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): December 22, 2017

MARRONE BIO INNOVATIONS, INC.
(Exact name of registrant as specified in its charter)

Delaware	001-36030	20-5137161
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

1540 Drew Avenue, Davis, CA	95618
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (530) 750-2800

(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 (see General Instruction A.2. below):

[ ] 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company [X]

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [X]

Item 1.01 Entry into a Material Definitive Agreement.

Anderson Note

On December 22, 2017, Marrone Bio Innovations, Inc. (the "Company") and Dwight W. Anderson ("Anderson") entered into a secured promissory note (the "Anderson Note"), which amended and restated in its entirety that certain Amended and Restated Promissory Note, dated as of October 23, 2017, which was given in replacement of, and amended and restated in its entirety, that certain Promissory Note, dated as of October 12, 2017. The Anderson Note is a secured promissory note in the aggregate principal amount of up to $6,000,000, due on October 12, 2020 (the "Maturity Date"). Pursuant to the Anderson Note, Anderson has funded amounts to the Company in various separate disbursements, $4,000,000 aggregate principal amount of which has already been provided to the Company (i) on October 12, 2017, in an aggregate principal amount of $1,000,000, (ii) on October 23, 2017, in an aggregate principal amount of $1,000,000, (iii) on December 1, 2017, in an aggregate principal amount of $500,000, (iv) on December 4, 2017, in an aggregate principal amount of $500,000, (v) on December 8, 2017, in an aggregate principal amount of $500,000 and (vi) on December 26, 2017, in an aggregate principal amount of $500,000. Anderson may, in his sole discretion, fund the remaining $2,000,000 aggregate principal amount, as the Company may request from time to time in whole or in part.

From the date of any such disbursement through December 31, 2017 (or such later date as Anderson may decide in his reasonable discretion and as notified to the Company), the Anderson Note will bear interest at a rate of 1% per annum, payable in arrears on the Maturity Date, unless earlier converted into shares of the Company's common stock as described below. Thereafter, beginning January 1, 2018 (or such later date as described above), the Anderson Note will bear interest at a rate of 10% per annum, payable in arrears on the Maturity Date, unless earlier converted into shares of the Company's common stock as described below.

Any or all of the principal or accrued interest under the Anderson Note may be converted into shares of the Company's common stock at a rate of one share of common stock per $1.00 of converting principal or interest, rounded down to the nearest share with any fractional amounts cancelled, at the election of Anderson by delivery of written notice to the Company. In addition, upon the consummation of a qualified equity financing of the Company prior to the Maturity Date, the aggregate outstanding principal balance of the Anderson Note and all accrued and unpaid interest thereon may convert, at the option of Anderson, into that number of the securities issued and sold in such financing, determined by dividing (a) such aggregate principal and accrued interest amounts, by (b) the purchase price per share or unit paid by the purchasers of the Company's securities issued and sold in such financing; provided that at least 50% of the amount invested in such financing must be made by persons who are not affiliates of the Company. Notwithstanding the foregoing, Anderson's ability to effect any such conversions will be limited by applicable provisions governing issuances of shares of the Company's common stock under the rules of The Nasdaq Capital Market, subject to the Company's receipt of any applicable waivers thereof, and any amounts not issuable to Anderson in the Company's equity securities as a result of this limitation will be payable in cash.

Anderson is an "accredited investor" (as defined in Rule 501(a) of Regulation D) and the Anderson Note was, and any equity securities issued upon conversion thereof are, offered and sold pursuant to an exemption from the registration requirements under Section 4(a)(2) of the Securities Act of 1933, as amended.

The Anderson Note is filed herewith as Exhibit 10.1 and is incorporated herein by reference, and the foregoing description is qualified in its entirety by the terms contained therein.

Security Agreement

On December 22, 2017, the Company and Anderson entered into a security agreement (the "Security Agreement"), pursuant to which the Company, to secure its obligations under the Anderson Note, granted to Anderson a security interest in the Company's (i) personal property, whether owned or acquired after the date of the Security Agreement, including all accounts, chattel paper, commercial tort claims, deposit accounts, documents, equipment (including all fixtures), general intangibles, instruments, inventory, investment property, letter-of-credit rights, money, and other goods, and (ii) real property and real property interests, appurtenances, and fixtures, including rights of possession and use under leases and licenses, tenant improvements, and rights under options to lease or purchase and the like, as well as all products, proceeds and supporting obligations of the foregoing clauses (i) and (ii) (collectively, the "Anderson Collateral").

Upon an event of default under the Anderson Note, Anderson may declare amounts under the Anderson Note immediately due and payable and may exercise remedies available under the Security Agreement, including the sale, disposition or collection of the Anderson Collateral, the proceeds of which would be applied to satisfy the Company's obligations under the Anderson Note.

The Security Agreement is filed herewith as Exhibit 10.2, and is incorporated herein by reference, and the foregoing description is qualified in its entirety by the terms contained therein.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information provided in Item 1.01 of this Current Report on Form 8-K is hereby incorporated by reference to this Item 2.03.

Item 3.02 Unregistered Sales of Equity Securities.

The information set forth above in Item 1.01 of this Current Report on Form 8-K is hereby incorporated by reference to this Item 3.02.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
10.1	Secured Promissory Note, dated as of December 22, 2017, between the Company and Dwight W. Anderson
10.2	Security Agreement, dated as of December 22, 2017 between the Company and Dwight W. Anderson

SIGNATURES

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

MARRONE BIO INNOVATIONS, INC.

Dated: December 29, 2017

By: */s/ Linda V. Moore*
Linda V. Moore
Executive Vice President and General Counsel

Exhibit 10.1

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH TRANSFER MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933.

Original Issuance Date: October 12, 2017

Secured Promissory Note Date: December 22, 2017

SECURED PROMISSORY NOTE

FOR VALUE RECEIVED, the undersigned, MARRONE BIO INNOVATIONS, INC., a Delaware corporation (the "***Issuer***"), hereby promises to pay to DWIGHT W. ANDERSON, an individual (the "***Lender***"), on the Maturity Date, the principal sum of SIX MILLION UNITED STATES DOLLARS ($6,000,000) or so much thereof as shall have been advanced by the Lender to the Issuer as principal of the Loans under this Secured Promissory Note (as hereafter amended, restated, replaced, supplemented or otherwise modified, this "***Note***") and shall remain outstanding. This Note evidences, among other things, the obligation of the Issuer to repay the Loans made hereunder from time to time by the Lender to the Issuer. Capitalized terms used hereinafter and not otherwise defined have the meanings set forth in Section VI.

This Secured Promissory Note is given in replacement of, and amends and restates in its entirety, that certain Amended and Restated Promissory Note (the "***First Amended Note***"), dated as of October 23, 2017, in the amount of $6,000,000, which was given in replacement of, and amended and restated in its entirety, that certain Promissory Note, dated as of October 12, 2017, in the amount of $1,000,000 (the "***Original Note***"), each issued by the Issuer to the Lender. This Secured Promissory Note is not intended to be, and shall not be construed to be, a novation of any of the obligations owing under or in connection with the First Amended Note or the Original Note, and any Loans outstanding under the First Amended Note or Original Note will be deemed Loans made under this Secured Promissory Note in accordance with its terms.

I. LOAN AND SECURITY.

1. Subject to the recitals, terms and conditions set forth in this Note, the Lender shall make loans in an aggregate principal amount not exceeding Six Million United States Dollars ($6,000,000) in the following order (collectively, the "***Loans***", and each, a "***Loan***"): (a) (i) on October 12, 2017, One Million United States Dollars ($1,000,000), (ii) on October 23, 2017, One Million United States Dollars ($1,000,000), (iii) on December 1, 2017, Five Hundred Thousand United States Dollars ($500,000), (iv) on December 4, 2017, Five Hundred Thousand United States Dollars ($500,000), (v) on December 8, 2017, Five Hundred Thousand United States Dollars ($500,000) and (vi) on December 22, 2017, an additional Five Hundred Thousand United States Dollars ($500,000), which amounts the parties hereto acknowledge and agree were advanced as of such dates, respectively, by the Lender to the Issuer and (b) after the date hereof, at the election of the Lender in its sole discretion, as the Issuer may request from time to time in whole or in part, Two Million United States Dollars ($2,000,000) in the aggregate.

2. The Obligations shall be secured by a first priority security interest in all of the Collateral. The Collateral shall be pledged pursuant to the Security Agreement, all terms of which are incorporated herein by this reference.

II. INTEREST.

1. The principal amount outstanding under the Loans advanced under this Note will bear interest as follows:

(a) commencing on, and including from the date of the issuance of such Loan through December 31, 2017 (or such later date as the Lender may decide in its reasonable discretion and as notified to the Issuer), at a fixed per annum rate equal to 1% *per annum*, which interest shall accrue on the outstanding principal amount of such Loans and be payable in arrears on the Maturity Date unless converted into shares of Issuer's common stock ("***Common Stock***"), in either case in the manner specified in Section V; and

(b) thereafter, at a fixed per annum rate equal to 10% *per annum*, which interest shall accrue on the outstanding principal amount of such Loans and be payable in arrears on the Maturity Date unless converted into shares Common Stock, in either case in the manner specified in Section V.

2. Interest on the Loans advanced under this Note shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In computing such interest, the date each Loan hereunder is issued shall be included and the date of payment thereof shall be excluded.

III. MATURITY DATE.

The unpaid principal amount of the Loans outstanding under this Note plus all accrued and unpaid interest thereon and all other amounts owed hereunder with respect thereto will be paid in full in cash on the third anniversary of the Original Issuance Date (the "***Maturity Date***"), in accordance with the terms of this Note.

IV. CONDITIONS.

1. This Note shall become effective on the first date on which each of the Issuer and the Lender shall have executed and delivered to the other party a counterpart of this Note.

2. The Lender shall not be obligated to make any Loans after the date hereof until it has received copies of the Security Agreement, each Intercreditor Agreement, each executed and delivered by each other party thereto.

3. The Lender shall not be obligated to make any Loans until each of the following conditions shall have been satisfied or waived, in each case in the reasonable discretion of the Lender:

(a) Both before and immediately after giving effect to the making of each Loan by the Lender, the following statements shall be true and correct:

(1) the representations and warranties of the Issuer set forth in this Note shall be true and correct in all material respects (other than such representations and warranties which by their terms are already qualified by materiality, in which case, such representations and warranties shall be true and correct in all respects) with the same effect as if made on the date of issuance of a loan request (except to the extent such representations and warranties by their explicit terms relate to a specific earlier date, in which case such representations and warranties shall be so true and correct as of such earlier date); and

(2) no Event of Default shall have then occurred and be continuing or would result immediately after giving effect to the making of such Loan by the Lender.

V. PAYMENTS.

1. Manner and Time of Payment. Except for any payment in the form of Common Stock, all payments by the Issuer under this Note and the other Note Documents of principal, interest and all other amounts owed hereunder shall be made in same day funds and delivered to the Lender not later than 4:00 p.m. (New York time) on the date such payment is due, with such payment to be made by wire transfer of immediately available funds to the account designated by the Lender to the Issuer in writing at least five (5) Business Days before the applicable payment date; *provided that* funds received by the Lender after 4:00 p.m. (New York time) shall be deemed to have been paid by the Issuer on the next succeeding Business Day. Whenever any payment to be made hereunder shall be stated to be due on a day which is not a Business Day, the payment shall be made on the next succeeding Business Day and such additional period shall be included in the computation of the payment of interest hereunder.

2. Usury. Under no circumstances will the rate of interest chargeable under this Note be in excess of the maximum amount permitted by applicable New York law. If excess interest is charged and paid in error, then the excess amount will be promptly refunded.

3. Optional Prepayments. The Issuer may at any time and from time to time prepay the Loans, in whole or in part, together with accrued interest to such date on the amount prepaid, without premium or penalty, upon notice delivered to the Lender, *provided that* that such notice may be contingent on the occurrence of a refinancing or the consummation of a sale, transfer, lease or other disposition of assets and may be revoked or the termination date deferred if the refinancing or sale, transfer, lease or other disposition of assets does not occur.

4. Optional Conversion. Any or all of the principal or accrued interest under this Note may be converted into shares of Common Stock (the "***Common Conversion Shares***"), at a rate of one (1) share of Common Stock per $1.00 of converting principal or interest, rounded down to the nearest share with any fractional amounts cancelled, at the election of the Lender by delivery of written notice thereof to the Company. The Issuer shall issue Conversion Shares as of the date of receipt of the foregoing notice, and cause to such Conversion Shares promptly to be registered with the Issuer's transfer agent (the "***Transfer Agent***") as a book entry position for the number of such Conversion Shares, in the name of Ospraie Ag Science LLC or such other affiliate of the Lender as the Lender may designate (the "***Designated Recipient***") after the date hereof with 3 business days's prior written notice thereof to the Issuer.

5. Conversion on Financing. If the Issuer consummates a Qualified Financing prior to the occurrence of the Maturity Date, the aggregate outstanding principal balance of this Note and all accrued and unpaid interest thereon may, at the election of the Lender by delivery of written notice thereof to the Company, effective as of the date the Company receives the foregoing notice (the ***"Conversion Date***"), convert in whole without any further action by the Issuer or the Lender, and without the payment of additional consideration by the Lender or the Designated Recipient and in lieu of any cash repayment obligation by the Issuer, into that number of the Financing Securities issued and sold in such Qualified Financing determined by dividing (a) the aggregate outstanding principal balance of this Note as of such Conversion Date, together with all accrued and unpaid interest thereon through the Conversion Date, by (b) the Conversion Price, and such Financing Securities shall be in the name of the Designated Recipient. In connection with any conversion of this Note pursuant to this Section V.5, the Designated Recipient will become a party to any purchase agreement, investor rights agreement, voting agreement and any other similar agreement entered into by the other investors in the Qualified Financing to the extent not already a party thereto.

6. Limitations. Notwithstanding the foregoing Sections V.4 and V.5, unless the Issuer has received approval from stockholders or waiver of applicable limitations under the rules of The Nasdaq Capital Market, the Issuer shall not effect any issuance of Conversion Shares, and the Lender shall not have the right to receive any Common Conversion Shares or Financing Securities under this Note, (a) until the listing of the Common Conversion Shares or Financing Securities, as applicable, with The Nasdaq Capital Market, which the Issuer undertakes to complete as soon as practicable, and (b) to the extent that (i) after giving effect to such issuance, the Lender (together with the Lender's affiliates, and any other person acting as a group together with the Lender or any of the Lender's affiliates) would beneficially own any Common Stock in excess of 19.99% of the number of shares of the Common Stock outstanding immediately after giving effect to such issuance or (ii) such issuance would cause the Issuer to have issued a number of shares of Common Stock or securities convertible or exercisable for shares of Common Stock in excess of 19.9% of the number of outstanding shares of Common Stock on the date of this Note. Any amounts not issuable to the Lender in Securities as a result of this paragraph shall be payable in cash in accordance with Section V.1.

VI. DEFINITIONS.

For all purposes of this Note, the following terms shall have the respective meanings set forth below:

1. "**A/S *Intercreditor Agreements*"** means that certain Intercreditor Agreement, dated as of the date hereof, by and between the Lender and Gordon Snyder, an individual, as amended, restated, replaced, supplemented or otherwise modified from time to time in accordance with its terms.

2. "***A/S/W Intercredictor Agreement***" means that certain Amended and Restated Intercreditor Agreement, dated as of the date hereof, by and among the Lender and Gordon Snyder, an individual, and Ivy Investment Management Company, as administrative agent for the Waddell Lenders (as defined therein), as amended, restated, replaced, supplemented or otherwise modified from time to time in accordance with its terms.

3. "***Business Day***" means a day on which commercial banks are not required or authorized by law to close in New York, New York.

4. "***Collateral***" has the meaning given to such term in the Security Agreement.

5. "***Conversion Price***" means $0.50 (as adjusted for any stock dividend, stock split, stock conversion, reclassification or similar transaction occurring after the Secured Promissory Note Date).

6. "***Equity Financing***" means any issuance and sale for cash of Common Stock, or any stock or equity security convertible into or exchangeable for Common Stock and any warrant or option to acquire Common Stock or any such convertible or exchangeable security ("***Common Stock Equivalents***"), by the Issuer occurring after the date hereof.

7. "***Financing Securities***" means the identical class or series of Common Stock or Common Stock Equivalents of the Issuer issued and sold in a Qualified Financing.

8. "***Intercreditor Agreements***" means, collectively, the A/S Intercredictor Agreement, A/S/W Intercreditor Agreement or the LSQ Intercreditor Agreement, as amended, restated, replaced, supplemented or otherwise modified from time to time in accordance with its terms.

9. "***LSQ Intercreditor Agreement***" means that certain Amended & Restated Intercreditor Agreement, dated as of the date hereof, by and among the the Lender and Gordon Snyder, an individual, Ivy Investment Management Company, as administrative agent for the Waddell Lenders (as defined therein), and LSQ Funding Group, L.C., as amended, restated, replaced, supplemented or otherwise modified from time to time in accordance with its terms.

10. "***Material Adverse Effect***" means a material adverse change in, or material adverse effect upon, the operations, business or financial condition of the Issuer.

11. "***Material Indebtedness***" of the Issuer at any date, means, indebtedness the outstanding principal amount of which exceeds in the aggregate $5,000,000.

12. "***Note Documents***" means, collectively, (a) this Note, (b) the Security Agreement, (c) each Intercreditor Agreement and (c) each other related agreement, certificate, document, or instrument executed and delivered by the Issuer in connection with the foregoing, as each such other related agreement, document or instrument may be amended, restated, replaced, supplemented or otherwise modified from time to time in accordance with its terms.

13. "***Obligations***" means, with respect to the Issuer, all amounts obligations and liabilities of every type and description owing by the Issuer to the Lender arising out of, under, or in connect with this Note, whether direct or indirect, absolute or contingent, due or to become due, whether liquidated or not, now existing or hereafter arising and however acquired, and whether or not evidence by any instrument or for the payment of money, including, without limitation, (a) the Loan and (b) all interest under the Note, whether or not accruing after the filing of any petition in bankruptcy or after the commencement of any insolvency, reorganization or similar proceeding, and whether or not a claim for post-filing or post-petition interest is allowed in any such proceeding.

14. "***Person***" means and includes natural persons, corporations, limited partnerships, general partnerships, limited liability companies, limited liability partnerships, joint stock companies, joint ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities, and government authorities.

15. "***Qualified Financing***" means the first Equity Financing (or substantially concurrent Equity Financings), primarily for equity financing purposes, occurring after the date hereof which results in immediately available gross proceeds to the Issuer, excluding proceeds from this Note and any other indebtedness of the Issuer that converts into equity in such financing, of at least $10 million; provided, that, (i) in order for any such Equity Financing to constitute a "Qualified Financing," at least 50% of the amount invested in such Equity Financing must be made by Persons who are not an affiliate of the Issuer and (ii) for the avoidance of doubt, the transactions contemplated to occur after the date hereof under that certain Securities Purchase Agreement, dated as of December 15, 2017, by and among the Issuer and the other parties a party thereto, shall be deemed a Qualified Financing hereunder.

16. "***Securities***" means this Note and any Common Conversion Shares or Financing Securities issued pursuant to this Note.

17. "***Security Agreement***" means that certain Security Agreement, dated as of the date hereof, between the Issuer and the Lender, as amended, restated, replaced, supplemented or otherwise modified from time to time in accordance with its terms.

VII. REPRESENTATIONS AND WARRANTIES OF ISSUER.

1. Organization and Qualification. The Issuer (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has the power and authority to own its property and to transact the business in which it is engaged and proposes to engage, and (c) is duly qualified and in good standing in each jurisdiction where the ownership, leasing or operation of property or the conduct of its business requires such qualification, in each case except where the failure to do so would have a Material Adverse Effect.

2. Authority and Enforceability; No Conflict. The Issuer has the organizational power and authority, and the legal right to issue this Note and to perform all of its obligations hereunder. The issuance of this Note by the Issuer has been duly authorized by all necessary action on the part of the Issuer, and constitutes a valid and binding obligation of the Issuer enforceable against it in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance or similar laws affecting creditors' rights generally and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law). This Note and the other Note Documents do not, nor does the performance or observance by the Issuer, if any, of any of the matters and things herein or therein provided for, contravene or constitute a default under (a) any provision of law or any judgment, injunction, order or decree binding upon the Issuer, if any, (b) any provision of the organizational documents of the Issuer, or (c) any material covenant, indenture or agreement of or affecting the Issuer or any of its property, in each case except where such contravention or default, individually or in the aggregate, could not be reasonably be expected to have a Material Adverse Effect.

3. Approvals. No authorization, consent, license or exemption from, or filing or registration with, any governmental authority, nor any approval or consent of any other Person, is or will be necessary to the valid execution, delivery or performance by the Issuer of this Note, except (a) those obtained or made on or prior to the date hereof, (b) such filings as may be required to be made with the United States Securities and Exchange Commission (the "***Commission***") and any state or foreign blue sky or securities regulatory authority after the issuance of this Note by the Issuer, (c) such filings the absence of which could not reasonably be expected to have a Material Adverse Effect, and (d) listing of the Common Conversion Shares and Financing Securities with The Nasdaq Capital Market.

4. Valid Issuance of Securities. The Conversion Shares issuable pursuant to this Note, when issued, sold and delivered in accordance with the terms of this Note, will be duly and validly issued, fully paid, and nonassessable.

5. Reports. The Issuer has filed all reports, schedules, forms, statements and other documents required to be filed by it under the Securities Exchange Act of 1934, as amended, including pursuant to Section 13(a) or 15(d) thereof, including Notifications of Late Filing on Form 12b-25, for the year preceding the date hereof (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, being collectively referred to herein as the "***SEC Reports***") on a timely basis. As of their respective filing dates, the SEC Reports complied in all material respects with the requirements of the Securities Act and the Exchange Act and the rules and regulations of the Commission promulgated thereunder, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial statements of the Issuer included in the Issuer's SEC Reports comply in all material respects with applicable accounting requirements and the rules and regulations of the Commission with respect thereto as in effect at the time of filing. Such financial statements have been prepared in accordance with GAAP, as applied on a consistent basis during the periods involved, except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP, and fairly present in all material respects the financial position of the Issuer and its consolidated Subsidiaries taken as a whole as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial year-end audit adjustments.

6. Indebtedness for Borrowed Money. Schedule I hereto sets forth all of the indebtedness for borrowed money of the Issuer owing to third parties as of the date hereof.

VIII. REPRESENTATIONS AND WARRANTIES OF LENDER.

1. Purchase Entirely for Own Account. This Note is issued to the Lender in reliance upon the Lender's representation to the Issuer, which by the Lender's execution of this Note, the Lender hereby confirms, that the Note has been acquired for investment for the Lender's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that the Lender has no present intention of selling, granting any participation in, or otherwise distributing the same. By executing this Note, the Lender further represents that the Lender does not presently have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participations to such person or to any third person, with respect to the Securities. The Lender has not been formed for the specific purpose of acquiring the Securities.

2. Disclosure of Information. The Lender has had an opportunity to discuss the Issuer's business, management, financial affairs and the terms and conditions of the offering of the Note with the Lender's management and has had an opportunity to review the Issuer's facilities.

3. Restricted Securities. The Lender understands that the Securities have not been, and may not be, registered under the Securities Act of 1933, as amended (the "***Securities Act***"), by reason of a specific exemption from the registration provisions of the Securities Act which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of the Lender's representations as expressed herein. The Lender understands that the Note is, and the Conversion Shares will be, "restricted securities" under applicable U.S. federal and state securities laws and that, pursuant to these laws, the Lender must hold the Securities indefinitely unless they are registered with the Commission and qualified by state authorities, or an exemption from such registration and qualification requirements is available. The Lender further acknowledges that if an exemption from registration or qualification is available, it may be conditioned on various requirements including, but not limited to, the time and manner of sale, the holding period for the Securities, and on requirements relating to the Issuer which are outside of the Lender's control, and which the Issuer is under no obligation and may not be able to satisfy. The Lender understands that the Securities may bear the legend set forth above this Note or any other legend required by the securities laws of any state to the extent such laws are applicable to the Securities represented by the certificate so legended.

4. Accredited Investor. The Lender is an accredited investor as defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

IX. EVENTS OF DEFAULT; REMEDIES.

If any of the following conditions or events (each, an "***Event of Default***") shall occur:

1. Failure by the Issuer to pay any principal of or interest on the Loans, or any other amount due under this Note or the Note Documents, in each case five (5) Business Days after the date on which such payment is due, whether at stated maturity, by acceleration or otherwise; or

2. Any representation, warranty, certification or other statement made by the Issuer in any Note Document or in any statement or certificate at any time given by the Issuer in writing pursuant hereto or thereto or in connection herewith or therewith shall be false in any material respect on the date as of which made; or

3. The Issuer shall default in the performance of or compliance with any term contained in this Note or any of the other Note Documents, and such failure continues for thirty (30) Business Days after the date on which the Lender gives written notice thereof to the Issuer; or

4. The commencement of any bankruptcy, reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency, receivership or liquidation or similar proceeding of any jurisdiction relating to the Issuer;

5. The Issuer shall incur Indebtedness for borrowed money owing to third parties in an aggregate principal amount outstanding at any time exceeding $1,000,000, except such indebtedness set forth on Schedule I hereto and any incurrences, advances or borrowings contemplated thereby.

6. The Issuer (a) defaults in making any payment of any principal of any Material Indebtedness on the scheduled or original due date with respect thereto; (b) defaults in making any payment of any interest on any such Material Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness was created; or (c) defaults in the observance or performance of any other agreement or condition relating to any such Material Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or beneficiary of such Material Indebtedness (or a trustee or agent on behalf of such holder or beneficiary) to cause, with the giving of notice if required, such Material Indebtedness to become due prior to its stated maturity or to become subject to a mandatory prepayment, repurchase, redemption or offer to purchase by the obligor thereunder or to become payable; or

7. At any time after the execution and delivery thereof, (a) any Note Document shall cease to be in full force and effect or shall be declared null and void or (b) the Issuer takes any action for the purpose of terminating, repudiating or rescinding any Note Document executed by it or any of its obligations thereunder:

THEN, (A) upon the occurrence and during the continuation of any Event of Default described in clause (4) above, the unpaid principal amount of and accrued interest on the Loans and all other obligations hereunder shall automatically become immediately due and payable, without presentment, demand, protest or other requirements of any kind, all of which are hereby expressly waived by the Issuer, and any commitment or obligation of the Lender to make the Loans or extend additional credit to the Issuer hereunder shall thereupon terminate; and (B) upon the occurrence and during the continuation of any other Event of Default, the Lender may, by written notice (which may be delivered by facsimile or overnight courier) to the Issuer, declare (i) this Note and any commitment or obligation of the Lender to make the Loans or extend additional credit to the Issuer hereunder to be terminated, and/or (ii) all or any portion of (1) the unpaid principal amount of and accrued interest on the Loans and (2) all other obligations of the Issuer under this Note to be immediately due and payable, without presentment, demand, protest or other requirements of any kind, all of which are hereby expressly waived by the Issuer.

X. MISCELLANEOUS.

1. No delay or omission on the part of the Lender in exercising any right hereunder shall operate as a waiver of such right or of any other rights of the Lender, nor shall any delay, omission or waiver on any one occasion be deemed a bar or waiver of the same or any other right on any further occasion.

2. Except as otherwise expressly provided in this Note, all notices and other communications made or required to be given pursuant to this Note or the other Note Documents shall be in writing and shall be delivered by hand, mailed by United States registered or certified first class mail, postage prepaid, sent by overnight courier, or sent by electronic mail, telecopy, facsimile or telex (with confirmation of receipt thereof), addressed to such party at the notice address beneath its signature hereto or at such other address for notice as such party shall last have furnished in writing to the Person giving the notice.

3. This Note, together with the Note Documents, constitutes the entire agreement of the parties with respect to the subject matter hereof and is intended to supersede all prior negotiations, understandings and agreements with respect thereto.

4. In the event that any provision of this Note is held to be invalid, prohibited or unenforceable in any jurisdiction for any reason, unless such provision is narrowed by judicial construction, this Note shall, as to such jurisdiction, be construed as if such invalid, prohibited or unenforceable provision had been more narrowly drawn so as not to be invalid, prohibited or unenforceable. If, notwithstanding the foregoing, any provision of this Note is held to be invalid, prohibited or unenforceable in any jurisdiction, such provision, as to such jurisdiction, shall be ineffective to the extent of such invalidity, prohibition or unenforceability without invalidating the remaining portion of such provision or the other provisions of this Note and without affecting the validity or enforceability of such provision or the other provisions of this Note in any other jurisdiction.

5. This Note shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the Lender and the Issuer, *provided that* neither party may assign or transfer any of its obligations hereunder without the prior written consent of the other party.

6. The obligation described in this Note is registered as to both principal and any stated interest with the Issuer (or its agent) and transfer of the obligation may be effected only by surrender of this Note, and either the reissuance by the Issuer of this Note to the new holder or the issuance by the Issuer of a new instrument to the new holder, such that interest payable under the obligation qualifies as portfolio interest within the meaning of Section 871(h) of the Internal Revenue Code of 1986, as amended. The Lender shall provide the Issuer with a properly completed Form W-8BEN (or successor form) prior to the receipt of any interest under this Note and upon the Issuer's reasonable request.

7. Neither this Note nor any provision hereof may be amended, supplemented, waived or otherwise modified except pursuant to an agreement or agreements in writing entered into by the Issuer and the Lender. No waiver of any provision of this Note or consent to any departure by the Issuer herefrom shall in any event be effective unless the same shall be permitted by the preceding sentence, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

8. The Issuer and every endorser and guarantor of this Note or the obligation represented hereby waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Note, and assent to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of collateral and to the addition or release of any other party or person primarily or secondarily liable. The Issuer acknowledges it has been advised by counsel of its choice with respect to the effect of the foregoing waivers and this Note, the other Note Documents and the transactions evidenced by this Note and the other Note Documents.

9. This Note may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and all of which taken together shall constitute one and the same Note. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature were the original thereof.

10. **ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY PARTY ARISING OUT OF OR RELATING TO THIS NOTE OR ANY NOTE DOCUMENT, OR ANY OBLIGATIONS HEREUNDER OR THEREUNDER, SHALL BE BROUGHT EXCLUSIVELY IN THE SUPREME COURT OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY OR THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK. BY EXECUTING AND DELIVERING THIS NOTE, EACH PARTY, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, IRREVOCABLY (I) ACCEPTS GENERALLY AND UNCONDITIONALLY THE EXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS; (II) WAIVES ANY DEFENSE OF FORUM NON CONVENIENS; (III) AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO SUCH PARTY AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH THE TERMS OF THIS NOTE; (IV) AGREES THAT, SERVICE AS PROVIDED IN CLAUSE (III) ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER SUCH PARTY IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT; AND (V) AGREES THAT THE PROVISIONS OF THIS PARAGRAPH RELATING TO JURISDICTION AND VENUE SHALL BE BINDING AND ENFORCEABLE TO THE FULLEST EXTENT PERMISSIBLE UNDER NEW YORK GENERAL OBLIGATIONS LAW SECTION 5-1402 OR OTHERWISE.**

11. **EACH OF THE PARTIES TO THIS NOTE HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS NOTE OR ANY OF THE NOTE DOCUMENTS OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS LOAN TRANSACTION OR THE LENDER/BORROWER RELATIONSHIP THAT IS BEING ESTABLISHED.** The scope of this waiver is intended to be all-encompassing of any and all disputes that may be filed in any court and that relate to the subject matter of this transaction, including contract claims, tort claims, breach of duty claims and all other common law and statutory claims. Each party hereto acknowledges that this waiver is a material inducement to enter into a business relationship that each has already relied on this waiver in entering into this Note, and that each will continue to rely on this waiver in their related future dealings. Each party hereto further warrants and represents that it has reviewed this waiver with its legal counsel and that it knowingly and voluntarily waives its jury trial rights following consultation with legal counsel. **THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS PARAGRAPH AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS NOTE OR ANY OF THE NOTE DOCUMENTS OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE LOANS MADE HEREUNDER.** In the event of litigation, this Note may be filed as a written consent to a trial by the court.

12. **THIS NOTE AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL FOR ALL PURPOSES BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK), WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES THAT WOULD REQUIRE APPLICATION OF ANOTHER LAW.**

13. Notwithstanding anything herein to the contrary, the lien and security interest granted to Lender pursuant to this Note and the exercise of any right or remedy by Lender hereunder are subject to the provisions of the A/S Intercreditor Agreement. If there is a conflict between the terms of the A/S Intercreditor Agreement and this Note, the terms of the A/S Intercreditor Agreement will control.

* * * * *

IN WITNESS WHEREOF, each of the undersigned has caused this Note to be duly executed and duly delivered by its duly authorized officer as of the day and year first above written.

MARRONE BIO INNOVATIONS, INC.,
as Issuer

By: */s/ Pamela G. Marrone*
Name: Pamela G. Marrone
Title: Chief Executive Officer

Notice Address:

Marrone Bio Innovations, Inc.
1540 Drew Avenue
Davis, CA 95618

Attn:

Email:

[SIGNATURE PAGE TO PROMISSORY NOTE]

Accepted and agreed:

DWIGHT W. ANDERSON,
as Lender

By: */s/ Dwight W. Anderson*

Notice Address:

Address: 437 Madison Avenue, 28th Floor
New York, New York 10022

Attn:

Email: dwighta@ospraie.com

[SIGNATURE PAGE TO PROMISSORY NOTE]

Schedule I

Indebtedness for Borrowed Money

1. Indebtedness in connection with that certain Purchase Agreement, dated as of August 20, 2015(as amended, restated, supplemented or otherwise modified from time to time) with Ivy Science & Technology Fund, Waddell & Reed Advisors Science & Technology Fund and Ivy VIP Science and Technology (the "***Investors***"), pursuant to which the Issuer sold to such Investors senior secured promissory notes in the aggregate principal amount of $40,000,000.

2. Indebtedness in connection with that certain Loan Agreement dated as of October 2, 2012 (as amended, restated, supplemented or otherwise modified from time to time), with certain lenders from time to time and Gordon Snyder, an individual, as administrative agent for the Lenders, pursuant to which such lenders agreed to purchase senior secured promissory notes in an aggregate principal amount of up to $12,500,000.

3. Indebtedness in connection with that certain Business Loan Agreement, dated as of June 13, 2014 (as amended, restated, supplemented or otherwise modified from time to time), with Marrone Michigan Manufacturing, LLC and Five Star Bank, pursuant to which Five Star Bank advanced loans in the aggregate principal amount of $10,000,000.

4. Indebtedness in connection with that certain Invoice Purchase Agreement, dated as of March 20, 2017 (as amended, restated, supplemented or otherwise modified from time to time), with LSQ Funding Group, L.C., pursuant to which LSQ may elect to purchase up to $7,000,000 of eligible customer invoices from the Issuer.

SCHEDULE I TO PROMISSORY NOTE

Exhibit 10.2

Execution Version

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "Agreement"), dated as of December 22, 2017, is made among Marrone Bio Innovations, Inc., a Delaware corporation ("MBI" or "Debtor") and Dwight W. Anderson, an individual, as the sole lender party to the Note referred to below (in such capacity, " Secured Party").

Debtor and Secured Party hereby agree as follows:

SECTION 1. Definitions; Interpretation.

(a) All capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings assigned to them in the Note referred to below.

(b) As used in this Agreement, the following terms shall have the following meanings:

"Collateral" has the meaning set forth in Section 2(a).

"Note" means that certain Secured Promissory Note, dated as of the date hereof, made by the Debtor in favor of the Secured Party, as amended, restated, replaced, supplemented or otherwise modified from time to time.

"UCC" means the Uniform Commercial Code as the same may, from time to time, be in effect in the State of New York.

(c) Where applicable and except as otherwise defined herein, terms used in this Agreement shall have the meanings assigned to them in the UCC.

(d) In this Agreement, (i) the meaning of defined terms shall be equally applicable to both the singular and plural forms of the terms defined; and (ii) the captions and headings are for convenience of reference only and shall not affect the construction of this Agreement.

SECTION 2. Security Interest.

(a) As security for the payment and performance of the Obligations, Debtor hereby grants to Secured Party as collateral agent, for itself and for the ratable benefit of the Lenders, a security interest in all of Debtor's right, title and interest in, to and under all of its (i) personal property, wherever located and whether now existing or owned or hereafter acquired or arising, including all accounts, chattel paper, commercial tort claims, deposit accounts, documents, equipment (including all fixtures), general intangibles, instruments, inventory, investment property, letter-of-credit rights, money, and other goods, and (ii) real property and real property interests, appurtenances, and fixtures, including rights of possession and use under leases and licenses, tenant improvements, and rights under options to lease or purchase and the like, and in the case of each of clauses (i) and (ii), all products, proceeds and supporting obligations of any and all of the foregoing (collectively, the "Collateral").

(b) This Agreement shall create a lien and continuing security interest in the Collateral which shall remain in effect until terminated in accordance with Section 15 hereof.

(c) Notwithstanding the foregoing provisions of this Section 2, the grant of a security interest as provided herein shall not extend to, and the term "Collateral" shall not include, either of Debtor's deposit account numbers 3207933 and 3208014 with Five Star Bank located in Rancho Cordova, California or any proceeds thereof, or any general intangibles of Debtor (whether owned or held as licensee or lessee, or otherwise), to the extent that (i) such general intangibles are not assignable or capable of being encumbered as a matter of law or under the terms of the license, lease or other agreement applicable thereto (but solely to the extent that any such restriction shall be enforceable under applicable law), without the consent of the licensor or lessor thereof or other applicable party thereto and (ii) such consent has not been obtained; provided, however, that the foregoing grant of security interest shall extend to, and the term "Collateral" shall include, (A) any general intangible which is an account receivable or a proceed of, or otherwise related to the enforcement or collection of, any account receivable, or goods which are the subject of any account receivable, (B) any and all proceeds of any general intangibles which are otherwise excluded to the extent that the assignment or encumbrance of such proceeds is not so restricted, and (C) upon obtaining the consent of any such licensor, lessor or other applicable party's consent with respect to any such otherwise excluded general intangibles, such general intangibles as well as any and all proceeds thereof that might have theretofore have been excluded from such grant of a security interest and the term "Collateral".

(d) Anything herein to the contrary notwithstanding, in no event shall the Collateral include, and Debtor shall not be deemed to have granted a security interest in, any of Debtor's right, title or interest in any of the outstanding voting capital stock or other ownership interests of a Controlled Foreign Corporation (as defined below) in excess of 65% of the voting power of all classes of capital stock or other ownership interests of such Controlled Foreign Corporation entitled to vote; provided that (i) immediately upon the amendment of the Internal Revenue Code of 1986, as amended, to allow the pledge of a greater percentage of the voting power of capital stock or other ownership interests in a Controlled Foreign Corporation without adverse tax consequences, the Collateral shall include, and Debtor shall be deemed to have granted a security interest in, such greater percentage of capital stock or other ownership interests of each Controlled Foreign Corporation; and (ii) if no adverse tax consequences to Debtor shall arise or exist in connection with the pledge of any Controlled Foreign Corporation, the Collateral shall include, and Debtor shall be deemed to have granted a security interest in, such Controlled Foreign Corporation. As used herein, "Controlled Foreign Corporation" shall mean a "controlled foreign corporation" as defined in the Internal Revenue Code of 1986, as amended.

(e) Secured Party agrees that, notwithstanding the terms of any account control agreements, while no Event of Default exists, Secured Party (i) shall refrain from exerting control over any deposit or securities accounts subject to such account control agreements, (ii) shall defer to Debtor's control over the assets and proceeds in such accounts, including Debtor's ability to withdraw from, or otherwise direct the disposition of funds from, deposit accounts for the payment of Debtor's obligations to third parties as they become due and payable, and including Debtor's ability to withdraw from, designate investments in, or otherwise direct activities in its securities accounts, and (iii) shall not send a "Notice of Exclusive Control" (or similar notice pursuant to which Secured Party purports to exert exclusive control over any deposit or securities account of Debtor) to the applicable bank, broker or other securities intermediary party to an account control agreement.

SECTION 3. Financing Statements, Etc. Debtor hereby authorizes Secured Party to file at any time and from time to time any financing statements describing the Collateral, and Debtor shall execute and deliver to Secured Party, and Debtor hereby authorizes Secured Party to file (with or without Debtor's signature), at any time and from time to time, all amendments to financing statements, assignments, continuation financing statements, termination statements, and other documents and instruments, in form reasonably satisfactory to Secured Party, as Secured Party may reasonably request, to perfect and continue perfected, maintain the priority of or provide notice of the security interest of Secured Party in the Collateral and to accomplish the purposes of this Agreement.

SECTION 4. Representations and Warranties. Debtor represents and warrants to Secured Party that:

(a) Debtor is duly organized, validly existing and in good standing under the law of the jurisdiction of its organization and has all requisite power and authority to execute, deliver and perform its obligations under this Agreement.

(b) The execution, delivery and performance by Debtor of this Agreement have been duly authorized by all necessary action of Debtor, and this Agreement constitutes the legal, valid and binding obligation of Debtor, enforceable against Debtor in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar debtor relief laws from time to time in effect which affect the enforcement of creditors' rights in general and the availability of equitable remedies.

(c) No authorization, consent, approval, license, exemption of, or filing or registration with, any governmental authority or agency, or approval or consent of any other Person, is required for the due execution, delivery or performance by Debtor of this Agreement, except for any filings necessary to perfect any Liens on any Collateral.

(d) Debtor's exact legal name is as set forth in the first paragraph of this Agreement.

(e) Debtor has rights in or the power to transfer the Collateral, and Debtor is the sole and complete owner of the Collateral, free from any lien other than liens existing on December 22, 2017.

SECTION 5. Covenants. So long as any of the Obligations remain unsatisfied, Debtor agrees that:

(a) Debtor shall do and perform all reasonable acts that may be necessary and appropriate to maintain, preserve, and protect the Collateral.

(b) Debtor shall comply in all material respects with all laws, regulations and ordinances, and all policies of insurance, relating in a material way to the possession, operation, maintenance and control of the Collateral.

(c) Debtor shall give prompt written notice to Secured Party (and in any event not later than 60 days following any change described below in this subsection) of: (i) any change in its name; (ii) any changes in its identity or structure in any manner which might make any financing statement filed hereunder incorrect or misleading; (iii) any change in its registration as an organization (or any new such registration); or (iv) any change in its jurisdiction of organization.

(d) Debtor shall pay and discharge all material taxes, fees, assessments and governmental charges or levies imposed upon it with respect to the Collateral prior to the date on which penalties attach thereto, except to the extent such taxes, fees, assessments or governmental charges or levies are being contested in good faith by appropriate proceedings and are adequately reserved against in accordance with GAAP; provided that the failure to make any such payments shall not constitute a breach of this covenant unless the aggregate amount of such payments could reasonably be expected to exceed $200,000.

(e) Debtor shall maintain and preserve its legal existence, its rights to transact business and all other rights, franchises and privileges necessary or desirable in the normal course of its business and operations and the ownership of the Collateral, except in connection with any transactions expressly not expressly prohibited hereunder.

(f) Upon the written request of Secured Party, Debtor shall promptly deliver to Secured Party, or an agent designated by it, appropriately endorsed or accompanied by appropriate instruments of transfer or assignment, all documents and instruments, all certificated securities with respect to any investment property, all letters of credit and all accounts and other rights to payment at any time evidenced by promissory notes, trade acceptances or other instruments.

(g) Upon Secured Party's written request, Debtor shall promptly notify Secured Party if Debtor holds or acquires (i) any commercial tort claims, (ii) any chattel paper, including any interest in any electronic chattel paper, or (iii) any letter-of-credit rights.

SECTION 6. Events of Default. An "Event of Default" under the Note shall constitute an Event of Default hereunder.

SECTION 7. Remedies.

(a) Upon the occurrence and during the continuance of any Event of Default, Secured Party may, by notice to Debtor, declare any of the Obligations to be immediately due and payable and shall have, in addition to all other rights and remedies granted to it in this Agreement, all rights and remedies of a secured party under the UCC and other applicable laws.

(b) The cash proceeds actually received from the sale or other disposition or collection of Collateral, and any other amounts received in respect of the Collateral the application of which is not otherwise provided for herein, shall be applied to the payment of the Obligations as set forth in the Note. Any surplus thereof which exists after payment and performance in full of the Obligations shall be promptly paid over to Debtor or otherwise disposed of in accordance with the UCC or other applicable law.

SECTION 8. Notices. All notices or other communications hereunder shall be provided in accordance with Section X.2 of the Note

SECTION 9. No Waiver; Cumulative Remedies. No failure on the part of Secured Party or any Lender to exercise, and no delay in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, remedy, power or privilege preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights and remedies under this Agreement are cumulative and not exclusive of any rights, remedies, powers and privileges that may otherwise be available to Secured Party and the Lenders.

SECTION 10. Binding Effect. This Agreement shall be binding upon, inure to the benefit of and be enforceable by Debtor, Secured Party, each Lender and their respective successors and assigns and shall bind any Person who becomes bound as a debtor to this Agreement.

SECTION 11. Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State of New York, except as required by mandatory provisions of law and to the extent the validity or perfection of the security interests hereunder, or the remedies hereunder, in respect of any Collateral are governed by the law of a jurisdiction other than New York.

SECTION 12. Entire Agreement; Amendment. This Agreement, the Note and any other Note Document, taken together, contain the entire agreement of the parties with respect to the subject matter hereof and shall not be amended except by the written agreement of the parties.

SECTION 13. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under all applicable laws and regulations. If, however, any provision of this Agreement shall be prohibited by or invalid under any such law or regulation in any jurisdiction, it shall, as to such jurisdiction, be deemed modified to conform to the minimum requirements of such law or regulation, or, if for any reason it is not deemed so modified, it shall be ineffective and invalid only to the extent of such prohibition or invalidity without affecting the remaining provisions of this Agreement, or the validity or effectiveness of such provision in any other jurisdiction.

SECTION 14. Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

SECTION 15. Termination. Upon payment and performance in full of all Obligations, the security interest created under this Agreement shall terminate and Secured Party shall promptly execute and deliver to Debtor such documents and instruments reasonably requested by Debtor as shall be necessary or appropriate to evidence termination of all security interests given by Debtor to Secured Party hereunder.

SECTION 16. Joint and Several Liability. If Debtor consists of more than one Person, the liability of each Person comprising Debtor shall be joint and several, and each reference herein to "Debtor" shall mean and be a reference to each such Person comprising Debtor. The Debtors agree that any and all of their obligations hereunder shall be the joint and several responsibility of each of them notwithstanding any absence herein of a reference such as "jointly and severally" with respect to any such obligation. The compromise of any claim with, or the release of, any Debtor shall not constitute a compromise with, or a release of, any other Debtor.

SECTION 17. Conflicts; Intercreditor Agreement. In the event of any conflict or inconsistency between this Agreement and the Note, the terms of this Agreement shall control. In the event of any conflict or inconsistency between this Agreement and the terms of the Intercreditor Agreement, the terms of the Intercreditor Agreement shall control.

SECTION 18. Confidentiality. Secured Party covenants and agrees, on a continuing basis, to use reasonable efforts to maintain the confidentiality of and not to disclose to any person other than its officers, directors, attorneys and accountants and subsidiaries and affiliates, and such other persons to whom Secured Party shall at any time be required to make such disclosure in accordance with applicable law, any and all proprietary, trade secret or confidential information provided to or received by Secured Party from or on account of Debtor or any subsidiary or affiliate of Debtor, including business plans and forecasts, non-public financial information, confidential or secret processes, formulae, devices or contractual information, customer lists, employee relation matters, and any other information the disclosure of which could reasonably be expected to have a material adverse impact on the business, finances or operations of Debtor or its subsidiaries and affiliates; provided, however, the foregoing provisions shall not be effective regarding the disposition of Collateral after an Event of Default.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement, as of the date first above written.

MARRONE BIO INNOVATIONS, INC., a Delaware corporation

By: */s/ Pamela G. Marrone*
Name: Pamela G. Marrone
Title: Chief Executive Officer

[Signature Page to Security Agreement]

Secured Party:

/s/ Dwight W. Anderson

DWIGHT W. ANDERSON

[Signature Page to Security Agreement]