party's records.

17. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be an original, and by the parties on separate counterparts which, taken together, shall constitute one and the same instrument. Any signed counterpart delivered by facsimile or email "pdf" shall be effective as a signed counterpart. Upon request of any party, facsimile signature or email "pdf", shall be replaced with an original signature as promptly as practicable.

18. MISCELLANEOUS. This Agreement and any document or instrument executed in connection herewith shall be governed by and construed in accordance with the internal laws of the State of Florida. Unless the context requires otherwise, wherever used herein the singular shall include the plural and vice versa, and the use of one gender shall also denote the other. Captions herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof; references herein to Sections or provisions without reference to the document in which they are contained are references to this Agreement. This Agreement shall bind Debtor, its heirs, trustees (including without limitation successor and replacement trustees), executors, personal representatives, successors and assigns, and shall inure to the benefit of Secured Party, its successors and assigns, except that Debtor may not transfer or assign any of its rights or interest hereunder without the prior written consent of Secured Party. Debtor agrees to pay upon written demand all reasonable expenses (including without limitation attorneys' fees, legal costs and expenses, whether in or out of court, in original or appellate proceedings or in bankruptcy) incurred or paid by Secured Party or any holder hereof in connection with the enforcement or preservation of its rights hereunder or under any document or instrument executed in connection herewith. *If there shall be more than one person or entity constituting Debtor, each of them shall be primarily, jointly and severally liable for all covenants and obligations hereunder. Each representation and warranty of Debtor herein shall be deemed to be jointly made by each Debtor hereunder.*

IN WITNESS WHEREOF, the undersigned have caused this Loan and Security Agreement to be executed and delivered as of the 14th day of November, 2008.

DYADIC INTERNATIONAL (USA), INC., a Florida corporation

By: /s/ Vito G. Pontrelli
Name: Vito G. Pontrelli
Title: Interim CFO

Address of Debtor for Notices:
140 Intracoastal Pointe Drive
Suite 404
Jupiter, Florida 33477

DYADIC INTERNATIONAL, INC., a
Delaware corporation

By: /s/ Vito G. Pontrelli
Name: Vito G. Pontrelli
Title: Interim CFO

SECURED PARTY:

FRANCISCO TRUST, under agreement dated February 28, 1996

By: /s/ Morley Alperstein
Morley Alperstein, Trustee

Address of Secured Party
For Notices:
193 Spyglass Court
Jupiter, Florida 33477

/s/ Mark A. Emalfarb
Mark A. Emalfarb, Individually

THE MARK A. EMALFARB
TRUST under Agreement dated
October 1, 1987, as amended

By: /s/ Mark A. Emalfarb, trustee
Mark A. Emalfarb, Trustee

**COLLATERAL ASSIGNMENT OF INVENTIONS
AND PATENTS AND PATENT APPLICATIONS**

THIS COLLATERAL ASSIGNMENT OF INVENTIONS AND PATENTS AND PATENT APPLICATIONS (this "Assignment") is made and entered into as of November 14, 2008, by DYADIC INTERNATIONAL (USA), INC., a Florida corporation ("Assignor"), in favor of MARK A. EMALFARB TRUST, under agreement dated October 1, 1987, as amended (the "MAE Trust"), FRANCISCO TRUST, under agreement dated February 28, 1998, and MARK A. EMALFARB, individually (collectively, the "Assignee").

RECITALS

- A. Assignor and Assignee are parties to that certain Loan and Security Agreement (the "Loan Agreement") dated as of even date herewith, relating to certain obligations of Assignor as more particularly described in the Loan Agreement (the "Secured Obligations"). Capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Loan Agreement.
- B. The Secured Obligations include but are not limited to a certain Amended and Restated Note (the "Note") in favor of Assignee of even date herewith in the amount of the Loan. Payment of the Note and other Secured Obligations are secured by, among other things, a security interest in (i) the inventions or improvements disclosed in the applications for Letters Patent of the United States, as more particularly described on Exhibit A attached hereto and made a part hereof, and all other applications, both United States and foreign, on said inventions or improvements, including divisional, continuation, continuation-in-part and substitute applications, regardless of whether said other applications are based upon the applications described on Exhibit A in whole or in part, and (ii) in any and all Letters Patent of the United States and foreign countries which may be obtained on any of said applications, and in any reissue or extension of such patents (all of the foregoing, being hereinafter collectively referred to as the "Patents").
- C. The execution and delivery of this Assignment is a condition precedent to the performance by Assignee of its obligations under the Loan Agreement.

AGREEMENTS

NOW, THEREFORE, in consideration of the recitals set forth above and incorporated herein, and for other good and valuable consideration, Assignor agrees as follows:

1. As collateral security for the prompt and complete payment and performance of Assignor's obligations under the Loan Agreement, Assignor hereby collaterally, grants, transfers and assigns to Assignee a security interest in all the right, title and interest of Assignor now or hereafter acquired in and to the Patents. In connection therewith, Assignor hereby agrees to execute and deliver to Assignee from time to time any and all written notices memorializing Assignor's grant of a security interest in the Patents hereunder as may be required under applicable law (whether United States or foreign) as necessary to perfect Assignee's security

2. interest in and to the Patents hereunder, including but not limited to, any and all filings required by the United States Patent and Trademark Office.

3. This Assignment is given for the purpose of securing the payment of all Secured Obligations, including but not limited to, the payment of principal, interest and other sums due under the Note, and any extensions, modifications, amendments and renewals thereof, and the performance and discharge of the obligations, covenants, conditions, and agreements of Assignor contained herein and in the Loan Documents.

THE INTEREST IN THE PATENTS BEING ASSIGNED HEREUNDER SHALL NOT BE CONSTRUED AS A CURRENT ASSIGNMENT, BUT AS A CONTINGENT ASSIGNMENT TO SECURE SUCH ASSIGNOR'S OBLIGATIONS TO ASSIGNEE UNDER THE LOAN AGREEMENT.

4. Assignor agrees:

(a) To diligently prosecute and defend Assignor's right, title and interest in and to the Patents and to execute all oaths, declarations and other documents necessary or desirable for prosecuting said Patents, for use in interference proceedings involving the Patents, for use in opposition proceedings involving the Patents, for refiling said applications, for filing of divisional, substitution, continuation or continuation-in-part applications deemed necessary or desirable by Assignee for reissuance or re-examination of the Patents, or for the filing in foreign countries of applications for Patents counterpart to or based on said application or to an application which is a division, substitution, continuation or continuation-in-part of said application or which application relates to said invention and improvements.

(b) To execute and deliver to MAE Trust, for the benefit of Assignee pursuant to the terms of the Loan Agreement, to secure the Assignor's obligations to Assignee under the Loan Agreement, one or more Assignments of Patents duly executed in blank in the form attached hereto as Exhibit B-1 ("Blank Patent Assignment") and one or more Assignment of Application for Patent in the form attached hereto as Exhibit B-2 ("Blank Application Assignment") and together with the Blank Patent Assignment, the "Blank Assignments". Upon Assignor's satisfaction of all of the Secured Obligations in full, Assignee agrees to deliver the Blank Assignments to Assignor.

(c) That the occurrence of any of the following shall constitute an event of default ("Event of Default") hereunder:

(i) Failure of Assignor for a period of ten (10) days after written notice from Assignee, to observe or perform any covenant or condition contained in this Assignment; provided that if any such failure is susceptible of cure and cannot reasonably be cured within said ten (10) day period, then Assignor shall have an additional twenty (20) day period to cure such failure and no Event of Default shall be deemed to exist hereunder so long as Assignor commences such cure within the initial ten (10) day period and diligently and in good faith pursues such cure to completion within such resulting thirty (30) day period from the date of Assignee's notice;

(ii) Any representation or warranty made by Assignor herein which is not true and correct in any material respect as of the date hereof; and

(iii) An event of default by Assignor under the Loan Agreement or any of the other Loan Documents, which shall not be cured within any applicable grace period.

(d) Upon the occurrence of any Event of Default hereunder, Assignee shall have all rights granted to Assignee under the Loan Documents.

(e) Assignor hereby irrevocably appoints Assignee as its attorney in fact, which appointment is coupled with an interest, to as Assignor's true and lawful proxy and attorney-in-fact (and agent-in-fact) in the Assignor's name, place and stead, with full power of substitution, to (i) take such actions as are permitted in this Assignment, (ii) execute such financing statements and other documents and to do such other acts as Assignee may require to perfect and preserve the Assignee's security interest in, and to enforce such interests in the Patents, and (iii) carry out any remedy provided for in this Assignment, including the filing of such Assignment with the United States Patent and Trademark Office as necessary to cause the perfection of the security interest in the Patents granted to Assignee herein. Assignor hereby acknowledges that the constitution and appointment of such proxy and attorney-in-fact are coupled with an interest and are irrevocable. Assignor hereby ratifies and confirms all that such attorney-in-fact may do or cause to be done by virtue of any provision of this Assignment.

(f) That this Assignment shall be assignable by Assignee to any assignee of Assignee under the Loan Agreement, subject to the terms of the Non-Disturbance Agreement (as defined below), and all representations, warranties, covenants, powers and rights herein contained shall be binding upon, and shall inure to the benefit of, Assignor and Assignee and their respective legal representatives, successors and assigns.

5. Assignor further hereby covenants and represents to Assignee that, except as set forth in that certain non-exclusive License Agreement dated on or about November 14, 2008, by and between Assignor and Codexis, Inc., a Delaware corporation ("Codexis") and the Non-Disturbance Agreement dated on or about November 14, 2008 (the "Non-Disturbance Agreement") by and between Codexis, the Assignor, the Assignee and the other parties thereto, (a) Assignor has not previously assigned, sold, pledged, transferred, mortgaged, hypothecated or otherwise encumbered the Patents or any of them, or its right, title and interest therein, (b) Assignor shall not assign, sell, pledge, transfer, mortgage, hypothecate or otherwise encumber its interests in the Patents or any of them, and (c) Assignor has not performed any act which might prevent Assignor from performing its undertakings hereunder or which might prevent Assignee from operating under or enforcing any of the terms and conditions hereof or which would limit Assignee in such operation or enforcement.

6. All notices, demands or documents which are required or permitted to be given or served hereunder shall be in writing and shall be deemed sufficiently given when delivered or mailed in the manner set forth in the Loan Agreement.

7. Any provision in the Loan Agreement that pertains to this Assignment shall be deemed to be incorporated herein as if such provision were fully set forth in this Assignment. In the event of any conflict between the terms of this Assignment and the terms of the Loan Agreement, the terms of the Loan Agreement shall prevail. A provision in this Assignment shall not be deemed to be inconsistent with the Loan Agreement by reason of the fact that no provision in the Loan Agreement covers such provision in this Assignment.

8. This Assignment is made for collateral purposes only and the duties and obligations of Assignor under this Assignment shall terminate when all sums due Assignee under the Loan Documents are paid in full and all obligations, covenants, conditions and agreements of Assignor contained in the Loan Documents are performed and discharged.

9. This assignment shall be governed by, and construed in accordance with, the laws of the State of Florida.

10. It is expressly intended, understood and agreed that this Assignment and the other Loan Documents are made and entered into for the sole protection and benefit of Assignor, and Assignee, and their respective successors and assigns (but in the case of assigns of Assignor, only to the extent permitted hereunder); that no other person or persons shall have any right at any time to action hereon.

11. Assignor and Assignee intend and believe that each provision in this Assignment comports with all applicable local, state or federal laws and judicial decisions. However, if any provision or provisions, or if any portion of any provision or provisions, in this Assignment is found by a court of law to be in violation of any applicable local, state or federal ordinance, statute, law, administrative or judicial decision or public policy, and if such court should declare such portion, provision or provisions of this Assignment to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent both of Assignor and Assignee that such portion, provision or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable, that the remainder of this Assignment shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained therein and that the rights, obligations and interests of Assignor and Assignee under the remainder of this Assignment shall continue in full force and effect.

IN WITNESS WHEREOF, Assignor has delivered this Assignment as of the date first written above.

ASSIGNOR:

DYADIC INTERNATIONAL (USA), INC.,
a Florida corporation

By: /s/Vito G. Pontrelli
Name: Vito G. Pontrelli
Its: Interim CFO

EXHIBIT A

Schedule of Patents

[See Attached]

EXHIBIT A
Schedule of Patents

Title	Country	Status	Application No.	App. Date	Patent No.	Issue Date
Novel fungal enzymes						
1. Novel fungal enzymes	United States	Pending	11/833,133	02.08.2007		
2. Novel fungal enzymes	PCT	Pending	PCT/US08/071982	1.08.2008		
3. Novel fungal enzymes	United States	Pending	12/205,694	05.09.2008		
4. Novel fungal enzymes	PCT	Pending	PCT/US08/75464	05.09.2008		
Construction of highly efficient cellulase compositions for enzymatic hydrolysis of cellulose						
5. Construction of highly efficient cellulase compositions for enzymatic hydrolysis of cellulose	United States	Published	11/487547	13-Jul-06		
6. Construction of highly efficient cellulase compositions for enzymatic hydrolysis of cellulose	PCT	Published	PCT/US06/27347	13-Jul-06		
Expression and high-throughput screening of complex expressed DNA libraries in filamentous fungi						
7. Expression and high-throughput screening of complex expressed DNA libraries in filamentous fungi	PCT	Published	PCT/US07/87020	10.12.2007		
Methods and compositions for degradation of lignocellulosic material						
8. Methods and compositions for degradation of lignocellulosic material	PCT	Published	PCT/US07/73180	10.07.2007		
9. Methods and compositions for degradation of lignocellulosic material	United States	Published	11/775,777	10.07.2007		
High-Throughput screening of expressed DNA libraries in filamentous fungi						
10. High-Throughput screening of expressed DNA libraries in filamentous fungi	PCT	Published	PCT/US00/10199	13-Apr-00		
11. High-Throughput screening of expressed DNA libraries in filamentous fungi	PCT	Published	PCT/US01/12335	13-Apr-01		
12. High Throughput screening of expressed DNA libraries in Filamentous fungi	United States	Granted	09/834434 (CIP of US/00/10199)	13-Apr-01	7122330 B2	10/17/06
13. High Throughput screening of expressed DNA libraries in Filamentous fungi	United States	Published	11/490761	21-Jul-06		
14. High Throughput screening of expressed DNA libraries in Filamentous fungi	Australia	Pending	2006249202	01-Dec-06		
15. High Throughput screening of expressed DNA libraries in Filamentous fungi	Brazil	Pending	PI0105795-2	13-Apr-01		
16. High-Throughput Screening Of Expressed DNA Libraries in Filamentous Fungi	Canada	Pending	2376552	13-Apr-01		
17. High Throughput screening of expressed DNA libraries in Filamentous fungi	China	Published	01801513.1	13-Apr-01		
18. High throughput screening of expressed DNA libraries in filamentous fungi	EA: Armenia; Azerbaijan; Belarus; Kyrgyzstan; Kazakhstan; Moldova; Russia; Tajikistan; Turkmenistan	Granted	200200035	13-Apr-01	006873	4/28/06
19. High Throughput screening of expressed DNA libraries in Filamentous fungi	Europe	Published	01927056.0 (pub. # 1272669)	13-Apr-01		
20. High Throughput screening of expressed DNA libraries in Filamentous fungi	India	Granted	2001/01129	13-Apr-01	197642	3/2/07
21. High Throughput screening of expressed DNA libraries in Filamentous fungi	India	Allowed	3355/DELNP/04	13-Apr-01		
22. High Throughput screening of expressed DNA libraries in Filamentous fungi	Israel	Granted	146935	13-Apr-01	146935	4/7/08
23. High Throughput screening of expressed DNA libraries in Filamentous fungi	Japan	Published	2001-576942	13-Apr-01		
24. High Throughput screening of expressed DNA libraries in Filamentous fungi	Mexico	Granted	01/012905	13-Apr-01	253242	1/10/08
Transformation system in the field of filamentous hosts						
25. Transformation system in the field of PCT filamentous hosts		Published	PCT/NL99/00618	06-Oct-99		
26. Transformation system in the field of United States filamentous fungal hosts	United States	Granted	09/548938 (CIP of PCT/ 99/00618)	13-Apr-00	6573086B1	6/3/03
27. Transformation system in the field of United States filamentous fungal hosts	United States	Granted	10/394568	21-Mar-03	7399627B2	7/15/08
28. Transformation system in the field of United States filamentous fungal hosts	United States	Published	12/047709	13-Mar-08		
29. Transformation system in the field of Australia filamentous fungal hosts.	Australia	Granted	62326/99	06.10.1999	771539	08.07.2004
30. Transformation system in the field of Brazil filamentous fungal hosts.	Brazil	Pending	99142783	06.10.1999		
31. Transformation system in the field of Canada filamentous fungal hosts.	Canada	Pending	2345356	06.10.1999		
32. Transformation system in the field of China filamentous fungal hosts.	China	Granted	99814133	06.10.1999	1230546	07.12.2005

33.	Transformation system in the field of EA: filamentous fungal hosts	Armenia; Azerbaijan; Belarus; Kyrgyzstan; Kazakhstan; Moldova; Russia; Tajikistan; Turkmenistan	Granted	200100419	06-Oct-99	5682	4/28/05
34.	Transformation system in the field of India filamentous fungal hosts.		Granted	2001/00498	06.10.1999	210584	22.10.2007
35.	Transformation system in the field of Mexico filamentous fungal hosts.		Granted	PA/a/2001/003462	06.10.1999	247741	02.08.2007
36.	Transformation System in the Field of Filamentous Fungal Hosts: In Chryso sporium	Mexico	Pending	2007/005468	06.10.1999		
37.	Transformation system in the field of Republic of Korea filamentous fungal hosts.		Granted	10-2001-7004377	06.10.1999	618495	24.08.2006
38.	Transformation System in the Field of Filamentous Fungal Hosts: In Chryso sporium	Europe	Granted			1117808	12/29/04
39.	Transformation System in the Field of Filamentous Fungal Hosts: In Chryso sporium	Austria	Granted	99949459.4	06.10.1999	1117808	29.12.2004
40.	Transformation System in the Field of Filamentous Fungal Hosts: In Chryso sporium	Belgium	Granted	99949459.4	06.10.1999	1117808	29.12.2004
41.	Transformation System in the Field of Filamentous Fungal Hosts: In Chryso sporium	Denmark	Granted	99949459.4	06.10.1999	1117808	29.12.2004
42.	Transformation System in the Field of Filamentous Fungal Hosts: In Chryso sporium	Finland	Granted	99949459.4	06.10.1999	1117808	29.12.2004
43.	Transformation System in the Field of Filamentous Fungal Hosts: In Chryso sporium	France	Granted	99949459.4	06.10.1999	1117808	29.12.2004
44.	Transformation System in the Field of Filamentous Fungal Hosts: In Chryso sporium	Germany	Granted	69922978.2-08;	06.10.1999	1117808	29.12.2004
45.	Transformation System in the Field of Filamentous Fungal Hosts: In Chryso sporium	Ireland	Granted	99949459.4	06.10.1999	1117808	29.12.2004
46.	Transformation System in the Field of Filamentous Fungal Hosts: In Chryso sporium	Italy	Granted	99949459.4	06.10.1999	1117808	29.12.2004
47.	Transformation System in the Field of Filamentous Fungal Hosts: In Chryso sporium	Netherlands	Granted	99949459.4	06.10.1999	1117808	29.12.2004
48.	Transformation System in the Field of Filamentous Fungal Hosts: In Chryso sporium	Russian Federation	Granted	200100419	06.10.1999	005682	28.04.2005
49.	Transformation System in the Field of Filamentous Fungal Hosts: In Chryso sporium	Spain	Granted	99949459.4	06.10.1999	1117808	29.12.2004
50.	Transformation System in the Field of Filamentous Fungal Hosts: In Chryso sporium	Sweden	Granted	99949459.4	06.10.1999	1117808	29.12.2004
51.	Transformation System in the Field of Filamentous Fungal Hosts: In Chryso sporium	Switzerland	Granted	99949459.4	06.10.1999	1117808	29.12.2004
52.	Transformation System in the Field of Filamentous Fungal Hosts: In Chryso sporium	United Kingdom	Granted	99949459.4	06.10.1999	1117808	29.12.2004
Novel cellulase compositions and methods of use							
53.	Novel cellulase compositions and methods of use	United States	Granted	08/731170	10-Oct-96	5811381	9/22/98
54.	Novel cellulase compositions and methods of use	PCT	Published	PCT/US97/17669 priority to US 5811381 (above)	30-Sep-97	WO98/15633	
55.	Treating cellulosic materials with cellulases from chryso sporium	United States	Granted	09/106026 (DIV of 5,811,381)	29-Jun-98	6015707	1/18/00
56.	Chryso sporium cellulase and methods of use	United States	Published	09/284152 Priority to PCT/US97/17664	03-Jun-99		
57.	Chryso sporium cellulase and methods of use	Australia	Granted	47415/97	30-Sep-97	743909	5/23/02
58.	Chryso sporium cellulase and methods of use	Brazil	Pending	PI97152811	14-May-07		
59.	Chryso sporium cellulase and methods of use.	Brazil	Pending	PI9711876-1	30-Sep-97		
60.	Chryso sporium cellulase and methods of use.	Canada	Published	2268384	30-Sep-97		
61.	Chryso sporium cellulase and methods of use.	China	Granted	97199686.5	30-Sep-97	1177933	12/1/04
62.	Chryso sporium cellulase and methods of use.	EA: Armenia; Azerbaijan; Belarus; Kyrgyzstan; Kazakhstan; Moldova; Russia; Tajikistan; Turkmenistan	Granted	199900274	30-Sep-97	003295	4/24/03
63.	Chryso sporium cellulases and methods of use	Europe	Published	97909913.2	30-Sep-97		
64.	Chryso sporium cellulases and methods of use	Hong Kong	Published	00100079.4	30-Sep-97		
65.	Novel cellulase compositions and methods of use	India	Allowed	2858/DEL/97	07-Oct-97		
66.	Novel cellulase compositions and methods of use	India	Pending	2952/DEL/05	07-Nov-05		
67.	Novel cellulase compositions and methods of use	India	Pending	2953/DEL/05	07-Nov-05		
68.	Chryso sporium cellulase and methods of use.	Israel	Granted	129350	30-Sep-97	129350	2/1/08
69.	Chryso sporium cellulase and methods of use.	Japan	Pending	10-517593	30-Sep-97		

70.	Chryso sporium cellulase and methods of use	Mexico	Granted	99/003367	30-Sep-97	212335	12/19/02
71.	Novel cellulase compositions and methods of use	Thailand	Published	035219			14-Jan-97
Expression-regulating sequences and expression products in the field of filamentous fungi chryso sporium							
72.	Novel expression-regulating sequences and expression products in the field of filamentous fungi	PCT	Published	PCT/NL01/000301			17-4-2001
73.	Expression-regulating sequences and expression products in the field of filamentous fungi chryso sporium	United States	Published	10/257629			11-Apr-03
74.	Novel expression-regulating sequences and expression products in the field of filamentous fungi	Australia	Granted	50663/01		782105	20.10.2005
75.	Novel expression-regulating sequences and expression products in the field of filamentous fungi.	Brazil	Pending	PI0110090-4			17-4-2001
76.	Novel expression-regulating sequences and expression products in the field of filamentous fungi.	Canada	Pending	2405954			17-4-2001
77.	Novel expression-regulating sequences and expression products in the field of filamentous fungi	China	Granted	ZL01811068.1		CN1436242A	01.01.2008
78.	Novel expression-regulating sequences and expression products in the field of filamentous fungi	Czech Republic	Pending	2002-3435			17-4-2001
79.	Novel expression-regulating sequences and expression products in the field of filamentous fungi	Denmark	Granted	01923991.2		1276876	04.04.2007
80.	Novel expression-regulating sequences and expression products in the field of filamentous fungi	Europe	Pending	07102273.5		Publication number 1854888	
81.	Novel expression-regulating sequences and expression products in the field of filamentous fungi	Austria	Granted	01923991.2		1276876	04.04.2007
82.	Novel expression-regulating sequences and expression products in the field of filamentous fungi	Belgium	Granted	01923991.2		1276876	04.04.2007
83.	Novel expression-regulating sequences and expression products in the field of filamentous fungi	Finland	Granted	01923991.2		1276876	04.04.2007
84.	Novel expression-regulating sequences and expression products in the field of filamentous fungi	France	Granted	01923991.2		1276876	04.04.2007
85.	Novel expression-regulating sequences and expression products in the field of filamentous fungi	Germany	Granted	01923991.2		60127661.2	04.04.2007
86.	Novel expression-regulating sequences and expression products in the field of filamentous fungi	Hong Kong	Pending	08104718.5			17-4-2001
87.	Novel expression-regulating sequences and expression products in the field of filamentous fungi	India	Granted	IN/PCT/2002/01837/CHE		208981	23.08.2007
88.	Novel expression-regulating sequences and expression products in the field of filamentous fungi	India	Pending	2562/CHENP/2006			17-4-2001
89.	Novel expression-regulating sequences and expression products in the field of filamentous fungi	Ireland	Granted	01923991.2		1276876	04.04.2007
90.	Novel expression-regulating sequences and expression products in the field of filamentous fungi	Israel	Pending	152272			17-4-2001
91.	Novel expression-regulating sequences and expression products in the field of filamentous fungi	Italy	Granted	01923991.2		1276876	04.04.2007
92.	Novel expression-regulating sequences and expression products in the field of filamentous fungi	Japan	Pending	577490/01			17-4-2001
93.	Novel expression-regulating sequences and expression products in the field of filamentous fungi	Luxembourg	Granted	01923991.2		1276876	04.04.2007
94.	Novel expression-regulating sequences and expression products in the field of filamentous fungi	Mexico	Granted	PA/a/2002/010155		249040	14.09.2007
95.	Novel expression-regulating sequences and expression products in the field of filamentous fungi	Mexico	Pending	MX/a/2007/011180			17-4-2001
96.	Novel expression-regulating sequences and expression products in the field of filamentous fungi	Netherlands	Granted	01923991.2		1276876	04.04.2007
97.	Novel expression-regulating sequences and expression products in the field of filamentous fungi	New Zealand	Granted			521990	10.03.2005
98.	Novel expression-regulating sequences and expression products in the field of filamentous fungi	Poland	Pending	P 358491			17-4-2001
99.	Novel expression-regulating sequences and expression products in the field of filamentous fungi	Republic of Korea	Pending	10-2002-7014055			17-4-2001
100.	Novel expression-regulating sequences and expression products in the field of filamentous fungi	Russian Federation	Granted	2002130278		2272835	27.03.2006
101.	Novel expression-regulating sequences and expression products in the field of filamentous fungi	Singapore	Granted	200206466-5		92512	31.10.2005
102.	Novel expression-regulating sequences and expression products in the field of filamentous fungi	South Africa	Pending	2002/8311			17-4-2001
103.	Novel expression-regulating sequences and expression products in the field of filamentous fungi	Spain	Granted	01923991.2		1276876	04.04.2007
104.	Novel expression-regulating sequences and expression products in the field of filamentous fungi	Sweden	Granted	01923991.2		1276876	04.04.2007
105.	Novel expression-regulating sequences and expression products in the field of filamentous fungi	Switzerland	Granted	01923991.2		1276876	04.04.2007
106.	Novel expression-regulating sequences and expression products in the field of filamentous fungi	United Kingdom	Granted	01923991.2		1276876	04.04.2007

EXHIBIT B-1

Form of Blank Patent Assignment

[See Attached]

ASSIGNMENT OF INVENTIONS AND PATENTS AND PATENT APPLICATIONS

WHEREAS, DYADIC INTERNATIONAL (USA), INC., a Florida corporation, having a place of business at 140 Intracoastal Pointe Drive, Suite 404, Jupiter, Florida 33477-5094; herein referred to as Assignor, has acquired the entire interest, in, to and under the inventions or discoveries disclosed in the United States patents or applications listed in the attached Exhibit A;

WHEREAS, Mark A. Emalfarb Trust under agreement dated October 1, 1987, as amended (the "MAE Trust"), on behalf of the secured parties under that certain Loan and Security Agreement dated as of November 14, 2008 (the "Loan and Security Agreement") executed by Assignee, as debtor, in favor of MAE Trust; Francisco Trust, under agreement dated February 29, 1996, as amended, and Mark A. Emalfarb, individually, collectively, as secured party, hereinafter referred to as Assignee, is desirous of acquiring the entire right, title and interest in and to said patent applications, said inventions, and to, in and under the Patents (as hereinafter defined) by reason of a Default therein.

NOW, THEREFORE, in consideration of the sum of One Dollar (\$1.00), the receipt of which is hereby acknowledged, and for all other good and valuable consideration:

Assignor hereby irrevocably sell, assign, transfer and convey unto Assignee, Assignor's entire right, title and interest (including the right to sue for past, present and future infringement thereof) in and to the inventions described in the patent applications and patents set forth in Exhibit A herein, all improvements thereto, and all U.S. and foreign patents and patent applications issuing therefrom or claiming such inventions or improvements, including each and every re-issue, reexamination, substitution, divisional, continuation, continuation-in-part or extension thereof as set forth in the attached Exhibit A (all of the assigned rights shall collectively be referred to as "Patents"), in each case subject to the rights granted to Codexis pursuant to that certain non-exclusive License Agreement dated on or about November 14, 2008, by and between Assignor and Codexis, Inc., a Delaware corporation ("Codexis") and the Non

Disturbance Agreement dated on or about November 14, 2008 (the "Non-Disturbance Agreement") by and between Codexis, the Assignor, the Assignee and the other parties thereto.

Assignor hereby authorize and request the Director of the United States Patent and Trademark Office and corresponding foreign patent authorities to issue and assign said United States Patent s and corresponding foreign counterparts to Assignee, of the entire right, title and interest in and to the same, for Assignee's (and its designees') sole use, to the full end of the term for which said Patents may be granted, as fully and entirely as the same would have been held by Assignor had this assignment and sale not been made.

Except as set forth in Exhibit B herein, Assignor hereby warrant, covenant and represent that they have not heretofore granted any license, right or privilege in respect to the said inventions or said Patents, or in any other way encumbered the same, and that they have the full right to convey, free of all licenses and encumbrances, the entire interest hereby assigned.

Assignor covenant and agree that at the request and expense of Assignee they will promptly execute all documents necessary or desirable to perfect or record Assignee's ownership of the Patents, and execute all oaths, declarations and other documents necessary or desirable for prosecuting the Patents, for use in interference proceedings involving the Patents, for use in opposition proceedings involving the Patents, for refiling said applications, for filing of divisional, substitution, continuation or continuation-in-part applications deemed necessary or desirable by Assignee, for reissuance or re-examination of the Patents, or for the filing in foreign countries of applications for Patents counterpart to or based on said application or to an application which is a division, substitution, continuation or continuation-in-part of said application or which application relates to said invention and improvements. Assignor further covenants and agrees that at the expense and request of Assignee, he will promptly assist Assignee in interference and opposition proceedings involving the Patents, and in litigation involving the Patents, and will assist in the ascertainment of facts and the production of evidence relating to the Patents.

If Assignee or its designees cannot obtain the signatures of Assignor on any document necessary to exercise the rights granted under this instrument, Assignor hereby irrevocably designate and appoint Assignee, its designees and each of its duly authorized officers and agents as Assignor's agent and attorney-in-fact, to act for, and on behalf of Assignee or its designees, to execute and file any such document and to do all other lawfully permitted acts to further exercise Assignee's and its designees' rights or protections with the same force and effect as if executed and delivered by Assignor.

To the extent any provision of this assignment of inventions and patents and patent applications, or any portion thereof, is found to be illegal or unenforceable for any reason, such assignment of inventions and patents and patent applications or the applicable provision or portion will be modified, revised or deleted in such a manner to effect the intended purpose to make this assignment of inventions and patents and patent applications, as modified, legal and enforceable under applicable laws. The terms, covenants and provisions of this assignment shall inure to the benefit of Assignee, its successors, assigns and other legal representatives, and shall be binding upon Assignor, its heirs, legal representatives and assigns.

Signed: DYADIC INTERNATIONAL (USA), INC.

Date: November 14, 2008

By: _____

Its: _____

STATE OF _____

COUNTY OF _____

On this ____ day of November, 2008 before me, the undersigned authority, personally appeared to me Vito Pontrelli, the Interim CFO of Dyadic International (USA), Inc., known to me to be the individual who is described in and who executed the foregoing Assignment on behalf of said corporation, and who duly acknowledged to me that he executed the same as his own voluntary act and deed as such officer on behalf of said corporation for the uses and purposed therein specified.

Notary Public

S E A L

Exhibit A

Schedule of Patents and Patent Applications

See Attached

Exhibit B

License Agreement dated on or about November 14, 2008 by and between Dyadic International (USA), Inc. a Florida corporation and Codexis, Inc., a Delaware corporation

Collateral Assignment of Inventions and Patents and Patent Applications dated as of November 14, 2008 by and between Dyadic International (USA), Inc. in favor of Mark A. Emalfarb Trust, under agreement dated October 1, 1987, as amended, Francisco Trust, under agreement dated February 28, 1998, and Mark A. Emalfarb, individually, collectively as assignee

EXHIBIT B-2

Form of Blank Assignment of Application for Patent

[See Attached]

ASSIGNMENT OF APPLICATION FOR PATENT

WHEREAS:

DYADIC INTERNATIONAL (USA), Inc., a Florida corporation, having a place of business at 140 Intracoastal Pointe Drive, Suite 404, Jupiter, Florida 33477-5094
(full name(s) and post office address(s) of Assignor(s) (including country))

(hereinafter referred to as ASSIGNOR(S)), of invention entitled:

See Exhibit A

(title of discovery or invention)

WHEREAS:

Mark A. Emalfarb Trust under agreement dated October 1, 1987, as amended (the "MAE Trust"), on behalf of the secured parties under that certain Loan subject to the rights of the secured parties under that certain Loan and Security Agreement dated as of November 14, 2008 executed by Assignee, as debtor, in favor of MAE Trust, Francisco Trust, under agreement dated February 29, 1996, as amended, and, Mark A. Emalfarb, individually, collectively, as secured party, hereinafter referred to as Assignee, is desirous of acquiring the entire right, title and interest in and to said patent applications, said inventions, and to, in and under the Patents (as hereinafter defined) by reason of a Default therein.

(name and address of Assignee)

(hereinafter referred to as ASSIGNEE), is desirous of acquiring the entire interest in, to and under said invention and in, to and under Letters Patent or similar legal protection to be obtained therefor in the United States and in any and all foreign countries.

NOW, THEREFORE, TO ALL WHOM IT MAY CONCERN:

Be it known that in consideration of the payment by ASSIGNEE to ASSIGNOR(S) of the sum of One Dollar (\$1.00), the receipt of which is hereby acknowledged, and for other good and valuable consideration, ASSIGNOR(S) hereby sells, assigns and transfers to ASSIGNEE, its successors, legal representatives and assigns, the full and exclusive right, title and interest to said discovery or invention in the United States and its territorial possessions and in all foreign countries and to all Letters Patent or similar legal protection in the United States and its territorial possessions and in any and all foreign countries to be obtained for said invention by said application or any continuation, division, renewal, substitute or reissue thereof or any legal equivalent thereof in a foreign country for the full term or terms for which the same may be granted, in each case subject to the rights granted to Codexis pursuant to that certain non-exclusive License Agreement dated on or about November 14, 2008, by and between Assignor and Codexis, Inc., a Delaware corporation ("Codexis") and the Non-Disturbance Agreement dated on or about November 14, 2008 (the "Non-Disturbance Agreement") by and between Codexis, the Assignor, the Assignee and the other parties thereto.

I, SAID ASSIGNOR(S), hereby authorize and request the Commissioner of Patents and Trademarks of the United States of America and any Official of any country or countries foreign to the United States of America whose duty it is to issue Letters Patent on applications as aforesaid, to issue all such Letters Patent for said discovery or invention to the ASSIGNEE, as assignee of the entire right, title and interest in, to and under the same, for the sole use and benefit of the ASSIGNEE, its successors, legal representatives and assigns, in accordance with the terms of this instrument.

I, SAID, ASSIGNOR(S), hereby covenant that I have full right to convey the entire right, title and interest herein sold, assigned, transferred and set over;

AND I, SAID ASSIGNOR(S) hereby further covenant and agree that the ASSIGNEE, its successors, legal representatives, or assigns, may apply for foreign Letters Patent on said discovery or invention and claim the benefits of the International Convention, and that I will, at any time, when called upon to do so by the ASSIGNEE, its successors, legal representatives, or assigns, communicate to the ASSIGNEE, its successors, legal representatives, or assigns, as the case may be, any facts known to me respecting said discovery or invention, and execute and deliver any and all lawful papers that may be necessary or desirable to perfect the title to the said discovery or invention, the said applications and the said Letters Patent in the ASSIGNEE, its successors, legal representatives and assigns, and that if reissues of the said Letters Patent or disclaimers relating thereto, or divisions, continuations, or refilings of the said applications, or any thereof, shall hereafter be desired by the ASSIGNEE, its successors, legal representatives, or assigns, I will, at any time, when called up to do so by the ASSIGNEE, its successors, legal representatives, or assigns sign all lawful papers, make all rightful oaths, execute and deliver all such disclaimers and all divisional, continuation and reissue applications so desired, and do all lawful acts requisite for the application for such reissues and the procuring thereof and for the filing of such disclaimers and such applications, and generally do everything possible to aid the ASSIGNEE, its successors, legal representatives and assigns, to obtain and enforce proper patent protection for said invention or discovery in all countries, and without further compensation but at the expense of the ASSIGNEE, its successors, legal representatives and assigns.

Assignor's Signature:

DYADIC INTERNATIONAL (USA), INC.

By: _____
Its: _____

November 14, 2008

Dated as of

Citizenship:

USA

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal this ____ day of November, 2008.

STATE OF _____)
) ss.:
COUNTY OF _____)

On this ____ day of November, 2008 before me, the undersigned authority, personally appeared to me Vito Pontrelli, the Interim CFO of Dyadic International (USA), Inc., known to me to be the individual who is described in and who executed the foregoing Assignment on behalf of said corporation, and who duly acknowledged to me that he executed the same as his own voluntary act and deed as such officer on behalf of said corporation for the uses and purposed therein specified.

Notary Public

EXHIBIT A

Schedule of Patents

See Attached



COLLATERAL ASSIGNMENT OF TRADEMARKS

THIS COLLATERAL ASSIGNMENT OF TRADEMARKS (this "Assignment") is made and entered into as of November 14, 2008, by DYADIC INTERNATIONAL (USA), INC., a Florida corporation (" Assignor"), in favor of MARK A. EMALFARB TRUST, under agreement dated October 1, 1987, as amended (the "MAE Trust"), FRANCISCO TRUST, under agreement dated February 28, 1998, and MARK A. EMALFARB, individually (collectively, the "Assignee").

RECITALS

- A. Assignor, Dyadic International, Inc. and Assignee are parties to that certain Loan and Security Agreement (the "Loan Agreement") dated as of even date herewith, relating to certain obligations of Assignor as more particularly described in the Loan Agreement (the "Secured Obligations"). Capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Loan Agreement.
- B. The Secured Obligations include but are not limited to a certain Amended and Restated Note (the "Note") in favor of Assignee of even date herewith in the amount of the Loan. Payment of the Note and other Secured Obligations are secured by, among other things, a security interest in all trademarks owned by Assignor as more particularly described on Exhibit A attached hereto and made a part hereof (the "Trademarks").
- C. The execution and delivery of this Assignment is a condition precedent to the performance by Assignee of its obligations under the Loan Agreement.

AGREEMENTS

NOW, THEREFORE, in consideration of the recitals set forth above and incorporated herein, and for other good and valuable consideration, Assignor agrees as follows:

- 1. Assignor hereby collaterally grants, transfers and assigns to Assignee all the right, title and interest of Assignor now or hereafter acquired in and to the Trademarks. In connection therewith, Assignor hereby agrees to execute and deliver to Assignee from time to time any and all written notices memorializing Assignor's assignment of the Trademarks hereunder as may be required under applicable law) as necessary to perfect Assignee's rights in and to the Trademarks hereunder, including, without limitation any and all filings required by the United States Patent and Trademark Office.
- 2. This Assignment is given for the purpose of securing the payment of all Secured Obligations, including, but not limited to the payment of principal, interest and other sums due under the Note, and any extensions, modifications, amendments and renewals thereof, and the performance and discharge of the obligations, covenants, conditions, and agreements of Assignor contained herein and in the Loan Documents.

3. Assignor agrees:

(a) To diligently prosecute and defend Assignor's right, title and interest in and to the Trademarks and to execute all oaths, declarations and other documents necessary or desirable for prosecuting said Trademarks, for use in interference proceedings involving the Trademarks or for use in opposition proceedings involving the Trademarks.

(b) To execute and deliver to MAE Trust, for the benefit of Assignee pursuant to the terms of the Loan Agreement, one or more Assignments of Trademarks duly executed in blank in the form attached hereto as Exhibit B ("Blank Assignment"). Upon Assignor's satisfaction of all of the Secured Obligations in full, Assignee agrees to deliver the Blank Assignments to Assignor.

(c) That the occurrence of any of the following shall constitute an event of default ("Event of Default") hereunder:

(i) Failure of Assignor for a period of ten (10) days after written notice from Assignee, to observe or perform any covenant or condition contained in this Assignment; provided that if any such failure is susceptible of cure and cannot reasonably be cured within said ten (10) day period, then Assignor shall have an additional twenty (20) day period to cure such failure and no Event of Default shall be deemed to exist hereunder so long as Assignor commences such cure within the initial ten (10) day period and diligently and in good faith pursues such cure to completion within such resulting thirty (30) day period from the date of Assignee's notice;

(ii) Any representation or warranty made by Assignor herein which is not true and correct in any material respect as of the date hereof; and

(iii) An event of default by Assignor under the Loan Agreement or any of the other Loan Documents, which shall not be cured within any applicable grace period.

(d) Upon the occurrence of any Event of Default hereunder, Assignee shall have all rights granted to Assignee under the Loan Documents,

(e) Assignor hereby irrevocably appoints Assignee as its attorney in fact, which appointment is coupled with an interest, to as Assignor's true and lawful proxy and attorney-in-fact (and agent-in-fact) in the Assignor's name, place and stead, with full power of substitution, to (i) take such actions as are permitted in this Assignment, (ii) execute such financing statements and other documents and to do such other acts as Assignee may require to perfect and preserve the Assignee's security interest in, and to enforce such interests in the Trademarks, and (iii) carry out any remedy provided for in this Assignment, including the endorsement of the Blank Assignments and the filing of such Assignment with the United States Patent and Trademark Office as necessary to cause the assignment of the Trademarks to Assignee. Assignor hereby acknowledges that the constitution and appointment of such proxy and attorney-in-fact are coupled with an interest and are irrevocable. Assignor hereby ratifies and confirms all that such attorney-in-fact may do or cause to be done by virtue of any provision of this Assignment.

(f) That this Assignment shall be assignable by Assignee to any assignee of Assignee under the Loan Agreement and all representations, warranties, covenants, powers and rights herein contained shall be binding upon, and shall inure to the benefit of, Assignor and Assignee and their respective legal representatives, successors and assigns.

4. Assignor further hereby covenants and represents to Assignee that (a) Assignor has not previously assigned, sold, pledged, transferred, mortgaged, hypothecated or otherwise encumbered the Trademarks or any of them, or its right, title and interest therein, (b) Assignor shall not assign, sell, pledge, transfer, mortgage, hypothecate or otherwise encumber its interests in the Trademarks or any of them, and (c) Assignor has not performed any act which might prevent Assignor from performing its undertakings hereunder or which might prevent Assignee from operating under or enforcing any of the terms and conditions hereof or which would limit Assignee in such operation or enforcement.

5. All notices, demands or documents which are required or permitted to be given or served hereunder shall be in writing and shall be deemed sufficiently given when delivered or mailed in the manner set forth in the Loan Agreement.

6. Any provision in the Loan Agreement that pertains to this Assignment shall be deemed to be incorporated herein as if such provision were fully set forth in this Assignment. In the event of any conflict between the terms of this Assignment and the terms of the Loan Agreement, the terms of the Loan Agreement shall prevail. A provision in this Assignment shall not be deemed to be inconsistent with the Loan Agreement by reason of the fact that no provision in the Loan Agreement covers such provision in this Assignment.

7. This Assignment is made for collateral purposes only and the duties and obligations of Assignor under this Assignment shall terminate when all sums due Assignee under the Loan Documents are paid in full and all obligations, covenants, conditions and agreements of Assignor contained in the Loan Documents are performed and discharged.

8. This assignment shall be governed by, and construed in accordance with, the laws of the State of Florida.

9. It is expressly intended, understood and agreed that this Assignment and the other Loan Documents are made and entered into for the sole protection and benefit of Assignor, Assignee, and their respective successors and assigns (but in the case of assigns of Assignor, only to the extent permitted hereunder); that no other person or persons shall have any right at any time to action hereon.

10. Assignor and Assignee intend and believe that each provision in this Assignment comports with all applicable local, state or federal laws and judicial decisions. However, if any provision or provisions, or if any portion of any provision or provisions, in this Assignment is found by a court of law to be in violation of any applicable local, state or federal ordinance, statute, law, administrative or judicial decision or public policy, and if such court should declare such portion, provision or provisions of this Assignment to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent both of Assignor and Assignee that such portion, provision or provisions shall be given force to the fullest possible extent that they are legal, valid

11. and enforceable, that the remainder of this Assignment shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained therein and that the rights, obligations and interests of Assignor and Assignee under the remainder of this Assignment shall continue in full force and effect.

IN WITNESS WHEREOF, Assignor has delivered this Assignment as of the date first written above.

ASSIGNOR:

DYADIC INTERNATIONAL (USA), INC.,
a Florida corporation

By: /s/Vito G. Pontrelli
Name: Vito G. Pontrelli
Its: Interim CFO

EXHIBIT A

Schedule of Trademarks

Mark	Reg./App. No.	Goods/Services
ALTERNAFUEL	3,427,852	Enzyme preparations for use in ethanol production in International Class 1
DYADIC	1,170,499	Rendering technical advice and assistance in the nature of marketing and advertising service and the promotion of products for its clients in International Class 35
DYADIC	1,501,832	Pumice stone for treating fabric, such as denim, in the manufacturing process in International Class 3
DYADIC	2,391,903	Full line of enzyme preparations, minerals and biochemicals for use in the textile industry, and for scientific and research use in International Class 1
FIBREZYME	3,515,775	Enzymes for use in the manufacture of pulp and paper in International Class 1
GRAINGAIN	3,457,736	Animal feed additives for nonnutritional purposes for use as ingredient or filler in International Class 31
INSIDE	76/668580	Development of new technology for others in the field of biotechnology in International Class 42
ROCKSOFT	3,516,400	Enzyme preparations for use in the textile industry

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EXHIBIT B

Form of Blank Assignment

[See Attached]

ASSIGNMENT OF TRADEMARKS

This ASSIGNMENT OF TRADEMARKS is effective as of ___ day of _____, 20____ ("Effective Date") and is entered into by and between DYADIC INTERNATIONAL (USA), INC., a Florida corporation (the "Assignee") and MARK A. EMALFARB TRUST under agreement dated October 1, 1987, AS AMENDED, FRANCISCO TRUST, under trust agreement dated February 28, 1998 and MARK A. EMALFARB, individually (the "Assignor").

Whereas, Assignor represents that it is the owner of all right, title and interest in and to the marks listed on the list attached hereto as the Exhibit 1 (hereinafter referred to as (the "Dyadic Marks").

Whereas, the Assignor wishes to convey to Assignee all of its right, title and interest in and to the mark together with any goodwill of the Assignor related to the Dyadic Marks; and

Whereas, the Assignee desires to acquire all right, title and interest in and to the Dyadic Marks; and

Assignor, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby sell, assign, transfer, convey and set over to Assignee and Assignee's heirs, successors, designees and assigns, as of the Effective Date, for the Assignee's use and benefit, all right, title and interest that Assignor may have in and to the Dyadic Marks, including names and designs used together or separately, together with goodwill symbolized by said Dyadic Marks, and also the entire right, title and interest in all benefits, claims, demands and rights or recovery for past, present and future infringement, if any, of said Dyadic Marks. Assignor represents that it is the sole and exclusive owner of the Dyadic Marks and that no part of any mark has heretofore been pledged, conveyed, licensed, or encumbered in any way. Assignor further agrees to execute and deliver, at the request of Assignee, all paper, instruments, and assignments, and to perform any other acts Assignee may require in order to vest all rights, title and interest in and to the Dyadic Marks in Assignee and/or to provide evidence to support any of the foregoing in the event such evidence is deemed necessary by Assignee at Assignee's expense, but without additional consideration being paid by Assignee to Assignor, to the extent such evidence is in the possession or control of Assignor.

For the Assignor:

Dyadic International (USA), Inc.

By: _____

Printed Name: _____

Title: _____

EXHIBIT 1

Mark	Reg./App. No.	Goods/Services
ALTERNAFUEL	3,427,852	Enzyme preparations for use in ethanol production in International Class 1
DYADIC	1,170,499	Rendering technical advice and assistance in the nature of marketing and advertising service and the promotion of products for its clients in International Class 35
DYADIC	1,501,832	Pumice stone for treating fabric, such as denim, in the manufacturing process in International Class 3
DYADIC	2,391,903	Full line of enzyme preparations, minerals and biochemicals for use in the textile industry, and for scientific and research use in International Class 1
FIBREZYME	3,515,775	Enzymes for use in the manufacture of pulp and paper in International Class 1
GRAINGAIN	3,457,736	Animal feed additives for nonnutritional purposes for use as ingredient or filler in International Class 31
INSIDE	76,668,580	Development of new technology for others in the field of biotechnology in International Class 42
ROCKSOFT	3,516,400	Enzyme preparations for use in the textile industry



Codexis, Dyadic In Enzyme Production System License Agreement

Redwood City, CA and Jupiter, FL

November 17, 2008

Codexis, Inc. and Dyadic International (USA), Inc. today announced a license agreement covering use of Dyadic's C1 expression system for large-scale production of enzymes in certain fields including biofuels and chemical and pharmaceutical intermediate production. The agreement includes an upfront payment by Codexis of \$10 million provided that certain performance criteria are satisfied. Additional financial terms were not disclosed.

"Codexis develops improved biocatalysts which are solving specific industrial challenges for global leaders in pharmaceuticals and bioindustrials. We are developing advanced biofuels from non-food biomass sources, and we have other programs aimed at addressing critical environmental issues," said Alan Shaw, Ph.D., Codexis President and Chief Executive Officer. "The Dyadic production system expands our technology platform, providing improved capability and efficiency in enzyme production across many Codexis programs."

"Dyadic's C1 expression system enables the cost-effective manufacture of industrial enzymes at commercial scale," said Mark Emalfarb, Dyadic Founder and Chief Executive Officer. "We anticipate our C1 System may help overcome limitations of current techniques, and can be an important tool as Codexis develops new fuels and other clean technology products."

About Codexis

Codexis Inc. is a clean technology company. Codexis develops biocatalysts used to create powerful, efficient and cleaner chemistry-based manufacturing processes in the life sciences, bioindustrial and chemical marketplaces. Codexis technology is used by global pharmaceutical companies for cost-effective manufacturing of human therapeutics and in the energy industry to enable advanced biofuels. Future commercial applications include carbon management, water treatment and chemical manufacturing. For more information, visit www.codexis.com.

About Dyadic International, Inc.

Dyadic International, Inc. is engaged in the development, manufacture and sale of biological products using a number of proprietary fungal strains to produce enzymes and other biomaterials, principally focused on a system for protein production based on the patented *Chrysosporium lucknowense* fungus, known as C1.

Dyadic is applying its technologies for the production of enzymes for various industrial applications such as pulp and paper, food and feed, and is working on diminishing its reliance of enzyme sales into the textile industry. Dyadic uses, for itself and others, its patented and proprietary technologies to conduct research and development activities for the discovery, development, and manufacture of products and enabling solutions to the bioenergy, industrial enzyme and pharmaceutical industries.

Cautionary Statement for Forward-Looking Statements

Certain statements made in this press release may be considered "forward-looking statements." These forward-looking statements are based upon current expectations and involve a number of assumptions, risks and uncertainties that could cause our actual results, performance or achievements to be materially different from such forward-looking statements. In view of such risks and uncertainties, investors and stockholders should not place undue reliance on our forward-looking statements. Such statements speak only as of the date of this release, and we undertake no obligation to update any forward looking statements made herein.

Contacts:

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or

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