NOT FOR GENERAL DISTRIBUTION
IN THE UNITED STATES

€515,000,000

DARLING INGREDIENTS INC.

Darling Global Finance B.V.

Guaranteed by Darling Ingredients Inc.
4.75% Senior Notes due 2022

The initial purchasers are offering €515,000,000 aggregate principal amount of 4.75% Senior Notes due 2022 (the "notes") issued by Darling Global Finance B.V. (the "Issuer"), an indirect, wholly-owned subsidiary of Darling Ingredients Inc. ("Darling Ingredients"), inside the United States to qualified institutional buyers in reliance on Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), and outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act.

The Issuer will pay interest on the notes on May 30 and November 30 of each year, commencing on November 30, 2015. The notes will be issued on June 3, 2015 and will mature on May 30, 2022. The Issuer may redeem some or all of the notes at any time on or after May 30, 2018. At any time prior to May 30, 2018, the Issuer may also redeem up to 40% of the principal amount of the notes using the proceeds of certain equity offerings. In addition, at any time prior to May 30, 2018, the Issuer may redeem some or all of the notes at a price equal to 100% of their principal amount, plus accrued and unpaid interest, plus a "make-whole" premium. The Issuer may also redeem the notes, in whole but not in part, at 100% of their principal amount, plus accrued and unpaid interest, in certain circumstances in which the Issuer or any guarantor would become obligated to pay certain additional amounts as a result of changes in certain tax laws. If we sell certain of our assets or experience specific kinds of changes in control, the Issuer must offer to purchase the notes.

The notes will upon issue be guaranteed by Darling Ingredients and by all of Darling Ingredients' restricted subsidiaries, other than any foreign subsidiary, the Issuer or any receivables entity, that guarantee the Senior Secured Facilities (as defined herein). The notes and the guarantees will be senior unsecured obligations of the Issuer and the guarantors and will rank equally in right of payment with all of the existing and future senior unsecured indebtedness of the Issuer and the guarantors and senior in right of payment to all of the future subordinated indebtedness of the Issuer and the guarantors. The notes and the guarantees will be effectively subordinated to all existing and future secured debt of the Issuer and the guarantors, including the Senior Secured Facilities, to the extent of the value of the assets securing such debt. In addition, the notes will be structurally subordinated to all of the liabilities and preferred equity of any of Darling Ingredients' existing and future subsidiaries that do not guarantee the notes, including current and future foreign subsidiaries that guarantee the Senior Secured Facilities but not the notes.

There is currently no public market for the notes. Application has been made to the Irish Stock Exchange plc (the "Irish Stock Exchange") for the approval of this document as Listing Particulars (as defined below) and for the notes to be admitted to the Official List (the "Official List") of the Irish Stock Exchange and for trading on the Global Exchange Market, which is the exchange-regulated market of the Irish Stock Exchange (the "Global Exchange Market"). There can be no assurances that any such application will be successful or any such listing will be granted or maintained. The Global Exchange Market of the Irish Stock Exchange is not a regulated market for the purposes of Directive 2004/39/EC, as amended. This document constitutes listing particulars (the "Listing Particulars") in respect of the admission of the notes to the Official List and to trading on the Global Exchange Market. The Issuer accepts full responsibility for the accuracy of the information contained in these Listing Particulars and confirms, having taken all reasonable care to ensure that such is the case, the information contained in these Listing Particulars is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

See the section entitled "Risk Factors" *beginning on page 28 to read about important factors you should consider before buying the notes.*

Offering Price: 100%

The offering price set forth above does not include accrued interest, if any. Interest on the notes will accrue from June 3, 2015. If the notes are delivered after June 3, 2015, accrued interest must be paid by investors until the time of delivery.

The notes have not been and will not be registered under the Securities Act and are being offered and sold in the United States only to qualified institutional buyers in reliance on Rule 144A under the Securities Act and to certain non-U.S. persons in transactions outside the United States in reliance on Regulation S under the Securities Act. Prospective purchasers that are qualified institutional buyers are hereby notified that the seller of the notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. The notes are not transferable except in accordance with the restrictions described herein under the section entitled "*Book-Entry Settlement and Clearance*."

The notes sold in connection with these Listing Particulars will be issued in the form of one or more global notes. The notes will be deposited with, or on behalf of, a common depositary for the accounts of Euroclear Bank, S.A./N.V., as operator of the Euroclear System ("Euroclear"), and Clearstream Banking, *société anonyme* ("Clearstream") and registered in the name of the nominee of the common depositary. See the section entitled "*Book-Entry Settlement and Clearance*."

Joint Book-Running Managers

Goldman Sachs International **J.P. Morgan** **BMO Capital Markets**

Co-Managers

Citigroup **Banco Bilbao Vizcaya Argentaria, S.A.** **Rabobank**
BofA Merrill Lynch **HSBC**

Listing Particulars dated July 20, 2015

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We have not authorized anyone to provide any information or to make any representations other than those contained or incorporated by reference in these Listing Particulars or in any related pricing term sheet. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. These Listing Particulars are an offer to sell only the notes offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in these Listing Particulars, the documents incorporated by reference herein and any related pricing term sheet are current only as of their respective dates.

You are authorized to use these Listing Particulars solely for the purpose of considering the purchase of the notes described in these Listing Particulars. All information contained in these Listing Particulars has been provided by us. The initial purchasers named herein make no representation or warranty, expressed or implied, as to the accuracy or completeness of such information, and nothing contained in these Listing Particulars is, or shall be relied upon as, a promise or representation by the initial purchasers. You may not use any information herein for any purpose other than considering the purchase of the notes. You agree to the foregoing by accepting delivery of these Listing Particulars.

THE NOTES DESCRIBED HEREIN HAVE NOT BEEN RECOMMENDED BY ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THESE LISTING PARTICULARS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The distribution of these Listing Particulars and the offering and sale of the notes in certain jurisdictions may be restricted by law. We and the initial purchasers require persons into whose possession these Listing Particulars come to inform themselves about and to observe any such restrictions. See the section entitled “*Plan of Distribution*.” These Listing Particulars do not constitute an offer of, or an invitation to purchase, any of the notes in any jurisdiction in which such offer or invitation would be unlawful.

STABILIZATION

IN CONNECTION WITH THIS OFFERING, GOLDMAN SACHS INTERNATIONAL (THE “STABILIZING MANAGER”) OR ANY PERSONS ACTING FOR IT MAY OVER-ALLOT ADDITIONAL NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL FOR A LIMITED PERIOD AFTER THE ISSUE DATE. HOWEVER, THERE IS NO OBLIGATION OF THE STABILIZING MANAGER OR ANY PERSONS ACTING FOR IT TO DO THIS. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME AND MUST BE BROUGHT TO AN END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF ALLOTMENT OF THE NOTES.

NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO INVESTORS

Because of the following restrictions, you are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the notes.

Each purchaser of the notes will be deemed to have represented, acknowledged and agreed as follows (terms used herein that are defined in Rule 144A ("Rule 144A") or Regulation S ("Regulation S") under the Securities Act are used herein as defined therein):

(1) You (A) (i) are a qualified institutional buyer, (ii) are aware that the sale of the notes to you is being made in reliance on Rule 144A and (iii) are acquiring such notes for your own account or for the account of a qualified institutional buyer, as the case may be, or (B) are not a U.S. person, as such term is defined in Rule 902 under the Securities Act, or purchasing for the account or benefit of a U.S. person, other than a distributor, as such term is defined in Rule 902 under the Securities Act, and are purchasing the notes in an offshore transaction in accordance with Regulation S.

(2) You understand that the notes have not been registered under the Securities Act and may not be reoffered, resold, pledged or otherwise transferred except (A) (i) to the Issuer, Darling Ingredients or any subsidiary of Darling Ingredients, (ii) to a person who the seller reasonably believes is a qualified institutional buyer acquiring for its own account or the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A, (iii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S, (iv) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available) or pursuant to any other exemption from registration under the Securities Act or (v) pursuant to an effective registration statement under the Securities Act and (B) in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

(3) You acknowledge that we and the trustee reserve the right in connection with any offer, sale or other transfer of notes under clauses (A)(iii) and (iv) of paragraph (2) above, to require the delivery of an opinion of counsel, certifications and/or other information satisfactory to us and the trustee.

(4) The notes will bear a legend to the following effect, unless the Issuer determines otherwise in compliance with applicable law:

> THE NOTES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) (1) TO DARLING GLOBAL FINANCE B.V., DARLING INGREDIENTS INC. OR ANY SUBSIDIARY OF DARLING INGREDIENTS INC., (2) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT ACQUIRING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND OTHER JURISDICTIONS.
>
> BY ITS ACQUISITION OF THIS NOTE, THE HOLDER THEREOF WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED THAT EITHER (1) NO PORTION OF THE ASSETS USED BY SUCH HOLDER TO ACQUIRE OR HOLD THIS SECURITY CONSTITUTES THE ASSETS OF AN EMPLOYEE BENEFIT PLAN THAT IS SUBJECT TO TITLE I OF THE

U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), OF A PLAN, INDIVIDUAL RETIREMENT ACCOUNT OR OTHER ARRANGEMENT THAT IS SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") OR OF A BENEFIT PLAN OR OTHER ARRANGEMENT THAT IS SUBJECT TO ANY OTHER FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAWS OR REGULATIONS THAT ARE SIMILAR TO SUCH PROVISIONS OF ERISA OR THE CODE ("SIMILAR LAWS"), INCLUDING ANY ENTITY WHOSE UNDERLYING ASSETS ARE CONSIDERED TO INCLUDE "PLAN ASSETS" OF ANY SUCH PLAN, ACCOUNT OR ARRANGEMENT, OR (2) THE ACQUISITION AND HOLDING OF THIS SECURITY WILL NOT CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR A VIOLATION UNDER ANY APPLICABLE SIMILAR LAWS.

The notes will be available initially only in book-entry form. The notes will be issued in the form of one or more global notes bearing the legends set forth above.

(5) You represent and warrant that either (i) no portion of the assets used by you to acquire or hold the notes constitutes assets of any employee benefit plan subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), any plan, account or other arrangement that is subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), or provisions under any other federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code ("Similar Laws"), or an entity whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement or (ii) the acquisition and holding of the notes by you will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a similar violation under any applicable Similar Law.

(6) You acknowledge that we, the initial purchasers and others will rely upon the truth and accuracy of the above acknowledgments, representations and agreements. You agree that if any of the acknowledgments, representations or agreements you are deemed to have made by your purchase of notes is no longer accurate, you will promptly notify us and the initial purchasers. If you are purchasing any notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each of those accounts and that you have full power to make the above acknowledgments, representations and agreements on behalf of each account.

NOTICE TO EUROPEAN ECONOMIC AREA INVESTORS

These Listing Particulars are not a prospectus for the purposes of the European Union's Directive 2003/71 (and any amendments thereto) as implemented in member states of the European Economic Area (the "Prospectus Directive"). These Listing Particulars have been prepared on the basis that all offers of the notes made to persons in the European Economic Area will be made pursuant to an exemption under the Prospectus Directive from the requirement to produce a prospectus in connection with offers of such securities. Consequently, these Listing Particulars shall not be used to make offers of the notes to persons in the European Economic Area other than pursuant to an exemption under the Prospectus Directive from the requirement to produce a prospectus in connection with such offers.

NOTICE TO U.K. INVESTORS

The communication of these Listing Particulars, any supplement and any other document or materials relating to the issue of any notes offered in connection with these Listing Particulars is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the United Kingdom's Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Financial Promotion Order), or within Article 49(2)(a) to (d) of the Financial Promotion Order, or to any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, the notes are only available to, and any investment or investment activity to which these Listing Particulars relate will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on these Listing Particulars or any of the contents herein.

NOTICE TO NETHERLANDS INVESTORS

The notes (including rights representing an interest in each global note that represents the notes) may not be offered in The Netherlands other than to persons or entities which are qualified investors (*gekwalificeerde beleggers*) as defined in the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

The Issuer is incorporated as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of The Netherlands and having its corporate seat in Eindhoven, and Darling Ingredients is a Delaware corporation. The principal executive offices of the Issuer are located at N.C.B.-weg 10, 5681 RH Best, The Netherlands, and the principal executive offices of Darling Ingredients are located at 251 O'Connor Ridge Blvd., Suite 300, Irving, Texas, and our telephone number at that address is (972) 717-0300. Darling's website is located at *http://www.darlingii.com.* Darling's website and the information contained on Darling's website is not part of these Listing Particulars, and you should rely only on the information contained in these Listing Particulars when making a decision as to whether to invest in the notes.

For purposes of these Listing Particulars, unless the context otherwise indicates or as otherwise indicated:

- references to the "5.375% Notes" refer to Darling Ingredients' 5.375% Senior Notes due 2022;
- references to "Darling," the "Company," "we," "us" and "our" refer to Darling Ingredients and its subsidiaries, including the Issuer;
- references to "$," "dollars" or "U.S. dollars" refer to United States dollars, references to "CAD $" refer to Canadian dollars and references to "€" refer to euro;
- references to "Acquisitions" refer to the Rothsay Acquisition and the VION Acquisition;
- references to "Credit Agreement" refer to the Second Amended and Restated Credit Agreement dated January 6, 2014, as amended, that governs the Senior Secured Facilities;
- references to "Darling Ingredients" refer to Darling Ingredients Inc., excluding its subsidiaries;
- references to "Darling Ingredients International" refer to the business formerly conducted by VION Ingredients;
- references to "DGD Joint Venture" refer to Diamond Green Diesel Holdings LLC, our 50%/50% renewable diesel joint venture with Valero Energy Corporation ("Valero");
- references to the "Issuer" refer to Darling Global Finance B.V.;

- references to “Fiscal 2010” refer to the fifty-two weeks ended January 1, 2011;
- references to “Fiscal 2011” refer to the fifty-two weeks ended December 31, 2011;
- references to “Fiscal 2012” refer to the fifty-two weeks ended December 29, 2012;
- references to “Fiscal 2013” refer to the fifty-two weeks ending December 28, 2013;
- references to “Fiscal 2014” refer to (i) for Darling, and for Rothsay, the fifty-three weeks ending January 3, 2015 or (ii) for Darling Ingredients International, the year ended December 31, 2014;
- references to “MFI” refer to Maple Leaf Foods Inc., a Canadian corporation, the previous owner of Rothsay;
- references to “Rothsay” or “Rothsay’s business” refer to the rendering business previously operated by MFI under the “Rothsay Rendering” name, which business was acquired by Darling Ingredients from MFI effective October 28, 2013 and involves the purchasing, collection, processing and recycling of animal by-products and organic waste into finished products such as fats, protein meals and biodiesel, and the sale of such finished products, but does not include the in-line rendering operation at MFI’s facility located in Lethbridge, Alberta, which Darling did not purchase from MFI;
- references to “Rothsay Acquisition” refer to Darling Ingredients’ acquisition of Rothsay from MFI that was completed on October 28, 2013;
- references to “Senior Secured Facilities” refer to Darling’s (i) existing $299.6 million term loan A facility, (ii) existing $1.0 billion revolving credit facility and (iii) existing term loan B facility in the amount of $1.3 billion;
- references to the “subsidiary guarantors” refer to all of Darling Ingredients’ restricted subsidiaries that will guarantee the notes;
- references to the “Transactions” refer to the offering of the notes and the application of proceeds therefrom as described in “*Use of Proceeds*”;
- references to the “trustee” refer to Citibank, N.A., London Branch, acting in its capacity as trustee under the indenture that will govern the notes;
- references to “U.S. GAAP” refer to U.S. generally accepted accounting principles;
- references to “VION” refer to VION Holding N.V., a limited liability company incorporated in The Netherlands;
- references to “VION Acquisition” refer to Darling Ingredients’ acquisition of VION Ingredients from VION; and
- references to “VION Ingredients” or the “VION Ingredients business” refer to the VION Ingredients division of VION, and its business of developing, producing, marketing and selling products of animal origin for applications in, among others, pharmaceuticals, food, feed, pet food, fertilizer and bio-energy, which business VION sold and Darling Ingredients purchased on January 7, 2014.

MARKET AND INDUSTRY DATA AND FORECASTS

These Listing Particulars include estimates of industry data and forecasts that have been obtained from industry publications and surveys or internal company sources. Industry sources include the United States Department of Agriculture (“USDA”), IBISWorld Inc. (“IBIS”) and the National Renderers Association. In addition, the amount of independent industry data available with regard to the bakery feeds industry segment is very limited. Industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. None of Darling or the initial purchasers has independently verified any of the data from third-party sources, nor have Darling or the initial purchasers ascertained the underlying economic assumptions relied upon therein. Similarly, while these Listing Particulars contain certain information based on internal estimates with respect to industry data, such estimates have not been verified by any independent sources, and Darling cannot assure you that they are accurate. Estimates regarding any industry data presented in these Listing Particulars, in particular as they relate to market share, size and growth rates and general expectations, involve risks and uncertainties and are subject to change based on various factors, including those discussed in the section entitled "*Risk Factors*."

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

These Listing Particulars contain forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the statements. Statements that are not historical facts are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Words such as "estimate," "project," "planned," "contemplate," "potential," "possible," "proposed," "intend," "believe," "anticipate," "expect," "may," "will," "would," "should," "could" and similar expressions are intended to identify forward-looking statements. In addition, from time to time we or our representatives have made or may make forward-looking statements orally or in writing. Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. We caution investors that any such forward-looking statements we make are not guarantees of future performance and that actual results may differ materially from anticipated results or expectations expressed in our forward-looking statements as a result of a variety of factors, including many that are beyond Darling's control.

Furthermore, such forward-looking statements may be included in various filings that we make with the SEC, or press releases or oral statements made by or with the approval of one of our authorized executive officers. These forward-looking statements are subject to certain known and unknown risks and uncertainties, as well as assumptions that could cause actual results to differ materially from those reflected in these forward-looking statements. Factors that might cause actual results to differ include, but are not limited to, those discussed in the section entitled "*Risk Factors*" as well as risks and uncertainties relating to:

- existing and unknown future limitations on the ability of our direct and indirect subsidiaries to upstream their profits to us for payments on our indebtedness or other purposes;
- unanticipated costs or operating problems related to the acquisition and integration of Rothsay and Darling Ingredients International (including transactional costs and integration of the new enterprise resource planning ("ERP") system);
- global demands for bio-fuels and grain and oilseed commodities, which have exhibited volatility, and can impact the cost of feed for cattle, hogs and poultry, thus affecting available rendering feedstock and selling prices for our products;
- reductions in raw material volumes available to us due to weak margins in the meat production industry as a result of higher feed costs, reduced consumer demand or other factors, reduced volume from food service establishments, reduced demand for animal feed, or otherwise;
- reduced finished product prices;
- changes to worldwide government policies relating to renewable fuels and greenhouse gas emissions ("GHG") that adversely affect programs like the National Renewable Fuel Standard Program ("RFS2") and tax credits for biofuels both in the United States and abroad;

- possible product recall resulting from developments relating to the discovery of unauthorized adulterations to food or food additives;
- the occurrence of 2009 H1N1 flu (initially known as “Swine Flu”), highly pathogenic strains of avian influenza (collectively known as “Bird Flu”), bovine spongiform encephalopathy (“BSE”), porcine epidemic diarrhea (“PED”) or other diseases associated with animal origin in the United States or elsewhere;
- unanticipated costs and/or reductions in raw material volumes related to our compliance with the existing or unforeseen new U.S. or foreign (including, without limitation, China) regulations (including new or modified animal feed, Bird Flu, PED or BSE or similar or unanticipated regulations) affecting the industries in which the Company operates or its value added products;
- risks associated with the DGD Joint Venture, including possible unanticipated operating disruptions;
- risks relating to possible third party claims of intellectual property infringement; increased contributions to our pension and benefit plans, including multiemployer and employer-sponsored defined benefit pension plans as required by legislation, regulation or other applicable U.S. or foreign law or resulting from a U.S. mass withdrawal event;
- bad debt write-offs; loss of or failure to obtain necessary permits and registrations;
- continued or escalated conflict in the Middle East, North Korea, Ukraine or elsewhere; and/or
- unfavorable export or import markets.

These factors, coupled with volatile prices for natural gas and diesel fuel, climate conditions, currency exchange fluctuations, general performance of the United States and global economies, disturbances in world financial, credit, commodities and stock markets, and any decline in consumer confidence and discretionary spending, including the inability of consumers and companies to obtain credit due to lack of liquidity in the financial markets, among others, could cause actual results to vary materially from the forward-looking statements included in these Listing Particulars or negatively affect our results of operations. Among other things, future profitability may be affected by our ability to grow our business, which faces competition from companies that may have substantially greater resources than we do. You should consider these important factors, as well as the risk factors set forth in these Listing Particulars, in evaluating any statement made in these Listing Particulars. See the section entitled “*Risk Factors*.” We caution readers that all forward-looking statements speak only as of the date made, and we undertake no obligation to update any forward looking statements, whether as a result of changes in circumstances, new events or otherwise.

SUMMARY

This summary highlights information contained elsewhere or incorporated by reference in these Listing Particulars and does not contain all of the information that you should consider before investing in the notes. You should carefully read the entire Listing Particulars, including the section entitled "Risk Factors," *all of the financial statements and the related notes and the other documents included or incorporated by reference in these Listing Particulars before making an investment decision.*

Our Business

Historical Overview

Founded by the Swift meat packing interests and the Darling family in 1882, we are a global developer and producer of sustainable natural ingredients from edible and inedible bio-nutrients, creating a wide range of ingredients and customized specialty solutions for customers in the pharmaceutical, food, pet food, feed, technical, fuel, bioenergy and fertilizer industries. With operations on five continents, we collect and transform all aspects of animal by-product streams into useable and specialty ingredients, such as gelatin, edible fats, feed-grade fats, animal proteins and meals, plasma, pet food ingredients, organic fertilizers, yellow grease, fuel feedstocks, green energy, natural casings and hides. We also recover and convert used cooking oil and commercial bakery residuals into valuable feed and fuel ingredients. In addition, we provide grease trap services to food establishments, environmental services to food processors and sell restaurant cooking oil delivery and collection equipment. During the fifty-three weeks ended April 4, 2015, we generated $3.9 billion in net sales, $486.2 million of Adjusted EBITDA and $121.1 million in net income attributable to Darling.

On January 7, 2014, we acquired the VION Ingredients business division ("VION Ingredients") of VION Holding, N.V. ("VION"), a Dutch limited liability company (the "VION Acquisition"). The VION Ingredients business is now conducted under the name Darling Ingredients International. In addition, on October 28, 2013, we completed the acquisition of substantially all of the assets of Rothsay, a division of Maple Leaf Foods, Inc. ("MFI"), a Canadian corporation (the "Rothsay Acquisition" and, together with the VION Acquisition, the "Acquisitions"). Prior to the completion of the Acquisitions, we had no material foreign operations. As a result of the Acquisitions, our business is now conducted through a global network of over 200 locations across five continents.

North America

We are a leading provider of animal by-product processing, used cooking oil and bakery residual recycling and recovery solutions to the U.S. food industry. We operate over 130 processing and transfer facilities in the United States to produce finished products such as protein (primarily meat and bone meal ("MBM") and poultry meal ("PM")), fats (primarily bleachable fancy tallow ("BFT"), poultry grease ("PG") and yellow grease ("YG")), bakery by-products ("BBP") and hides, as well as a range of branded and value-added products. We sell these products in North America and throughout the world, primarily to producers of animal feed, pet food, biodiesel, fertilizer and other consumer and industrial ingredients, including oleo-chemicals, soaps and leather goods, for use as ingredients in their products or for further processing. Rothsay is a leading recycler of animal byproducts and producer of biodiesel in Canada. Rothsay processes raw materials into finished fats and proteins products for use in animal feed, pet food, biodiesel, fertilizer and other ingredients and manufactures biodiesel for domestic and international markets. Rothsay has a network of five rendering plants in Manitoba, Ontario and Nova Scotia and a biodiesel operation in Quebec.

Europe, China, Australia and South America

We are a worldwide leader in the development and production of specialty ingredients from animal by-products for applications in animal feed, pet food, fuel, bioenergy, fertilizer, food and pharmaceuticals. Through Darling Ingredients International, we operate a global network of 68 production facilities across five continents covering all aspects of animal by-product processing through six brands: Rendac (fuel), Sonac (proteins, fats, edible fats and blood products), Ecoson (bioenergy and fertilizer), Rousselot (gelatin), CTH (natural casings) and Best Hides (hides and skins). Our specialized portfolio of over 400 products covers all animal origin raw material types and thereby offers a comprehensive, single source solution for suppliers. Our business has leading positions across Europe with operations in The Netherlands, Belgium, Germany, Poland and Italy under the Rendac and Sonac brand names. Value-added products include edible fats, blood products, bone products, protein meals and fats. Rousselot is a global leading market provider of gelatin for the food, pharmaceutical and technical industries with operations in Europe, the United States, South America and China. CTH is a leading natural casings company for the sausage industry with operations in Europe, China and the United States.

Operating Segments

Commencing with the first quarter of 2014, our business operations were reorganized into three new reportable operating segments: Feed Ingredients, Food Ingredients and Fuel Ingredients. This change was necessitated by the VION Acquisition and aligns our operations based on the products and services offered to various end markets.

The Feed Ingredients operating segment includes our global activities related to (i) the collection and processing of beef, poultry and pork animal by-products in North America and Europe into non-food grade oils and protein meals, (ii) the collection and processing of bakery residuals in North America into Cookie Meal®, which is predominantly used in poultry and swine rations, (iii) the collection and processing of used cooking oil in North America into non-food grade fats, as well as the production and sale of a variety of cooking oil collection delivery systems, (iv) the collection and processing of bovine, porcine and ovine blood in China, Europe and North America into blood plasma powder and hemoglobin, (v) the processing of cattle hides and hog skins in North America and Europe, (vi) the production of organic fertilizers using protein produced from our animal by-products processing activities in North America and Europe, and (vii) grease trap services to food service establishments and environmental services to food processors. Non-food grade oils and fats produced and marketed by us are principally sold to third parties to be used as ingredients in animal feed and pet food, as an ingredient for the production of biodiesel and renewable diesel, or to the oleo-chemical industry to be used as an ingredient in a wide variety of industrial applications. Protein meals produced and marketed by us are sold to third parties to be used as ingredients in animal feed, pet food and aquaculture. Blood plasma powder and hemoglobin produced and marketed by us are sold to third parties to be used as ingredients in animal feed, pet food and aquaculture.

The Food Ingredients operating segment includes our global activities related to (i) the collection and processing of beef and pork bone chips, beef hides, pig skins, and fish skins into gelatin and hydrolyzed collagen in Europe, China, South America and North America, (ii) the collection and processing of porcine and bovine intestines into natural casings in Europe, China and North America, (iii) the extraction and processing of porcine mucosa into crude heparin in Europe, (iv) the collection and refining of animal fat into food grade fat in Europe, and (v) the processing of bones to bone chips for the gelatin industry and bone ash. Gelatins produced and marketed by us are sold to third parties to be used as ingredients in the pharmaceutical, nutriceutical, food, and technical (i.e., photographic) industries. Natural casings produced and marketed by us are sold to third parties to be used as an ingredient in the production of sausages and other similar food products.

The Fuel Ingredients operating segment includes our global activities related to (i) the conversion of animal fats and recycled greases into biodiesel in North America, (ii) the conversion of organic sludge and food waste into biogas in Europe, (iii) the collection and conversion of fallen stock and certain animal by-products pursuant to applicable E.U. regulations into low-grade energy sources to be used in industrial applications, (iv) commencing in the second quarter of 2014, the processing of manure into natural bio-phosphate in Europe, and (v) our share of the results of our equity investment in the DGD Joint Venture to convert animal fats, recycled greases, used cooking oil, inedible corn oil, soybean oil, or other feedstocks that become economically and commercially viable into renewable diesel.

Net Sales

Darling's net sales from continuing operations by operating segment for Fiscal 2012, Fiscal 2013, Fiscal 2014 and for the fifty-three weeks ended April 4, 2015, were as follows (in thousands):

Net Sales by Operating Segment

	Fifty-three Weeks Ended April 4, 2015		Fiscal 2014		Fiscal 2013		Fiscal 2012	
Continuing operations:								
Feed Ingredients	$2,382,854	61.3%	$2,421,462	61.2%	$1,788,563	99.2%	$1,766,611	99.7%
Food Ingredients	1,225,047	31.5	1,248,352	31.6	—	—	—	—
Fuel Ingredients	276,945	7.1	286,629	7.2	13,705	0.8	5,941	0.3
Total	$3,884,846	100.0%	$3,956,443	100.0%	$1,802,268	100.0%	$1,772,552	100.0%

The net sales information set forth above should be read in conjunction with all the historical financial statements incorporated by reference or included elsewhere in these Listing Particulars.

Feed Ingredients

Our Feed Ingredients segment consists principally of (i) our U.S. ingredients business, including our used cooking oil, trap grease and food residuals collection businesses, the Rothsay ingredients business, and the ingredients and specialty products businesses conducted by us under the Sonac name (proteins, fats, technical fats and blood products) and (ii) our bakery by-products business.

Animal By-Products

North American Operations

Raw materials: Our North American animal by-products operations collect beef, poultry and pork by-products, which are collected primarily from slaughterhouses, grocery stores, butcher shops and food service establishments. These raw materials are collected in one of two manners. Certain large suppliers, such as large slaughterhouses, are furnished with bulk containers in which the raw material is loaded. We provide the remaining suppliers, primarily grocery stores and butcher shops, with containers in which to deposit the raw material. The containers are picked up by, or emptied into, our trucks on a periodic basis. The type and frequency of service is determined by individual supplier requirements, the volume of raw material generated by the supplier, supplier location and weather, among other factors. The raw materials we collect are transported either directly to a processing plant or to a transfer station where materials from several collection routes are loaded into trailers and transported to a processing plant. These raw materials are delivered to plants for processing usually within 24 hours of collection to deter spoilage.

In North America, we also collect used cooking oil from and service grease traps at restaurants, food service establishments, and grocery stores. Used cooking oil is heated, settled and purified for use as an animal feed additive or is further processed into biodiesel. Products derived from used cooking oil include YG, biodiesel and Fat for Fuel®, which uses grease as a fuel source for industrial boilers and dryers. Many of our customers operate stores that are part of national chains. Used cooking oil from food service establishments is placed in various sizes and types of containers that we supply. In some instances, these containers are unloaded directly onto our trucks, while in other instances used cooking oil is pumped through a vacuum hose into the truck. We sell two types of containers, called CleanStar® and B.O.S.S., for used cooking oil collection to food service establishments, both of which are proprietary self-contained collection systems that are housed either inside or outside the establishment, with the used cooking oil pumped directly into collection vehicles via an outside valve. The frequency of all forms of used cooking oil collection is determined by the volume of oil generated by the food service establishment. We either transport trap grease to waste treatment centers or recycle it at our facilities into a host of environmentally safe product streams. We provide our customers with a comprehensive set of solutions to their trap grease disposal needs, including manifests for regulatory compliance, computerized routing for consistent cleaning and comprehensive trap cleaning. We also collect non-hazardous liquid and semi-solid waste streams from the food processing industry and reprocess and recycle these residuals, primarily by permitted land application to enrich soils in accordance with applicable environmental regulations.

Processing operations: We produce finished products primarily through the grinding, cooking, separating, drying, and blending of various raw materials. The process starts with the collection of animal by-products, including fat, bones, feathers, offal and other animal by-products. The animal by-products are ground and heated to evaporate water and separate fats from animal tissue, as well as to sterilize and make the material suitable as an ingredient for animal feed. The separated fats, tallows and greases are then centrifuged and/or refined for purity. The remaining solid product is pressed to remove additional oils to create protein meals. The protein meal is then sifted through screens and ground further if necessary to produce an appropriately sized protein meal. The primary finished products derived from the processing of animal by-products are MBM, PM (both feed grade and pet food), PG, tallow, feather meal and blood meal. In addition, at certain of our facilities, we are able to operate multiple process lines simultaneously, which provides us with the flexibility and capacity to manufacture a line of premium and value-added products in addition to our principal finished products. Because of these processing controls, we are able to blend end products together in order to produce premium products with specific mixes that typically have higher protein and energy content and lower moisture than standard finished products, and such products command premium prices.

International Operations

Darling Ingredients International's ingredients and specialty products businesses are operated under the Sonac name by our Sonac C3, Sonac Bone and Sonac Blood business activities. The Sonac ingredients and specialty products businesses of Darling Ingredients International operate similarly to our North American ingredients division. However, the Sonac businesses, with the exception of Sonac C3, further separate raw material streams to add additional value to each stream.

- Sonac C3 processes animal by-products collected primarily from slaughterhouses, into proteins and fats for applications used in the pet food, feed, technical, biofuels and oleo-chemical markets. Oleo-chemical producers use fats to produce specialty ingredients used in paint, rubber, paper, concrete, plastics and a variety of other consumer and industrial products.

- Sonac Bone processes porcine bones into fat, bone protein, glue, bone ash and bone chips for the feed, pet food, food and gelatin industries.
- Sonac Blood processes bovine, porcine and ovine blood by separating blood into plasma and hemoglobin and produces specialized end products for application in the feed and pet food markets. Sonac Blood's end products include plasma, fibrimex, globin and hemin.

Bakery By-Products

We are a leading processor of bakery residuals in the United States. The bakery by-products division, which operates solely in the United States, collects bakery residual materials and processes the raw materials into BBP, including Cookie Meal®, an animal feed ingredient primarily used in poultry and swine rations.

Raw materials: Bakery by-products are collected from large commercial bakeries that produce a variety of products, including cookies, crackers, cereal, bread, dough, potato chips, pretzels, sweet goods and biscuits. We collect these materials by bulk loading onsite at the bakeries utilizing proprietary equipment, the majority of which is designed, engineered, manufactured and installed by us. All of the bakery residual that we collect is bulk loaded, which we believe represents a significant advantage over competitors that receive a large percentage of raw materials from less efficient, manual methods. The receipt of bulk-loaded bakery residual allows us to significantly streamline our bakery recycling process, reduce personnel costs, and maximize freight savings by hauling more tons per load.

Processing operations: The highly automated bakery by-products production process involves sorting and separating raw material, mixing it to produce the appropriate nutritional content, drying it to reduce excess moisture, and grinding it to the consistency of animal feed. During the bakery residual process, packaging materials are removed. The packaging material is fed into a combustion chamber along with sawdust, and heat is produced. This heat is used in the dryers to remove moisture from the raw materials that have been partially ground. Finally, the dried meal is ground to the specified granularity. The finished product, which is continually tested to ensure that the caloric and nutrient contents meet specifications, is a nutritious additive used in animal feed.

Other Products

Our Feed Ingredients segment also includes our hides businesses, including that operated under the BestHides name by Darling Ingredients International, and the organic fertilizer business conducted under the Nature Safe® name.

- Our hides operations process hides and skins from beef and hog processors, respectively, into outputs used in commercial applications, such as the leather industry. We sell treated hides and skins to external customers, the majority of which are tanneries. BestHides sources, sorts and processes hides from slaughterhouses, renderers and traders in Western Europe, and has a leading position in the premium South German hides market. Fresh and salted hides and fresh skins are sold to tanneries, automotive companies, leather processors and to the shoe and furniture industries in Italy, Germany and China.
- Our fertilizer operations utilize finished products from our animal by-products division to manufacture fertilizers from ingredients approved by the USDA to be used in organic farming which contain no waste by-products (i.e., sludge or sewage waste). Our North American fertilizer products are predominantly sold to golf courses, sports facilities, organic farms and landscaping companies.

Food Ingredients

Our Food Ingredients segment consists principally of (i) the gelatin business conducted by Darling Ingredients International under the Rousselot name, (ii) the natural casings and meat by-products business conducted by Darling Ingredients International under the CTH name and (iii) certain specialty products businesses conducted by Darling Ingredients International under the Sonac name.

Gelatin

Rousselot is a global leading market provider of gelatin and hydrolyzed collagen for the food, nutritional pharmaceutical and technical (photographic) industries with operations in Europe, China, South America and the United States. Rousselot has a network of 13 production plants and 7 sales locations, covering sales into more than 75 countries. With the Rousselot gelatin business, we are part of the growing global gelatin market. Gelatin is a functional ingredient, which means that it has a role in the end product by adding a critical property to it that is largely non-substitutable. Gelatin is used in a large variety of end products, but only small amounts are used in most products. Currently, available substitutes are limited and do not have the broad functionality required for most usages. Rousselot gelatin products have higher sales prices relative to our other end products, but comprise a minimal portion of the cost of final products in many segments, for example the pharmaceutical end markets. We believe many end customers focus on gelatin quality and consistency, supply reliability, application know-how and regulatory support and are therefore relatively less price sensitive to gelatin products. Rousselot's profitability is mainly driven by its ability to timely transfer increases in net raw materials costs to its customers in order to realize a relatively stable added value per kilogram of gelatin, in combination with a strong focus on operations excellence and product quality. Rousselot is involved in all four types of gelatin (pigskin, hide, bone and fish). Raw material prices are mainly driven by the availability and quality of raw material, and sales prices are mainly driven by market demand and the expected availability of gelatin supply. As such, securing sufficient raw material positions is key to the business. Rousselot enters into formal arrangements related to raw material purchases that differ by raw material type, by duration and by regional area. Rousselot markets its hydrolyzed collagen under the "Peptan" brand; this fast-growing specialty ingredient is positioned specifically towards nutritional supplement customers focusing on improved bone, joint and skin health.

Natural Casings and Meat By-Products

The CTH business of Darling Ingredients International is a leading natural casings company for the sausage business with operations in Europe, China and the United States. The activities of this business are divided into two categories:

- CTH Casings harvests, sorts and sells hog and sheep casings for worldwide food markets, particularly sausage manufacturers, and harvests, processes and sells hog and beef bowel package items for global pharmaceutical, food and feed market segments. CTH holds a leading position in the highly fragmented global casings market.
- CTH Meat By-Products harvests, purchases and processes hog, sheep and beef meat by-products for customers in the global food and European pet food industries. In the meat by-products market, CTH is a major player with established sales networks in Europe and Asia.

Other Specialty Products

In addition, our Food Ingredients segment includes the heparin and edible fat businesses currently operated by Darling Ingredients International under the Sonac name:

- Sonac Heparin extracts crude heparin from hydrolyzed mucosa for application in the pharmaceutical industry.
- Sonac Fat primarily melts, refines and packages animal fat into food grade fat for the food markets.

Fuel Ingredients

Our Fuel Ingredients segment consists of (i) our biofuel business conducted under the Dar Pro® and Rothsay names and (ii) the bioenergy business conducted by Darling Ingredients International under the Ecoson and Rendac names.

Biofuel

We produce biodiesel at our facilities in the United States and Canada. In the United States, we use a portion of our rendered animal fats and recycled greases, as well as third-party additives, to produce Bio G-3000™ Premium Diesel Fuel. We have the annual capacity to produce two million gallons of Bio G-3000™ at our facility in Butler, Kentucky. Our facility in Sainte-Catherine, Quebec also processes tallow and recycled oils produced by us into biodiesel. The Quebec facility, which was acquired in the Rothsay Acquisition, has a current annual capacity to produce approximately 14 million gallons a year. Our biodiesel product is sold to our internal divisions, as well as to commercial biodiesel producers in the United States and Canada, to be used as biodiesel fuel, a clean burning additive for diesel fuel, or as a biodegradable solvent or cleaning agent.

Bioenergy

In Europe, Ecoson produces green power from biogas production out of organic sludge and food waste for combined heat plant installations. Ecoson is the largest industrial digestion operation in The Netherlands, with an output matching the annual use of energy needs of approximately 10,000 households. In addition Ecoson's fat refinery produces refined fats and fatty acids. In Fiscal 2014, Ecoson commenced the processing of manure into natural biophosphate for use as fertilizer and green gas.

Rendac collects fallen stock and animal waste, also referred to as Category 1 and Category 2 material under applicable E.U. regulations, from farmers and slaughterhouses, and processes these materials into fats and meals, which can only be used as a low grade source of energy or fuel for boilers and cement kilns. With a specialized collection fleet of approximately 300 trucks, Rendac collects raw materials in The Netherlands, Germany, Poland and Belgium. This business is a market leader in the countries of Belgium, Netherlands and Luxembourg (the "Benelux region"), a regulated market with spare capacity requirements and long-term contracts with local governments.

Diamond Green Diesel

The DGD Joint Venture commenced operations in June 2013. The DGD Joint Venture operates a renewable diesel plant (the "DGD Facility") located in Norco, Louisiana capable of producing approximately 11,000 barrels per day of input feedstock to produce renewable diesel fuel and certain other co-products. We account for the DGD Joint Venture as an "investment in unconsolidated subsidiary." The DGD Joint Venture operates the DGD Facility, which converts animal fats, recycled greases and used cooking oil, which are supplied in part by us, and other feedstocks that become economically and commercially viable, such as inedible corn oil and soybean oil, into renewable diesel. The DGD Facility uses an advanced hydroprocessing-isomerization process licensed from UOP LLC, known as the Ecofining™ Process, and a pretreatment process developed by the Desmet Ballestra Group designed to convert approximately 1.1 billion pounds per year of feedstocks, into renewable diesel and certain other co-products. The Diamond Green Diesel renewable diesel product is sold to refiners under the Diamond Green Diesel® name to be blended with diesel fuel and is interchangeable with diesel produced from petroleum. Biodiesel blenders registered with the Internal Revenue Service (the "IRS") were eligible for a tax incentive in the amount of $1.00 per gallon of renewable diesel blended with petroleum diesel to produce a mixture containing 0.1% diesel fuel. As a blender, in the fourth quarter of Fiscal 2014, the DGD Joint Venture recorded approximately $126.0 million of blenders tax credits relating to its 2013 operations. However, the blenders tax credit expires annually, and is therefore at risk every year for delay or denial of extension. The 2014 blenders tax credit has expired, and has not yet been extended.

Our Competitive Strengths

We believe that Darling is distinguished by the following competitive strengths:

Leading Global Ingredients Company. We are a leading global company that develops and produces sustainable animal- and nutrient-based ingredients. With net sales of $3.9 billion during the fifty-three weeks ended April 4, 2015, and operations consisting of over 200 facilities across five continents, we are one of the largest global ingredients players with leading positions in most of our primary product categories. We are at the forefront of the processing and conversion of animal bio-nutrients into value-added and specialty products globally for use in the feed, food and fuel end-markets. We believe that we have one of the most comprehensive selections of product and service offerings in the industry, with over 400 different products across multiple end-markets, as well as the largest geographic footprint among our competitors, which gives us access to all key market segments and geographies. We believe our leadership position is based on strong and lasting relationships with our valued global customer base, as well as multi-decade relationships with key raw material suppliers globally.

Geographic Diversification and Balanced Raw Materials Sourcing. Our competitive position is supported by our highly diversified sources of animal- and nutrient-based materials across multiple end-markets and geographies. Our supply chain spans over 32 countries across five continents and enables us to source raw materials from almost every major marketplace around the world, including growth markets such as Asia and South America. We believe our highly diversified raw materials sourcing helps us to reduce earnings volatility related to cyclicality and other end-market dynamics.

Strong Track Record of Integration of Acquisitions and Robust Organic Growth. Historically, we have grown our business significantly through both acquisitions and organic investments. Our acquisitions of Rothsay and VION Ingredients have not only enabled us to expand and diversify our business from product and geographical perspectives, but also represented significant growth opportunities for us. Our management is focused on realizing the significant potential for future growth available to us as a result of these transformational acquisitions. We focus on four principal areas of potential growth across our Food, Feed and Fuel Ingredients segments: (i) cross-selling new products and services to existing customers, (ii) expanding existing products and services across our current geographies, (iii) building new facilities and/or launching new products to take advantage of new market opportunities, particularly in high-growth emerging markets and (iv) implementing and sharing best-practices across our broader portfolio of products and services.

Strong Industry Fundamentals. We believe that we benefit from positive industry fundamentals relating to raw material supply and end-market demand. In terms of raw material supply, growing demand for consumer proteins has contributed to increasing demand for beef, poultry, pork and fish, the processing of which provides us with a recurring source of raw materials. Within our end-markets, strong fundamentals, including global GDP growth and trends such as population growth, urbanization, higher consumer spending and related changes in dietary preferences in South America, Southeast Asia and China, support the global demand for animal feed, pet food, gelatin and edible fats. Further, mandates for the use of biofuels in the United States and globally have increased demand for biofuel feed stocks. This in turn drives demand for our products, such as our animal fats and oils that may be used as biofuel feed stocks.

Diverse Earnings Streams and Stable Financial Performance. As a result of the VION Acquisition, we have a more balanced product mix, which we believe supports stable financial performance and strong cash-flow generation. We believe our diverse feed, food and fuel end-markets, as well as geographic diversification, provide us with diverse earnings streams that help reduce our exposure to margin volatility in any one end-market. Our historically stable financial performance has been attributable in part to our "formula"-driven and margin-focused pricing model, which allows us to mitigate margin risk. Additionally, we have historically benefitted from strong cash-flow generation, which has enabled us to deploy cash towards deleveraging our balance sheet and making further investments in our business.

Experienced Management Team. Our senior management team includes seasoned veterans with strong reputations and diverse business experience within our industry who have a successful track record of managing and growing our businesses. Members of the Darling senior management team have an average of more than 25 years of industry experience. Our current management team is responsible for our significant growth over the last decade through organic investments and multiple acquisitions. Additionally, our management team has a strong record of integrating businesses and deleveraging our balance sheet following major acquisitions.

Our Strategy

The key elements of our strategy are as follows:

Continue to Enhance our Growth by Delivering Differentiated Feed, Food and Fuel Ingredients for a Growing Population. Our goal is to constantly identify, through research and development, acquisitions and other means, new and creative ways to be at the forefront of industry trends and to have the appropriate global presence to deliver differentiated value-added products and services to our global customer base. By consistently evolving to address changing global trends, from the perspectives of both our supply base and our end-market demand drivers, we aim to maintain and enhance our role as a leading global supplier of value-added ingredients. We expect to continue to introduce new products and explore new avenues of growth based on our customers' changing needs and preferences around the world.

Successfully Integrate and Leverage Business Opportunities from Acquisitions. The VION Acquisition has provided us with an opportunity to significantly expand our global footprint beyond North America and to diversify our product base into specialty-ingredients products. We have already generated and believe we will be able to generate further synergies and take advantage of new business opportunities arising from the acquisitions of Rothsay and VION Ingredients by enhancing plant-processing efficiency and raw material sourcing, implementing and sharing best practices across our broader portfolio of products and leveraging our leading worldwide market positions in ingredients products to establish new relationships with international accounts. Additionally, we intend to cross-sell and expand our footprint while solidifying relationships with existing customers by providing new products such as gelatin, blood products and proteins produced by Darling Ingredients International.

Optimize our Footprint and Capacity. We presently intend to grow by leveraging our product portfolio of over 400 products across the geographies in which we operate, particularly high growth markets. For example, we believe that Brazil will present a strong growth opportunity for Darling Ingredients International's blood business, which is currently limited to Europe, China and the United States. In addition to expanding within our current geographies, we intend to continue to evaluate opportunities to grow in new, high-growth markets. We seek to build, acquire and develop businesses within geographies where we can achieve a sustainable "top 3" market position within 5 years of entry. Where we believe it is profitable to do so, we expect to continue to make discretionary investments in our processing facilities in order to expand our current capacity or build new facilities to take advantage of new market opportunities. In this respect, we recently signed agreements with two poultry processors in the United States to build rendering plants adjacent to their poultry processing plants. We believe that these agreements will provide us with a dedicated raw material stream and significant freight synergies. In addition, we are in the process of constructing two new wet-pet-food plants in Nebraska and Kentucky to provide new products to our pet–food-industry customers. We believe that investing in our current footprint of operations, while sharing best practices from Rothsay and Darling Ingredients International, will allow us to increase the volume of raw materials we process, and, in turn, the breadth and volume of finished products we sell. We believe that our strong cash-flow generation will allow us to invest to improve efficiency and invest in future growth.

Focus on Maintaining a Strong Balance Sheet with a Flexible Capital Structure. We intend to continue to deploy capital to maintain a strong balance sheet with a flexible capital structure, including reducing leverage through the generation of free cash flow. We believe that strong cash flow generation will enable us to pay down debt to reach long-term target leverage levels. A significant component of our capital structure is pre-payable, and we currently intend to use a portion of our future excess cash to reduce leverage.

Selectively Pursue Strategic Alliances and Acquisitions to Enhance our Business. Since 2003, Darling has acquired and successfully integrated over thirteen companies. These strategic acquisitions have allowed Darling to diversify its raw material supply and customer base. In October 2014, we acquired substantially all of the assets of Custom Blenders, one of the leading bakery residuals recyclers in the United States. The acquisition should provide significant synergies to our suppliers and customers in the Feed Ingredients segment. We will continue to selectively and opportunistically evaluate potential acquisitions globally, particularly in Asia and South America, which we view as strong growth markets. In addition to the DGD Joint Venture, we may also pursue partnerships and commercial agreements in developing technologies and emerging markets to diversify our product offerings, broaden our geographic reach and take advantage of potential changes in our industry.

Industry Overview

We and businesses like ours collect and process edible and inedible animal and other products and convert them into feed, food and fuel ingredients sold globally. Businesses participating in our industry provide services and solutions to process billions of pounds of waste that might otherwise create significant ecological problems, as the inappropriate disposal of such waste streams would produce significant amounts of carbon dioxide, increase pathogenic risk for disease and use up valuable and scarce landfill capacity. Over the past decade, our industry has evolved significantly as businesses like ours continue to find innovative ways to recover and process more animal bio-nutrients, which historically would have been disposed as waste, into value-added and specialty ingredients that are used in a wide array of products.

On a macro level, our industry is tied to a number of global trends which we believe help support the demand for our value-added products and services. These trends include population growth, demographic changes, emerging market growth and demand for alternative energy. Our industry is principally driven by global consumption and production of beef, poultry, pork and fish, which together account for substantially all of our raw material bio-nutrient inputs. As income levels rise and the middle classes grow in emerging markets, consumers' diets are changing from staple foods such as rice or wheat to diets with higher quantities of animal protein and that demand supports the expected rising supply of inputs in our industry.

We are also impacted, mainly in North America, by factors influencing the production of our other sources of raw material, such as used cooking oil and bakery residuals. The underlying demand within these industries helps provide a continuous supply of raw materials for us and other industry participants.

Supply of Inputs

Globally, according to a report published by The World Health Organization, annual meat production, consisting of pork, beef, poultry and other livestock is projected to increase from 218 million tons in 1997-1999 to 376 million tons by 2030, thus effectively growing at a compound annual growth rate ("CAGR") of 1.7%. In U.S. and European markets, animal slaughters have seen modest growth over the last two decades, and this is expected to continue to be supported by gross domestic product ("GDP") growth and changes in consumer preferences. Additionally, in emerging markets such as South America and Asia, animal slaughters are expected to experience continued strong growth and consolidation, leading to additional raw material supply from these regions. This anticipated emerging market growth is supported by macro trends, including population growth, increased urbanization and wage increases. For example, according to the Organisation for Economic Co-operation and Development, in China, meat and poultry consumption increased from 83.1 pounds per capita in 2000 to 107.6 pounds per capita in 2013.

Two additional raw materials that support our U.S. business are used cooking oils and bakery residuals.

Used cooking oils serve as a substantial raw material input for our animal feed and biofuel production. The supply of used cooking oils has been driven by the favorable long-term trends in the United States related to consumers' preference for dining out at quick serve restaurants. According to IBIS, global quick serve restaurants revenue will reach $574 billion in 2015, growing at a CAGR of 2.9% from 2010.

The U.S. bakery industry produces significant volumes of residuals each year such that even a small percentage of their products rejected for quality concerns or that are not otherwise sold can produce millions of pounds of waste each week. The U.S. bakery industry is expected to experience growth as consumer disposable income continues to improve.

Demand for Our Outputs

We believe we are well-positioned to take advantage of several global trends relating to feed, food and fuel end markets that are driving ongoing demand for our value-added and specialty products.

Feed Ingredients

Within our Feed Ingredients segment, we offer value-added feed products, pet food and other products. Feed mills, which prepare animal feeds, utilize our end products as ingredients in animal feed and are our largest group of customers. The animal feed industry is a large and steadily growing global industry that supplies livestock and poultry producers with their primary raw material input and serves as a cornerstone of the world's food supply. According to Alltech, world compound feed production was 980 million tons in 2014 and is fast approaching one billion tons annually and the global commercial feed manufacturing industry generated an estimated annual turnover of $460 billion in 2014. Global population growth and expansion of developing economies have further bolstered demand for meat, requiring greater supply of feeds to match growing production.

Pet food manufacturers utilize our finished products as ingredients in pet food and represent our second largest group of customers. The global pet food market size was $58.6 billion in 2011 and is expected to reach a value of $74.8 billion in 2017, growing at a CAGR of 4.2% from 2011 to 2017. The pet food market has grown over the past five years, primarily driven by the increase in pet ownership from an aging population, increasing discretionary spending on pet-related products and greater demand for specialty, healthy pet foods.

A potential market for our industry is the aqua feed or "aquaculture" end market. Growth in aqua feed is driven primarily by growing volumes of aquaculture across the globe. The aqua feed industry is expected to shift from using expensive fish meals to using protein meals produced from beef, pork and poultry. The shortage of protein meals and competition for feed ingredients is expected to lead to an increase in prices.

Food Ingredients

Within our Food Ingredients segment, we offer a wide range of value-added ingredients, including gelatin, natural casings, meat by-products, edible fat and heparin. Gelatin is a protein and is a translucent, colorless and flavorless substance derived from collagen obtained from various animal by-products. Gelatin is used in a number of end markets, including food, pharmaceutical and photographic. Within food products, gelatin is used in confectionary, soft drinks, meat processing, bakery, fish processing, dairy products, taste enhancers, dietetic foods and salt reducers, among others. Pharmaceutical companies use gelatin for a number of products such as soft capsules, hard capsules, tableting, blood plasma substitutes and vitamin encapsulation. In the photographic industry, gelatin is used in x-ray film, color film, graphic film and black and color photo paper. Population growth, aging population and increasing global wealth are driving demand for gelatin and its key products. Higher disposable income and a higher percentage of youth in emerging markets are supporting the purchases of confectionary products such as gums and jellies, while increased health awareness and access to health care is driving demand in pharmaceutical products According to a Transparency Market Research report, the global gelatin market was valued at $1.8 billion in 2013 and is estimated to reach $3.0 billion in 2020, growing at a CAGR of 7.5% from 2014 to 2020, primarily driven by strong demand in China, India and South America.

We also supply natural casings to the sausage industry. The majority of sausages are made with natural casings, mainly in large sausage markets such as Europe, South America and China. Global sausage demand is expected to grow due to increasing disposable incomes in China and Brazil.

Additionally, we also supply heparin and other blood products and edible fats through Darling Ingredients International's Sonac brands. Heparin is an anticoagulant primarily used to prevent venous thrombosis with patients that are temporarily bedridden. We expect penetration in end markets relating to blood products to increase, driven by trends such as reduced use of antibiotics in feed products. Sonac's edible fat products are sold primarily to food and pet food producers (for example, for use in production of margarine, frying fats and other meats). We expect the end markets relating to edible fat products to grow in-line with GDP, which should provide for stable growth over the next few years.

Fuel Ingredients

Within our Fuel Ingredients segment, we offer biofuels and other bioenergy products.

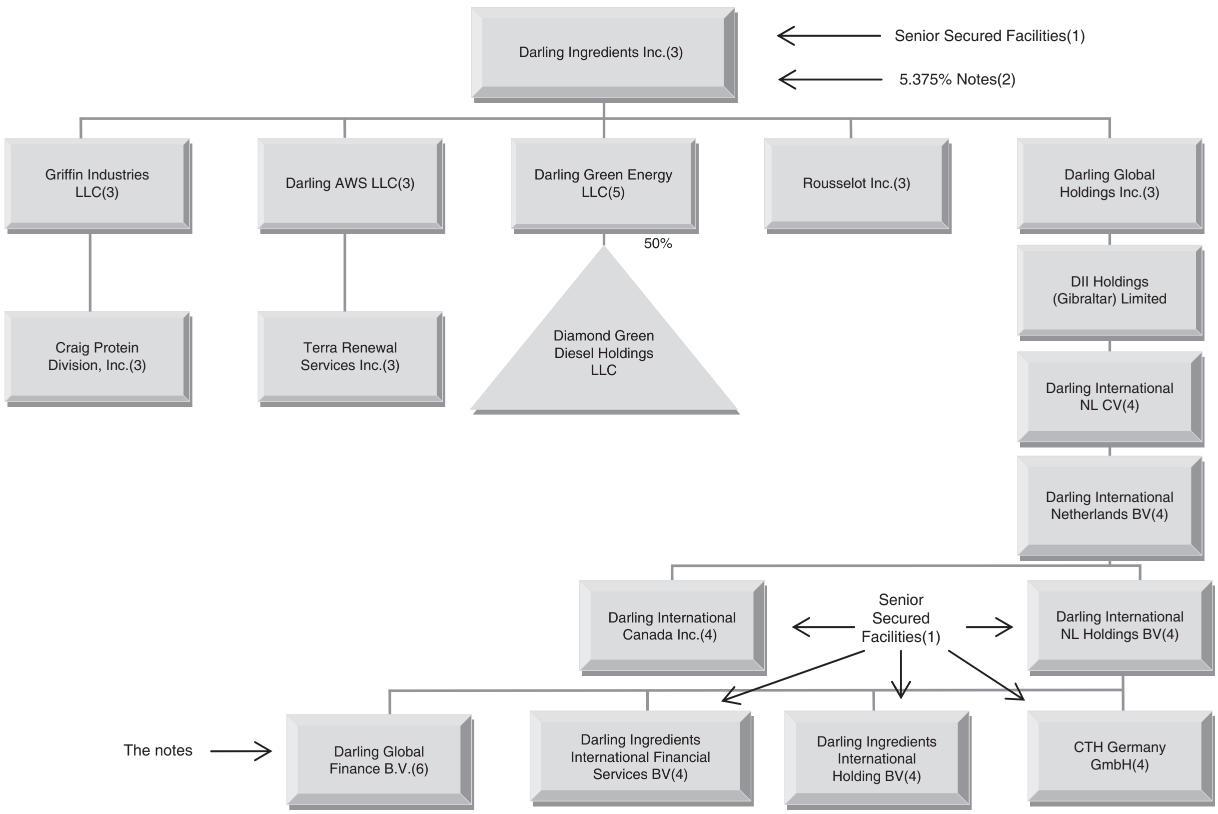
Many industrialized countries have policies in place that mandate the inclusion of a minimum amount of biofuel additives to traditional petroleum blends, and many have proposed to increase these percentages significantly in the future. Under Directive 2009/28/EC on the promotion of the use of energy from renewable sources, which requires all member states ("E.U. Member States") of the European Union (the "E.U.") to collectively source 20% of all energy consumed within the E.U. from renewable sources by 2020, a binding target was introduced to ensure that 10% of transport fuel in each E.U. Member State comes from renewable sources by 2020, although that mandate may be reduced based upon current E.U. proposals. The United States has been targeting 30% of energy use to be generated from biofuels by 2030 and also passed legislation that mandates minimum levels of biofuel consumption. Government mandates for the use of alternative fuels have also been enacted in many developing countries, including China, India and Brazil.

The Issuer

The Issuer, Darling Global Finance B.V., is a wholly-owned finance subsidiary of Darling Ingredients, incorporated on May 13, 2015 under the laws of The Netherlands as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) with its corporate seat in Eindhoven and registered with the Dutch Commercial Register (*Handelsregister*) under number 59238666. The Issuer is an indirect subsidiary of Darling Ingredients, and all of the Issuer's shares are held by one of Darling Ingredients' Dutch subsidiaries, Darling International NL Holdings B.V. The Issuer's business is to issue debt securities in the international capital markets to finance Darling Ingredients' operations. The Issuer does not currently have, and is not expected to have, any operations, revenues or assets other than those related to the issuance, administration and repayment of its debt securities. All debt securities issued by the Issuer will be fully and unconditionally guaranteed by Darling Ingredients and certain of its subsidiaries. The Issuer's registered office is located at N.C.B.-weg 10, 5681 RH Best, The Netherlands, and its telephone number is +33 499 364 801.

Corporate and Financing Structure

The following diagram sets forth our corporate and financing structure following the completion of the Transactions and should be read together with the section entitled "*Description of Other Indebtedness*." This diagram represents a simplified summary of such structure, and does not include all of the subsidiary guarantors of the notes. All subsidiary guarantors are wholly-owned subsidiaries of Darling Ingredients.



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(1) Following the completion of the Transactions, the Senior Secured Facilities will consist of (i) the \$350.0 million term loan A facility, (ii) the \$600.0 million term loan B facility and (iii) the \$1.0 billion revolving credit facility. See the section entitled "*Description of Other Indebtedness*" for a detailed description of the Senior Secured Facilities.

(2) See "*Description of Other Indebtedness*" for a description of the 5.375% Notes.

(3) The notes will be guaranteed by the Company and all restricted subsidiaries of the Company that guarantee the Senior Secured Facilities (other than foreign subsidiaries, the Issuer and receivables entities). In addition, to the guarantors shown in the chart above, Darling National LLC, Darling Northstar LLC, EV Acquisition, Inc., Terra Holding Company, Rousselot Dubuque Inc., Sonac USA LLC and Rousselot Peabody Inc. will also guarantee the notes. Future domestic restricted subsidiaries of the Company (other than any receivables entity and the Issuer) that guarantee the Senior Secured Facilities or, if the Senior Secured Facilities are not outstanding, that incur certain other indebtedness, including the 5.375% Notes, will also guarantee the notes. The guarantees will be unsecured senior indebtedness of the Company and the subsidiary guarantors.

For the fifty-three weeks ended April 4, 2015, our non-guarantor subsidiaries represented approximately 52.3% of our net sales, approximately 56.5% of our operating income and approximately 54.8% of our Adjusted EBITDA. As of April 4, 2015, after giving effect to the Transactions, our non-guarantor subsidiaries would have represented approximately 59.9% of our total assets and would have had approximately $1,285.6 million of total liabilities, including trade payables but excluding intercompany liabilities, all of which would have been structurally senior to the notes. Of the $1,285.6 million of total liabilities, $574.0 million would have been guaranteed by the subsidiary guarantors.

(4) Guarantor of indebtedness of Darling International Canada Inc., Darling International NL Holdings B.V., Darling Ingredients International Holding BV, Darling Ingredients International Financial Services BV and CTH Germany GmbH under the Senior Secured Facilities.

(5) Darling Green Energy, LLC will be an unrestricted subsidiary under the indenture that will govern the notes. As such, it will not be subject to the covenants under the indenture. See the section entitled "*Risk Factors—Risks Related to the Notes and this Offering—We are permitted to create unrestricted subsidiaries, which will not provide guarantees of the notes or be subject to any of the covenants in the indenture that will govern the notes.*"

(6) Following the consummation of this offering, the Issuer will guarantee the obligations of foreign borrowers under the Senior Secured Facilities.

The Offering

The summary below contains basic information about the notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The section entitled "Description of the Notes" *in these Listing Particulars contains more detailed descriptions of the terms and conditions of the notes and the indenture that will govern the notes.*

Issuer	Darling Global Finance B.V., a private company with limited liability *(besloten vennootschap met beperkte aansprakelijkheid*) under the laws of The Netherlands and a wholly-owned indirect subsidiary of Darling Ingredients. The Issuer was incorporated as a special purpose finance subsidiary to facilitate the offering of the notes. The Issuer does not have any substantial operations or assets (other than its claim under an intercompany loan pursuant to which proceeds from this offering will be advanced to Darling International NL Holdings B.V. in connection with the refinancing of the outstanding borrowings under the Euro Term Loan B (as defined in the section entitled "*Description of Other Indebtedness*"), as described under "*Use of Proceeds*").
Securities Offered; Denominations	€515,000,000 aggregate principal amount of 4.75% Senior Notes due 2022. Each note will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.
Maturity Date	May 30, 2022.
Interest Payment Dates	May 30 and November 30, beginning on November 30, 2015. Interest will accrue from June 3, 2015.
Guarantees	The notes will be guaranteed by Darling Ingredients and all of Darling Ingredients' restricted subsidiaries (other than the Issuer, any foreign subsidiary or any receivables entity) that guarantee the Senior Secured Facilities. Any other restricted subsidiaries of Darling Ingredients (other than the Issuer, any foreign subsidiary or any receivables entity) that guarantee the Senior Secured Facilities or, if the Senior Secured Facilities are not outstanding, that incur certain other indebtedness will also guarantee the notes. See "*Description of the Notes—Certain Covenants—Future Guarantors.*" The guarantees will be unsecured senior obligations of the guarantors. Under certain

circumstances, subsidiary guarantors will be released from their guarantees without the consent of the holders of notes. See "*Description of the Notes—Note Guarantees.*"

For the fifty-three weeks ended April 4, 2015, our non-guarantor subsidiaries:

- represented approximately 52.3% of our net sales;
- represented approximately 56.5% of operating income; and
- represented approximately 54.8% of our Adjusted EBITDA.

As of April 4, 2015, after giving effect to the Transactions, our non-guarantor subsidiaries:

- would have represented approximately 59.9% of our total assets; and
- would have had approximately $1,285.6 million of total liabilities, including trade payables but excluding intercompany liabilities, all of which would have been structurally senior to the notes. Of the $1,285.6 million of total liabilities, $574.0 million would have been guaranteed by the subsidiary guarantors.

Ranking . . . . The notes will be senior unsecured obligations of the Issuer and will rank:

- equally in right of payment to all of the Issuer's existing and future senior unsecured indebtedness;
- effectively junior to all of the Issuer's existing and future secured indebtedness, including its guarantee of the Senior Secured Facilities (and any secured indebtedness incurred to refinance the borrowings thereunder), to the extent of the value of the assets securing such indebtedness;
- effectively junior to all existing and future indebtedness and other liabilities (including trade payables and capital lease obligations) of all subsidiaries of Darling Ingredients (other than the Issuer) that do not guarantee the notes, including current and future foreign subsidiaries that guarantee the Senior Secured Facilities but not the notes; and

- senior in right of payment to all of the Issuer's existing and future subordinated indebtedness, if any.

The guarantees will be a senior unsecured obligation of each of the guarantors and will rank:

- equally in right of payment to all of each guarantor's existing and future senior unsecured indebtedness (including, in the case of Darling Ingredients, the 5.375% Notes, and, in the case of any restricted subsidiary of Darling Ingredients that is a guarantor of the notes, such restricted subsidiary's guarantee of the 5.375% Notes);
- effectively junior to all of each guarantor's existing and future secured indebtedness, including the Senior Secured Facilities (and any secured indebtedness incurred to refinance borrowings thereunder), to the extent of the value of the assets securing such indebtedness;
- effectively junior to all existing and future indebtedness and other liabilities (including trade payables and capital lease obligations) of each guarantor's non-guarantor subsidiaries (other than the Issuer), including current and future foreign subsidiaries that guarantee the Senior Secured Facilities but not the notes; and
- senior in right of payment to all of each guarantor's existing and future subordinated indebtedness, if any.

As of April 4, 2015, after giving effect to the Transactions:

- Darling would have had approximately $2,101.7 million of indebtedness (including the notes), all of which would have ranked equally with the notes without giving effect to collateral arrangements;
- of Darling's total indebtedness, Darling would have had approximately $982.2 million of secured indebtedness (excluding an additional $32.0 million represented by letters of credit) to which the notes and guarantees would have been effectively subordinated, to the extent of the value of the assets securing that indebtedness;

- Darling would have had undrawn commitments available for additional borrowings under the Senior Secured Facilities of up to $879.4 million (after giving effect to $32.0 million of outstanding letters of credit which reduce availability), which could increase by at least $600.0 million, subject to certain conditions; and
- Darling's non-guarantor subsidiaries would have had approximately $1,285.6 million of total liabilities (including trade payables but excluding intercompany liabilities), all of which would have been structurally senior to the notes. Of the $1,285.6 million of total liabilities, $574.0 million would have been guaranteed by the subsidiary guarantors.

Optional Redemption . . . . The Issuer may redeem some or all of the notes at any time on or after May 30, 2018 at the redemption prices specified in these Listing Particulars under the section entitled "*Description of the Notes—Optional Redemption*." The Issuer may also redeem, at any time prior to May 30, 2018, some or all of the notes pursuant to a make-whole provision as described in these Listing Particulars under the section entitled "*Description of the Notes—Optional Redemption*."

In addition, at any time and from time to time prior to May 30, 2018, the Issuer may redeem up to 40% of the aggregate principal amount of the notes using the proceeds of one or more equity offerings at the redemption price set forth in these Listing Particulars under the section entitled "*Description of the Notes—Optional Redemption*."

Mandatory Offers to Purchase . . . . The occurrence of a change of control will be a triggering event requiring the Issuer to offer to purchase from you all or a portion of your notes at a price equal to 101% of their principal amount, together with accrued and unpaid interest, if any, to the date of purchase. See the section entitled "*Description of the Notes—Change of Control*."

Certain asset dispositions will be triggering events that may require the Issuer to use all or

	part of the proceeds from those asset dispositions to make an offer to purchase the notes at 100% of their principal amount, together with accrued and unpaid interest, if any, to the date of purchase. See the section entitled "*Description of the Notes—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*."
Payment of Additional Amounts	All payments made with respect to the notes or under the note guarantees will be made without withholding or deduction for taxes in any relevant taxing jurisdiction unless required by law. In the event that such taxes are required to be withheld or deducted from payments on the notes or under the note guarantees, the Issuer or the relevant guarantor, as the case may be, will, subject to certain exceptions, pay such additional amounts as will result, after deduction or withholding of such taxes, in the payment of the amounts which would have been payable in respect of the notes or the note guarantees had no such withholding or deduction been required. See the section entitled "*Description of the Notes—Payment of Additional Amounts*."
Redemption for Taxation Reasons	The notes may be redeemed at our option, in whole but not in part, at 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date in certain circumstances in which the Issuer or any guarantor would become obligated to pay additional amounts as a result of changes in certain tax laws. See the section entitled "*Description of the Notes—Optional Redemption*."
Covenants	The Issuer will issue the notes under an indenture with Citibank, N.A., London Branch, as trustee. The indenture will include covenants that will limit the ability of the Issuer, Darling Ingredients and Darling Ingredients' restricted subsidiaries to: • incur additional indebtedness or issue preferred stock; • pay dividends on or make other distributions or repurchase of our capital stock or make other restricted payments;

- create restrictions on the payment of dividends or other amounts from our restricted subsidiaries;
- make loans or investments;
- enter into certain transactions with affiliates;
- create liens;
- designate our subsidiaries as unrestricted subsidiaries; and
- sell certain assets or merge with or into other companies or otherwise dispose of all or substantially all of our assets.

These covenants are subject to significant exceptions and qualifications. In addition, many of the covenants in the indenture that will govern the notes will be suspended if the notes are rated investment grade by both Standard & Poor's Ratings Services ("Standard & Poor's") and Moody's Investors Service, Inc. ("Moody's") and no default has occurred and is continuing.

See the sections entitled "*Description of the Notes—Certain Covenants—Effectiveness of Covenants*" and "*Risk Factors—Risks Related to the Notes and this Offering—The covenants included in the indenture that will govern the notes will be subject to significant qualifications and exceptions. In addition, many of the covenants in the indenture will not apply during any period in which the notes are rated investment grade by both Moody's and Standard & Poor's*."

No Registration Rights; Transfer Restrictions . . . . The notes have not been and will not be registered under the Securities Act or any state securities laws. We do not intend to issue registered notes in exchange for the notes. The notes may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. For more details, see the section entitled "*Notice to Investors*."

No Prior Market . . . . The notes are a new issue of securities, and currently there is no market for them. The initial purchasers have advised us that they intend to

	make a market for the notes, but they are not obligated to do so. The initial purchasers may discontinue any market-making in the notes at any time in their sole discretion. Accordingly, we cannot assure you that a liquid market will develop for the notes.
Listing	Application has been made to the Irish Stock Exchange for the notes to be admitted to the Official List and for trading on the Global Exchange Market. We can provide no assurance that this application will be accepted or that the application will be successful or that any such listing will be maintained.
Use of Proceeds	The gross proceeds from this offering will be €515.0 million. We intend to use the gross proceeds from this offering to refinance the outstanding borrowings under the Euro Term Loan B (as defined in the section entitled "*Description of Other Indebtedness*") of the Senior Secured Facilities, to pay the initial purchasers' commission, to pay fees and expenses related to the Transactions, and to use any remaining proceeds for general corporate purposes. See the section entitled "*Use of Proceeds*."
Governing Law	State of New York.
Trustee	Citibank, N.A., London Branch
Registrar	Citigroup Global Markets Deutschland AG
Paying Agent	Citibank, N.A., London Branch
ISIN	144A: XS1240986452 Regulation S: XS1240984754
Common Code	144A: 124098645 Regulation S: 124098475

Risk Factors

In evaluating an investment in the notes, prospective investors should carefully consider, along with the other information contained in or incorporated by reference in these Listing Particulars, the specific factors set forth under the section entitled "*Risk Factors*" for risks involved with an investment in the notes.

Summary Consolidated Financial Information

The following tables present selected historical consolidated financial and operating information of Darling as of the dates and for the periods indicated. The selected historical consolidated financial information of Darling as of January 3, 2015 and December 28, 2013 and for each of the fiscal years ended January 3, 2015, December 28, 2013 and December 29, 2012 is derived from the audited historical consolidated financial statements included elsewhere in these Listing Particulars. The selected historical consolidated financial information of Darling as of December 29, 2012 is derived from audited historical consolidated financial statements not included in these Listing Particulars. The selected historical consolidated financial information of Darling as of April 4, 2015 and March 29, 2014 and for each of the three months ended April 4, 2015 and March 29, 2014 is derived from unaudited historical consolidated financial statements included elsewhere in these Listing Particulars. The unaudited historical consolidated financial statements, in management's opinion, have been prepared on the same basis as the audited historical consolidated financial statements and related notes included elsewhere in these Listing Particulars, and include all adjustments, consisting only of normal recurring adjustments, that management considers necessary for a fair presentation of the financial information as of and for the periods presented. The historical operating results of Darling for the three months ended April 4, 2015 are not necessarily indicative of the results that may be expected for the full year. The historical operating results and financial condition of Darling are not necessarily indicative of the results or financial condition to be expected for any future periods.

The consolidated financial information of Darling for the fifty-three weeks ended April 4, 2015 has been derived by combining the applicable financial data from the unaudited historical consolidated financial statements of Darling for the three months ended April 4, 2015 with the audited historical consolidated financial statements of Darling for the fiscal year ended January 3, 2015, and subtracting the applicable financial data from the unaudited historical consolidated financial statements of Darling for the three months ended March 29, 2014.

For the fiscal year ended January 3, 2015, the guarantors under the notes (including Darling Ingredients) represented 47.4%, or $205.7 million, and 99.5%, or $2,041.6 million, of our EBITDA and net assets, respectively, and our non-guarantor subsidiaries represented 52.6%, or $228.3 million, and 0.5%, or $9.5 million, of our EBITDA and net assets, respectively. The Issuer was incorporated on May 13, 2015 and, accordingly, was not a consolidated subsidiary during the fiscal year ended January 3, 2015. Our audited consolidated financial information includes both guarantor and non-guarantor companies. As Darling Ingredients' non-guarantor subsidiaries represented in excess of 25% of our EBITDA for the fiscal year ended January 3, 2015, such financial information may be of limited use in assessing the financial position of individual guarantors.

One of the subsidiary guarantors, Griffin Industries LLC, represented 33.4%, or $144.8 million, of our EBITDA and 19.8%, or $405.2 million, of our net assets, as of and at (respectively) January 3, 2015. Griffin Industries LLC was initially incorporated as a Kentucky corporation in 1959, and was converted to a Kentucky limited liability company on May 2, 2011. Its business activities and the risks related thereto are substantially similar to those described herein in the sections entitled "*Our Business*" and "*Risk Factors—Risks Related to Darling*," respectively. Other than as disclosed herein, we do not believe that there are currently further material risks specific to Griffin Industries LLC that are likely to impact its guarantee. Other than as disclosed herein, there are no encumbrances on the assets of Griffin Industries LLC that materially affect its ability to meet its obligations under the guarantee. For further information regarding Griffin Industries LLC, see the section entitled "*Listing and General Information—The Guarantors*." No other guarantor under the notes (other than Darling Ingredients, for which detailed financial and operating information is provided herein) represented more than 20% of our EBITDA or net assets. Darling Ingredients, the ultimate parent of the Issuer, accounted for (7.0)%, or $(30,235), of our EBITDA and 69.1%, or $1,417.3 million, of our net assets, as of and at (respectively) January 3, 2015.

You should read this information in conjunction with the sections entitled "*Risk Factors*," "*Selected Historical Consolidated Financial Information*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the consolidated financial statements and related notes included elsewhere and incorporated by reference in these Listing Particulars.

(in thousands)	Fifty-two Weeks Ended December 29, 2012(1)	Fifty-two Weeks Ended December 28, 2013(2)	Fifty-three Weeks Ended January 3, 2015(3)	Three Months Ended March 29, 2014	Three Months Ended April 4, 2015	Fifty-three Weeks Ended April 4, 2015
				(Unaudited)	(Unaudited)	(Unaudited)
Statements of Operations Data:						
Net sales(4)	$1,772,552	$1,802,268	$ 3,956,443	$ 946,292	$ 874,694	$3,884,845
Cost of sales and operating expense(4)(5)	1,303,727	1,339,819	3,123,171	775,206	684,521	3,032,486
Selling, general and administrative expenses	151,713	170,825	374,580	90,033	86,631	371,178
Depreciation and amortization	85,371	98,787	269,517	65,669	66,398	270,246
Acquisition costs	—	23,271	24,667	15,948	5,319	14,038
Operating income	231,741	169,566	164,508	(564)	31,825	196,897
Interest expense(6)	24,054	38,108	135,416	58,857	23,109	99,668
Foreign Currency (gain)/loss(7)	—	(28,107)	13,548	13,814	2,460	2,194
Other (income)/expense, net(8)	(1,760)	3,547	(299)	1,138	509	(928)
Equity in net (income)/loss of unconsolidated subsidiary(9)	2,662	(7,660)	(65,609)	(5,077)	1,808	(58,724)
Income from continuing operations before income taxes	206,785	163,678	81,452	(69,296)	3,939	154,687
Income tax expense/(benefit)	76,015	54,711	13,141	(18,290)	2,115	33,546
Net income/(loss) (benefit)(loss):	$ 130,770	$ 108,967	$ 68,311	$ (51,006)	$ 1,824	$ 121,141
Net (income)/loss attributable to minority interests	—	—	(4,096)	(1,797)	(1,715)	(4,014)
Net Income/(loss) attributable to Darling:	130,770	108,967	64,215	(52,803)	109	117,127
Balance Sheet Data (at period end):						
Working capital	$ 158,578	$ 950,698	$ 569,570	$ 568,711	$ 568,220	$ 568,220
Total assets	1,552,416	3,244,133	5,170,713	5,549,859	4,957,815	4,957,815
Current portion of long-term debt	82	19,888	54,401	62,451	81,195	81,195
Total long-term debt less current portion	250,142	866,947	2,098,039	2,330,494	2,009,535	2,009,535
Stockholders' equity attributable to Darling	1,062,436	2,020,952	1,952,990	1,992,464	1,852,794	1,852,794
Statement of Cash Flows Data:						
Net cash provided/(used) by operating activities	249,537	210,721	275,172	(30,504)	59,310	364,986
Net cash provided/(used) in investing activities	(153,832)	(895,423)	(2,323,794)	(2,138,538)	(50,716)	(235,972)
Net cash used in financing activities	(31,392)	1,457,446	1,275,569	1,443,343	8,527	(159,247)
Effect of exchange rate changes on cash	0	(5,134)	10,980	(1,736)	(13,704)	(988)
Net increase/(decrease) in cash and cash equivalents	64,313	767,608	(762,073)	(727,435)	3,347	(31,291)
Cash and cash equivalents at beginning of period	38,936	103,249	870,857	870,857	108,784	143,422
Cash and cash equivalents at end of period	$ 103,249	$ 870,857	$ 108,784	$ 143,422	$ 112,131	$ 112,131
Other Financial Data:						
Adjusted EBITDA(6)(10)	317,112	291,624	512,595	129,984	103,542	486,153
Capital expenditures(11)	115,413	118,307	228,918	51,360	50,838	228,396

(in millions)	Fifty-three Weeks Ended April 4, 2015
	(Unaudited)
As Adjusted Financial Data:	
Secured debt(12)(13)	$ 982.2
Total debt(12)	$2,101.7
Ratio of secured debt to Adjusted EBITDA(10)(14)	2.0x
Ratio of total debt to Adjusted EBITDA(10)(14)	4.3x

(1) Subsequent to the date of acquisition, Fiscal 2012 includes 29 weeks of contribution from the RVO BioPur, LLC assets.

(2) Subsequent to the date of acquisition, Fiscal 2013 includes 18 weeks of contribution from the TRS assets and 9 weeks of contribution from the assets of Rothsay.

(3) Subsequent to the date of acquisition, Fiscal 2014 includes 52 weeks of contribution and 14 weeks of contribution from the VION Acquisition and the Custom Blenders acquisition, respectively.

(4) Includes certain reclassifications from net sales to cost of sales and operating expenses of approximately $78.7 million and $71.1 million in Fiscal 2013 and Fiscal 2012, respectively, to conform to current year presentation.

(5) Included in Fiscal 2014 are non-cash charges for the step-up of inventory acquired in the VION Acquisition of approximately $49.8 million.

(6) Included in interest expense for Fiscal 2014 is a redemption premium and a write-off of deferred loan costs of approximately $27.3 million and $4.3 million, respectively. Included in interest expense for Fiscal 2013 is approximately $13.0 million for bank financing fees from an unutilized bridge facility. Fiscal 2012 includes the write-off of approximately $0.7 million in deferred loan costs as a result of the final payoff on the term loan portion of the Company's previous secured credit facilities.

(7) In Fiscal 2014 and Fiscal 2013, the Company recorded a loss of approximately $12.6 million and a gain of approximately $27.5 million, respectively, on foreign currency exchange forward hedge contracts.

(8) Included in other (income)/expense in Fiscal 2012 are gain contingencies from insurance proceeds from Fiscal 2012 and Fiscal 2010 fire and casualty losses of approximately $4.7 million.

(9) Primarily represents the Company's portion of the (income)/loss of the DGD Joint Venture.

(10) Adjusted EBITDA is presented here not as an alternative to net income, but rather as a measure of the Company's operating performance and is not intended to be a presentation in accordance with U.S. GAAP. Since EBITDA is not calculated identically by all companies, the presentation in these Listing Particulars may not be comparable to those disclosed by other companies. Adjusted EBITDA is calculated below and represents, for any relevant period, net income/(loss) plus depreciation and amortization, interest expense, income tax expense (benefit), other (income)/expense, net, foreign currency (gain)/loss, equity in net (income) loss of unconsolidated subsidiaries, net income attributable to noncontrolling interests and certain non-recurring items. The Company believes Adjusted EBITDA is a useful measure for investors because it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the Company's industry. In addition, management believes that Adjusted EBITDA is useful in evaluating the Company's operating performance compared to that of other companies in the food ingredients and agriculture industries because the calculation of Adjusted EBITDA generally eliminates the effects of financing, income taxes and certain non-cash and other items that may vary for different companies for reasons unrelated to overall operating performance. As a result, the Company's management uses Adjusted EBITDA as a measure to evaluate performance and for other discretionary purposes. However, Adjusted EBITDA is not a recognized measurement under U.S. GAAP, should not be considered as an alternative to net income as a measure of operating results or to cash flow as a measure of liquidity, and is not intended to be a presentation in accordance with U.S. GAAP. Also, since Adjusted EBITDA is not calculated identically by all companies, the presentation in these Listing Particulars may not be comparable to those disclosed by other companies. In addition to the foregoing, management also uses or will use Adjusted EBITDA to measure compliance with certain financial covenants under the Senior Secured Facilities, the 5.375% Notes and the notes. The amounts shown below for Adjusted EBITDA differ from the amounts calculated under similarly titled definitions in the Senior Secured Facilities, the 5.375% Notes and the notes, as those definitions permit further adjustments to reflect certain other non-cash charges.

Reconciliation of Net Income to Adjusted EBITDA (Non-GAAP)

	Fifty-two Weeks Ended December 29, 2012(1)	Fifty-two weeks Ended December 28, 2013(2)	Fifty-three weeks Ended January 3, 2015(3)	Three Months ended March 29, 2014	Three Months ended April 4, 2015	Fifty-three Weeks Ended April 4, 2015
				(Unaudited)	(Unaudited)	(Unaudited)
			(in thousands)			
Net Income/(loss) attributable to Darling	**$ 130,770**	**$ 108,967**	**$ 64,215**	**$ (52,803)**	**$ 109**	**$ 117,127**
Depreciation and amortization	85,371	98,787	269,517	65,669	66,398	270,246
Interest expense	24,054	38,108	135,416	58,857	23,109	99,668
Income tax expense (benefit)	76,015	54,711	13,141	(18,290)	2,115	33,546
Other (income)/expense, net	(1,760)	3,547	(299)	1,138	509	(928)
Foreign Currency (gain)/loss	—	(28,107)	13,548	13,814	2,460	2,194
Equity in net (income) loss of unconsolidated subsidiaries(a)	2,662	(7,660)	(65,609)	(5,077)	1,808	(58,724)
Net income attributable to noncontrolling interests	—	—	4,096	1,797	1,715	4,014
Non-cash inventory step-up associated with VION Acquisition(b)	—	—	49,803	44,831	—	4,972
Acquisition and integration-related expenses(c)	—	23,271	24,667	15,948	5,319	14,038
Darling Ingredients International—13th week(d)	—	—	4,100	4,100	—	—
Adjusted EBITDA (Non-GAAP)	**$ 317,112**	**$ 291,624**	**$512,595**	**$129,984**	**$103,542**	**$ 486,153**

(a) Primarily represents the Company's portion of the (income)/loss of the DGD Joint Venture.

(b) Represents non-cash charges incurred due to the required purchase accounting for the VION Acquisition, which resulted in a step-up in the value of inventory acquired in the VION Acquisition and sold during the period.

(c) Represents non-recurring acquisition and integration costs primarily related to the VION Acquisition, the Rothsay Acquisition and the TRS acquisition.

(d) Represents the estimated Adjusted EBITDA contribution from VION Ingredients for the period from January 1, 2014 through January 7, 2014, the date of the consummation of the VION Acquisition. In order to estimate the Adjusted EBITDA of VION Ingredients for such period, we (i) divided the Adjusted EBITDA of VION Ingredients for the period from January 8, 2014 through March 29, 2014 by the number of days in such period and (ii) then multiplied the resulting amount by seven. We have included these adjustments for informational purposes only in order to give an indication of our Adjusted EBITDA for the three months ended March 29, 2014 and the fifty-three weeks ended January 3, 2015 had we consummated the VION Acquisition on January 1, 2014. However, there can be no assurance that the estimated Adjusted EBITDA contribution from VION Ingredients for the period from January 1, 2014 through January 7, 2014 is representative of what the actual Adjusted EBITDA contribution from VION Ingredients would have been had we consummated the VION Acquisition on January 1, 2014.

Set forth below is a presentation of Darling's share of the Adjusted EBITDA of the DGD Joint Venture had Darling consolidated the results of the DGD Joint Venture in its financial statements. The results of the DGD Joint Venture are currently reflected in equity in net (income) loss of unconsolidated subsidiaries in Darling's consolidated financial statements. The information below constitutes non-GAAP data and is presented for illustrative purposes only and not should be considered in isolation or as a substitute for the statement of operations data included in Darling's consolidated financial statements prepared in accordance with GAAP. There can be no assurance that the DGD Joint Venture will become a consolidated subsidiary of Darling. In addition, the DGD Joint Venture is not required to make mandatory distributions to its joint venture partners and the DGD Joint Venture's operating agreement includes restrictions on the payment of dividends to Darling, including prior to the time that the DGD Joint Venture's existing debt has been repaid and reserves for contingent liabilities have been made. As a result, you should not expect the DGD Joint Venture's assets to be available to Darling to make payments with respect to its debt obligations or for other purposes, and you should not expect the DGD Joint Venture to participate in servicing the principal, interest and other obligations on the notes.

	Fifty-two Weeks Ended December 29, 2012(1)	Fifty-two weeks Ended December 28, 2013(2)	Fifty-three weeks Ended January 3, 2015(3)	Three Months ended March 29, 2014	Three Months ended April 4, 2015	Fifty-three Weeks Ended April 4, 2015
				(Unaudited)	(Unaudited)	(Unaudited)
			(in thousands)			
DGD Joint Venture net income/ (loss)	$(5,325)	$15,320	$127,533	$ 9,348	$(4,452)	$113,733
Depreciation and amortization	—	8,644	18,186	4,389	5,008	18,805
Interest expense	—	9,049	17,640	4,425	4,156	17,371
Other expense/(income), net	—	(33)	(82)	(18)	(20)	(84)
Adjusted EBITDA (Non-GAAP)	(5,325)	32,980	163,277	18,144	4,692	149,825
DGD Joint Venture Adjusted EBITDA (Darling's Share)(Non-GAAP)	**$(2,663)**	**$16,490**	**$ 81,639**	**$ 9,072**	**$ 2,346**	**$ 74,913**

(11) Fiscal 2014 excludes the capital assets acquired as part of the VION Acquisition and the Custom Blenders acquisition of approximately $984.2 million. Fiscal 2013 excludes the capital assets acquired in the Terra Holding Company, a Delaware corporation, and its wholly owned subsidiaries, Terra Renewal Services, Inc., an Arkansas corporation ("TRS"), and EV Acquisition, Inc., an Arkansas corporation (the "Terra Transaction") and the Rothsay Acquisition in Fiscal 2013 of approximately $167.0 million. Fiscal 2012 excludes the capital assets acquired as part of the RVO BioPur, LLC acquisition in Fiscal 2012 of approximately $0.6 million.

(12) Gives effect to the Transactions as if they had occurred on April 4, 2015.

(13) Secured debt excludes $32.0 million of letters of credit outstanding under the Senior Secured Facilities.

(14) Gives affect the Transactions as if they had occurred on March 30, 2014.

RISK FACTORS

An investment in the notes involves substantial risks. In consultation with your financial, tax and legal advisors, you should carefully consider, among other matters, the following risks as well as the other information contained in or incorporated by reference in these Listing Particulars, before investing in the notes. If any of the events described in the following risk factors actually occur, our business, financial condition, prospects or results of operations and our ability to pay the principal of and premium, if any, and interest on our indebtedness (including the notes) could be materially adversely affected, the trading price of the notes could decline and you may lose all or part of your investment in the notes. The risks and uncertainties described below are not the only risks we face. Additional risks and uncertainties not currently known or that are currently deemed to be immaterial may also materially and adversely affect our business operations and financial condition or the trading price of the notes. The risks described below also include forward-looking statements and our actual results may differ substantially from those discussed in these forward looking statements. See the section entitled "Cautionary Note Regarding Forward-Looking Statements.*" For more information, see the sections entitled* "Where You Can Find More Information" *and* "Documents Incorporated by Reference."

Risks Related to Darling

The prices of many of our products are subject to significant volatility associated with commodities markets.

Our principal finished products include MBM, BFT, YG and hides, which are commodities. We also manufacture and sell a number of other products that are derived from animal by-products and many of which are commodities or compete with commodities. The prices of these commodities are quoted on, or derived from prices quoted on, established commodity markets. Accordingly, our results of operations will be affected by fluctuations in the prevailing market prices of these finished products or of other commodities that may be substituted for our products by our customers. Historically, market prices for commodity grains, fats and food stocks have fluctuated in response to a number of factors, including global changes in supply and demand resulting from changes in local and global economic conditions, changes in global government agriculture programs, changes in energy policies of U.S. and foreign governments, changes in international agricultural trading policies, impact of disease outbreaks on protein sources and the potential effect on supply and demand, as well as weather conditions during the growing and harvesting seasons. While we seek to mitigate the risks associated with price declines, including by diversifying our finished products offerings, through the use of formula pricing tied to commodity prices for a substantial portion of our raw materials (which may not protect our margins in periods of rapidly declining prices) and hedging, a significant decrease in the market price of any of our products or of other commodities that may be substituted for our products would have a material adverse effect on our results of operations and cash flow. Furthermore, rapid and material changes in finished goods prices, including competing agricultural-based alternative ingredients, generally have an immediate and, often times, material impact on our gross margin and profitability resulting from the lag effect or lapse of time from the procurement of the raw materials until they are processed and the finished goods are sold.

The prices available for our Food Ingredients segment gelatin and natural casings products are influenced by other competing ingredients, including plant-based and synthetic hydrocolloids and artificial casings. In the gelatin operation, in particular, the cost of our animal-based raw material moves in relationship to the selling price of the finished goods. The processing time for gelatin and casings is generally 30 to 60 days, which is substantially longer than our animal by-products operations. Consequently, our gross margin and profitability in this segment can be influenced by the movement of finished goods prices from the time the raw materials were procured until the finished goods are sold.

In addition, increases in the market prices of raw materials would require us to raise prices for our premium, value-added and branded products to avoid margin deterioration. There can be no assurance as to whether we could implement future price increases in response to increases in the market prices of raw materials or how any such price increases would affect future sales volumes to our customers. Our results of operations could be materially and adversely affected in the future by this volatility.

Our business is dependent on the procurement of raw materials, which is the most competitive aspect of our business.

Our management believes that the most competitive aspect of our business is the procurement of raw materials rather than the sale of finished products. Many of our raw materials are derived directly or indirectly from animal by-products, which results in the following challenges:

- In North America, consolidation within the meat processing industry has resulted in bigger and more efficient slaughtering operations, the majority of which utilize “captive” renderers (rendering operations integrated with the meat or poultry packing operation).
- Concurrently, the number of small U.S. meat processors, which have historically been a dependable source of supply for non-captive or independent U.S. renderers, such as us, has decreased significantly.
- The slaughter rates in the U.S. and international meat processing industry are subject to decline during poor economic conditions when consumers generally reduce their consumption of protein, and as a result, during such periods of decline, the availability, quantity and quality of raw materials available to the independent renderers, such as us, decreases.
- In addition, we have seen an increase in the use of used cooking oil in the production of biodiesel, which has increased competition for the collection of used cooking oil from restaurants and other food service establishments and contributed to an increase in the frequency and magnitude of theft of used cooking oil in the United States.
- Furthermore, a decline in the general performance of the global economy (including a decline in consumer confidence) and any inability of consumers and companies to obtain credit in the financial markets could have a negative impact on our raw material volume, such as through the forced closure of any of our raw material suppliers. A significant decrease in available raw materials or a closure of a significant number of raw material suppliers could materially and adversely affect our business, results of operations and financial condition, including the carrying value of certain of our assets.

The rendering industry is highly fragmented and both the rendering and bakery residual industries are very competitive. We compete with other rendering businesses and alternative methods of disposal of animal by-products, bakery residue and used cooking oil provided by trash haulers, waste management companies and biodiesel companies, as well as the alternative of illegal disposal. See the section entitled “*Our Business—Competition.*” In addition, U.S. restaurants experience theft of used cooking oil, the frequency and magnitude of which has increased with the rise in value of used cooking oil. Depending on market conditions, we either charge a collection fee to offset a portion of the cost incurred in collecting raw material or will pay for the raw material. To the extent suppliers of raw materials look to alternate methods of disposal, whether as a result of our collection fees being deemed too expensive, the payments we offer being deemed too low or otherwise, our raw material supply will decrease and our collection fee revenues will decrease, which could materially and adversely affect our business, results of operations and financial condition.

A majority of our U.S. volume of animal by-product raw materials, including all of our significant U.S. poultry accounts, and substantially all of our U.S. bakery feed raw materials, are acquired on a "formula basis," which in most cases is set forth in contracts with our suppliers, generally with multi-year terms. These "formulas" allow us to mitigate the risks associated with decreases in commodity prices by adjusting our costs of materials based on changes in the price of our finished products, while also permitting us, in certain cases, to benefit from increases in commodity prices. The formulas provided in these contracts are reviewed and modified both during the term of, and in connection with the renewal of, the contracts to maintain an acceptable level of sharing between us and our suppliers of the costs and benefits from movements in commodity prices. Changes to these formulas or the inability to renew such contracts could have a material adverse effect on our business, results of operations and financial condition. A majority of Rothsay's animal by-product raw materials are acquired based on prices fixed on a quarterly basis with suppliers, with the remaining portion acquired on a "formula basis." A majority of Darling Ingredients International's volume of animal by-product raw materials are acquired at spot or quarterly fixed prices. Although Darling Ingredients International, in general, has no long term contracts with its key suppliers, it has procured a series of four-year supply agreements with VION's foods division ("VION Food") that became effective concurrently with the completion of the VION Acquisition and are expected to provide approximately 13% of Darling Ingredients International's raw material supply (based on raw materials procured in Fiscal 2014).

Our business may be adversely impacted by fluctuations in exchange rates, which could affect our ability to comply with our financial covenants.

Our international operations have expanded significantly and our exposure to fluctuations in currency exchange rates has increased accordingly. We now carry out transactions in a number of foreign currencies, principally the euro, the Canadian dollar, the Chinese renminbi, the Brazilian real, the British pound, the Japanese yen, the Argentine peso and the Australian dollar. To the extent possible, we attempt to match revenues and expenses in each of the currencies in which we operate. However, we will still be exposed to currency fluctuations when we translate the results of our overseas operations into U.S. dollars, our functional currency, in the preparation of our consolidated financial statements. The exchange rates between these currencies and the U.S. dollar may fluctuate and these fluctuations may affect our U.S. dollar-denominated results of operations and financial condition even if our underlying operations and financial condition, in local currency terms, remain unchanged. While we have entered into and may from time to time enter into the use of currency hedging instruments to provide us with protection from adverse fluctuations in currency exchange rates, there can be no assurance that such instruments will successfully protect us from more pronounced swings in such exchange rates. Further, by utilizing these instruments we potentially forego the benefits that might result from favorable fluctuations in currency exchange rates.

We also face risks arising from the possible future imposition of exchange controls and currency devaluations. Exchange controls may limit our ability to convert foreign currencies into U.S. dollars or to remit dividends and other payments by our foreign subsidiaries located in, or business conducted within, a country imposing such controls. Currency devaluations would result in a diminished value of funds denominated in the currency of the country instituting the devaluation.

Any fluctuations in exchange rates or the imposition of exchange controls or currency devaluation may adversely impact our ability to comply with the financial and other covenants under the documents governing our indebtedness, which could affect our ability to incur indebtedness, pay dividends, make investments or take other actions that might be in our best interest. Should our international operations continue to expand, they will represent a larger part of our business and such exchange rate fluctuations may have a greater impact on our business, financial condition and results of operations.

We are highly dependent on natural gas and diesel fuel, the price of which can be volatile, and such dependency could materially adversely affect our business.

Our operations are highly dependent on the use of natural gas and diesel fuel. We consume significant volumes of natural gas to operate boilers in our plants, which generate steam to heat raw materials. Natural gas prices represent a significant cost of facility operations included in cost of sales. We also consume significant volumes of diesel fuel to operate our fleet of tractors and trucks used to collect raw materials. Diesel fuel prices represent a significant component of cost of collection expenses included in cost of sales. Prices for both natural gas and diesel fuel can be volatile and therefore represent an ongoing challenge to our operating results. Although we continually manage these costs and hedge our exposure to changes in fuel prices through our formula pricing and from time to time derivatives, a material increase in prices for natural gas and/or diesel fuel over a sustained period of time could materially adversely affect our business, results of operations and financial condition.

A significant percentage of our revenue is attributable to a limited number of suppliers and customers.

In Fiscal 2014, our top ten customers for finished products accounted for approximately 19% of product sales. In addition, our top ten raw material suppliers accounted for approximately 21% of its raw material supply in the same period. VION Food, Darling Ingredients International's largest raw materials supplier, accounted for approximately 13% of Darling Ingredients International's raw materials supply in Fiscal 2014. Darling Ingredients International has entered into supply agreements with VION Food pursuant to which VION Food supplies Darling Ingredients International with by-products generated by VION Food's operations. The supply agreements all have a term of four years and became effective concurrently with the completion of the VION Acquisition. MFI, Rothsay's largest raw materials supplier, accounted for approximately 24% of Rothsay's raw materials supply in Fiscal 2014. In connection with the Rothsay Acquisition, we entered into a seven-year supply agreement with MFI to supply us with substantially all of the MFI raw materials processed by Rothsay prior to the sale.

Disruptions or modifications to, or termination of, our relationships with any of our significant suppliers or customers, or financial difficulties experienced by any of our suppliers or customers that lead to curtailment or termination of their operations, could cause our businesses to suffer significant financial losses and could have a material adverse impact on our business, earnings, financial condition and/or cash flows.

Certain of our operating facilities are highly dependent upon a single or a few suppliers.

Certain of our operating facilities are highly dependent on one or a few suppliers. Should any of these suppliers choose alternate methods of disposal, cease their operations, have their operations interrupted by casualty, curtail their operations or otherwise cease using our collection services, these operating facilities may be materially and adversely affected, which could materially and adversely affect our business, results of operations and financial condition.

We face risks associated with our international activities, which could negatively affect our sales to customers in foreign countries and our operations and assets in such countries.

We conduct foreign operations in Canada, Europe, South America, Asia and Australia. While we expect that our geographical diversity reduces our exposure to risks in any one country or part of the world, it also subjects us to the various risks and uncertainties relating to international sales and operations, including:

- imposition of tariffs, quotas, trade barriers and other trade protection measures imposed by foreign countries regarding the importation of poultry, beef and pork products, in addition to operating, import or export licensing requirements imposed by various foreign countries;
- imposition of border restrictions by foreign countries with respect to the import of poultry, beef and pork products due to animal disease or other perceived health or safety issues;

- impact of currency exchange rate fluctuations between the U.S. dollar and foreign currencies, particularly the euro, the Canadian dollar, the Chinese renminbi, the Brazilian real, the British pound, the Japanese yen, the Argentine peso and the Australian dollar, which may reduce the U.S. dollar value of the revenues, profits and cash flows we receive from non-U.S. markets or of our assets in non-U.S. countries or increase our supply costs, as measured in U.S. dollars in those markets;
- exchange controls and other limits on our ability to import raw materials, import or export finished products or to repatriate earnings from overseas, such as exchange controls in effect in China, that may limit our ability to repatriate earnings from those countries;
- different regulatory structures (including creditor rights that may be different than in the United States) and unexpected changes in regulatory environments (including, without limitation, in China), including changes resulting in potentially adverse tax consequences or imposition of onerous trade restrictions, price controls, industry controls, animal and human food safety controls, employee welfare schemes or other government controls;
- political or economic instability, social or labor unrest or changing macroeconomic conditions or other changes in political, economic or social conditions in the respective jurisdictions;
- changes in our effective tax rate including, tax rates that may exceed those in the United States, earnings that may be subject to withholding requirements and incremental taxes upon repatriation, changes in the mix of our business from year to year and from country to country, changes in rules related to accounting for income taxes, changes in tax laws in any of the jurisdictions in which we operate and adverse outcomes from tax audits;
- compliance with and enforcement of a wide variety of complex U.S. and non-U.S. laws, treaties and regulations, including, without limitation, anti-bribery laws such as the U.S. Foreign Corrupt Practices Act (the "FCPA"), the U.K. Bribery Act 2010, the new Brazilian corporate anti-corruption law and similar anti-corruption legislation in many jurisdictions in which we operate, as well as economic and trade sanctions enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control, the E.U. and other governmental entities; and
- distribution costs, disruptions in shipping or reduced availability or increased costs of freight transportation.

These risks and uncertainties could jeopardize or limit our ability to transact business in one or more of our international markets or in other developing markets and may have a material adverse affect on our business, results of operations, cash flows and financial condition.

The DGD Joint Venture subjects us to a number of risks.

In January 2011, our wholly-owned subsidiary entered into a limited liability company agreement with a wholly-owned subsidiary of Valero to form the DGD Joint Venture, which was formed to design, engineer, construct and operate the DGD Facility, which is capable of processing approximately 11,000 barrels per day of input feedstock to produce renewable diesel fuel and certain other co-products. The DGD Facility, which is located adjacent to Valero's refinery in Norco, Louisiana, reached mechanical completion and began production of renewable diesel in late June 2013. As of January 3, 2015, under the equity method of accounting, we had an investment in the DGD Joint Venture of approximately $178.9 million included on the consolidated balance sheet. There is no assurance that the DGD Joint Venture will be profitable or allow us to continue to make a return on our investment.

The DGD Joint Venture is dependent on governmental energy policies and programs, such as RFS2, which positively impact the demand for and price of renewable diesel. Any changes to, a failure to enforce or a discontinuation of any of these programs could have a material adverse affect on the DGD Joint Venture. See "*—Our biofuels business may be affected by energy policies of U.S. and* *foreign governments."* Similarly, the DGD Joint Venture is subject to the risk that new or changing technologies may be developed that could meet demand for renewable diesel under governmental mandates in a more efficient or less costly manner than the technologies used by the DGD Joint Venture, which could negatively affect the price of renewable diesel and have a material adverse affect on the DGD Joint Venture.

In addition, the operation of a joint venture such as this involves a number of risks that could harm our business and result in the DGD Joint Venture not performing as expected, such as:

- problems integrating or developing operations, personnel, technologies or products;
- the unanticipated breakdown or failure of equipment or processes, including any unforeseen issues that may arise in connection with the operation of the DGD Facility;
- the inaccuracy of our assumptions about prices for the renewal diesel that the DGD Joint Venture produces;
- unforeseen engineering or environmental issues, including new or more stringent environmental regulations affecting operations;
- the inaccuracy of our assumptions about the timing and amount of anticipated revenues and operating costs including feedstock prices;
- the diversion of management time and resources;
- difficulty in obtaining and maintaining permits and other regulatory issues, potential license revocation and changes in legal requirements;
- difficulties in establishing and maintaining relationships with suppliers and end user customers;
- limitations in the DGD Joint Venture's operating agreement restricting the payment of dividends to the DGD Joint Venture partners in certain circumstances, including prior to the time that the DGD Joint Venture's existing debt has been repaid and reserves for contingent liabilities have been made;
- the risk that one or more competitive new renewable diesel plants are constructed that use different technologies from the DGD Facility and result in the marketing of products that are more effective as a substitute for carbon-based fuels or less expensive than the products marketed by the DGD Joint Venture;
- performance below expected levels of output or efficiency;
- reliance on Valero and its adjacent refinery facility for many services and processes;
- if any of the risks described in connection with the DGD Joint Venture occur, possible impairment of the acquired assets, including intangible assets;
- possible third party claims of intellectual property infringement; and
- being forced to sell our equity interests in the DGD Joint Venture pursuant to buy/sell provisions in the DGD Joint Venture's operating agreement and not realizing the benefits of the DGD Joint Venture.

If any of these risks described above were to materialize and the operations of the DGD Joint Venture were significantly disrupted, a material adverse effect on our business, financial condition and results of operations could result.

Our biofuels business may be affected by energy policies of U.S. and foreign governments.

Pursuant to the requirements established by the Energy Independence and Security Act of 2007, the U.S. Environmental Protection Agency (the "EPA") finalized regulations for RFS2 in 2010. The regulation mandated the domestic use of biomass-based diesel (biodiesel or renewable diesel) of 1.0 billion gallons in 2012. Beyond 2012, the regulation requires a minimum of 1.0 billion gallons of biomass-based diesel for each year through 2022, which amount is subject to increase by the Administrator of the EPA. On September 14, 2012, the EPA issued a final rule establishing the biomass-based diesel and the advance biofuel volumes for calendar year 2013 to be 1.28 billion gallons and 2.75 billion gallons, respectively. Though a final rule is yet to be issued, the EPA has proposed maintaining the biomass-based diesel volume for calendar years 2014 and 2015 at the 2013 calendar year level of 1.28 billion gallons, but has proposed reducing the advance biofuel volume to 2.20 billion gallons. Biomass-based diesel also qualifies to fulfill the non-specified portion of the advanced biofuel requirement. In order to qualify as a "renewable fuel" each type of fuel from each type of feedstock is required to lower GHG emissions by levels specified in the regulation. The EPA has determined that biofuels (either biodiesel or renewable diesel) produced from waste oils, fats and greases result in an 86% reduction in GHG emissions, exceeding the 50% requirement established by the regulation. Prices for our finished products may be impacted by worldwide government policies relating to renewable fuels and GHG. Programs like RFS2 and tax credits for biofuels both in the United States and abroad may positively impact the demand for our finished products. In Fiscal 2014, the amount of tax credits for biofuels impacting us was material. Conversely, legal challenges to, changes to, a failure to enforce, reductions in the mandated volumes under, or discontinuing any of these programs could have a negative impact on our business and results of operations. Furthermore, the biofuels tax credits expire annually, and are therefore at risk every year for delay or denial of extension. The most recent biofuel tax credits expired in December 2013 and their extension was not approved until December 2014. At the end of December 2014, the biofuels tax credits again expired, and have not yet been extended.

We may incur material costs and liabilities in complying with government regulations.

We are subject to the rules and regulations of various governmental agencies in the United States, the European Union, Canada, China and the other countries in which Darling Ingredients International operates. These include rules and regulations administered by governmental agencies at the supranational, federal, state, provincial or local level. See the section entitled "*Our Business—Regulations*" for a listing of certain governmental agencies to which we are subject.

The applicable rules, regulations and guidance promulgated by these and other agencies, which are likely to change over time, affect our operations and may influence our operating results at one or more facilities. Furthermore, the loss of or failure to obtain necessary federal, state, provincial or local permits and registrations at one or more of our facilities could halt or curtail operations at impacted facilities, which could result in impairment charges related to the affected facility and otherwise adversely affect our operating results. In addition, our failure to comply with applicable rules, regulations and guidance, including obtaining or maintaining required operating certificates or permits, could subject us to: (i) administrative penalties and injunctive relief; (ii) civil remedies, including fines, injunctions and product recalls; and/or (iii) adverse publicity. There can be no assurance that we will not incur material costs and liabilities in connection with these rules, regulations and guidance.

Because of our international operations throughout much of the world, we could be adversely affected by violations of the FCPA and similar anti-bribery laws. The FCPA and similar anti-bribery laws generally prohibit companies and their intermediaries from making improper payments or providing anything of value to improperly influence government officials or other third parties for the purpose of obtaining or retaining business or obtaining an unfair business advantage. Recent years have seen a substantial increase in the global enforcement of anti-corruption laws. Our operations outside the United States, including in developing countries, could increase the risk of such violations. While our policies mandate compliance with these laws, we cannot provide assurance that our internal control policies and procedures will always protect us from reckless or criminal acts committed by our employees, joint venture partners or agents. In addition, we enter into joint ventures with joint venture partners who are domiciled in areas of the world with anti-bribery laws, regulations and business practices that differ from those in the United States. There is risk that our joint venture partners will violate the FCPA or other applicable anti-bribery laws and regulations. Violations of the FCPA or other anti-bribery laws, or allegations of such violations, could cause lengthy investigations, disrupt our business, lead to criminal and/or civil legal proceedings brought by governmental agencies and/or third parties, result in material fines and legal and other costs and have a material adverse effect on our reputation, business, results of operations, cash flows and financial condition.

Given the competitive nature of our industry, we could be adversely affected by violations of various countries' antitrust, competition and consumer protection laws. These laws generally prohibit companies and individuals from engaging in anticompetitive and unfair business practices. While our policies mandate compliance with these laws, we cannot provide assurance that our internal control policies and procedures will always protect us from reckless or criminal acts committed by our employees, joint venture partners or agents. We enter into joint ventures with joint venture partners that are domiciled in areas of the world with anti-bribery laws, regulations and business practices that differ from those in the United States. There is risk that our joint venture partners will violate the FCPA or other applicable anti-bribery laws and regulations. Violations of the FCPA or other anti-bribery laws, or allegations of such violations, could cause lengthy investigations, disrupt our business, lead to criminal and/or civil legal proceedings brought by governmental agencies and/or third parties, result in material fines and legal and other costs and have a material adverse effect on our reputation, business, results of operations, cash flows and financial condition.

Seasonal factors and weather, including the physical impacts of climate change, can impact the availability, quality and volume of raw materials that we process and negatively affect our operations.

The quantity of raw materials available to us is impacted by seasonal factors, including holidays, when raw material volumes decline, and cold weather, which can impact the collection of raw materials. In addition, warm weather can adversely affect the quality of raw materials processed and our yield on production due to more rapidly degrading raw materials. In addition to seasonal impacts, depending upon the location of our facilities and those of our suppliers, our operations could be subject to the physical impacts of climate change, including changes in rainfall patterns, water shortages, changing sea levels, changing storm patterns and intensities and changing temperature levels. Physical damage, flooding, excessive snowfall or drought resulting from changing climate patterns could adversely impact our costs and business operations, the availability and costs of our raw materials, and the supply and demand for our end products. These effects could be material to our results of operations, liquidity or capital resources. The quality and volume of the finished products that we are able to produce could be negatively impacted by unseasonable or severe weather or unexpected declines in the volume of raw materials available during holidays, which in turn could have a material adverse impact on our business, results of operations and financial condition. In addition, severe weather events may also impact our ability to collect or process raw materials or to transport finished products.

Downturns and volatility in global economies and commodity and credit markets could materially adversely affect our business, results of operations and financial condition.

Our results of operations are materially affected by the conditions of the global economies and the credit, commodities and stock markets. Among other things, we may be adversely impacted if our domestic and international customers and suppliers are not able to access sufficient capital to continue to operate their businesses or to operate them at prior levels. A decline in consumer confidence or changing patterns in the availability and use of disposable income by consumers can negatively affect both our suppliers and customers. Declining discretionary consumer spending or the loss or impairment of a meaningful number of our suppliers or customers could lead to a dislocation in either raw material availability or customer demand. Any tightening in credit supply could negatively affect our customers' ability to pay for our products on a timely basis or at all and could result in a requirement for additional bad debt reserves. Although many of our customer contracts are formula-based, continued volatility in the commodities markets could negatively impact our revenues and overall profits. Counterparty risk on finished product sales can also impact revenue and operating profits when customers either are unable to obtain credit or refuse to take delivery of finished products due to market price declines.

Our business may be affected by the impact of BSE and other food safety issues.

Effective August 1997, the Food and Drug Administration (the "FDA") promulgated a rule prohibiting the use of mammalian proteins, with some exceptions, in feeds for cattle, sheep and other ruminant animals (the "BSE Feed Rule") to prevent further spread of BSE. Detection of the first case of BSE in the United States in December 2003 resulted in additional U.S. government regulations, finished product export restrictions by foreign governments, market price fluctuations for our finished products and reduced demand for beef and beef products by consumers. Even though the export markets for U.S. beef have recovered to meet or exceed pre-BSE levels, many export markets remain closed to MBM derived from U.S. beef. On May 29, 2013, the USDA announced that the World Organization for Animal Health (the "OIE") had officially upgraded the BSE-status for the United States from "controlled risk" to "negligible risk" based on a thorough review of BSE safeguards implemented in the United States. Attaining a negligible risk status for BSE is an important step toward regaining access to export markets for U.S. MBM and some markets reopened following this change; however, certain export markets previously closed because of BSE have not reopened as of the date of these Listing Particulars, and no assurance can be given that such closed export markets will be reopened as a result of the upgraded status. We do not expect this trade disruption to have a material impact on our business, financial condition or results of operations. Continued concern about BSE in the United States, and other countries in which we operate now or in the future, may result in additional regulatory and market-related challenges that may affect our operations or increase our operating costs.

With respect to BSE in the United States, on October 26, 2009, the FDA began enforcing new regulations intended to further reduce the risk of spreading BSE (the "Enhanced BSE Rule"). These new regulations amended the BSE Feed Rule to also prohibit the use of tallow having more than 0.15% insoluble impurities in feed for cattle or other ruminant animals. In addition, the Enhanced BSE Rule prohibits brain and spinal cord material from cattle aged 30 months and older or the carcasses of such cattle, if the brain and spinal cord are not removed (collectively, "Prohibited Cattle Materials"), and tallow derived from Prohibited Cattle Materials that also contains more than 0.15% insoluble impurities in the feed or food for all animals. We have made capital expenditures and implemented processes and procedures to be compliant with the Enhanced BSE Rule at all of our U.S. operations. In Canada, the Canadian Food Inspection Agency (the "CFIA") implemented feed restrictions, which were similar to the FDA's BSE Feed Rule, in 1997 to prevent the spread of BSE. Following confirmation of nine positive cases of BSE between May 2003 and July 2007, however, the CFIA amended the Canadian Health of Animals Regulations to strengthen Canada's BSE safeguards ("SRM Ban"). These enhanced safeguards, which became effective July 2007, required the removal of all specialized risk material ("SRM") from animal feed, pet food and fertilizer; placed the removal, transport and disposal of SRM under direct CFIA control; prohibited the use of tallow containing more than 0.15% insoluble impurities in any animal feed; and extended the retention time for keeping relevant records from two years to 10 years. Other cases of BSE have been reported in Canada since the SRM Ban was implemented. The most recent case occurred on February 12, 2015 and the CFIA reported that no part of the infected carcass entered human or animal food systems. We can provide no assurance that unanticipated costs and/or reductions in raw material volumes related to our compliance with the Enhanced BSE Rule, the SRM Ban or the occurrence of new cases of BSE will not negatively impact our operations and financial performance.

With respect to human food, pet food and animal feed safety in the United States, the Food and Drug Administration Amendments Act of 2007 (the “FDAAA”) directed the FDA to establish a Reportable Food Registry (“RFR”), which was implemented on September 8, 2009. On June 11, 2009, the FDA issued “Guidance for Industry: Questions and Answers Regarding the Reportable Food Registry as Established by the Food and Drug Administration Amendments Act of 2007: Draft Guidance” (“RFR Draft Guidance”). Although the RFR Draft Guidance was revised in September 2009 and again in May 2010, it had not been finalized as of the date of these Listing Particulars. In the RFR Draft Guidance, the FDA defined a reportable food, which the manufacturer or distributor would be required to report in the RFR, to include materials used as ingredients in animal feeds and pet foods, if there is reasonable probability that the use of, or exposure to, such materials will cause serious adverse health consequences or death to humans or animals. In March 2014, the FDA issued an advance notice of proposed rulemaking to solicit comments and information regarding provisions in the Food Safety Modernization Act (“FSMA”) that amended Section 417 of the Food, Drug and Cosmetic Act (“FD&C Act”), which governs the RFR, to permit the FDA to require the submission of “consumer-oriented information” regarding a reportable food. The FDA later reopened the comment period for the advance notice of proposed rulemaking and set August 18, 2014 as the deadline for comments. In July 2013, the FDA announced the criteria to be used to determine whether pet food and farmed animal feeds that are contaminated with salmonella will be considered to be adulterated under section 402(a)(1) of FD&C Act in the “Compliance Policy Guide Sec. 690.800 Salmonella in Food for Animals” (the “CPG”). According to the CPG, any finished pet food contaminated with any species of salmonella will be considered adulterated and the FDA believes regulatory action is warranted in cases involving such pet foods because of the heightened risk to humans given the high likelihood of direct human contact with the pet food. Finished animal feeds intended for pigs, poultry and other farmed animals, however, will be considered to be adulterated only if the feed is contaminated with a species of salmonella that is considered to be pathogenic for the animal species for which the feed is intended. The finalization of the RFR Draft Guidance and the possible issuance of a rule pursuant to the FSMA by the FDA may impose additional requirements on us. We believe that we have adequate procedures in place to assure that our finished products are safe to use in animal feed and pet food and we do not currently anticipate that the FDAAA will have a significant impact on our operations or financial performance. Any pathogen, such as salmonella, that is correctly or incorrectly associated with our finished products could have a negative impact on the demand for our finished products.

In addition, the FSMA was enacted on January 4, 2011. The FSMA gave the FDA new authorities, which became effective immediately. Included among these is a mandatory recall authority for adulterated foods that are likely to cause serious adverse health consequences or death to humans or animals, if the responsible party fails to cease distribution and recall such adulterated foods voluntarily. The FSMA further instructed the FDA to amend existing regulations that define its administrative detention authority. Prior to the FSMA becoming law, the FDA had authority to order that an article of food be detained only if there was credible evidence or information indicating that the article of food presented a threat of serious adverse health consequences or death to humans or animals. On May 5, 2011, the FDA issued an interim final rule amending its administrative detention authority and lowering both the level of proof and the degree of risk required for detaining an article of food. This interim final rule, which became a final rule on February 5, 2013, gives the FDA authority to detain an article of food if there is reason to believe the food is adulterated or misbranded. The FSMA also requires the FDA to develop new regulations that, among other provisions, place additional registration requirements on food and feed producing firms. Section 102 of the FSMA amends facility registration requirements in the FD&C Act for domestic and foreign manufacturers, processors, packers or holders of food for human or animal consumption. Such facility registrations were previously required to be updated when changes in a facility occurred, but there were no provisions for renewing facility registrations. The FSMA, however, requires that facility registrations be renewed during the fourth quarter of each even-numbered year, beginning October 1, 2012. On April 9, 2015, the FDA published a proposed rule that would, among other things, require electronic submission of facility registrations (no sooner than January 4, 2016), require registrations to indicate the type of activity conducted at the facility for each food product category and provide for verification of certain information submitted in registrations. Other new FDA regulations mandated by the FSMA and currently in the proposed stage will require registered facilities to perform hazard analyses and to implement preventive plans to control those hazards identified to be reasonably likely to occur; increase the length of time that records are required to be retained; and regulate the sanitary transportation of food, which is defined in Section 201(f) of the FD&C Act to include “articles used for food or drink for man or other animals.” The FDA proposed new rules on January 16, 2013 and October 29, 2013 addressing preventive controls for food for humans and for animals, respectively, and reissued revised proposed rules for human food and animal feed on September 29, 2014. These proposed rules would create regulations applicable to facilities that manufacture, process, pack and hold human or animal food requiring these facilities to establish and implement written food safety plans, which include hazard analyses, written preventive controls that provide assurance that significant hazards identified as known or reasonably foreseeable will be significantly reduced or prevented, monitoring of preventive controls, corrective actions, verification and recordkeeping. The proposed rule pertaining to animal food would create new Current Good Manufacturing Practice (“CGMP”) regulations, which are mandatory manufacturing procedures to protect against the possibility of a foodborne illness outbreak through contaminated food, that are specifically applicable to the manufacturing, processing, packing and holding of animal food. The proposed rule pertaining to human food would revise the CGMP regulations that are currently applicable to the manufacturing, processing, packing and holding of human food. For both human and animal food, the CGMP regulations would apply to each of the following areas: personnel, the facility and grounds, sanitation, water supply, equipment and utensils, facility operations and the holding and distribution of the human or animal food. Human and animal food facilities will need “qualified individuals,” those with appropriate training or job experience in the development and application of risk-based preventive controls, to prepare, evaluate and maintain the safety plan and preventive controls. Rulemaking proposed on July 29, 2013 and proposed with revisions on September 29, 2014 would extend similar requirements to imported foods intended for humans or animals. This proposed imported foods rule designates the importer as the party responsible for verifying that process controls and CGMP were used by the foreign manufacturer to control significant hazards that are known or reasonably foreseeable in the imported food. On February 5, 2014, the FDA proposed new regulations for the sanitary transportation of human and animal foods, which establish sanitary transportation practices that are to be used by shippers, motor vehicle and rail carriers, and receivers engaged in the transportation of food. We have followed the FSMA throughout its legislative history and have renewed registrations for all of our facilities and implemented hazard prevention controls and other procedures which continue to be assessed under the proposed rules to determine if they comply. Such rulemaking could, among other things, limit our ability to import necessary raw materials or finished products or require us to amend certain of our other operational policies and procedures. Unforeseen issues and requirements may arise as the FDA promulgates the new regulations provided for by the FSMA.

As a result of our international operations, we could be adversely affected by additional foreign regulations regarding BSE and other food safety issues. For example, an enforceable ban on the feeding of restricted animal material to ruminant animals was introduced in Australia in 1996. This ban is part of a comprehensive national program to prevent the entry and establishment of the BSE agent in Australia. Inspections and audits are undertaken to ensure compliance. In addition, in the E.U., harmonized rules have been adopted for prevention, control and eradication of transmissible spongiform encephalopathies (“TSEs”), which includes BSE, in Regulation 999/2001 (“TSE Regulation”) and in other instruments such as Regulation 1069/2009 on animal by-products and food and feed hygiene regulations. The TSE Regulation establishes a “feed ban,” which is the basic preventive measure against TSE and consists of a ban on the use of processed animal protein (“PAP”) in feed for farmed animals. A ban on the feeding of mammalian PAP to cattle, sheep and goats was first introduced in July 1994. The ban was expanded in January 2001 with the feeding of all PAP to all farmed animals being prohibited, with certain limited exceptions. Only certain animal proteins considered to be safe (such as fishmeal) can be used, and even then under very strict conditions. Other animal-derived products besides PAP, such as collagen and gelatin from non-ruminants and hydrolyzed protein, are not subject to the "feed ban." In June 2013, the "feed ban" was lifted for the feeding of aquaculture animals and the European Commission is currently investigating the options to lift the ban for other non-ruminants, such as pigs and poultry. Although Darling Ingredients International may profit from the possible lifting of the ban for pigs and poultry, changes to the "feed ban" may adversely affect Darling Ingredients International, possibly restricting the allowed use of some of their products. The TSE Regulation applies to the production and placing on the market of live animals and products of animal origin. For that purpose, the BSE status of E.U. Member States, non-E.U. members of the European Economic Area-European Free Trade Association and other countries or regions (such other countries or regions, "third countries") is to be determined by classification into one of three categories depending on the BSE risk involved: a negligible risk, a controlled risk and an undetermined risk. This classification is in line with that of the OIE. The determination of BSE status is based on a risk assessment and the implementation of a surveillance program. For each risk category there are trade rules to provide the necessary guarantees for protecting public and animal health. Currently, the following E.U. Member States are classified as having a controlled BSE risk: Bulgaria, Cyprus, Czech Republic, Estonia, France, Germany, Greece, Hungary, Ireland, Latvia, Lithuania, Luxembourg, Malta, Poland, Portugal, Slovakia, Spain and the United Kingdom. The other E.U. Member States are classified as having a negligible BSE risk. A change in the BSE status of one or more E.U. Member States may have a negative impact on Darling Ingredients International. Under E.U. legislation, imported products from outside the E.U. must meet the same safety standards as products produced in E.U. Member States. Therefore, the TSE Regulation imposes strict import requirements related to TSEs for live animals and animal by-products, such as full traceability of imported animals and animal by-products, a ban on the use of MBM in feed for ruminants and the prohibition of the import of specified risk material or mechanically recovered meat. The detailed import requirements depend on the BSE status of third countries. Regulation 1069/2009 on animal by-products establishes rules intended to prevent the outbreak of certain diseases such as BSE. Regulation 1069/2009 imposes, for example, rules for the use and disposal of specified risk material and other high risk material. A BSE outbreak or other event viewed as hazardous to animal or human health could lead to the adoption of more stringent rules on the use and disposal of animal by-products, which could require Darling Ingredients International to change its production processes and could have a material adverse effect on our business, results of operations or financial condition.

Our business may be negatively impacted by the occurrence of any disease correctly or incorrectly linked to animals.

The emergence of diseases such as Swine Flu, Highly Pathogenic Avian Influenza ("Bird Flu"), and severe acute respiratory syndrome ("SARS") that are in or associated with animals and have the potential to also threaten humans has created concern that such diseases could spread and cause a global pandemic. Bird Flu generally refers to highly aggressive and fatal diseases of birds caused by flu viruses that, once established, can spread rapidly from flock to flock and have also been known to affect humans. Different strains of flu viruses can cause Bird Flu, including, but not limited to the H5, H7 and H10 strains. Each of these flu virus strains may be further divided into subtypes such as H5N1. Human illnesses and deaths have occurred among people having direct contact with poultry infected with the H5N1, as well as other strains of Bird Flu. In 2008, world health experts were concerned that this and other H5 strains of Bird Flu could develop into a global pandemic if the virus adapted further and could be spread from person to person. While cases of people contracting Bird Flus from direct contact with poultry have been reported in China and other parts of Asia, none of these viruses have been spread among humans. To date, the original H5N1 strain thought to potentially cause a human pandemic has not been reported in North America, but outbreaks of other H5 strains recently occurred in commercial poultry flocks outside Asia. A H5 strain of Bird Flu was reported on commercial poultry farms in Germany, The Netherlands and in the United Kingdom in November 2014. This same H5 strain was subsequently reported in commercial poultry farms in Western Canada and backyard flocks in the Northwestern United States in December 2014 and commercial turkey farms in California on January 24, 2015. Since these initial reports that the disease had reached Canada and the United States, migratory birds have been blamed for spreading this and two additional H5 strains among commercial poultry flocks in the Midwestern United States and Ontario, Canada. As of the date of these Listing Particulars, commercial poultry flocks in 14 states were confirmed to have one or more of these H5 strains of Bird Flu. To date, there have been no reports of humans contracting any of the H5 strains currently present in Europe, the United States or Canada, nor have there been any reports that these Bird Flu strains can be spread from person to person. The response plans followed by APHIS (as defined in the section entitled "*Our Business—Regulations*") in the United States to control outbreaks and prevent the spread of Bird Flu include, among other procedures, restricting the movement of poultry and poultry products into or out of the site of infection, using humane methods to depopulate the infected flock or farm and disposal of the euthanized birds on-site to avoid transporting infected material outside the established quarantine zone.

In April 2013, the first case of the PED virus was confirmed in the United States on a hog farm in Ohio. The disease has since spread into 33 states in the United States and in Ontario and three other Canadian provinces. The PED virus is highly contagious among pigs, but does not affect other animals and is not transmissible to humans. The effects of the PED virus on hog production will vary according to the age of the pigs affected. Death rates can be very high among young pigs, while symptoms are mild in older animals. Because the PED virus is common in other parts of the world and poses no threat to human health or food safety, its presence in a country or region does not restrict trade in pork or pork products. However, any outbreak that is severe enough to significantly reduce the pig population in a country or region could reduce the availability of pork raw material to our plants. Animal health experts believe the PED virus is spread primarily through contaminated feces, although other transmission routes continue to be studied. On January 30, 2015, scientists in the College of Veterinary Sciences at the University of Minnesota released its report titled "Risk Assessment of Feed Ingredients as Vehicles in the Transmission of the PED Virus." This risk assessment concluded that the virus is unlikely to survive the rendering process. Therefore, the risk of spreading PED through rendered animal fats and proteins was determined to be negligible. Because data on the effects of spray drying on the virus is limited, the risk of spreading PED through spray dried blood products was determined to be negligible to low. Any reports, proven or perceived, that implicate animal feed or feed ingredients, including but not limited to animal byproducts, as contributing to the spread of the PED virus could negatively affect demand for our products as ingredients in pig feeds in the United States and in Canada.

From December 2002 to June 2003, China and some other countries experienced an outbreak of SARS, a highly contagious form of atypical pneumonia. On July 5, 2003, the World Health Organization declared that the SARS outbreak had been contained. In April 2004, however, a number of isolated new cases of SARS were reported, including in central China.

Although no global disease pandemic among humans has been linked to Bird Flu, Swine Flu, PED virus or SARS as of the date of these Listing Particulars, governments may be pressured to address these concerns, including by executive action such as temporarily closing certain businesses, including meat and animal processing facilities, within their jurisdictions suspected of contributing to the spread of such diseases or by legislative or other policy action, such as prohibiting imports of animals, meat and animal by-products from countries or regions where the disease is detected or suspected. For example, during May and June 2003, many businesses in China were temporarily closed by the Chinese government to prevent transmission of SARS.

The E.U. has enacted several disease control directives, as well as other legislation regarding the notification of animal diseases within the community and veterinary and zootechnical checks, among others. The applicable legislation generally enables the E.U. to take preventive measures, as well as act promptly in case of an outbreak, by restricting the circulation of livestock and products at risk of being infected within the E.U. and implementing bans on the imports of such products. For instance, there are preventive measures against Bird Flu that must be implemented by all the E.U. Member States. In the event of an outbreak of Bird Flu, the Directive 2005/94/EC on the control of avian influenza provides for preventive measures relating to the surveillance and the early detection of Bird Flu and the minimum control measures to be applied in the event of an outbreak of that disease in poultry or other captive birds. E.U. Member States are empowered to act quickly in the case of an outbreak by defining protection and surveillance risk zones and adopting measures such as restricting the movement of live poultry and certain poultry products to other E.U. Member States or to third countries. In addition, E.U. import bans have also been placed on potentially risky poultry products and susceptible imports from third countries with Bird Flu outbreaks.

If Swine Flu, Bird Flu, the PED virus, SARS or any other disease that is correctly or incorrectly linked to animals and has a negative impact on meat or poultry consumption or animal production occurs in any jurisdiction in which we operate, such occurrence could have a material negative impact on the volume of raw materials available to us or the demand for our finished products.

If we or our customers are the subject of product liability claims or product recalls, we may incur significant and unexpected costs and our business reputation could be adversely affected.

We and our customers for whom we manufacture products may be exposed to product liability claims and adverse public relations if consumption or use of our products is alleged to cause injury or illness to humans or animals. In addition, we and our customers may be subject to product recalls resulting from developments relating to the discovery of unauthorized adulterations to food additives or from allegations that our food ingredients have not performed adequately in the end product, even where food safety is not a concern. Product recalls in one jurisdiction may result in product recalls in other jurisdictions, as is the case in the E.U., where an E.U. Member State could recall a product in connection with the recall of such product in another E.U. Member State. Our insurance may not be adequate to cover all liabilities we incur in connection with product liability claims, whether or not legitimate, or product recalls, whether voluntary or mandatory. We may not be able to maintain our existing insurance or obtain comparable insurance at a reasonable cost, if at all. A product liability judgment against us or against one of our customers for whom we manufacture or provide products, or our or their agreement to settle a product liability claim or a product recall, could also result in substantial and unexpected expenditures, which would reduce operating income and cash flow. In addition, even if product liability claims against us or our customers for whom we manufacture products are not successful or are not fully pursued, defending these claims would likely be costly and time-consuming and may require management to spend time defending the claims rather than operating our business. Any such claim could also result in adverse publicity and negatively impact our reputation.

Product liability claims, product recalls or any other events that cause consumers to no longer associate our brands or those of our customers for whom we manufacture products with high quality and safety may harm the value of our and their brands and lead to decreased demand for our products. In addition, as a result of any such claims against us or product recalls, we may be exposed to claims by our customers for damage to their reputations and brands. Product liability claims and product recalls may also lead to increased scrutiny by federal, state and foreign regulatory agencies of our operations and could have a material adverse effect on our brands, business, results of operations and financial condition.

Changes in consumer preference could negatively impact our business.

The food industry in general is subject to changing consumer trends, demands and preferences. Trends within the food industry change often, and failure to identify and react to changes in these trends could lead to, among other things, reduced demand and price reductions for our products or those of our customers for whom we manufacture products, and could have an adverse effect on our financial results.

Our operations are subject to various laws, rules and regulations relating to the protection of the environment and to health and safety, and we could incur significant costs to comply with these requirements or be subject to sanctions or held liable for environmental damages.

Our operations subject us to various and increasingly stringent environmental, health and safety requirements in the various jurisdictions where we operate, including those governing air emissions, wastewater discharges, the management, storage and disposal of materials in connection with our facilities, occupational health and safety, product packaging and labeling and our handling of hazardous materials and wastes, such as gasoline and diesel fuel used by our trucking fleet and operations. Failure to comply with these requirements could have significant consequences, including recalls, penalties, injunctive relief, claims for personal injury and property and natural resource damages and negative publicity. Our operations require the control of air emissions and odor and the treatment and discharge of wastewater to municipal sewer systems and the environment. We operate boilers at many of our facilities and store wastewater in lagoons or, as permitted, discharge it to publicly owned wastewater treatment systems or surface waters, or through land application. We have incurred significant capital and operating expenditures to comply with environmental requirements, including for the upgrade of wastewater treatment facilities, and will continue to incur such costs in the future.

We could be responsible for the remediation of environmental contamination and may be subject to associated liabilities and claims for personal injury and property and natural resource damages. We own or operate numerous properties, have been in business for many years and have acquired and disposed of properties and businesses over that time. During that time, we or other owners or operators may have generated or disposed of wastes or stored or handled other materials that are or may be considered hazardous or may have polluted the soil, surface water or groundwater at or around our facilities. Under some environmental laws, such as the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 in the United States, also known as the Superfund law, responsibility for the cost of cleanup of a contaminated site can be imposed upon current or former site owners and operators, or upon any party that sent waste to the site, regardless of the lawfulness of the activities that led to the contamination. Similar laws outside the United States impose liability for environmental cleanup, often under the polluter pays theory of liability but also based upon ownership in some circumstances. There can be no assurance that we will not face extensive costs or penalties that would have a material adverse effect on our financial condition and results of operations. For example, we have received notice from the EPA relating to alleged river sediment contamination in the Lower Passaic River area of New Jersey. See the section entitled "*Our Business—Legal Proceedings.*" In addition, future developments, such as more aggressive enforcement policies, new laws or discoveries of currently unknown contamination conditions, may also require expenditures that may have a material adverse effect on our business and financial condition.

In addition, increasing efforts to control emissions of GHG are likely to impact our operations. We operate in certain jurisdictions subject to the Kyoto Protocol, which mandates reduced GHG emissions in certain participating countries, and the EPA's recent rule establishing mandatory GHG reporting for certain activities may apply to some of our facilities if we exceed the applicable thresholds. The EPA has also announced a regulatory finding relating to GHG emissions that has led to further regulation of GHG emissions. Legislation to regulate GHG emissions has periodically been proposed in the

U.S. Congress and a growing number of states and foreign countries are taking action to require reductions in GHG emissions. Future GHG emissions limits may require us to incur additional capital and operational expenditures. EPA regulations limiting exhaust emissions also have become more restrictive, and the National Highway Traffic Safety Administration and the EPA have adopted new regulations that govern fuel efficiency and GHG emissions beginning in 2014. Compliance with these and similar regulations could increase the cost of new fleet vehicles and increase our operating expenses. Compliance with future GHG regulations may require expenditures that could materially adversely affect our business, results of operations and financial condition.

We have approximately 10,000 employees world-wide and are subject to a wide range of local, provincial and national laws and regulations governing the health and safety of workers, including, for example, the U.S. Occupational Safety and Health Act ("OSHA") in the United States. We can be subject to potential fines and civil and, in egregious cases, criminal actions if we are found to be in violation of worker health and safety laws in any of these jurisdictions. Further, as such laws and regulations change, we may sometimes be required to commit to unplanned capital expenditures in order to continue to comply with workplace safety requirements at our facilities. In addition, we operate and maintain an extensive vehicle fleet to transport products to and from customer locations in all jurisdictions where we have facilities. Our fleets and drivers are subject to federal, state, local and foreign laws and licensing requirements applicable to commercial fleets, their cargo and their hours and methods of operation. Failure to comply with these laws and regulations in any location could materially adversely affect our business, results of operations, financial condition and reputation.

If we experience difficulties or a significant disruption in our information systems or if we fail to implement new systems and software successfully, our business could be materially adversely affected.

We depend on information systems throughout our business to collect and process data that is critical to our operations and accurate financial reporting. Among other things, these information systems process incoming customer orders and outgoing supplier orders, manage inventory, and allow us to efficiently collect raw materials and distribute products, process and bill shipments to and collect cash from our customers, respond to customer and supplier inquiries, contribute to our overall internal control processes, maintain records of our property, plant and equipment, and record and pay amounts due vendors and other creditors.

If we were to experience a disruption in our information systems that involve interactions with suppliers and customers, it could result in a loss of raw material supplies, sales and customers and/or increased costs, which could have a material adverse effect on our business, financial condition and results of operations. In addition, any such disruption could adversely affect our ability to meet our financial reporting obligations. We may also encounter difficulties in developing new systems or maintaining and upgrading existing systems. Such difficulties may lead to significant expenses or losses due to unexpected additional costs required to implement or maintain systems, disruption in business operations, loss of sales or profits, or cause us to incur significant costs to reimburse third parties for damages, and, as a result, may have a material adverse effect on our results of operations and financial condition. We could also experience impairment of our reputation if any of these events were to occur.

We are in the process of a multi-year project to replace our existing work management, financial and supply chain software applications with a new suite of systems, including a company-wide ERP system. This multi-year project will be extended to the replacement of Rothsay's system as part of the process of integrating that system with Darling's systems. We currently do not intend to replace Darling Ingredients International's system. The ERP system's implementation process involves a number of risks that may adversely hinder our business operations and/or affect our financial condition and results of operations, if not implemented successfully. The need to implement this project in connection with the integration of the operations of Rothsay could create additional risks. The ERP system's implementation is a complex and time-consuming project that involves substantial expenditures for implementation consultants, system hardware, software and implementation activities, as well as the transformation of business and financial processes.

As with any large software project, there are many factors that may materially affect the schedule, cost, execution and implementation of this project. Those factors include: problems during the design, implementation and testing phases; system delays and/or malfunctions; the risk that suppliers and contractors will not perform as required under their contracts; the diversion of management's attention from daily operations to the project; re-works due to changes in business processes or financial reporting standards; and other events, some of which are beyond our control. These types of issues could disrupt our business operations and/or our ability to timely and accurately process and report key components of our financial results and and/or complete important business processes such as the evaluation of our internal controls and attestation activities pursuant to Section 404 of the Sarbanes-Oxley Act of 2002. Accordingly, material deviations from the project plan or unsuccessful execution of the plan may adversely affect our business, results of operations and financial condition.

Increased information technology security threats and more sophisticated computer crime pose a risk to our systems, networks, products and services.

We rely upon our information systems and networks in connection with a variety of business activities, and we collect and store sensitive data. Increased security threats to information systems and more sophisticated computer crime pose a risk to the security of our systems and networks and the confidentiality, availability and integrity of our data. A failure of or breach in technology security could expose us and our customers and suppliers to risks of misuse of information or systems, the compromising of confidential information, manipulation and destruction of data, defective products, production downtimes and operating disruptions, which in turn could adversely affect our reputation, competitive position, business and results of operations. In addition, such breaches in security could result in litigation, regulatory action and potential liability and the costs and operational consequences of implementing further data protection measures.

Our success is dependent on our key personnel.

Our success depends to a significant extent upon a number of key employees, including members of senior management. The loss of the services of one or more of these key employees could have a material adverse effect on our results of operations and prospects. We believe that our future success will depend in part on our ability to attract, motivate and retain skilled technical, managerial, marketing and sales personnel. Competition for these types of skilled personnel is intense and there can be no assurance that we will be successful in attracting, motivating and retaining key personnel. The failure to hire and retain such personnel could materially adversely affect our business, results of operations and financial condition.

In certain markets we are highly dependent upon a single operating facility and various events beyond our control could cause an interruption in the operation of our facilities, which could adversely affect our business in those markets.

Our facilities are subject to various federal, state, provincial and local environmental and other permitting requirements of the countries in which we operate, depending on the locations of those facilities. Periodically, these permits may be reviewed and subject to amendment or withdrawal. Applications for an extension or renewal of various permits may be subject to challenge by community and environmental groups and others. In the event of a casualty, condemnation, work stoppage, permitting withdrawal or delay, severe weather event, or other unscheduled shutdown involving one of our facilities, in a majority of our markets we would utilize a nearby operating facility to continue to serve our customers in the affected market. In certain markets, however, we do not have alternate operating facilities. In the event of a casualty, condemnation, work stoppage, permitting withdrawal or delay, severe weather event or other unscheduled shutdown in these markets, we may experience an interruption in our ability to service our customers and to procure raw materials, and potentially an impairment of the value of that facility. Any of these circumstances may materially and adversely affect our business and results of operations in those markets. In addition, after an operating facility affected by a casualty, condemnation, work stoppage, permitting withdrawal or delay or other unscheduled shutdown is restored, there could be no assurance that customers who in the interim choose to use alternative disposal services would return to use our services.

We could incur a material weakness in our internal control over financial reporting that would require remediation.

Any future failures to maintain the effectiveness of our disclosure controls and procedures, including our internal control over financial reporting, could subject us to a loss of public confidence in our internal control over financial reporting and in the integrity of our financial statements and our public filings with the SEC and other governmental agencies and could harm our operating results or cause us to fail to meet our regulatory reporting obligations in a timely manner. The continued integration of the operations of Rothsay and Darling Ingredients International following the Acquisitions could create additional risks to our disclosure controls, including our internal controls over financial reporting. In compliance with the Sarbanes Oxley Act of 2002, the latest audit of internal control over financial reporting of the Company excluded an evaluation of the internal control over financial reporting of VION Ingredients.

Changes in our tax rates or exposure to additional income tax liabilities could impact our profitability.

We are subject to income taxes in the United States and in various other foreign jurisdictions. Our effective tax rates could be adversely affected by changes in the mix of earnings by jurisdiction, changes in tax laws or tax rates including potential tax reform in the U.S. to broaden the tax base and reduce deductions or credits, changes in the valuation of deferred tax assets and liabilities, and material adjustments from tax audits. In addition, the amount of income taxes we pay is subject to ongoing audits in various jurisdictions and a material assessment by a governing tax authority could affect our profitability.

An impairment in the carrying value of our goodwill or other intangible assets may have a material adverse effect on our results of operations.

As of April 4, 2015, we had approximately $1.3 billion of goodwill. We are required to annually test goodwill to determine if impairment has occurred. Additionally, impairment of goodwill must be tested whenever events or changes in circumstances indicate that impairment may have occurred. If the testing performed indicates that impairment has occurred, we are required to record a non-cash impairment charge for the difference between the carrying value of the goodwill and the implied fair value of the goodwill in the period the determination is made. The testing of goodwill for impairment requires us to make significant estimates about our future performance and cash flows, as well as other assumptions. These estimates can be affected by numerous factors, including changes in economic, industry or market conditions, changes in business operations or regulation, or changes in competition. Changes in these factors, or changes in actual performance compared with estimates of our future performance, may affect the fair value of goodwill, which may result in an impairment charge. For example, a deterioration in demand for, or increases in costs for producing, a supplier's principal products could lead to a reduction in the supplier's output of raw materials, thus impacting the fair value of a plant processing that raw material. We cannot accurately predict the amount and timing of any impairment of assets. Should the value of goodwill become impaired, there may be a material adverse effect on our results of operations.

We may be subject to work stoppages at our operating facilities, which could cause interruptions in the manufacturing or distribution of our products.

While we currently have no international, national or multi-plant union contracts, as of January 3, 2015, approximately 25% of Darling's North American employees and 36% of Darling Ingredients International's employees were covered by various collective bargaining agreements. Furthermore, local laws and regulations in certain jurisdictions in which we operate provide for worker groups with prescribed powers and rights with regard to working conditions, wages and similar matters. In jurisdictions where such groups do not exist, labor organizing activities could result in additional employees becoming unionized and higher ongoing labor costs. Darling's collective bargaining agreements expire at varying times over the next five years. In contrast, Darling Ingredients International's collective bargaining agreements generally have one to two year terms. Rothsay agreements generally have terms up to three years. Some of our collective bargaining agreements have already expired and are in the process of being renegotiated. There can be no assurance that we will be able to negotiate the terms of any expiring or expired agreement in a manner acceptable to us. If our workers were to engage in a strike, work stoppage, slowdown or other collective action in the future in any of our locations, we could experience a significant disruption of our operations, which could have a material adverse effect on our business, results of operations and financial condition. We may also be subject to general country strikes or work stoppages unrelated to our business or collective bargaining agreements that could have a direct or indirect adverse effect on our business, results of operation or financial condition.

Litigation or regulatory proceedings may materially adversely affect our business, results of operations and financial condition.

We are a party to several lawsuits, claims and loss contingencies arising in the ordinary course of our business, including assertions by certain regulatory and governmental agencies related to permitting requirements and air, wastewater and storm water discharges from our processing facilities. The outcome of litigation, particularly class action lawsuits, and regulatory proceedings is difficult to assess or quantify. Plaintiffs (including governmental agencies) in these types of lawsuits and proceedings may seek recovery of very large or indeterminate amounts, and the magnitude of the potential loss relating to such lawsuits or proceedings may remain unknown for substantial periods of time. The costs of responding to or defending future litigation or regulatory proceedings may be significant and any future litigation or regulatory proceedings may divert the attention of management away from our strategic objectives. There may also be adverse publicity associated with litigation or regulatory proceedings that may decrease customer confidence in our business, regardless of whether the allegations are valid or whether we are ultimately found liable. As a result, litigation or regulatory proceedings may have a material adverse effect on our business, results of operations and financial condition. For more information related to our litigation and regulatory proceedings, see the section entitled "*Our Business—Legal Proceedings.*"

Certain U.S. multiemployer defined benefit pension plans to which we contribute are underfunded and these plans and our European pension funds may require minimum funding contributions.

We participate in various U.S. multiemployer pension plans which provide defined benefits to certain employees covered by labor contracts. These plans are not administered by us and contributions are determined in accordance with provisions of negotiated labor contracts to meet their pension benefit obligations to their participants. Based upon the most currently available information, certain of these multiemployer plans are under-funded due partially to a decline in the value of the assets supporting these plans, a reduction in the number of actively participating members for whom employer contributions are required and the level of benefits provided by the plans. In addition, the U.S. Pension Protection Act, which went into effect in January 2008, requires under-funded pension plans to improve their funding ratios within prescribed intervals based on the level of their underfunding. As a result, our required contributions to these plans may increase in the future. Furthermore, under current law, a termination of, our voluntary withdrawal from or a mass withdrawal of all contributing employers from any underfunded multiemployer defined benefit plan to which we contribute would require us to make payments to the plan for our proportionate share of such multiemployer plan's unfunded vested liabilities. Also, if a multiemployer defined benefit plan fails to satisfy certain minimum funding requirements, the IRS may impose a nondeductible excise tax of 5% on the amount of the accumulated funding deficiency for those employers not contributing their allocable share of the minimum funding to the plan. Requirements to pay increased contributions, withdrawal liability and excise taxes could negatively impact our liquidity and results of operations.

In the European Union, pension funds are generally subject to the Institution for Occupational Retirement Provision Directive (Directive 2003/41/EC) (the "IORP Directive") as implemented in the relevant E.U. Member States. The IORP Directive provides for certain general solvency requirements but allows E.U. Member States discretion to impose specific national requirements. As a result, the solvency of European Union pension funds are mostly regulated on a national level. The IORP Directive is currently being reformed. In March 2014, the European Commission published a new draft IORP Directive ("IORP Directive II"). The European Commission's initial proposal for the IORP Directive II included minimum solvency requirements similar to those under the Solvency II Directive (Directive 2009/138/EC) (which is the main legislation for the insurance industry in the European Union and is being implemented). The European Commission subsequently decided to withdraw such requirements and the IORP Directive II, as published, does not make substantive changes to the solvency requirements under the current IORP Directive. The IORP Directive II is currently going through the legislative process at the European Union level. It is difficult to predict, at this stage, what form the final legislation will take and what impact (if any) it will have on the solvency requirements of pension funds. It is possible that the final legislation could require us to comply with increased minimum coverage requirements, which could burden us and negatively impact our liquidity and results of operations.

If the number or severity of claims for which we are self-insured increases, if we are required to accrue or pay additional amounts because the claims prove to be more severe than our recorded liabilities, if our insurance premiums increase or if we are unable to obtain insurance at acceptable rates or at all, our financial condition and results of operations may be materially adversely affected.

Our workers compensation, auto and general liability policies contain significant deductibles or self-insured retentions. We develop bi-yearly and record quarterly an estimate of our projected insurance-related liabilities. We estimate the liabilities associated with the risks retained by us, in part, by considering historical claims experience, demographic and severity factors and other actuarial assumptions. Any actuarial projection of losses is subject to a degree of variability. If the number or severity of claims for which we are self-insured increases, or we are required to accrue or pay additional amounts because the claims prove to be more severe than our original assessments, our financial condition and results of operations may be materially adversely affected. In addition, in the future, our insurance premiums may increase and we may not be able to obtain similar levels of insurance on reasonable terms or at all. Any such inadequacy of, or inability to obtain, insurance coverage could have a material adverse effect on our business, financial condition and results of operations.

We may not successfully identify and complete acquisitions on favorable terms or achieve anticipated synergies relating to any acquisitions, and such acquisitions could result in unforeseen operating difficulties and expenditures and require significant management resources.

We regularly review potential acquisitions of complementary businesses, services or products. However, we may be unable to identify suitable acquisition candidates in the future. Even if we identify appropriate acquisition candidates, we may be unable to complete or finance such acquisitions on favorable terms, if at all. In addition, the process of integrating an acquired business, service or product into our existing business and operations may result in unforeseen operating difficulties and expenditures. Integration of an acquired company also may require significant management resources that otherwise would be available for ongoing development of our business. Moreover, we may not realize the anticipated benefits of any acquisition or strategic alliance and such transactions may not generate anticipated financial results. Future acquisitions could also require us to incur debt, assume contingent liabilities or amortize expenses related to intangible assets, any of which could harm our business.

Terrorist attacks or acts of war may cause damage or disruption to us and our employees, facilities, information systems, security systems, suppliers and customers, which could significantly impact our net sales, costs and expenses and financial condition.

Terrorist attacks, such as those that occurred on September 11, 2001, have contributed to economic instability in the U.S. and in certain other countries, and further acts of terrorism, bioterrorism, cyberterrorism, violence or war could affect the markets in which we operate, our business operations, our expectations and other forward-looking statements contained in these Listing Particulars. The potential for future terrorist attacks, the U.S. and international responses to terrorist attacks and other acts of war or hostility, including the ongoing conflicts in the Middle East, North Korea and Ukraine, may cause economic and political uncertainties and cause our business to suffer in ways that cannot currently be predicted. Events such as those referred to above could cause or contribute to a general decline in investment valuations. In addition, terrorist attacks, particularly acts of bioterrorism, that directly impact our facilities or those of our suppliers or customers could have an impact on our sales, supply chain, production capability and costs and our ability to deliver our finished products.

Our products may infringe upon the intellectual property rights of others, which may cause us to incur unexpected costs or prevent us from selling our products.

We maintain valuable trademarks, service marks, copyrights, trade names, trade secrets, proprietary technologies and similar intellectual property, and consider our intellectual property to be of material value. We have in the past and may in the future be subject to legal proceedings and claims in the ordinary course of our business, including claims of alleged infringement of patents, trademarks and other intellectual property rights of third parties by us or our customers. Any such claims, whether or not meritorious, could result in costly litigation and divert the efforts of our management. Moreover, should we be found liable for infringement, we may be required to enter into licensing agreements (if available on acceptable terms or at all) or to pay damages and cease making or selling certain products. Any of the foregoing could cause us to incur significant costs and prevent us from manufacturing or selling our products and thereby materially adversely affect our business, results of operations and financial condition.

The healthcare reform legislation in the United States and its implementation regulations could impact the healthcare benefits we are required to provide our employees in the United States and cause our compensation costs to increase, potentially reducing our net income and adversely affecting our cash flows.

In March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act, were signed into law in the United States. This healthcare reform legislation and its applicable implementing regulations contain provisions that could materially impact our future healthcare costs, including the contributions we are required to make to our benefit plans. While the ultimate impact is not yet known, it is possible that these provisions, once implemented, could significantly increase our U.S. compensation costs, which would reduce our net income and adversely affect our cash flows.

Because of our prior acquisitions and future acquisitions we may engage in, our historical operating results may be of limited use in evaluating our historical performance and predicting our future results.

Darling has acquired a number of businesses in recent years, including Rothsay and VION Ingredients, and we expect that we will engage in acquisitions of other businesses from time to time in the future. The operating results of the acquired businesses are included in our financial statements from the date of the completion of such acquisitions. All of Darling's acquisitions have been accounted for using the acquisition method of accounting. Use of this method has resulted in a new valuation of the assets and liabilities of the acquired companies. We expect a substantial increase in our depreciation and amortization and reduction in our operating and net income commensurate with such increase. As a result of these acquisitions and any future acquisitions, our historical operating results may be of limited use in evaluating our historical performance and predicting our future results.

We may incur significant charges in the event we close or divest all or part of a manufacturing plant or facility.

We periodically assess our manufacturing operations in order to manufacture and distribute our products in the most efficient manner. Based on our assessments, we may make capital improvements to modernize certain units, move manufacturing or distribution capabilities from one plant or facility to another plant or facility, discontinue manufacturing or distributing certain products or close or divest all or part of a manufacturing plant or facility. The closure or divestiture of all or part of a manufacturing plant or facility could result in future charges that could be significant.

Risks Related to the Notes and this Offering

Our substantial level of indebtedness could adversely affect our financial condition and prevent the Issuer, Darling Ingredients and the subsidiary guarantors from fulfilling their obligations under the notes and the guarantees, respectively.

As of April 4, 2015, after giving effect to the Transactions, our total indebtedness would have been approximately $2,101.7 million, and we would have had undrawn commitments available for additional borrowings under the Senior Secured Facilities of up to $879.4 million (after giving effect to $32.0 million of outstanding letters of credit). The Issuer will rely entirely upon payments from us to meet its payment obligations under the notes. Our high level of indebtedness could have important consequences to you, as a holder of the notes, including the following:

- making it more difficult for the Issuer, Darling Ingredients and the subsidiary guarantors to satisfy their obligations with respect to the notes and the guarantees, our other indebtedness and our contractual and commercial commitments;

- limiting our ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements on commercially reasonable terms or at all;
- requiring us to use a substantial portion of our cash flows from operations to pay principal and interest on our indebtedness instead of other purposes, thereby reducing the amount of our cash flows from operations available for working capital, capital expenditures, acquisitions and other general corporate purposes;
- increasing our vulnerability to adverse economic, industry and business conditions;
- exposing us to the risk of increased interest rates as certain of our borrowings, including borrowings under the Senior Secured Facilities, are at variable rates of interest;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- placing us at a competitive disadvantage compared to other, less leveraged competitors; and
- increasing our cost of borrowing.

Furthermore, following the completion of this offering of the notes, the obligations of the foreign borrowers under the Senior Secured Facilities will also be guaranteed by the Issuer and secured by substantially all of the assets of the Issuer, including the intercompany loan pursuant to which the proceeds from this offering will be advanced to Darling International NL Holdings B.V., as further described under the section entitled "*Description of Other Indebtedness.*" In addition, subject to the requirements of local law, consultation with any applicable works council and the obtainment of any applicable corporate and regulatory approvals, following the offering of the notes, the obligations of the foreign borrowers under the Senior Secured Facilities may also become secured by the equity interests in the Issuer held by its parent.

In addition, the indenture that governs the 5.375% Notes, the credit agreement governing the Senior Secured Facilities and the indenture that will govern the notes contain restrictive covenants that limit our ability to engage in activities that may be in our long-term best interest. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all our funded indebtedness.

Despite our existing level of indebtedness, we and our subsidiaries may still be able to incur substantially more indebtedness, which could further exacerbate the risks to our financial condition described above.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future, including additional secured indebtedness under the Senior Secured Facilities. Although the indenture that governs 5.375% Notes, the credit agreement governing the Senior Secured Facilities and the indenture that will govern the notes contain restrictions on our incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions, and the additional indebtedness that could be incurred in compliance with these restrictions could be substantial. In addition, subject to certain conditions, we will be able to issue additional notes under the indenture that will govern the notes. If we incur any additional indebtedness that ranks equally with the notes, subject to collateral arrangements, the holders of that debt will be entitled to share ratably with you, as a holder of the notes, in any proceeds distributed in connection with our insolvency, liquidation, reorganization, dissolution or other winding up. This may have the effect of reducing the amount of proceeds paid to you. To the extent that we or our subsidiaries incur additional indebtedness, the risks associated with our indebtedness, including our possible inability to service our indebtedness, including the notes, could intensify.

We may not be able to generate sufficient cash to service all of our indebtedness, including the notes, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or to refinance our debt obligations depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control. We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness, including the notes.

If our cash flows and capital resources are insufficient to fund our debt service obligations and to meet our other cash needs, we could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance our indebtedness. We may not be able to effect any such alternative measures, if necessary, on commercially reasonable terms or at all and, even if successful, such alternative actions may not allow us to meet our scheduled debt service obligations and our other cash needs. The indenture that governs 5.375% Notes and the credit agreement governing the Senior Secured Facilities restrict, and the indenture that will govern the notes will restrict and the terms of our future debt agreements may also restrict, our ability to use the proceeds from the disposition of assets, debt incurrence or sales of equity to repay other indebtedness when it becomes due. We may not be able to consummate any such dispositions or to obtain debt or equity proceeds in amounts sufficient to meet any debt service obligations then due, and we may be restricted under our debt agreements from using any such amounts to service other debt obligations.

If we cannot make scheduled payments under any of the agreements governing our debt, we would be in default under such agreements, which could allow lenders under any credit facilities to terminate their commitments to loan money and could allow the applicable lenders or other debt holders to declare all outstanding principal and interest of such debt to be immediately due and payable, and, in the case of secured debt, to foreclose against the assets securing such debt and apply the proceeds from such foreclosure to repay amounts owed to them. Any of these events would likely in turn trigger cross-acceleration or cross-default provisions in our other debt instruments, which would allow the creditors under those instruments to exercise similar rights. If any of these actions are taken, we could be forced into restructuring, bankruptcy or liquidation, which could result in your losing all or part of your investment in the notes.

The Issuer's ability to repay the notes depends on the performance of Darling Ingredients and Darling Ingredients' subsidiaries, including Darling Ingredients' non-guarantor subsidiaries, and their ability to make payments.

The Issuer's financial position and results of operations are directly affected by Darling's decisions. The Issuer is an indirect, wholly-owned finance subsidiary of Darling Ingredients. The Issuer does not currently have, and is not expected to have, any operations, revenues or assets other than those related to its primary business of raising money for the purpose of on-lending to Darling Ingredients and other subsidiaries of Darling Ingredients. The Issuer's ability to satisfy its obligations under the notes will depend on payments made to the Issuer by Darling Ingredients and other subsidiaries of Darling Ingredients under the loans made by the Issuer. Our financial condition and results of operations, as well as our financial support of the Issuer, directly affect the Issuer's operational results and debt servicing capabilities.

We conduct a significant portion of our operations through our subsidiaries, a number of which operate outside the United States. Accordingly, repayment of our indebtedness, including the notes, is dependent, to a significant extent, on the generation of cash flow by our subsidiaries and their ability to make such cash available to us. Unless they are guarantors of the notes, our subsidiaries do not have any obligation to pay amounts due on the notes or to make funds available for that purpose. Under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from its subsidiaries. For example, subsidiaries that are organized under the laws of, and operate in, China, currently have substantial regulatory restrictions on their ability to make cash available to us. While the indenture that governs 5.375% Notes, the credit agreement governing the Senior Secured Facilities and the indenture that will govern the notes and the agreements governing certain of our other indebtedness will limit the ability of certain of our subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are subject to certain significant qualifications and exceptions. In the event that the Issuer does not receive payments from us, or we do not receive distributions from our subsidiaries, the Issuer may be unable to make the required principal, premium, if any, and interest payments on the notes.

Our consolidated financial statements include financial information from our subsidiary guarantors and from Darling Ingredients' non-guarantor subsidiaries.

Our consolidated financial statements include financial information from the subsidiary guarantors and Darling Ingredients' non-guarantor subsidiaries. Darling Ingredients' non-guarantor subsidiaries represented in excess of 25% of our EBITDA for the fiscal year ended January 3, 2015 and, therefore, our audited consolidated financial information may be of limited use in assessing the financial position of the individual subsidiary guarantors.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Borrowings under the Senior Secured Facilities are at variable rates of interest and expose us to interest rate risk. If interest rates were to increase, our debt service obligations on our variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. After giving effect to the Transactions, assuming all loans are fully drawn, each quarter point change in interest rates would result in a $4.7 million change in annual interest expense on our indebtedness under the Senior Secured Facilities. In the future, we may enter into interest rate swaps that involve the exchange of floating for fixed rate interest payments in order to reduce interest rate volatility. However, we may not maintain interest rate swaps with respect to all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk.

The notes will be unsecured and will be effectively subordinated to indebtedness under the Senior Secured Facilities and any other secured indebtedness to the extent of the value of the assets securing that indebtedness.

The notes will not be secured by any of the Issuer's or the guarantors' assets. As a result, the notes and the guarantees will be effectively subordinated to the Issuer's and the guarantors' secured indebtedness, including our and our guarantors' indebtedness under the Senior Secured Facilities, to the extent of the value of the assets that secure that indebtedness. Furthermore, following the completion of this offering of the notes, the obligations of the foreign borrowers under the Senior Secured Facilities will also be guaranteed by the Issuer and secured by substantially all of the assets of the Issuer, including the intercompany loan pursuant to which the proceeds from this offering will be advanced to Darling International NL Holdings B.V., as further described under the section entitled "*Description of Other Indebtedness*." In addition, subject to the requirements of local law, consultation with any applicable works council and obtainment of any applicable corporate and regulatory approvals, following the offering of the notes, the obligations of the foreign borrowers under the Senior Secured Facilities may also become secured by the equity interests in the Issuer held by its parent.

As of April 4, 2015, after giving effect to the Transactions, we would have had:

- approximately $982.2 million of secured indebtedness, including secured indebtedness under the Senior Secured Facilities (excluding an additional $32.0 million represented by letters of credit), to which the notes and guarantees would have been effectively subordinated; and
- undrawn commitments available for additional borrowings under the Senior Secured Facilities of up to $879.4 million (after giving effect to $32.0 million of outstanding letters of credit that reduce availability), which could increase by at least an additional $600.0 million, subject to certain conditions.

The indenture that will govern the notes will permit the Issuer, Darling Ingredients and Darling Ingredients' subsidiaries, subject to specified limitations, to incur a substantial amount of additional secured debt.

The effect of this subordination is that upon a default in payment on, or the acceleration of, any of the Issuer's, Darling Ingredients' or the subsidiary guarantors' secured indebtedness, or in the event of our or the subsidiary guarantors' bankruptcy, insolvency, liquidation, dissolution or reorganization, the proceeds from the sale of assets securing our secured indebtedness will be available to pay obligations on the notes only after all such secured indebtedness has been paid in full. As a result, the holders of the notes may receive less, ratably, than the holders of secured debt in the event of our or the subsidiary guarantors' bankruptcy, insolvency, liquidation, dissolution or reorganization.

A default in connection with our indebtedness under the Senior Secured Facilities could result in the Issuer's inability to continue to conduct its business.

Following the completion of this offering of the notes, the obligations of the foreign borrowers under the Senior Secured Facilities will also be secured by substantially all of the assets of the Issuer, including the intercompany loan pursuant to which the proceeds from this offering will be advanced to Darling International NL Holdings B.V. In addition, subject to the requirements of local law, consultation with any applicable works council and obtainment of any applicable corporate and regulatory approvals, following the offering of the notes, the obligations of the foreign borrowers under the Senior Secured Facilities may also become secured by the equity interests in the Issuer held by its parent. If Darling Ingredients or any of its restricted subsidiaries were to default under the terms of the Credit Agreement, the lenders under the Senior Secured Facilities would have the ability to foreclose against the assets, including the assets of the Issuer, securing indebtedness outstanding under the Senior Secured Facilities and apply the proceeds from such foreclosure to repay amounts owed to them. Any such event could result in the Issuer's inability to continue to conduct its business, and would have a material adverse impact on our financial condition and results of operations and consequently your investment in the notes.

The notes will be structurally subordinated to all indebtedness and other liabilities and all preferred equity of our existing and future subsidiaries that are not and do not become guarantors of the notes.

The notes will be guaranteed by Darling Ingredients and each of our existing and subsequently acquired or organized U.S. restricted subsidiaries (other than the Issuer or any receivables entity) that guarantee the Senior Secured Facilities or, if the Senior Secured Facilities are not outstanding, that incur certain other indebtedness. See the sections entitled "*Description of the Notes—General—The Note Guarantees*" and "*Description of the Notes—Certain Covenants—Future Guarantors*." Except for such guarantors of the notes, our subsidiaries, including all of our non-U.S. subsidiaries, will have no obligation, contingent or otherwise, to pay amounts due under the notes or to make any funds available to pay those amounts, whether by dividend, distribution, loan or other payment. The notes will be structurally subordinated to all indebtedness and other liabilities and all preferred equity of any non-guarantor subsidiary such that in the event of insolvency, liquidation, reorganization, dissolution or other winding up of any subsidiary that is not a guarantor, all of that subsidiary's creditors (including trade creditors) and preferred equity holders would be entitled to payment in full out of that subsidiary's assets before we would be entitled to any payment.

In addition, the indenture that will govern the notes will, subject to some limitations, permit these subsidiaries to incur additional indebtedness and will not contain any limitation on the amount of other liabilities, such as trade payables, that may be incurred by these subsidiaries.

For the fifty-three weeks ended April 4, 2015, our non-guarantor subsidiaries represented approximately 52.3% of our net sales, approximately 56.5% of our operating income and approximately 54.8% of our Adjusted EBITDA, respectively. As of April 4, 2015, after giving effect to the Transactions, our non-guarantor subsidiaries would have represented approximately 59.9% of our total assets and would have had approximately $1,285.6 million of total liabilities, including trade payables but excluding intercompany liabilities, all of which would have been structurally senior to the notes. Of the $1,285.6 million of total liabilities, $574.0 million would have been guaranteed by the subsidiary guarantors.

In addition, any subsidiary that provides, or will provide, note guarantees, will be automatically released from its note guarantee upon the occurrence of certain events, including the following:

- the designation of that subsidiary guarantor as an unrestricted subsidiary;
- the release or discharge of any guarantee or indebtedness that resulted in the creation of the note guarantee of the notes by that subsidiary guarantor; or
- the sale or other disposition, including the sale of substantially all the assets, of that subsidiary guarantor.

If any note guarantee is released, no holder of the notes will have a claim as a creditor against the applicable entity, and the indebtedness and other liabilities, including trade payables and preferred equity, if any, whether secured or unsecured, of that entity will be effectively senior to the claim of any holders of the notes. See "*Description of the Notes—Note Guarantees*."

We are permitted to create unrestricted subsidiaries, which will not provide guarantees of the notes or be subject to any of the covenants in the indenture that will govern the notes.

Our unrestricted subsidiaries will not provide guarantees of the notes or be subject to the covenants under the indenture that will govern the notes, even though we will be able to make certain investments in our unrestricted subsidiaries and guarantee certain of their obligations. As a result, our unrestricted subsidiaries will be able to engage in many of the activities that the Issuer, Darling Ingredients and Darling Ingredients' restricted subsidiaries are prohibited or limited from doing under the terms of the indenture that will govern the notes, such as selling, conveying or distributing assets, incurring additional debt, pledging assets, guaranteeing debt, paying dividends, making investments and entering into mergers or other business combinations, subject to any restrictive covenants in the financing documents, if any, of such unrestricted subsidiary. Any such activities by our unrestricted subsidiaries could be detrimental to our ability to make payments of principal, premium, if any, and interest when due and to comply with our other obligations under the notes, and may reduce the amount of our assets that will be available to satisfy your claims should we default on the notes. Our interests in the DGD Joint Venture are held through a subsidiary that is an unrestricted subsidiary. In the future, the DGD Joint Venture may become an unrestricted subsidiary.

Restrictions imposed by the indenture that will govern the notes and our existing and future debt agreements may limit our ability to finance future operations or capital needs or engage in other business activities that may be in our interest.

The indenture that will govern the notes and existing and future debt agreements may restrict the Issuer's, Darling Ingredients and Darling Ingredients' restricted subsidiaries' ability to:

- incur additional indebtedness;
- guarantee indebtedness or other obligations;
- pay dividends or make other distributions, repay subordinated indebtedness (if any), or make certain investments or other restricted payments;
- create liens securing indebtedness;
- merge, consolidate or sell or otherwise dispose of all or substantially all assets;
- sell or otherwise dispose of assets;
- make changes to our capital structure;
- engage in new lines of business unrelated to our current businesses; and
- enter into transactions with affiliates.

These terms may negatively impact our ability to finance future operations, implement our business strategy, fund our capital needs or engage in other business activities that may be in our interest. In addition, the agreements governing our existing and future indebtedness may require us to maintain compliance with specified financial ratios. Although we are currently in compliance with the financial ratios under the Senior Secured Facilities and do not plan on engaging in transactions that may cause us not to be in compliance with the ratios, our ability to comply with these ratios may be affected by events beyond our control, including the risks described in the other risk factors and elsewhere in these Listing Particulars.

A breach of any restrictive covenant or our inability to comply with any required financial ratio could result in a default under the applicable debt agreement. In the event that we default under any of these restrictive covenants, financial ratio covenants or other covenants, we would be required to seek waivers or amendments to the applicable debt agreements or to refinance the applicable indebtedness, and we cannot assure you that we would be able to do so on terms we deem acceptable, or at all. Any such default could allow lenders under any credit facilities to terminate their commitments to loan money and could allow the applicable lenders or other debt holders to declare all outstanding principal and interest of such debt to be immediately due and payable, and, in the case of secured debt, to foreclose against the assets securing such debt if we are unable to repay such debt and apply the proceeds from such foreclosure to repay amounts owed to them. Any of these events would likely in turn trigger cross-acceleration or cross-default provisions in our other debt instruments, which would allow the creditors under those instruments to exercise similar rights.

Any future agreements relating to our indebtedness may include the covenants described above and other restrictive or financial covenants.

The Issuer may not be able to repurchase the notes upon a change of control or an offer to repurchase the notes in connection with an asset sale as required by the indenture that will govern the notes.

Upon the occurrence of specific kinds of change of control events, the Issuer will be required to offer to repurchase all outstanding notes at 101% of their principal amount, plus accrued and unpaid interest to the purchase date. In addition, in connection with certain asset sales, the Issuer may be required to offer to repurchase notes with all or a portion of the cash proceeds from such asset sales at a price equal to 100% of their principal amount, plus accrued and unpaid interest to the purchase date. Furthermore, Darling Ingredients could be required to offer to repurchase all of the outstanding 5.375% Notes upon the occurrence of specified change of control events or to offer to repurchase those notes with all or a portion of the cash proceeds from certain asset sales. In addition, under the credit agreement governing the Senior Secured Facilities a change of control (within the meaning of that agreement) will constitute an event of default that permits the lenders to accelerate the maturity of borrowings under the respective agreements and terminate their commitments to lend. The occurrence of a change of control or similar event may also constitute an event of default under any of our other future credit facilities or other debt instruments or we may be required, under such future debt instruments, to offer to repurchase the applicable debt upon the occurrence of a change of control or similar event. Moreover, due to the financial effect of such repurchase on us, the exercise by the holders of their right to require us to repurchase the notes could cause a default under any other indebtedness we may have at the time, even if the change of control itself does not constitute a default under such indebtedness. Our available cash or cash generated from our subsidiaries' operations or other sources, including borrowings, sales of assets or sales of equity, would be the source of funds for any purchase of the notes pursuant to any such offer and the repayment of any other debt that may become payable (including, under the credit agreement governing the Senior Secured Facilities) or other debt (including the 5.375% Notes) that we may be required to offer to repurchase upon a change of control, in connection with such an asset sale or for any other reason. The Issuer may not be able to repurchase the notes upon a change of control because it may not have sufficient financial resources to purchase all of the notes that are tendered upon a change of control or in connection with such asset sale and repay any other indebtedness of ours that becomes due or that we are required to repurchase. We may require additional financing from third parties to fund any such purchases or repayments, and we may be unable to obtain financing on satisfactory terms or at all.

Even if sufficient funds were otherwise available, the terms of the credit agreement governing the Senior Secured Facilities will, and of any of our future indebtedness may, limit or prohibit the Issuer's prepayment or repurchase of the notes before their scheduled maturity. Consequently, if we are unable to prepay outstanding indebtedness under the Senior Secured Facilities and any such other future indebtedness containing similar restrictions or obtain requisite consents or waivers from the applicable lenders or other debt holders to make such repurchase, the Issuer will be unable to fulfill its repurchase obligations, if holders of notes exercise their repurchase rights following a change of control, resulting in a default under the indenture that will govern the notes. Any such default under the indenture that will govern the notes may result in a cross-default under the credit agreement governing the Senior Secured Facilities or any other future debt agreement that could entitle the applicable lenders or other debt holders to demand immediate repayment of the indebtedness thereunder and, in the case of secured indebtedness, to foreclose against the assets securing such indebtedness and apply the proceeds from such foreclosure to repay amounts owed to them. Further, our ability to repurchase the notes may be limited by law. In order to avoid the obligations to repurchase the notes and events of default and potential breaches of the credit agreement governing the Senior Secured Facilities and any other debt agreement, we may have to avoid certain change of control transactions that would otherwise be beneficial to us.

In addition, some important corporate events, such as leveraged recapitalizations, may not, under the indenture that will govern the notes, constitute a "change of control" that would require us to repurchase the notes, even though those corporate events could increase the level of our indebtedness or otherwise adversely affect our capital structure, credit ratings or the value of the notes. See the section entitled "*Description of the Notes—Change of Control*."

The definition of "Change of Control" includes a disposition of all or substantially all of the property and assets of us and our restricted subsidiaries taken as a whole to any person. Although there is a limited body of case law interpreting the phrase “substantially all,” there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of “all or substantially all” of the property or assets of a person. As a result, it may be unclear as to whether a change of control has occurred and whether a holder of notes may require us to make an offer to repurchase the notes.

The covenants included in the indenture that will govern the notes will be subject to significant qualifications and exceptions. In addition, many of the covenants in the indenture will not apply during any period in which the notes are rated investment grade by both Moody’s and Standard & Poor’s.

The covenants included in the indenture that will govern the notes will be subject to significant qualifications and exceptions. In particular, the covenants will permit the Issuer and Darling to incur substantial indebtedness, including secured indebtedness, pay significant dividends or make other significant distributions, make substantial investments, including investments in joint ventures and other entities that we do not control, and sell or otherwise dispose of valuable assets. See the section entitled “*Description of the Notes—Certain Covenants*” and the related definitions under the section entitled “*Description of the Notes—Certain Definitions*.” Any of these and other actions that will not be restricted under the indenture governing the notes could have a material adverse impact on our financial condition and results of operations and consequently your investment in the notes.

In addition, many of the covenants in the indenture will not apply during any period in which the notes are rated investment grade by both Moody’s and Standard & Poor’s, provided at such time no default or event of default has occurred and is continuing. The covenants that will not apply during such period include covenants that will restrict, among other things, our ability to incur or guarantee debt, to pay dividends or make other distributions or make other restricted payments, to sell or otherwise dispose of assets, to enter into affiliate transactions and to enter into certain other transactions. There can be no assurance that the notes will ever be rated investment grade, or that if they are rated investment grade, they will maintain these ratings. However, suspension of these covenants would allow us to engage in certain transactions that would not be permitted while these covenants were in force. To the extent the covenants are subsequently reinstated, any such actions taken while the covenants were suspended would not result in an event of default under the indenture. See the section entitled “*Description of the Notes—Certain Covenants—Effectiveness of Covenants*.”

A lowering or withdrawal of the credit ratings assigned to Darling Ingredients’ or the Issuer’s debt securities by rating agencies may increase our future borrowing costs, reduce our access to capital and reduce the liquidity or market value of the notes.

Our debt, including the notes, has been rated by nationally recognized statistical rating agencies and may in the future be rated by additional rating agencies. Our debt currently has a non-investment grade credit rating, and any credit rating assigned could be lowered or withdrawn entirely by a rating agency if, in that rating agency’s judgment, future circumstances relating to the basis of the rating, such as adverse changes in our business, so warrant. Consequently, real or anticipated changes in our credit ratings, including any downgrade, suspension or withdrawal of a rating by a rating agency, could reduce the liquidity or market value of the notes. Credit ratings are not recommendations to purchase, hold or sell the notes. Additionally, credit ratings may not reflect the potential effect of risks relating to the structure or marketing of the notes. Any downgrade by a rating agency could decrease earnings and may result in higher borrowing costs. Any future lowering of our ratings likely would make it more difficult or more expensive for us to obtain additional debt financing. If any credit rating initially assigned to the notes is subsequently lowered or withdrawn for any reason, you may not be able to resell your notes without a substantial discount.

Federal and state laws may permit a court, under specific circumstances, to void the notes and/or the guarantees as a fraudulent transfer or conveyance, subordinate claims in respect of the notes and/or the guarantees and require you to return payments received. If that occurs, you may not receive any payments on the notes or the guarantees.

Federal and state creditor-protection related laws, including fraudulent transfer and conveyance statutes, may apply to the issuance of the notes and the incurrence of the guarantees of the notes. Under federal bankruptcy law and comparable provisions of state fraudulent transfer or conveyance laws, which may vary from state to state, the notes or the guarantees thereof could be voided as fraudulent transfers or conveyances if the Issuer, Darling Ingredients or any of the subsidiary guarantors, as applicable, (i) issued the notes or incurred the guarantees with the intent of hindering, delaying or defrauding current or future creditors or (ii) received less than reasonably equivalent value or fair consideration in return for either issuing the notes or incurring the guarantees and, in the case of (b) only, one of the following is also true at the time thereof:

- the Issuer, Darling Ingredients or any of the subsidiary guarantors, as applicable, were insolvent or rendered insolvent by reason of the issuance of the notes or the incurrence of the guarantees;
- the issuance of the notes or the incurrence of the guarantees left the Issuer, Darling Ingredients or any of the subsidiary guarantors, as applicable, with an unreasonably small amount of capital or assets to carry on business; or
- the Issuer, Darling Ingredients or any of the subsidiary guarantors intended to, or believed that they or such subsidiary guarantor would, incur debts beyond their or the subsidiary guarantor's ability to pay as they mature.

As a general matter, value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or a valid antecedent debt is secured or satisfied. A court could find that the Issuer, Darling Ingredients or a subsidiary guarantor did not receive reasonably equivalent value or fair consideration for the notes or its guarantee, as applicable, to the extent that the Issuer, Darling Ingredients or the subsidiary guarantor did not obtain a reasonably equivalent benefit directly or indirectly from the issuance of the notes or the applicable guarantee.

We cannot be certain as to the standards a court would use to determine whether or not the Issuer, Darling Ingredients or the subsidiary guarantors were insolvent at the relevant time. In general, however, a court would deem an entity insolvent if:

- the sum of its debts, including contingent and unliquidated liabilities, was greater than the fair saleable value of all of its assets;
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they became due.

If a court were to find that the issuance of the notes or the incurrence of a guarantee was a fraudulent transfer or conveyance, the court could void the payment obligations under the notes or that guarantee (the effect being that holders of the notes would cease to have a claim under the notes or such guarantee) or could require the holders of the notes to repay any amounts received with respect to the notes or that guarantee. In the event of a finding that a fraudulent transfer or conveyance occurred, you may not receive any repayment on the notes. Further, the avoidance of the notes or any guarantees could result in an event of default with respect to the Issuer, Darling Ingredients and Darling Ingredients' subsidiaries' other debt that could result in acceleration of that debt.

Although the indenture that will govern the notes will contain a provision intended to limit Darling Ingredients' or a subsidiary guarantor's liability under its guarantee to the maximum amount that it could incur without causing the incurrence of obligations under its guarantee to be a fraudulent transfer, this provision may not be effective to protect the guarantees from being avoided under fraudulent transfer laws, or may reduce that subsidiary guarantor's obligation to an amount that effectively makes its guarantee worthless. For example, in 2009, the U.S. Bankruptcy Court for the Southern District of Florida in Official Committee of Unsecured Creditors of TOUSA, Inc. v. Citicorp N. Am., Inc. voided certain secured guarantees issued by certain subsidiary guarantors notwithstanding the existence of a similar provision which the court found to be ineffective in that case; this decision was affirmed by the Eleventh Circuit Court of Appeals on May 15, 2012. If the guarantees by the subsidiary guarantors were held to be unenforceable, the notes would be effectively subordinated to all indebtedness and other liabilities of the subsidiary guarantors, including trade payables.

Finally, as a court of equity, the bankruptcy court may subordinate the claims in respect of the notes to other claims against us under the principle of equitable subordination if the court determines that (i) the holder of notes engaged in some type of inequitable conduct, (ii) the inequitable conduct resulted in injury to our other creditors or conferred an unfair advantage upon the holders of notes and (iii) equitable subordination is not inconsistent with the provisions of the bankruptcy code.

Dutch insolvency laws to which the Issuer is subject may not be as favorable to you as U.S. or other insolvency laws.

As a company incorporated under the laws of The Netherlands, subject to applicable E.U. insolvency regulations, any insolvency proceedings in relation to the Issuer may be based on Dutch insolvency law. Dutch insolvency proceedings differ significantly from insolvency proceedings in the United States and may not be as favorable to your interests as creditors as the laws of the United States or other jurisdictions with which you may be familiar. See "*Limitations on the Validity and Enforceability of the Notes—The Netherlands*" for a discussion of the insolvency laws of The Netherlands.

A financial failure by us or our subsidiaries may result in the assets of any or all of those entities becoming subject to the claims of all creditors of those entities.

A financial failure by us or our subsidiaries could materially adversely affect payment of the notes if a bankruptcy court were to substantively consolidate us and some or all of our subsidiaries, including the Issuer. If a bankruptcy court substantively consolidated us and some or all of our subsidiaries, the assets of each entity would become subject to the claims of creditors of all entities. Such a ruling would expose holders of notes not only to the usual impairments arising from bankruptcy, but also to potential dilution of the amount ultimately recoverable because of the larger creditor base. Furthermore, a restructuring of the notes could occur through the "cramdown" provisions of the U.S. Bankruptcy Code. Under those provisions, the notes could be restructured over your objections as to their interest rate, maturity and other general terms.

Because each of Darling Ingredients and each subsidiary guarantor's liability under its guarantee may be reduced to zero, avoided or released under certain circumstances, you may not receive any payments from Darling Ingredients or some or all of the subsidiary guarantors.

As noted above, each guarantee is limited to the maximum amount that the applicable guarantor is permitted to guarantee under applicable law. As a result, a guarantor's liability under its guarantee could be reduced to zero, depending upon the amount of other obligations of such guarantor. Further, under the circumstances discussed more fully above, a court under federal or state fraudulent conveyance and transfer statutes could avoid the obligations under a guarantee or further subordinate it to all other obligations of the guarantor. In addition, you will lose the benefit of a particular guarantee if it is released under certain circumstances described under the section entitled "*Description of the Notes—Note Guarantees*."

Holders of the notes will not be entitled to registration rights, and we do not currently intend to register the notes. There are restrictions on your ability to transfer or resell the notes without registration under applicable securities laws.

The notes are being offered and sold pursuant to an exemption from registration under the Securities Act and applicable state securities laws. The holders of the notes will not be entitled to require us to register the notes for resale or otherwise, and we do not currently intend to register the notes under applicable securities laws. Therefore, you may transfer or resell the notes in the United States only in a transaction registered under or exempt from the registration requirements of the Securities Act and applicable state securities laws, and you may be required to bear the risk of your investment for an indefinite period of time.

The Issuer is a Dutch company, and it may be difficult for holders of the notes to obtain or enforce judgments against the Issuer or its directors.

The Issuer is incorporated under the laws of The Netherlands. Certain of the Issuer's directors, the Issuer's assets and some of the assets of the Issuer's directors are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon such persons or to enforce against them or the Issuer in U.S. courts, including judgments predicated upon the civil liability provisions of the federal securities laws of the United States. In addition, it is not clear whether a Dutch court would impose civil liability on the Issuer or any of its directors in an original action based solely upon the federal securities laws of the United States brought in a court of competent jurisdiction in The Netherlands.

The Issuer has agreed, in accordance with the terms of the Indenture under which the notes will be issued, to accept service of process in any suit, action or proceeding with respect to the Indenture or the notes brought in any federal or state court located in New York City by an agent designated for such purpose, and to submit to the jurisdiction of such courts in connection with such suits, actions or proceedings. The United States and The Netherlands do not have a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Consequently, a final and enforceable judgment for payment given by any court in the United States would not be enforceable in The Netherlands. In order to obtain a judgment which is enforceable in The Netherlands, the claim must be re-litigated before a competent Netherlands court. A Netherlands court will, under current practice, generally grant the same judgment without re-litigation on the merits, provided that:

- the foreign court rendering the judgment had jurisdiction over the subject matter of the litigation on internationally acceptable grounds (for example, if the parties have agreed, in a written contract, to submit their disputes to the foreign court);
- the foreign court has conducted the proceedings in accordance with generally accepted principles of fair trial (e.g. after proper service of process, giving the defendant sufficient time to prepare for the litigation);
- the foreign judgment is not in conflict with Dutch public policy (we are not aware of any reasons why in general enforcement of payment obligations under a foreign law agreement would be in conflict with current Dutch public policy);
- the foreign judgment is not in conflict with a decision rendered by a Dutch court between the same parties, or with an earlier judgment rendered by a foreign court in proceedings involving

the same cause of action and between the same parties, provided that the earlier decision can be recognized in The Netherlands; and

- the foreign decision is—according to the law of its country of origin—formally capable of being enforced (e.g., is readily enforceable, has not been annulled in appeal or its enforceability has not been subject to a certain time frame).

Awards of punitive damages in actions brought in the United States or elsewhere may be unenforceable in The Netherlands. Furthermore, it may be difficult for noteholders to enforce judgments of U.S. courts predicated upon the civil liability provisions of the U.S. federal securities laws outside the United States. Finally, it is doubtful whether a Netherlands court would accept jurisdiction and impose civil liability in an action commenced in The Netherlands and predicated solely upon U.S. federal securities laws.

The Issuer may be required to obtain a banking license from the European Central Bank as a result of issuing the notes, which could have a material adverse effect on us and your investment in the notes.

Following recently promulgated regulation in the E.U., there is uncertainty regarding how certain key definitions in the regulation will be defined, and, if such provisions are not defined in a manner that is consistent with current Dutch national guidance on which we rely, the Issuer could be categorized as a "credit institution," which would require it to obtain a banking license from the European Central Bank, and which may trigger regulatory enforcement measures for having conducted the business of a credit institution without such a license.

Under Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (the "CRR"), which took effect on January 1, 2014, the Issuer could be categorized as a "credit institution" as a consequence of issuing the notes if it is deemed to be "an undertaking the business of which is to receive deposits or other repayable funds from the public and to grant credits for its own account."

There is limited official guidance at an E.U. level as to the key elements of the definition of "credit institution," such as the concepts of the "repayable funds" and "the public." The Netherlands government has indicated that, as long as there is no clear guidance at the E.U. level, it is to be expected that the current Dutch national interpretation of these key elements may continue to be taken into account for the interpretation of what constitutes a credit institution. We rely, inter alia, on this national guidance to reach the conclusion that a requirement to obtain a banking license will not be triggered by notes issued in denominations equal to or are greater than €100,000.

If European guidance is published on what constitutes "the public" as referred to in the CRR, and such guidance does not provide that the holder of a note issued in a denomination equal to or greater than €100,000 (such as the notes) is excluded from being considered part of "the public" in this sense and the current Dutch national interpretation of "the public" is not considered to be "grandfathered" into the definition of "credit institution" in the CRR, the Issuer may be required to obtain a banking license. If the Issuer is required to obtain a banking license, or becomes subject to regulatory enforcement measures for having conducted the business of a credit institution without such a license, such events could have a material adverse effect on us and your investment in the notes.

If an active trading market does not develop for the notes, you may be unable to sell the notes or to sell them at a price you deem sufficient.

The notes will be a new issue of securities for which there is currently no public trading market. We have applied to the Irish Stock Exchange for the notes to be admitted to the Official List and for trading on the Global Exchange Market, but we cannot assure you that this application will be accepted. Even if the notes are approved for listing on the Official List, we cannot assure you that an active trading market will develop for the notes, or if one does develop, that it will be liquid.

We understand that the initial purchasers currently intend to make a market in the notes. However, they are not obligated to do so and may discontinue their market-making activities at any time without notice.

As a result, we cannot assure you that an active trading market will develop for the notes. If no active trading market develops, the price at which you may be able to sell notes, if at all, may be less than the price you pay for them. In addition, the liquidity of any trading market for the notes and the market price quoted for the notes may be adversely affected by changes in the overall market for those securities and by changes in our financial performance or prospects or in the prospects of companies in our industry generally. We cannot give you any assurance as to:

- the liquidity of any trading market that may develop;
- the ability of holders to sell their notes; or
- the price at which holders would be able to sell their notes.

Even if a trading market develops, the notes may trade at higher or lower prices than the principal amount or purchase price depending on many factors, including:

- prevailing interest rates;
- the number of holders of the notes;
- the interest of securities dealers in making a market for such notes;
- the market for securities similar to the notes; and
- the financial performance of Darling.

You may face currency exchange risks by investing in the notes.

The notes will be denominated and payable in euro. If you measure your investment returns by reference to a currency other than the currency in which your notes are denominated, investment in such notes entails foreign currency exchange related risks due to, among other factors, possible significant changes in the value of the euro relative to the currency you use to measure your investment returns because of economic, political and other factors which affect exchange rates and over which we have no control. Depreciation of the euro against the currency by reference to which you measure your investment returns could cause a decrease in the effective yield of the notes below their stated coupon rates and could result in a loss to you when the return on the notes is translated into the currency by reference to which you measure your investment returns. There may be tax consequences for you as a result of any foreign currency exchange gains or losses resulting from your investment in the notes. You should consult your tax advisor concerning the tax consequences to you of acquiring, holding and disposing of the notes.

USE OF PROCEEDS

The gross proceeds from this offering will be €515,000,000. We intend to use the gross proceeds of this offering to refinance the outstanding borrowings under the Euro Term Loan B (as defined in the section entitled "*Description of Other Indebtedness*") of the Senior Secured Facilities, to pay the initial purchasers' commission, to pay fees and expenses related to the Transactions, and to use any remaining proceeds for general corporate purposes. The initial purchasers and their affiliates may hold positions in the 5.375% Notes and/or may be lenders under the term loan B facility of the Senior Secured Facilities. As a result, affiliates of the initial purchasers that are lenders under the term loan B facility will receive a portion of the net proceeds of this offering. See the section entitled "*Plan of Distribution.*"

As of April 4, 2015 we had $1,145.1 million outstanding under the term loan B facility of the Senior Secured Facilities, comprising of (i) in the case of the USD Term Loan B (as defined in the section entitled "*Description of Other Indebtedness*"), a $594.0 million borrowing at an interest rate of 3.25%, and (ii) in the case of the Euro Term Loan B, a €504.9 million ($551.0 million) borrowing at an interest rate of 3.50%. The term loan B facility will mature on January 7, 2021.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of April 4, 2015, on an actual and on a pro forma basis to give effect to the offering and the intended use of proceeds therefrom.

You should read this information in conjunction with the sections entitled "*Risk Factors,*" "*Use of Proceeds,*" "*Selected Historical Consolidated Financial Information,*" "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the financial statements and related notes included elsewhere and incorporated by reference in these Listing Particulars.

	As of April 4, 2015	
	Actual	As Adjusted
	(in millions)	
Cash and cash equivalents	$ 112.1	$ 112.1
Long-term debt (including current portion of long-term debt):		
5.375% Notes	$ 500.0	$ 500.0
Senior Secured Facilities(1)		
Revolving credit facility(2)	88.6	88.6
Term loan A facility	299.6	299.6
Term loan B facility	1,145.1	594.0
The notes	—	562.1
Other debt	57.4	57.4
Total long-term debt	2,090.7	2,101.7
Total stockholders' equity(3)	1,852.8	1,852.8
Total capitalization	$3,943.5	$3,954.5

(1) The Senior Secured Facilities provide for an option to increase the aggregate principal amount of the facilities thereunder by at least an additional $600.0 million, subject to certain conditions. For a description of the Senior Secured Facilities, see the sections entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Financing, Liquidity and Capital Resources—Credit Facilities*" and "*Description of Other Indebtedness*."

(2) As of April 4, 2015, we had undrawn commitments available for additional borrowings under the revolving credit facility of up to $879.4 million (after giving effect to $32.0 million of outstanding letters of credit).

(3) Excludes the write-off of deferred financing fees, loss on original issue discount and lender fees in an aggregate amount of $10.6 million associated with the partial repayment of the term loan B facility with the net proceeds from this offering as described in the section entitled "*Use of Proceeds*."

SELECTED HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

The following tables present selected historical consolidated financial and operating information of Darling as of the dates and for the periods indicated. The selected historical consolidated financial information of Darling as of January 3, 2015 and December 28, 2013 and for each of the fiscal years ended January 3, 2015, December 28, 2013 and December 29, 2012 is derived from the audited historical consolidated financial statements included elsewhere in these Listing Particulars. The selected historical consolidated financial information of Darling as of December 29, 2012, December 31, 2011 and January 1, 2011 and for each of the fiscal years ended December 31, 2011 and January 1, 2011 is derived from audited historical consolidated financial statements not included in these Listing Particulars. The selected historical consolidated financial information of Darling as of April 4, 2015 and March 29, 2014 and for each of the three months ended April 4, 2015 and March 29, 2014 is derived from unaudited historical consolidated financial statements included elsewhere in these Listing Particulars. The unaudited historical consolidated financial statements, in management's opinion, have been prepared on the same basis as the audited historical consolidated financial statements and related notes included elsewhere in these Listing Particulars, and include all adjustments, consisting only of normal recurring adjustments, that management considers necessary for a fair presentation of the financial information as of and for the periods presented. The historical operating results of Darling for the three months ended April 4, 2015 are not necessarily indicative of the results that may be expected for the full year. The historical operating results and financial condition of Darling are not necessarily indicative of the results or financial condition to be expected for any future periods.

For the fiscal year ended January 3, 2015, the guarantors under the notes (including Darling Ingredients) represented 47.4%, or $205.7 million, and 99.5%, or $2,041.6 million, of our EBITDA and net assets, respectively, and our non-guarantor subsidiaries represented 52.6%, or $228.3 million, and 0.5%, or $9.5 million, of our EBITDA and net assets, respectively. The Issuer was incorporated on May 13, 2015 and, accordingly, was not a consolidated subsidiary during the fiscal year ended January 3, 2015. Our audited consolidated financial information includes both guarantor and non-guarantor companies. As Darling Ingredients' non-guarantor subsidiaries represented in excess of 25% of our EBITDA for the fiscal year ended January 3, 2015, such financial information may be of limited use in assessing the financial position of individual guarantors.

One of the subsidiary guarantors, Griffin Industries LLC, represented 33.4%, or $144.8 million, of our EBITDA and 19.8%, or $405.2 million, of our net assets, as of and at (respectively) January 3, 2015. Griffin Industries LLC was initially incorporated as a Kentucky corporation in 1959, and was converted to a Kentucky limited liability company on May 2, 2011. Its business activities and the risks related thereto are substantially similar to those described herein in the sections entitled "*Our Business*" and "*Risk Factors—Risks Related to Darling*," respectively. Other than as disclosed herein, we do not believe that there are currently further material risks specific to Griffin Industries LLC that are likely to impact its guarantee. Other than as disclosed herein, there are no encumbrances on the assets of Griffin Industries LLC that materially affect its ability to meet its obligations under the guarantee. For further information regarding Griffin Industries LLC, see the section entitled "*Listing and General Information—The Guarantors*." No other guarantor under the notes (other than Darling Ingredients, for which detailed financial and operating information is provided herein) represented more than 20% of our EBITDA or net assets. Darling Ingredients, the ultimate parent of the Issuer, accounted for (7.0)%, or $(30,235), of our EBITDA and 69.1%, or $1,417.3 million, of our net assets, as of and at (respectively) January 3, 2015.

You should read this information in conjunction with the sections entitled "*Risk Factors,*" "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the consolidated financial statements and related notes included elsewhere and incorporated by reference in these Listing Particulars.

(in thousands)	Fifty-two Weeks Ended January 1, 2011(1)	Fifty-two Weeks Ended December 31, 2011	Fifty-two Weeks Ended December 29, 2012(2)	Fifty-two Weeks Ended December 28, 2013(3)	Fifty-three Weeks Ended January 3, 2015(4)	Three Months Ended March 29, 2014	Three Months Ended April 4, 2015
						(Unaudited)	(Unaudited)
Statements of Operations Data:							
Net sales(5)	$ 724,909	$1,797,249	$1,772,552	$1,802,268	$ 3,956,443	$ 946,292	$ 874,694
Cost of sales and operating expense(5)(6)	531,699	1,268,221	1,303,727	1,339,819	3,123,171	775,206	684,521
Selling, general and administrative expenses	68,042	136,135	151,713	170,825	374,580	90,033	86,631
Depreciation and amortization	31,908	78,909	85,371	98,787	269,517	65,669	66,398
Acquisition costs	10,798	—	—	23,271	24,667	15,948	5,319
Operating income	82,462	313,984	231,741	169,566	164,508	(564)	31,825
Interest expense(7)	8,737	37,163	24,054	38,108	135,416	58,857	23,109
Foreign Currency (gain)/loss(8)	—	—	—	(28,107)	13,548	13,814	2,460
Other (income)/expense, net(9)(10)(11)	3,382	2,955	(1,760)	3,547	(299)	1,138	509
Equity in net (income)/loss of unconsolidated subsidiary(12)	—	1,572	2,662	(7,660)	(65,609)	(5,077)	1,808
Income from continuing operations before income taxes	70,343	272,294	206,785	163,678	81,452	(69,296)	3,939
Income tax expense/(benefit)	26,100	102,876	76,015	54,711	13,141	(18,290)	2,115
Net income (benefit) (loss):	$ 44,243	$ 169,418	$ 130,770	$ 108,967	$ 68,311	$ (51,006)	$ 1,824
Net Income attributable to minority interests	—	—	—	—	(4,096)	(1,797)	(1,715)
Net Income (loss) attributable to Darling:	44,243	169,418	130,770	108,967	64,215	(52,803)	109
Balance Sheet Data (at period end):							
Working capital	$ 30,756	$ 92,423	$ 158,578	$ 950,698	$ 569,570	$ 568,711	$ 568,220
Total assets	1,382,258	1,417,030	1,552,416	3,244,133	5,170,713	5,549,859	4,957,815
Current portion of long-term debt	3,009	10	82	19,888	54,401	62,451	81,195
Total long-term debt less current portion	707,030	280,020	250,142	866,947	2,098,039	2,330,494	2,009,535
Stockholders' equity attributable to Darling	464,296	920,375	1,062,436	2,020,952	1,952,990	1,992,464	1,852,794
Statement of Cash Flows Data:							
Net cash provided by operating activities	81,510	240,864	249,537	210,721	275,172	(30,504)	59,310
Net cash provided (used) in investing activities	(783,645)	(83,683)	(153,832)	(895,425)	(2,323,764)	(2,138,538)	(50,716)
Net cash used in financing activities	653,155	(137,447)	(31,392)	1,457,446	1,275,569	1,443,343	8,527
Effect of exchange rate changes on cash	—	—	—	(5,134)	10,980	(1,736)	(13,704)
Net increase/(decrease) in cash and cash equivalents	(48,980)	19,734	64,313	767,608	(762,073)	(727,435)	3,347
Cash and cash equivalents at beginning of period	68,182	19,202	38,936	103,249	870,857	870,857	108,784
Cash and cash equivalents at end of period	$ 19,202	$ 38,936	$ 103,249	$ 870,857	$ 108,784	$ 143,422	$ 112,131

(1) Subsequent to the date of acquisition, Fiscal 2010 includes 2 weeks of contribution from the Griffin Industries, Inc. assets and 31 weeks of contribution from the assets of Nebraska By-Products, Inc.

(2) Subsequent to the date of acquisition, Fiscal 2012 includes 29 weeks of contribution from the RVO BioPur, LLC assets.

(3) Subsequent to the date of acquisition, Fiscal 2013 includes 18 weeks of contribution from the TRS assets and 9 weeks of contribution from the assets of Rothsay.

(4) Subsequent to the date of acquisition, Fiscal 2014 includes 52 weeks of contribution and 14 weeks of contribution from the VION Acquisition and the Custom Blenders acquisition, respectively.

(5) Includes certain reclassifications from net sales to cost of sales and operating expenses of approximately $78.7 million and $71.1 million in Fiscal 2013 and Fiscal 2012, respectively to conform to current year presentation.

(6) Included in Fiscal 2014 are non-cash charges for the step-up of inventory acquired in the VION Acquisition of approximately $49.8 million. Additionally, Fiscal 2011 and Fiscal 2010 includes certain immaterial amounts that have been reclassified to conform to Fiscal 2012 through Fiscal 2014 presentation.

(7) Included in interest expense for Fiscal 2014 is a redemption premium and a write-off of deferred loan costs of approximately $27.3 million and $4.3 million, respectively. Included in interest expense for Fiscal 2013 is approximately $13.0 million for bank financing fees from an unutilized bridge facility. Fiscal 2012 includes the write-off of approximately $0.7 million in deferred loan costs as a result of the final payoff on the term loan portion of the Company's previous secured credit facilities. Included in interest expense for Fiscal 2011 is approximately $4.9 million in deferred loan costs that were written off due to early payoff of a portion of a term loan from the Company's previous secured credit facilities and in fiscal 2010 is approximately $3.1 million for bank financing fees paid from a previous acquisition.

(8) In Fiscal 2014 and Fiscal 2013, the Company recorded a loss of approximately $12.6 million and a gain of approximately $27.5 million, respectively on foreign currency exchange forward hedge contracts.

(9) Included in other (income)/expense in fiscal 2010 is a write-off of deferred loan costs of approximately $0.9 million for the early termination of a previous senior credit agreement.

(10) Included in other (income)/expense in Fiscal 2010 is a write-off of property for fire and casualty losses of approximately $1.0 million for losses incurred in plant fires at two plant locations.

(11) Included in other (income)/expense in fiscal 2012 are gain contingencies from insurance proceeds from Fiscal 2012 and Fiscal 2010 fire and casualty losses of approximately $4.7 million.

(12) Primarily represents the Company's portion of the (income)/loss of the DGD Joint Venture.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth in the sections entitled "Cautionary Note Regarding Forward-Looking Statements" *and* "Risk Factors."

The following discussion should be read subject to and in conjunction with (i) our historical consolidated financial statements and the notes thereto included elsewhere and incorporated by reference in these Listing Particulars and (ii) the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" *in our Annual Report on Form 10-K for the year ended January 3, 2015 incorporated by reference herein, except as to any historical Darling information in such section that is updated by Darling information in this section of these Listing Particulars or the Darling historical financial statements included in these Listing Particulars. You should also read the information included in the section entitled* "Selected Historical Consolidated Financial Information" *in these Listing Particulars. Unless otherwise noted, non-financial information is given as of the date of these Listing Particulars.*

Company Overview

We are a global developer and producer of sustainable natural ingredients from edible and inedible bio-nutrients, creating a wide range of ingredients and customized specialty solutions for customers in the pharmaceutical, food, pet food, feed, technical, fuel, bioenergy and fertilizer industries. With operations on five continents, we collect and transform all aspects of animal by-product streams into useable and specialty ingredients, such as gelatin, edible fats, feed-grade fats, animal proteins and meals, plasma, pet food ingredients, organic fertilizers, yellow grease, fuel feedstocks, green energy, natural casings and hides. We also recover and convert used cooking oil and commercial bakery residuals into valuable feed and fuel ingredients. In addition, we provide grease trap services to food service establishments, environmental services to food processors and sell restaurant cooking oil delivery and collection equipment.

On January 7, 2014, we acquired VION Ingredients by purchasing all of the shares of the VION Companies in the VION Acquisition. The VION Ingredients business is now conducted under the name Darling Ingredients International. In addition, on October 28, 2013, we completed the acquisition of substantially all of the assets of Rothsay, a division of MFI, in the Rothsay Acquisition. Prior to the Acquisitions, we had no material foreign operations. As a result of the Acquisitions, our business is now conducted through a global network of over 200 locations across five continents.

Commencing with the first quarter of 2014, our business operations were reorganized into three new reportable operating segments: Feed Ingredients, Food Ingredients and Fuel Ingredients. This change was necessitated by the VION Acquisition and aligns our operations based on the products and services offered to various end markets; however, none of our historical operations fall within the Food Ingredients operating segment and therefore, there is no comparable financial information for the Food Ingredients operating segment for prior years. As a result, Fiscal 2014 operations are not comparable to Fiscal 2013 and Fiscal 2012.

The Feed Ingredients operating segment includes our global activities related to (i) the collection and processing of beef, poultry and pork animal by-products in North America and Europe into non-food grade oils and protein meals, (ii) the collection and processing of bakery residuals in North America into Cookie Meal®, which is predominantly used in poultry and swine rations, (iii) the collection and processing of used cooking oil in North America into non-food grade fats, as well as the production and sale of a variety of cooking oil collection delivery systems, (iv) the collection and processing of bovine, porcine and ovine blood in China, Europe and North America into blood plasma powder and hemoglobin, (v) the processing of cattle hides and hog skins in North America and Europe, (vi) the production of organic fertilizers using protein produced from our animal by-products processing activities in North America and Europe, and (vii) grease trap services to food service establishments and environmental services to food processors. Non-food grade oils and fats produced and marketed by us are principally sold to third parties to be used as ingredients in animal feed and pet food, as an ingredient for the production of biodiesel and renewable diesel, or to the oleo-chemical industry to be used as an ingredient in a wide variety of industrial applications. Protein meals produced and marketed by us are sold to third parties to be used as ingredients in animal feed, pet food and aquaculture. Blood plasma powder and hemoglobin produced and marketed by us are sold to third parties to be used as ingredients in animal feed, pet food and aquaculture.

The Food Ingredients operating segment includes our global activities related to (i) the collection and processing of beef and pork bone chips, beef hides, pig skins, and fish skins into gelatin and hydrolyzed collagen in Europe, China, South America and North America, (ii) the collection and processing of porcine and ovine intestines into natural casings in Europe, China and North America, (iii) the extraction and processing of porcine mucosa into crude heparin in Europe, (iv) the collection and refining of animal fat into food grade fat in Europe, and (v) the processing of bones to bone chips for the gelatin industry and bone ash. Gelatins produced and marketed by us are sold to third parties to be used as ingredients in the pharmaceutical, nutriceutical, food, and technical (i.e., photographic) industries. Natural casings produced and marketed by us are sold to third parties to be used as an ingredient in the production of sausages and other similar food products.

The Fuel Ingredients operating segment includes our global activities related to (i) the conversion of animal fats and recycled greases into biodiesel in North America, (ii) the conversion of organic sludge and food waste into biogas in Europe, (iii) the collection and conversion of fallen stock and certain animal by-products pursuant to applicable E.U. regulations into low-grade energy sources to be used in industrial applications, (iv) commencing in the second quarter of 2014, the processing of manure into natural bio-phosphate in Europe, and (v) our share of the results of the DGD Joint Venture.

Corporate Activities principally includes unallocated corporate overhead expenses, acquisition-related expenses, interest expense net of interest income, and other non-operating income and expenses.

In December 2014, an H5 strain of Bird Flu was reported in commercial poultry farms in Western Canada and backyard flocks in the Northwestern United States. This same H5 strain was subsequently reported on commercial turkey farms in California in January 2015. Since these initial reports that the disease had reached Canada and the United States, migratory birds have been blamed for spreading this and two additional H5 strains among commercial poultry flocks in the Midwestern United States and Ontario, Canada. As of the date of these Listing Particulars, commercial poultry flocks in 14 states were confirmed to have one or more of these H5 strains of Bird Flu. To date, there have been no reports of humans contracting any of these H5 strains, nor have there been any reports that these Bird Flu strains can be spread from person to person. The response plans followed by APHIS in the United States to control outbreaks and prevent the spread of Bird Flu include, among other procedures, restricting the movement of poultry and poultry products into or out of the site of infection, using humane methods to depopulate the infected flock or farm and disposal of the euthanized birds on-site to avoid transporting infected material outside the established quarantine zone. The Company is continuing to monitor this situation. As of the date of these Listing Particulars, this outbreak has not had a significant impact on the Company's operations or financial performance; however, any disease that is linked to animals and has a negative impact on meat or poultry consumption or animal production in any jurisdiction in which the Company operates could have a material negative impact on the volume of raw materials available to the Company or the demand for the Company's finished products. For a more detailed discussion of this and other factors that can impact the Company's business and results of operation, see the "*Risk Factors—Risks Related to Darling—Our business may be negatively impacted by the occurrence of any disease correctly or incorrectly linked to animals.*"

Operating Performance Indicators

The Company is exposed to certain risks associated with a business that is influenced by agricultural-based commodities. These risks are further described herein in the section entitled "*Risk Factors—Risks Related to Darling.*"

The Company's Feed Ingredients segment animal by-products, bakery residuals, used cooking oil recovery, and blood operations are each influenced by prices for agricultural-based alternative ingredients such as corn, soybean oil, soybean meal, and palm oil. In these operations, the costs of the Company's raw materials change with, or in certain cases are indexed to, the selling price or the anticipated selling price of the finished goods produced from the acquired raw materials and/or in some cases, the price spread between various types of finished products. The Company believes that this methodology of procuring raw materials generally establishes a relatively stable gross margin upon the acquisition of the raw material. Although the costs of raw materials for the Feed Ingredients segment are generally based upon actual or anticipated finished goods selling prices, rapid and material changes in finished goods prices, including competing agricultural-based alternative ingredients, generally have an immediate and often times, material impact on the Company's gross margin and profitability resulting from the lag effect or lapse of time from the procurement of the raw materials until they are processed and the finished goods sold. In addition, the amount of raw material volume acquired, which has a direct impact on the amount of finished goods produced, can also have a material effect on the gross margin reported, as the Company has a substantial amount of fixed operating costs.

The prices available for the Company's Food Ingredients segment gelatin and natural casings products are influenced by other competing ingredients including plant-based and synthetic hydrocolloids and artificial casings. In the gelatin operation, in particular, the cost of the Company's animal-based raw material moves in relationship to the selling price of the finished goods. The processing time for gelatin and casings is generally 30 to 60 days, which is substantially longer than the Company's animal by-products operations. Consequently, the Company's gross margin and profitability in this segment can be influenced by the movement of finished goods prices from the time the raw materials were procured until the finished goods are sold.

The reporting currency for the Company's financial statements is the U.S. dollar. The Company operates in over 15 countries and therefore, certain of the Company's assets, liabilities, revenues and expenses are denominated in functional currencies other than the U.S. dollar, primarily in the euro, Brazilian real, Chinese renminbi, Canadian dollar, Argentine peso, Japanese yen and Polish zloty. To prepare the Company's consolidated financial statements the Company must translate those assets, liabilities, revenues, and expenses into U.S. dollars at the applicable exchange rate. As a result, increases or decreases in the value of the U.S. dollar against these other currencies will affect the amount of these items recorded in the Company's consolidated financial statements, even if their value has not changed in the functional currency. This could have a significant impact on the Company's results, if such increase or decrease in the value of the U.S. dollar relative to these other currencies is substantial.

The Company monitors the performance of its business segments using key financial metrics such as segment operating income, metric tons of raw material processed, gross margin percentage, foreign currency, and Adjusted EBITDA. The Company's operating results can vary significantly due to changes in factors such as the fluctuation in energy prices, weather conditions, crop harvests, government policies and programs, changes in global demand, changes in standards of living, protein consumption, and global production of competing ingredients. Due to these unpredictable factors that are beyond the control of the Company, the Company does not provide forward-looking financial or operational estimates.

Three Months Ended April 4, 2015 Compared to Three Months Ended March 29, 2014

The Company's first three months of Fiscal 2015 results include thirteen weeks of operations from the VION Acquisition, as compared to twelve weeks of operations from the VION Acquisition in the first three months of Fiscal 2014. Net income attributable to Darling for the first three months of Fiscal 2015 was $0.1 million, or $0.00 per diluted share, as compared to a net loss of $(52.8) million, or $(0.32) per diluted share, in the first three months of Fiscal 2014. The results for the first three months of Fiscal 2015 and Fiscal 2014, respectively, include the following after-tax costs:

Fiscal 2015

- $2.9 million ($0.02 per diluted share) associated with the integration of VION Ingredients and Rothsay related to a staff reduction in Angoulême, France and the implementation of internal controls over financial reporting per the Sarbanes-Oxley Act of 2002 during the first three months of Fiscal 2015

Fiscal 2014

- $31.3 million ($0.19 per diluted share) related to a non-cash inventory step-up associated with the required purchase accounting for the VION Acquisition related to the portion of acquired inventory sold during the period;
- $22.1 million ($0.13 per diluted share) related to the redemption premium and write-off of deferred loan costs associated with the retirement of the Company's 8.5% Notes due 2018 (the "8.5% Notes") on February 7, 2014;
- $13.8 million ($0.08 per diluted share) associated with the acquisition and integration of Rothsay and VION Ingredients during the period; and
- $8.8 million ($0.05 per diluted share) related to certain euro forward contracts entered into to hedge against foreign exchange risks related to the closing of the VION Acquisition.

Net income and diluted earnings per common share would have been $3.0 million and $0.02 per diluted share, respectively, for the first three months of Fiscal 2015, as compared to $23.2 million and $0.13 per share, respectively, for the first three months of Fiscal 2014, without the acquisition and integration costs, non-cash inventory step-up associated with the VION Acquisition, the redemption fees and write-off of deferred loan costs associated with the retirement of the 8.5% Notes and the foreign exchange loss related to the closing of the VION Acquisition. When comparing the first three months of Fiscal 2015 to the first three months of Fiscal 2014, this would have resulted in a $20.2 million decrease in net income. The decrease is attributable to lower finished product prices, lower equity income from unconsolidated subsidiaries and the impact of foreign exchange rates as a function of the strengthening U.S. dollar as compared mainly to the euro and Canadian dollar, which were partially offset by an increase in raw material volumes.

Operating Income by Segment

Segment operating income for the first three months of Fiscal 2015 was $31.8 million, which reflects an increase of $32.4 million as compared to the first three months of Fiscal 2014. Adjusting the first three months of Fiscal 2014 for the inventory step-up associated with the purchase accounting required for the VION Acquisition and the net change between the acquisition and integration costs in the first three months of Fiscal 2015 as compared to the first three months of Fiscal 2014, operating income would have been $54.8 million in the first three months of Fiscal 2014.

(dollars in thousands)	Feed Ingredients	Food Ingredients	Fuel Ingredients	Corporate	Total
Three Months Ended April 4, 2015					
Net Sales	$547,498	$270,157	$57,039	$ —	$874,694
Cost of sales and operating expenses	424,006	216,637	43,874	4	684,521
Gross Margin	123,492	53,520	13,165	(4)	190,173
Selling, general and administrative expense	48,023	25,476	4,040	9,092	86,631
Acquisition costs	—	—	—	5,319	5,319
Depreciation and amortization	40,055	17,197	6,631	2,515	66,398
Segment operating income/ (loss)	35,414	10,847	2,494	(16,930)	31,825
Equity in net income of unconsolidated subsidiaries	417	—	(2,225)	—	(1,808)
Segment income	35,831	10,847	269	(16,930)	30,017
Total other expense					(26,078)
Income/ (loss) before income taxes					$ 3,939

(dollars in thousands)	Feed Ingredients	Food Ingredients	Fuel Ingredients	Corporate	Total
Three Months Ended March 29, 2014					
Net Sales	$586,107	$293,462	$66,723	$ —	$946,292
Cost of sales and operating expenses	458,450	264,101	52,669	(14)	775,206
Gross Margin	127,657	29,361	14,054	14	171,086
Selling, general and administrative expense	51,565	24,062	4,332	10,074	90,033
Acquisition costs	—	—	—	15,948	15,948
Depreciation and amortization	38,559	17,441	7,377	2,292	65,669
Segment operating income/ (loss)	37,533	(12,142)	2,345	(28,300)	(564)
Equity in net income of unconsolidated subsidiaries	403	—	4,674	—	5,077
Segment income	37,936	(12,142)	7,019	(28,300)	4,513
Total other expense					(73,809)
Income/ (loss) before income taxes					$ (69,296)

Feed Ingredients operating income for the first three months of Fiscal 2015 was $35.4 million, a decrease of $2.1 million as compared to the first three months of Fiscal 2014. Feed Ingredients operating income for the first three months of Fiscal 2015 decreased by $14.8 million compared to the Feed Ingredients operating income for the first three months of Fiscal 2014, after taking into account the non-cash inventory step-up adjustment of approximately $12.7 million. Lower earnings in the Feed Ingredients segment were due to significant decline in proteins, fats, used cooking oil and bakery finished product prices attributable to overall lower feed ingredient prices as a result of the global record-setting grain production. Lower earnings in our United States operations were primarily due to lower prices for fat, particularly in the Company's non-formula business, protein, as well as bakery. Our U.S. operations had strong volumes due to an increase in dead stock and breakdown tonnage from the slaughter industry and new accounts. In addition, the Feed Ingredients segment's operating cash flow was negatively impacted by foreign exchange translation by approximately $4.6 million when using the average exchange rates for the first three months of Fiscal 2014.

Food Ingredients operating income was $10.8 million for the first three months of Fiscal 2015, an increase of $22.9 million as compared to the first three months of Fiscal 2014. Food Ingredients operating income for the first three months of Fiscal 2015 decreased by $9.0 million compared to the Food Ingredients operating income for the first three months of Fiscal 2014, after taking into account the non-cash inventory step-up adjustment of approximately $31.9 million. The gelatin business performed better in the first three months of Fiscal 2015 as compared to the prior corresponding period as a result of increased demand in China and lower raw material prices in Europe. The European specialty ingredients business was down compared to the prior corresponding period due to the closing of the Russian trade border in the second quarter of Fiscal 2014. The Company's casing business also improved comparable to the prior corresponding period. In addition, the Food Ingredients segment's operating cash flow was negatively impacted by foreign exchange translation by approximately $6.9 million when using the average exchange rates for the first three months of Fiscal 2014.

Exclusive of the DGD Joint Venture, Fuel Ingredients operating income for the first three months of Fiscal 2015 was $2.5 million, an increase of $0.2 million as compared to first three months of Fiscal 2014. Fuel Ingredients operating income for the first three months of Fiscal 2015 was the same as the Fuel Ingredients operating income for the first three months of Fiscal 2014, after taking into account the non-cash inventory step-up adjustment of approximately $0.2 million. Including the DGD Joint Venture, the Fuel Ingredients segment income for the first three months of Fiscal 2015 was $0.3 million, as compared to segment income of $7.2 million in the same period of 2014. The reduction of $6.9 million is primarily related to a decrease in the income of the DGD Joint Venture due to the uncertain regulatory environment with respect to the U.S. mandated RVO requirement and the decrease in petroleum prices. In addition, the Fuel Ingredients segment's operating cash flow was negatively impacted by foreign exchange translation by approximately $2.4 million when using the average exchange rates for the first three months of Fiscal 2014 and by lower production at the Canadian biodiesel plant due to operational breakdown issues.

Raw Material Processed

Raw material processed represents the quantity in metric tons of raw material collected from the Company's various raw material suppliers. The volume of raw material processed bears a direct relationship to the volume of finished product produced and available for sale.

Overall, in the first three months of Fiscal 2015, the raw material processed by the Company totaled 2.44 million metric tons. Of this amount, 1.87 million metric tons was in the Feed Ingredients segment, 265,000 metric tons was in the Food Ingredients segment, and 302,000 metric tons was in the Fuel Ingredients segment. Globally, on a sequential quarter basis, raw material processed volumes were flat, which consisted of a 0.80% increase in the Feed Ingredients segment, a 3.87% decrease in the Food Ingredients segment, and a 9.10% decrease in the Fuel Ingredients segment. As compared to the first three months of Fiscal 2014, overall volumes were up approximately 12.94%, which consisted of a 11.97% increase in the Feed Ingredients segment, a 4.54% increase in the Food Ingredients segment and a 28.90% increase in the Fuel Ingredients segment. The total raw materials processed and the raw materials processed for the Fuel Ingredients segment excludes raw material processed at the DGD Joint Venture.

In the first three months of Fiscal 2014, the raw material processed by the Company totaled 2.16 million metric tons. Of this amount, 1.67 million metric tons was in the Feed Ingredients segment, 253,000 metric tons was in the Food Ingredients segment, and 234,000 metric tons was in the Fuel Ingredients segment.

Gross Margin Percentages

(in thousands except percentages)	Feed Ingredients	Food Ingredients	Fuel Ingredients	Corporate	Total
Three Months Ended April 4, 2015					
Net Sales	$547,498	$270,157	$57,039	$—	$874,694
Cost of sales and operating expenses	424,006	216,637	43,874	4	684,521
Gross Margin	123,492	53,520	13,165	(4)	190,173
Gross Margin %	22.6%	19.8%	23.1%	—	21.7%

(in thousands except percentages)	Feed Ingredients	Food Ingredients	Fuel Ingredients	Corporate	Total
Three Months Ended March 29, 2014					
Net Sales	$586,107	$293,462	$66,723	$ —	$946,292
Cost of sales and operating expenses	458,450	264,101	52,669	(14)	775,206
Gross Margin	127,657	29,361	14,054	14	171,086
Gross Margin %	21.8%	10.0%	21.1%	—	18.1%
Gross Margin % before inventory step-up	24.0%	20.9%	21.4%	—	22.8%

Gross margin percentage represents the gross margin dollars (net sales less cost of sales and operating expenses) as a percentage of net sales. Overall, in the first three months of Fiscal 2015, the gross margin percentage was 21.7% as compared to 18.1% in the first three months of Fiscal 2014, or an increase of 19.9%. Adjusting the first three months of Fiscal 2014 for the non-cash impact of the $44.8 million inventory step-up, the gross margin percentage for the first three months of Fiscal 2014 would have been 22.8%. As a result, the first three months of Fiscal 2015 gross margin percentage decreased 4.7% as compared to the first three months of Fiscal 2014. Taking into account the foreign exchange impact, the gross margins for the first three months of Fiscal 2015 were flat as compared to the adjusted first three months of Fiscal 2014.

In the Feed Ingredients segment for the first three months of Fiscal 2015, the gross margin percentage was 22.6% as compared to 21.8% for the first three months of Fiscal 2014, or an increase of 3.7%. Adjusting the first three months of Fiscal 2014 for the non-cash impact of the $12.7 million inventory step-up, the gross margin percentage for the first three months of Fiscal 2014 would have been 24.0%. With respect to the Feed Ingredients segment, the reduction was principally related to a decline in finished fat product prices, which were only partially offset by a reduction in raw material costs. European finished fat prices were principally impacted by softness in global biofuels demand with several major producers taking extended turnarounds during the first three months of Fiscal 2015.

In the Food Ingredients segment for the first three months of Fiscal 2015, the gross margin percentage was 19.8% as compared to 10.0% during the first three months of Fiscal 2014, or an increase of 98.0%. Adjusting the first three months of Fiscal 2014 for the non-cash impact of the $31.9 million inventory step-up, the gross margin percentage for the first three months of Fiscal 2014 would have been 20.9%. Gross margins for first three months of Fiscal 2015 were down from the first three months of Fiscal 2014 mainly due to the decrease in edible fats profit in the European market, which was partially offset by profitability in the global gelatin market.

In the Fuel Ingredients segment (exclusive of the equity contribution from the DGD Joint Venture) for the first three months of Fiscal 2015, the gross margin percentage was 23.1% as compared to 21.1% for the first three months of Fiscal 2014, or an increase of 9.5%. The increase in the Fuel Ingredients segment margin is mainly driven by the new bio-phosphate operations in Europe which was partially offset biodiesel activity in Canada.

Foreign Currency

The U.S. dollar has strengthened against most of the other functional currencies used by the Company's non-domestic operations. Using actual results for first three months of Fiscal 2015 and using the average currency rate for the first three months of Fiscal 2014 would result in an increase in operating income of approximately $12.9 million. On a sequential basis the first three months of Fiscal 2015 actual results were lower by approximately $6.5 million. This impact was mainly due to the drop in the euro and Canadian dollar as compared to the U.S. dollar. The average rates assumptions used in this calculation was the actual fiscal average rate for the three months ended March 29, 2014 of €1.00:USD$1.38 and CAD$1.00:USD$0.91 as compared to the average rate for the three months ended April 4, 2015 of €1.00:USD$1.13 and CAD$1.00:USD$0.80, respectively.

Corporate Activities

Selling, General and Administrative Expenses. Selling, general and administrative expenses were $9.1 million during the first three months of Fiscal 2015, a $1.0 million decrease from $10.1 million during the first three months of Fiscal 2014. The decrease was primarily due a decrease in professional fees and corporate payroll and related benefits.

Acquisition and Integration Costs. Acquisition and integration costs, mainly relating to the VION Acquisition and the Rothsay Acquisition, were $5.3 million during the first three months of Fiscal 2015, as compared to $15.9 million in the first three months of Fiscal 2014. The decrease was mainly due to the fact that the majority of the costs in the first three months of Fiscal 2015 relate to the integration of operations, systems integration and Sarbanes-Oxley Act of 2002 internal controls in connection with the VION Acquisition and Rothsay Acquisition, as compared to the higher costs incurred in the three months of Fiscal 2014 that related mostly to VION Acquisition costs.

Depreciation and Amortization. Depreciation and amortization charges increased $0.2 million to $2.5 million during the first three months of Fiscal 2015, as compared to $2.3 million during the first three months of Fiscal 2014. The increase in depreciation and amortization was primarily due to the VION Acquisition and Rothsay Acquisition and depreciation associated with the Company's new ERP system.

Interest Expense. Interest expense was $23.1 million during the first three months of Fiscal 2015, compared to $58.9 million during the first three months of Fiscal 2014, a decrease of $35.8 million. The decrease in interest expense was primarily due to charges relating to (i) the redemption premium paid of approximately $27.3 million to retire the 8.5% Notes, (ii) the approximately $4.3 million write-off of deferred loan costs related to the retirement of the 8.5% Notes and (iii) interest paid of approximately $2.3 million on the 8.5% Notes in the prior year.

Foreign Currency Gains/(Losses). Foreign currency losses were $2.5 million during the first three months of Fiscal 2015, as compared to a loss of $13.8 million for the first three months of Fiscal 2014. The decrease was mainly due to a prior year $12.6 million loss on a certain euro forward contract entered into to hedge the foreign exchange risk related to the closing of the VION Acquisition.

Other Income/Expense. Other expense was $0.5 million in the first three months of Fiscal 2015, compared to expense of $1.1 million in the first three months of Fiscal 2014. The decrease in other expense in the first three months of Fiscal 2015 as compared to the same period in Fiscal 2014 was mainly due to an increase in interest income that offset a reduction in other non-operating costs.

Equity in Net Income/(Loss) in Investment of Unconsolidated Subsidiaries. Mainly represents the Company's portion of the loss reported by the DGD Joint Venture for the first three months of Fiscal 2015. In the first three months of Fiscal 2015 the net loss was $1.8 million compared to a net income of $5.1 million in the first three months of Fiscal 2014. The $6.9 million decrease in net income was mainly a direct result of reduced petroleum prices in the first three months of Fiscal 2015 as compared to the same period in the prior year.

Income Taxes. The Company recorded income tax expense of $2.1 million for the first three months of Fiscal 2015, compared to $18.3 million of income tax benefit recorded in the first three months of Fiscal 2014, an increase of $20.4 million, which was primarily due to increased pre-tax earnings of the Company for the first three months of Fiscal 2015. The effective tax rate for the first three months of Fiscal 2015 and Fiscal 2014 was 53.7% and 26.4%, respectively. The effective tax rate for the first three months of Fiscal 2015 and Fiscal 2014 differed from the statutory rate of 35% due primarily to the relative mix of earnings among jurisdictions with different tax rates, Subpart F income and discrete items.

Fiscal Year Ended January 3, 2015 Compared to Fiscal Year Ended December 28, 2013

Fiscal 2014 includes an additional week of operations which occurs every five to six years. In Fiscal 2014 the additional week increased net sales and operating income by approximately $71.0 million and $3.0 million, respectively.

As a result of the VION Acquisition and the Rothsay Acquisition, the Company's results for Fiscal 2014 include 52 weeks of operations from the VION Acquisition and 53 weeks from the Rothsay Acquisition, as compared to no operations from the VION Acquisition and 9 weeks from the Rothsay Acquisition in Fiscal 2013. Net income attributable to Darling for Fiscal 2014 was $64.2 million, or $0.39 per diluted share, as compared to net income of $109.0 million, or $0.91 per diluted share, for Fiscal 2013. The results for Fiscal 2014 and Fiscal 2013, respectively, include the following after-tax costs:

Fiscal 2014

- $31.3 million ($0.19 per diluted share) related to a non-cash inventory step-up associated with the required purchase accounting for the VION Acquisition related to the portion of acquired inventory sold during the period;
- $19.9 million ($0.12 per diluted share) related to the redemption premium and write-off of deferred loan costs associated with the retirement of the Company's 8.5% Notes on February 7, 2014;
- $21.0 million ($0.13 per diluted share) associated with the acquisition and integration of Rothsay and VION Ingredients during the period; and
- $7.9 million ($0.05 per diluted share) related to certain euro forward contracts entered into to hedge against foreign exchange risks related to the closing of the VION Acquisition.

Fiscal 2013

- $15.3 million ($0.13 per diluted share) associated with the acquisition costs of the Rothsay Acquisition, the acquisition costs related to the acquired shares of Terra Holding Company, a

Delaware corporation, and its wholly owned subsidiaries, Terra Renewal Services, Inc., an Arkansas corporation ("TRS"), and EV Acquisition, Inc., an Arkansas corporation and the incurred costs related to the VION Acquisition during the period;

- $8.0 million ($0.07 per diluted share) related to an unused bridge financing facility commitment associated with the VION Acquisition; and
- $(16.9) million ($0.14 per diluted share) related to an unrealized gain on certain euro forward contracts entered into to hedge against foreign exchange risks related to the closing of the VION Acquisition.

Without the inventory step-up cost, the redemption premium and deferred loan write-off associated with the 8.5% Notes, the acquisition and integration costs and the euro forward contract hedge, net income and diluted earnings per common share would have been $144.3 million and $0.88 per diluted share, respectively, for the fiscal year ended January 3, 2015, as compared to $115.4 million and $0.97 per share, respectively, for the fiscal year ended December 28, 2013.

Segment operating income for the fiscal year ended January 3, 2015 was $164.5 million, which reflects a decline of $5.1 million, or 3.0%, as compared to the fiscal year ended December 28, 2013. The results for Fiscal 2014 include an increase to cost of sales of $49.8 million related to the inventory step-up associated with the required purchase accounting for the VION Acquisition. Without these costs, segment operating income for Fiscal 2014 would have been $214.3 million, or 26.4% higher than the same period in 2013. Including the Company's share of net income of unconsolidated subsidiaries, primarily the DGD Joint Venture, segment income for the year ended January 3, 2015 would have been $279.9 million, or $102.6 million (57.9%) higher than the same period in 2013. The DGD Joint Venture has not yet distributed any earnings to its venture partners.

Operating Income by Segment

Effective December 29, 2013, the Company's business operations were reorganized into three industry segments: Feed Ingredients, Food Ingredients and Fuel Ingredients, in order to better align its business with the underlying markets and customers that the Company serves. As a result, Fiscal 2014 operations are not comparable to Fiscal 2013 and Fiscal 2012.

(dollars in thousands)	Feed Ingredients	Food Ingredients	Fuel Ingredients	Corporate	Total
Fiscal Year Ended January 3, 2015					
Net Sales	$2,421,462	$1,248,352	$286,629	$ —	$3,956,443
Cost of sales and operating expenses	1,864,835	1,029,488	228,848	—	3,123,171
Gross Margin	556,627	218,864	57,781	—	833,272
Selling, general and administrative expense	205,484	118,716	8,596	41,784	374,580
Acquisition costs	—	—	—	24,667	24,667
Depreciation and amortization	158,871	73,274	27,898	9,474	269,517
Segment operating income/ (loss)	192,272	26,874	21,287	(75,925)	164,508
Equity in net income of unconsolidated subsidiaries	1,842	—	63,767	—	65,609
Segment income	194,114	26,874	85,054	(75,925)	230,117
Total other expense					(148,665)
Income/ (loss) before income taxes					$ 81,452

Feed Ingredients operating income for Fiscal 2014 was $192.3 million, a decrease of $24.9 million as compared to Fiscal 2013. The results for Fiscal 2014 include $14.2 million related to the non-cash inventory step-up associated with the required purchase accounting for the VION Acquisition. Without the non-cash inventory step-up adjustment, Feed Ingredients operating income for Fiscal 2014 would have been $206.5 million. On an adjusted basis, the Feed Ingredients segment declined by $10.7 million in Fiscal 2014 as compared to Fiscal 2013. Lower earnings in our United States operations, which related primarily to the bakery feeds unit, severe winter weather in the first quarter of Fiscal 2014, and lower finished fat prices, particularly in our non-formula business, were partially offset by the newly acquired operations in Europe, Canada and China, which generally performed as expected.

Food Ingredients operating income for Fiscal 2014 was $26.9 million. The Company had no Food Ingredients segment or products prior to the VION Acquisition, and therefore had no Food Ingredients performance in the prior year period to provide comparability. The Food Ingredients segment results for Fiscal 2014 include $35.3 million related to the non-cash inventory step-up associated with the purchase accounting for the VION Acquisition. Without the non-cash inventory step-up, the Food Ingredients segment operating income for Fiscal 2014 would have been $62.2 million. The gelatin business performed modestly lower to the prior year as result of margin pressure from a decrease in finished product prices, softness in demand in China and increased raw material prices in South America driven from demand in alternative end markets. The European specialty ingredients business performed comparably to the prior year, notwithstanding the issue associated with the closing of the Russian trade border in the second quarter of Fiscal 2014. The Company's casing business also performed comparably to the prior year.

Exclusive of the DGD Joint Venture, Fuel Ingredients operating income for Fiscal 2014 was $21.3 million, an increase of $19.7 million as compared to $1.6 million in Fiscal 2013. Including the DGD Joint Venture, the Fuel Ingredients segment income for Fiscal 2014 was $85.1 million as compared to $9.3 million for Fiscal 2013. The financial results improved over Fiscal 2013 mainly due to the inclusion of Darling Ingredients International operations. This was offset by the negative impact of lower RIN values on North American biofuel results during Fiscal 2014, resulting from an uncertain regulatory environment with respect to the U.S. mandated RVO requirements for 2014 and the shutdown of the DGD Facility as a result of the fire incident on August 3, 2014. The passing of the blenders tax credit in December 2014 increased results in the fourth quarter of Fiscal 2014 by approximately $5.5 million at Darling's U.S. and Canada plants and by approximately $63.0 million at the DGD Joint Venture.

Raw Material Processed

Raw material processed represents the quantity in metric tons of raw material collected from the Company's various raw material suppliers. The volume of raw material processed bears a direct relationship to the volume of finished product produced and available for sale.

Overall, during the fifty-three weeks ended January 3, 2015, the raw material processed by the Company totaled 8.97 million metric tons. Of this amount, 6.85 million metric tons was in the Feed Ingredients segment, 1.1 million metric tons was in the Food Ingredients segment, and 1.1 million metric tons was in the Fuel Ingredients segment. The raw materials processed total and that for the Fuel Ingredients segment excludes raw material processed at the DGD Joint Venture. Globally, raw material volumes were in line with the Company's expectations.

Gross Margin Percentages

(in thousands except percentages)	Feed Ingredients	Food Ingredients	Fuel Ingredients	Corporate	Total
Fiscal Year Ended January 3, 2015					
Net Sales	$2,421,462	$1,248,352	$286,629	$—	$3,956,443
Cost of sales and operating expenses	1,864,835	1,029,488	228,848	—	3,123,171
Gross Margin	556,627	218,864	57,781	—	833,272
Gross Margin %	23.0%	17.5%	20.2%	—	21.1%

(in thousands except percentages)	Feed Ingredients	Food Ingredients	Fuel Ingredients	Corporate	Total
Fiscal Year Ended December 28, 2013					
Net Sales	$1,788,563	$—	$13,705	$—	$1,802,268
Cost of sales and operating expenses	1,329,057	—	10,762	—	1,339,819
Gross Margin	459,506	—	2,943	—	462,449
Gross Margin %	25.7%	—%	21.5%	—%	25.7%

Gross margin percentage represents the gross margin dollars (net sales less cost of sales and operating expenses) as a percentage of net sales. Overall, for the fiscal year ended January 3, 2015, the gross margin percentage was 21.1% compared to 25.7% for the fiscal year ended December 28, 2013, or a decrease of 4.6 points (17.9%). Adjusting for the non-cash impact of the $49.8 million inventory step-up, the gross margin percentage would have been 22.3% or a decrease of 3.4 points (13.1%). The reduction in the adjusted gross margin percentage resulted from the VION Acquisition and modestly lower margins in the Feed Ingredients segment.

In the Feed Ingredients segment for fiscal year ended January 3, 2015, the gross margin percentage was 23.0% as compared to 25.7% for the fiscal year ended December 28, 2013, or a decrease of 2.7 points (10.5%). Adjusting for the impact of the non-cash inventory step-up related to this segment of $14.2 million, the gross margin percentage for Fiscal 2014 would have been 23.6% or a decrease of 2.1 points (5.1%). The reduction in adjusted gross margin percentage was attributable to lower finished product selling prices for fat in the United States animal by-products division, which were only partially offset by lower raw material costs and increased volumes in the bakery feeds unit as result of a significant decline in corn prices.

In the Food Ingredients segment for the fiscal year ended January 3, 2015, the gross margin percentage was 17.5% as compared to nil for the fiscal year ended December 28, 2013. Adjusting for the impact of the non-cash inventory step-up related to this segment of $35.3 million, the gross margin percentage for Fiscal 2014 would have been 20.4%.

In the Fuel Ingredients segment (exclusive of the equity contribution from the DGD Joint Venture) for the fiscal year ended January 3, 2015, the gross margin percentage was 20.2% as compared to 21.5% for the fiscal year ended December 28, 2013, or a decrease of 1.3 points (6.0%). Adjusting for the impact of the non-cash inventory step-up had no impact on the gross margin percentage in Fiscal 2014. The increase in adjusted gross margin percentage was related to the inclusion of the newly acquired businesses. In addition, in fourth quarter of Fiscal 2014 the Company recorded revenues of approximately $5.5 million related to the blenders tax credit.

Foreign Currency

During Fiscal 2014, the U.S. dollar strengthened against most of the other functional currencies used by the Company's non-domestic operations. Using actual results for Fiscal 2014 and comparing the yearly average rates to the spot rate at the end of January 2015, the U.S. dollar continued to strengthen. The impact of the strengthened U.S. dollar would result in an annual decrease in net sales and operating income of approximately $290 million and approximately $31 million, respectively if the same amount of non-domestic operations were attained in Fiscal 2014. This was impacted mainly by the drop in the euro as compared to the U.S. dollar. The average rates assumptions used in this calculation was the actual fiscal average rate of €1.00:USD$1.32704 and CAD$0.90446:USD$1.00 as compared to the January 31, 2015 spot rate of €1.00:USD$1.13355 and CAD$0.78974:USD$1.00, respectively.

Corporate Activities

Selling, General and Administrative Expenses. Selling, general and administrative expenses were $41.8 million during Fiscal 2014, a $21.0 million increase from $20.8 million during Fiscal 2013. The increase was primarily due to an increase in professional fees and corporate staff costs to support the new global business and the impact of one extra week of operations.

Acquisition Costs. Acquisition and integration costs primarily related to the VION Acquisition and the Rothsay Acquisition were $24.7 million during Fiscal 2014, as compared to $23.3 million of acquisition and integration costs primarily related to the VION Acquisition, Rothsay Acquisition, and the TRS transaction in Fiscal 2013.

Depreciation and Amortization. Depreciation and amortization charges increased $4.2 million to $9.5 million during Fiscal 2014 as compared to $5.3 million during Fiscal 2013. The increase in depreciation and amortization was primarily due to the VION Acquisition and Rothsay Acquisition and depreciation associated with the ERP system.

Interest Expense. Interest expense was $135.4 million for the fiscal year ended January 3, 2015, compared to $38.1 million for the fiscal year ended December 28, 2013, an increase of $97.3 million. The increase in interest expense is due to (i) the redemption premium paid of approximately $27.3 million to retire the 8.5% Notes, (ii) the increase in debt outstanding as a result of the borrowings to pay for the VION Acquisition and the Rothsay Acquisition, (iii) the incurrence and resultant amortization of deferred loan costs associated with the borrowings for the VION Acquisition and Rothsay Acquisition, and (iv) the approximately $4.3 million write-off of deferred loan costs related to the retirement of the 8.5% Notes. Excluding the impact of the redemption premium and the write-off of deferred loan costs, the Company's average cost of borrowing during the fiscal year ended January 3, 2015 was approximately 4.0%.

Foreign Currency Gains/(Losses). Foreign currency losses were $13.5 million during the fiscal year ended January 3, 2015 as compared to a gain of approximately $28.1 million for the fiscal year ended December 28, 2013. Of the overall foreign currency loss, approximately $12.6 million relates to certain euro forward contracts entered into to hedge against foreign exchange risks related to the acquisition price in the VION Acquisition. In Fiscal 2013, the Company recorded a gain on these same contracts of approximately $27.5 million.

Other Income/Expense. Other income was $0.3 million for Fiscal 2014, compared to expense of $3.5 million for Fiscal 2013. The decrease in other expense for Fiscal 2014 as compared to Fiscal 2013 is primarily due to a prior year charge pursuant to the terms of the purchase agreement relating to the Company's acquisition in 2010 of Griffin Industries, Inc. to reimburse the former shareholders of Griffin Industries, Inc. for state income tax liability incurred by such shareholders as a result of the Company's election for certain tax treatment under Section 338(h)(10) of the Code.

Equity in Net Income/(Loss) in Investment of Unconsolidated Subsidiaries. Mainly represents the Company's portion of the income of the DGD Joint Venture for Fiscal 2014. In Fiscal 2014 net income was $63.8 million compared to net income of $7.7 million in Fiscal 2013. The $56.1 million increase in net income was primarily due the extension of a blenders tax credit during Fiscal 2014, which more than offset any decrease in income due to the shutdown of the facility as result of the fire incident on August 3, 2014.

Income Taxes. The Company recorded income tax expense of $13.1 million for Fiscal 2014, compared to $54.7 million of income tax expense recorded in Fiscal 2013, a decrease of $41.6 million, which is primarily due to decreased pre-tax earnings of the Company in Fiscal 2014. The effective tax rate for Fiscal 2014 and Fiscal 2013 was 16.1% and 33.4%, respectively. The effective tax rate for Fiscal 2014 differed from the statutory rate of 35% due primarily to the biofuel tax incentives from the DGD Joint Venture, relative mix of earnings among jurisdictions with different tax rates, non-deductible transaction-related costs, subpart F income and change in valuation allowance. The effective tax rate for Fiscal 2013 differed from the statutory rate of 35% primarily due to state taxes and the receipt of biofuel tax incentives from the DGD Joint Venture, which began production in June 2013.

The biofuel tax incentive expired at the end of Fiscal 2014. Excluding the biofuel tax incentive and acquisition and integration-related costs, the Company's effective tax rate for Fiscal 2014 and Fiscal 2013 was 37.1% and 38.5%, respectively.

Fiscal Year Ended December 28, 2013 Compared to Fiscal Year Ended December 29, 2012

Summary of Key Factors Impacting Fiscal 2013 Results

Principal factors that contributed to a $62.1 million decrease in operating income, which are discussed in greater detail in the following section, were:

- Acquisition costs and expenses from current year acquisition activity,
- Increases in payroll and related benefit costs,
- Decrease in finished product prices, net of reduced raw material cost,
- Decrease in yield, and
- Increase in energy costs, primarily natural gas and diesel fuel.

These decreases were partially offset by:

- Increase in poultry raw material volumes, and
- Nine weeks of contribution from the Rothsay Acquisition.

Summary of Key Indicators of Fiscal 2013 Performance

Principal indicators that management routinely monitored during Fiscal 2013 and compared to previous periods as an indicator of problems or improvements in operating results include:

- Finished product commodity prices,
- Raw material volume,
- Production volume and related yield of finished product,
- Energy prices for natural gas quoted on the NYMEX index and diesel fuel,
- Collection fees and collection operating expenses, and
- Factory operating expenses.

These indicators and their importance are discussed below in greater detail.

Finished Product Commodity Prices. Prices for finished product commodities that Darling produced in 2013 are reported each business day on the Jacobsen, an established agribusiness trading exchange price publisher. The Jacobsen reports U.S. industry sales from the prior day's activity by product. The Jacobsen includes reported prices for protein (primarily MBM and PM) and fats (primarily BFT, PG and YG), which are end products of the Company's Rendering segment. During the first quarter of Fiscal 2012, the Jacobsen stopped reporting BBP, which is the end product of the Company's Bakery segment. As a result, the Company monitored prices for corn, which is a substitute commodity for BBP and generally indicative of BBP price performance. The Company regularly monitored Jacobsen reports on MBM, PM, BFT, PG, YG and corn because they provide a daily indication of the Company's U.S. revenue performance against business plan benchmarks. Although the Jacobsen provides one useful metric of performance, the Company's 2013 finished products are commodities that compete with other commodities such as corn, soybean oil, inedible corn oil, palm oils, soybean meal and heating oil on nutritional and functional values and therefore actual pricing for the Company's finished products, as well as competing products, can be quite volatile. In addition, the Jacobsen does not provide data regarding international markets or forward or future period U.S. pricing. The Jacobsen prices quoted below are for delivery of the finished product at a specified U.S. location. Although the Company's U.S. prices generally move in concert with reported Jacobsen prices, the Company's actual sales prices for its finished products may vary significantly from the Jacobsen because of delivery timing differences and because the Company's finished products are delivered to multiple locations in different geographic regions which utilize different price indexes. In addition, certain of the Company's premium branded U.S. finished products may also sell at prices that may be higher than the closest related product quoted by the Jacobsen. During Fiscal 2013, the Company's actual sales prices by product trended with the reported Jacobsen prices. Average Jacobsen prices (at the specified delivery point) for Fiscal 2013, compared to average Jacobsen prices for Fiscal 2012 follow:

	Avg. Price Fiscal 2013	Avg. Price Fiscal 2012	Increase/ (Decrease)	% Increase/ (Decrease)
Rendering Segment:				
MBM (Illinois)	$ 434.03/ton	$ 405.58/ton	$ 28.45/ton	7.0%
Feed Grade PM (Carolina)	$ 503.86/ton	$ 483.78/ton	$ 20.08/ton	4.2%
Pet Food PM (Southeast)	$ 693.68/ton	$ 713.76/ton	$ (20.08/ton)	(2.8)%
BFT (Chicago)	$ 40.55/cwt	$ 43.83/cwt	$ (3.28/cwt)	(7.5)%
PG (Southeast)	$ 37.35/cwt	$ 42.71/cwt	$ (5.36/cwt)	(12.5)%
YG (Illinois)	$ 34.57/cwt	$ 37.31/cwt	$ (2.74/cwt)	(7.3)%
Bakery Segment:				
Corn (Illinois)	$6.22/bushel	$7.21/bushel	$(0.99/bushel)	(13.7)%

The overall decrease in average PM (pet food), BFT, PG, YG and corn prices in Fiscal 2013 had an unfavorable impact on revenue that was partially offset by an overall increase in average MBM and PM (feed grade) and the reduction to the Company's raw material cost resulting from our U.S. formula pricing arrangements, which compute raw material costs based upon the price of finished product.

During the fourth quarter of Fiscal 2013, the Company experienced a significant decline in all of its average commodity prices as compared to the third quarter of Fiscal 2013 due to a favorable harvest of corn and competing North American crops, which increased supply and reduced prices. The following table shows the average Jacobsen prices for the fourth quarter of Fiscal 2013 as compared to the average Jacobsen prices for the third quarter of Fiscal 2013.

	Avg. Price 4th Quarter 2013	Avg. Price 3rd Quarter 2013	Increase/ (Decrease)	% Increase/ (Decrease)
Rendering Segment:				
MBM (Illinois)	$ 434.03/ton	$ 470.75/ton	$ (36.72/ton)	(7.8)%
Feed Grade PM (Carolina)	$ 470.68/ton	$ 543.30/ton	$ (72.62/ton)	(13.4)%
Pet Food PM (Southeast)	$ 584.15/ton	$ 680.69/ton	$ (96.54/ton)	(14.2)%
BFT (Chicago)	$ 34.79/cwt	$ 43.15/cwt	$ (8.36/cwt)	(19.4)%
PG (Southeast)	$ 30.69/cwt	$ 38.73/cwt	$ (8.04/cwt)	(20.8)%
YG (Illinois)	$ 27.70/cwt	$ 35.84/cwt	$ (8.14/cwt)	(22.7)%
Bakery Segment:				
Corn (Illinois)	$4.33/bushel	$6.09/bushel	$(1.76/bushel)	(28.9)%

Raw Material Volume*.* Raw material volume represents the quantity (pounds) of raw material collected from Rendering segment suppliers, such as beef, poultry and pork processors, grocery stores, butcher shops and food service establishments, or in the case of the Bakery segment, commercial bakeries. Raw material volumes from the Company's Rendering segment suppliers provide an indication of the future production of MBM, PM (feed grade and pet food), BFT, PG and YG finished products while raw material volumes from the Company's Bakery segment suppliers provide an indication of the future production of BBP finished products.

Production Volume and Related Yield of Finished Product*.* Finished product production volumes are the end result of the Company's production processes, and directly impact goods available for sale, and thus, become an important component of sales revenue. In addition, physical inventory turnover is impacted by both the availability of credit to the Company's customers and suppliers and reduced market demand, which can lower finished product inventory values. Yield on U.S. production is a ratio of production volume (pounds), divided by raw material volume (pounds) and provides an indication of effectiveness of the Company's U.S. production process. Factors impacting yield on production include the quality of raw material and warm weather during summer months, which rapidly degrades raw material. The quantities of finished products produced varies depending on the mix of raw materials used in production. For example, raw material from cattle yields more fat and protein than raw material from pork or poultry. Accordingly, the mix of finished products produced by the Company can vary from quarter to quarter depending on the type of raw material being received by the Company. Thus, the increased volume of poultry raw material and decreased volume of beef raw material in Fiscal 2013 resulted in decreased Fiscal 2013 yield. The Company cannot increase the production of protein or fat based on demand since the type of raw material available will dictate the yield of each finished product.

Energy Prices for Natural Gas Quoted on the NYMEX Index and Diesel Fuel*.* Natural gas and heating oil commodity prices are quoted each day on the NYMEX exchange for future months of delivery of natural gas and delivery of diesel fuel. The prices are important to the Company because natural gas and diesel fuel are major components of U.S. factory operating and collection costs and natural gas and diesel fuel prices are an indicator of achievement of the Company's business plan.

Collection Fees and Collection Operating Expense*.* In the U.S., the Company charges collection fees which are included in net sales. Each month the Company monitors both the collection fee charged to suppliers, which is included in net sales, and collection expense, which is included in cost of sales. The importance of monitoring collection fees and collection expense is that they provide an indication of achievement of the Company's business plan. Furthermore, management monitors collection fees and collection expense so that the Company can consider implementing measures to mitigate against unforeseen increases in these expenses.

Factory Operating Expenses*.* The Company incurs factory operating expenses which are included in cost of sales. Each month the Company monitors factory operating expense. The importance of monitoring factory operating expense is that it provides an indication of achievement of the Company's business plan. Furthermore, when unforeseen expense increases occur, the Company can consider implementing measures to mitigate such increases.

Net Sales*.* The Company collects and processes animal by-products (fat, bones and offal), including hides, bakery residual and used cooking oil to produce its principal North American finished products of MBM, PM (feed grade and pet food), BFT, PG, YG, BBP and hides as well as a range of branded and value-added products. Sales are significantly affected by finished goods prices, quality and mix of raw material, and volume of raw material. Net sales include the sales of produced finished goods, collection fees, fees for grease trap services, and finished goods purchased for resale.

During Fiscal 2013, net sales were $1,802.3 million as compared to $1,772.5 million during Fiscal 2012. The Rendering segments' operations process animal by-products and used cooking oil into fats (primarily BFT, PG and YG), protein (primarily MBM and PM (feed grade and pet food)) and hides. Fat was approximately $777.9 million and $809.7 million of net sales for Fiscal 2013 and Fiscal 2012, respectively, and protein was approximately $552.9 million and $496.2 million of net sales for Fiscal 2013 and Fiscal 2012, respectively. The increase in Rendering segment sales of $51.7 million and the decrease in Bakery segment sales of $29.5 million accounted for the $22.2 million increase in sales. The increase in net sales was primarily due to the following (in millions of dollars):

	Rendering	Bakery	Corporate	Total
Increase in net sales due to acquisition of Rothsay	$ 32.4	$ —	$—	$ 32.4
Increase in other sales	23.3	—	—	23.3
Increase in raw material volume	11.7	7.8	—	19.5
Purchase of finished product for resale	12.2	—	—	12.2
Increase/(decrease) in finished product prices	(19.6)	(36.5)	—	(56.1)
Decrease in yield	(8.3)	(0.8)	—	(9.1)
	$ 51.7	$(29.5)	$—	$ 22.2
Net change in net sales as a result of net sales reclassification to cost of sales and operating expenses to conform to current year presentation				7.6
				$ 29.8

Further detail regarding the $51.7 million increase in sales in the Rendering segment and the $29.5 million decrease in sales in the Bakery segment is as follows:

Rendering

Net Sales from Acquisition of Rothsay: The Company's net sales increased by $32.4 million in the Rendering segment as a result of nine weeks of contribution from the Rothsay Acquisition.

Other Sales: The $23.3 million increase in other Rendering segment sales was primarily due to increased revenues from the acquired TRS food residuals business and an increase in hide and pet food sales.

Raw Material Volume: Rendering volumes have increased Rendering segment sales by approximately $11.7 million, which is a result of an increase in slaughter and processor rates of the Company's poultry raw material suppliers that more than offset lower volumes from the Company's beef suppliers in Fiscal 2013 as compared to Fiscal 2012.

Purchases of Finished Product for Resale: The $12.2 million increase in sales resulted from the Company's purchasing more finished product for resale from third party suppliers in Fiscal 2013 as compared to the same period in Fiscal 2012. We purchase finished product from third party suppliers from time to time in order to complete a full shipment for a specific customer.

Finished Product Prices: Lower prices in the overall commodity market for soybean meal and soy oil, decreased demand from export and reduced corn values negatively impacted the Company's finished product prices for PM (pet food), BFT, PG and YG. The $19.6 million decrease in Rendering segment sales resulting from decreases in finished product prices for PM (pet food), BFT, PG and YG more than offset the increase in the finished product price for MBM and PM (feed grade). The market decreases were due to changes in supply/demand in the domestic and international markets for commodity proteins and fats, including PM (pet food), BFT, PG and YG, driven principally by the large Fiscal 2013 production of corn and soybeans.

Yield: The $8.3 million decrease in the Rendering segment yield is primarily due to a decrease in the relative portion of beef offal in the raw material collected during Fiscal 2013 as compared to Fiscal 2012, which impacted yields since beef offal is a higher yielding material than poultry and pork offal.

Bakery

Raw Material Volume: Bakery segment volumes have increased Bakery segment sales by approximately $7.8 million, which is due to production increases by the Company's commercial bakery suppliers in Fiscal 2013 as compared to the same period in Fiscal 2012.

Finished Product Prices: Lower prices in the commodity market for corn negatively impacted the Company's BBP finished product prices by approximately $36.5 million. The reason for the impact is that BBP formula contracts are priced relative to the price of corn. During the fourth quarter of Fiscal 2013 the formula pricing arrangements in the Company's Bakery segment supply agreements significantly lagged the rapid decline of finished product prices through the processing and sales cycles.

Yield: The $0.8 million decrease in the Bakery segment yield is primarily due to a decrease in the relative portion of dry based bakery residuals collected during Fiscal 2013 as compared to the same period in Fiscal 2012, which impacted yields since dry based bakery residuals are a higher yielding material than moist bakery residuals and available blending stock.

Cost of Sales and Operating Expenses. Cost of North American sales and operating expenses include the cost of raw material, the cost of product purchased for resale and the cost to collect raw material, which includes diesel fuel and processing costs including natural gas. The Company utilizes both fixed and formula pricing methods for the purchase of raw materials. Fixed prices are adjusted where possible for changes in competitive circumstances. Significant changes in finished goods market conditions impact finished product inventory values, while raw materials purchased under formula prices are generally correlated with specific finished goods prices, except in rapidly declining markets which can result in a delay in matching raw material purchase prices and end product sale prices. Energy costs, particularly diesel fuel and natural gas, are significant components of the Company's cost structure. The Company has the ability to burn alternative fuels at a majority of its North American plants to help manage the Company's price exposure to volatile energy markets.

During Fiscal 2013, cost of sales and operating expenses were $1,339.8 million as compared to $1,303.7 million during Fiscal 2012. The increase in Rendering segment cost of sales and operating expenses of $42.2 million, offset by the decrease in Bakery segment cost of sales and operating expenses of $13.7 million, accounted for substantially all of the $28.5 million increase in cost of sales and operating expenses. The increase in cost of sales and operating expenses was primarily due to the following (in millions of dollars):

	Rendering	Bakery	Corporate	Total
Increase/(decrease) in other cost of sales	$ 30.2	$ (5.5)	$(0.7)	$ 24.0
Increase in cost of sales and operating expense due to the Rothsay Acquisition	19.6	—	—	19.6
Purchase of finished product for resale	11.8	—	—	11.8
Increase in raw material volume	4.1	3.7	—	7.8
Increase in energy costs, primarily natural gas and diesel fuel	6.0	0.7	0.7	7.4
Decrease in raw material costs	(29.5)	(12.6)	—	(42.1)
	$ 42.2	$(13.7)	$ —	$ 28.5
Net change in net sales as a result of net sales reclassification to cost of sales and operating expenses to conform to current year presentation				7.6
				$ 36.1

Further detail regarding the $42.2 million increase in cost of sales and operating expenses in the Rendering segment and the $13.7 million decrease in Bakery segment is as follows:

Rendering

Other Cost of Sales: The $30.2 million increase in other costs of sales is primarily due to increased costs from the acquired food residuals business of TRS, an increase in payroll and incentive-related benefits, an increase in repairs and maintenance expense, an increase in hide costs and other sales costs increases.

Costs of Sales and Operating Expenses from the Rothsay Acquisition: The Company's cost of sales and operating expenses increased by $19.6 million in the Rendering segment as a result of nine weeks of contribution from the Rothsay Acquisition.

Purchases of Finished Product for Resale: The $11.8 million increase in cost of sales resulted from the Company's purchasing more finished product for resale from third party suppliers in Fiscal 2013 as compared to Fiscal 2012.

Raw Material Volume: Production increases from the packers and processors who supply by-product we use as raw material resulted in higher raw material volumes available to be processed and formula pricing resulted in higher cost of sales of approximately $4.1 million.

Energy Costs: Natural gas and diesel fuel are major components of our North American factory and collection operating costs, respectively. During Fiscal 2013 energy costs, primarily natural gas and diesel fuel, were higher as compared to Fiscal 2012 and are reflected in the $6.0 million increase in cost of sales.

Raw Material Costs: A portion of the Company's North American volume of Rendering segment raw material is acquired on a formula basis. Under a formula arrangement, the cost of raw material is tied to the finished product market for MBM, PM (both feed grade and pet food), BFT, PG and YG. Although there was a higher demand for soybean meal and fish meal, which resulted in an increase in prices of the Company's finished products for MBM and PM (feed grade), the price decrease for our fats (BFT, PG and YG) and corresponding formula pricing more than offset the protein meal increase, resulting in a decrease in the cost of raw material of approximately $29.5 million in Fiscal 2013 as compared to Fiscal 2012.

Bakery

Raw Material Costs: The Company's Bakery segment raw material is acquired on a formula basis. Under these formula arrangements, the cost of raw material is tied to the market value of corn. Since finished product prices overall for corn were lower in Fiscal 2013 as compared to the same period in Fiscal 2012, the Bakery segment raw material cost decreased approximately $12.6 million.

Other Costs of Sales: The $5.5 million decrease in other costs of sales is mainly due to a reduction to cost of sales as a result of our corn hedging strategy, that was partially offset by an increase in payroll and incentive-related benefits and an increase in repairs and maintenance costs. See the section entitled "*Quantitative and Qualitative Disclosures about Market Risks*."

Raw Material Volume: Production increases from the Company's suppliers resulted in more by-product available for our use as raw material to be processed and formula pricing resulted in higher cost of sales of approximately $3.7 million.

Energy Costs: Natural gas is a component of factory operating costs. During Fiscal 2013, natural gas costs were higher as compared to Fiscal 2012 and are reflected in the $0.7 million increase in cost of sales.

Selling, General and Administrative Expenses. Selling, general and administrative expenses were $170.8 million during Fiscal 2013, a $19.1 million increase (12.6%) from $151.7 million during Fiscal 2012. Selling, general and administrative expenses increased primarily due to the current year Rothsay Acquisition and payroll and related expense increases. The increase in selling, general and administrative expenses is primarily due to the following (in millions of dollars):

	Rendering	Bakery	Corporate	Total
Increase in other	$2.8	$ 0.2	$ 5.2	$ 8.2
Payroll and related benefits expense	2.1	(0.2)	3.5	5.4
Increases in selling, general and administrative expense from nine weeks of contribution related to Rothsay	3.0	—	—	3.0
Increase in Oracle implementation costs	—	—	2.5	2.5
	$7.9	$ —	$11.2	$19.1

Acquisition Costs. Acquisition costs were $23.3 million during Fiscal 2013 and represent incurred acquisition related costs associated with the TRS acquisition that occurred in the third quarter as well as costs incurred in connection with the Rothsay Acquisition that occurred on October 28, 2013 and the VION Acquisition that occurred on January 7, 2014.

Depreciation and Amortization. Depreciation and amortization charges increased $13.4 million (15.7%) to $98.8 million during Fiscal 2013 as compared to $85.4 million during Fiscal 2012. The increase in depreciation and amortization is primarily due to a general increase in capital expenditures and an increase due to current year acquisition activity.

Interest Expense. Interest expense was $38.1 million during Fiscal 2013 compared to $24.1 million during Fiscal 2012, an increase of $14.0 million, primarily due to accrued bank fees of $13.0 million for an unutilized bridge facility and an increase in bank debt outstanding as a result of the Rothsay Acquisition, which was partially offset by an increase in capitalized interest in Fiscal 2013 as compared to Fiscal 2012.

Foreign Currency Gains/(Losses). Foreign currency gains/(losses) were $28.1 million during Fiscal 2013 and primarily represent gains of approximately $27.5 million recorded on foreign currency forward contracts entered into to hedge against foreign exchange risks related to closing the VION Acquisition.

Other Income/Expense. Other expense was $3.5 million in Fiscal 2013 as compared to other income of $1.8 million in Fiscal 2012. This decrease in other income of $5.3 million is primarily due to lower insurance recovery proceeds in Fiscal 2013 as compared to Fiscal 2012 of approximately $1.9 million and a $2.4 million payment made in October 2013 pursuant to the terms of the Griffin purchase agreement to reimburse the Griffin shareholders for state income tax liability incurred by such shareholders as a result of the Company's election for certain tax treatment under Section 338(h)(10) of the Code.

Equity in Net Income /(Loss) in Investment of Unconsolidated Subsidiary. Represents the Company's portion of the earnings of the DGD Joint Venture with Valero for Fiscal 2013. Net equity income was $7.7 million compared to a net equity loss of $2.7 million in Fiscal 2012. The $10.4 million increase in net equity income is a direct result of the DGD Joint Venture's commencement of production and sale of renewable diesel fuel in late June 2013 as compared to non-capitalized expenses during construction phase in Fiscal 2012.

Income Taxes. The Company recorded income tax expense of $54.7 million for Fiscal 2013, compared to income tax expense of $76.0 million recorded in Fiscal 2012, a decrease of $21.3 million, primarily due to a decrease in pre-tax earnings of the Company in Fiscal 2013. The effective tax rate for Fiscal 2013 and Fiscal 2012 is 33.4% and 36.8%, respectively. As previously stated, the difference from the federal statutory rate of 35% in Fiscal 2013 is primarily due to state taxes and the receipt of biofuel tax incentives from the DGD Joint Venture. The difference in Fiscal 2012 is primarily due to state taxes and the section 199 qualified domestic production deduction.

Financing, Liquidity, and Capital Resources

Indebtedness

Certain Debt Outstanding at April 4, 2015. On April 4, 2015, debt outstanding under the Company's Senior Secured Facilities and the 5.375% Notes consisted of the following (in thousands):

5.375% Notes:	
5.375 % Notes due 2022	$ 500,000
Credit Agreement:	
Term Loan A	$ 299,620
Term Loan B	$1,145,098
Revolving Credit Facility:	
Maximum availability	$1,000,000
Borrowings outstanding	88,604
Letters of credit issued	32,004
Availability	$ 879,392

Senior Secured Facilities. On January 6, 2014, Darling Ingredients, Darling International Canada Inc. ("Darling Canada") and Darling International NL Holdings B.V. ("Darling NL") entered into a Second Amended and Restated Credit Agreement (the "Credit Agreement"), restating its then existing Amended and Restated Credit Agreement dated September 27, 2013 (the "Former Credit Agreement"), with the lenders from time to time party thereto, JPMorgan Chase Bank, N.A., as

Administrative Agent, and the other agents from time to time party thereto. For more information regarding the Credit Agreement, see the section entitled "*Description of Other Indebtedness*" and Note 6 to our Consolidated Financial Statements for the three months ended April 4, 2015, included elsewhere in these Listing Particulars.

- As of April 4, 2015, the Company had availability of $879.4 million under the revolving loan facility, taking into account an aggregate of $88.6 million outstanding borrowings and letters of credit issued of $32.0 million.
- As of April 4, 2015, the Company had borrowed all $350.0 million under the term loan A facility and repaid approximately CAD$9.4 million and $12.5 million, which when repaid, cannot be reborrowed. The term loan A facility is repayable in quarterly installments as follows: for the first eight quarters following January 6, 2014, 1.25% of the original principal amount of the term loan A facility, for the ninth through sixteenth quarters following January 6, 2014, 1.875% of the original principal amount of the term loan A facility, and for each quarterly installment after such sixteenth installment until September 27, 2018, 3.75% of the original principal amount of the term loan A facility. The term loan A facility will mature on September 27, 2018.
- As of April 4, 2015, the Company has borrowed all $1.3 billion under the terms of the term loan B facility and repaid approximately €5.1 million and $6.0 million, which when repaid, cannot be reborrowed. The term loan B facility is repayable in quarterly installments of 0.25% of the aggregate principal amount of the relevant term loan B facility on the last day of each March, June, September and December of each year commencing on the last day of each month falling on or after the last day of the first full quarter following January 6, 2014, and continuing until the last day of each quarter period ending immediately prior to January 7, 2021; and one final installment in the amount of the relevant term loan B facility then outstanding, due on January 7, 2021. The term loan B facility will mature on January 7, 2021.
- The interest rate applicable to any borrowings under the term loan A facility and the revolving loan facility will equal either LIBOR/euro interbank offered rate/CDOR plus 2.50% per annum or base rate/Canadian prime rate plus 1.50% per annum, subject to certain step-downs based on the Company's total leverage ratio. The interest rate applicable to any borrowings under the term loan B facility will equal (a) for U.S. dollar term loans, either the base rate plus 1.50% or LIBOR plus 2.50%, and (b) for euro term loans, the euro interbank offered rate plus 2.75%, in each case subject to a step-down based on Darling's total leverage ratio. For term loan B loans, the LIBOR rate shall not be less than 0.75%.

Senior Notes due 2022. On December 18, 2013, Darling Escrow Corporation ("Darling Escrow Sub"), a Delaware corporation and wholly-owned subsidiary of Darling, entered into a Purchase Agreement (the "Original Purchase Agreement"), with the initial purchasers party thereto (the "Initial Purchasers"), for the sale of $500.0 million aggregate principal amount of its 5.375% Notes. On January 2, 2014, the 5.375% Notes, which were offered in a private offering in connection with the VION Acquisition, were issued pursuant to a 5.375% Notes Indenture, dated as of January 2, 2014 (the "Original 5.375% Notes Indenture"), among Darling Escrow Sub, the Subsidiary Guarantors (as defined in the Original 5.375% Notes Indenture) party thereto from time to time and U.S. Bank National Association, as trustee (the "Trustee"), with the gross proceeds from the offering of the 5.375% Notes and certain additional amounts deposited into an escrow account pending the satisfaction of certain conditions, including the completion of the VION Acquisition, which occurred on January 7, 2014.

On January 8, 2014, Darling Escrow Sub merged (the "Notes Merger") with and into Darling (with Darling as the survivor of the Notes Merger), pursuant to an Agreement and Plan of Merger, dated January 8, 2014, between Darling Escrow Sub and Darling. In connection with the completion of the Notes Merger, pursuant to the provisions of the Original 5.375% Notes Indenture and the Original Purchase Agreement, Darling Escrow Sub, Darling and certain of Darling's subsidiaries entered into a supplemental indenture with the Trustee (the "Supplemental 5.375% Notes Indenture," and together with the Original 5.375% Notes Indenture, the ("5.375% Notes Indenture"). For a description of the terms of the 5.375% Notes, see the section entitled "*Description of Other Indebtedness*."

The classification of long-term debt in the Company's April 4, 2015 consolidated balance sheet is based on the contractual repayment terms of the 5.375% Notes and debt issued under the Credit Agreement.

As a result of the Company's borrowings under its Credit Agreement and the 5.375% Notes Indenture, the Company is highly leveraged. Investors should note that, in order to make scheduled payments on the indebtedness outstanding under the Credit Agreement and the 5.375% Notes, and otherwise, the Company will rely in part on a combination of dividends, distributions and intercompany loan repayments from the Company's direct and indirect U.S. and foreign subsidiaries. The Company is prohibited under the Credit Agreement and the 5.375% Notes Indenture from entering (or allowing such subsidiaries to enter) into contractual limitations on the Company's subsidiaries' ability to declare dividends or make other payments or distributions to the Company. The Company has also attempted to structure the Company's consolidated indebtedness in such a way as to maximize the Company's ability to move cash from the Company's subsidiaries to Darling or another subsidiary that will have fewer limitations on the ability to make upstream payments, whether to Darling or directly to the Company's lenders as a Guarantor. Nevertheless, applicable laws under which the Company's direct and indirect subsidiaries are formed may provide limitations on such dividends, distributions and other payments. In addition, regulatory authorities in various countries where the Company operates or where the Company imports or exports products may from time to time impose import/export limitations, foreign exchange controls or currency devaluations that may limit the Company's access to profits from the Company's subsidiaries or otherwise negatively impact the Company's financial condition and therefore reduce the Company's ability to make required payments under Credit Agreement, the 5.375% Notes, or otherwise. In addition, fluctuations in foreign exchange values may have a negative impact on the Company's ability to repay indebtedness denominated in U.S. or Canadian dollars or euros. See the sections entitled "*Risk Factors—Risks Related to Darling—Our business may be adversely impacted by fluctuations in exchange rates, which could affect our ability to comply with our financial covenants*" and "*Risk Factors—Risks Related to the Notes and this Offering—The Issuer's ability to repay the notes depends on the performance of Darling Ingredients and Darling Ingredients' subsidiaries, including Darling Ingredients' non-guarantor subsidiaries, and their ability to make payments*."

Working Capital and Capital Expenditures

On April 4, 2015, the Company had working capital of $568.2 million and its working capital ratio was 2.19 to 1 compared to working capital of $569.6 million and a working capital ratio of 2.18 to 1 on January 3, 2015. As of April 4, 2015, the Company had unrestricted cash of $112.1 million and funds available under the revolving credit facility of $879.4 million, compared to unrestricted cash of $108.8 million and funds available under the revolving credit facility of $865.9 million at January 3, 2015. The Company diversifies its cash investments by limiting the amounts deposited with any one financial institution and invest primarily in government-backed securities.

Net cash provided by operating activities was $59.2 million for the three months ended April 4, 2015 as compared to net cash used by operating activities of $30.5 million for the three months ended March 29, 2014, an increase of $89.7 million due primarily to an increase in net income of approximately $52.8 million and changes in operating assets and liabilities that included an increase in cash provided by accounts payable and accrued expenses of approximately $43.8 million. Cash used by investing activities was $50.7 million for the three months ended April 4, 2015, compared to $2,138.5 million for the three months ended March 29, 2014, a decrease of $2,087.8 million, primarily due to cash paid for the VION Acquisition in the prior year. Net cash provided by financing activities was $8.5 million for the three months ended April 4, 2015, compared to cash provided by financing activities of $1,443.3 million for the three months ended March 29, 2014, a decrease of $1,434.8 million, primarily due to borrowings under the Credit Agreement and 5.375% Notes to fund the VION Acquisition in the prior year.

Capital expenditures of $50.8 million were made during the first three months of fiscal 2015, compared to $51.4 million in the first three months of fiscal 2014, for a net decrease of $0.6 million (1.2%). The Company expects to incur additional capital expenditures of between $150.0 million and $200.0 million for the remainder of fiscal 2015. Additionally, included in the planned capital projects are costs associated with the Company's initiation of a new ERP system. As of April 4, 2015, the Company has spent life-to-date approximately $38.4 million in capital expenditures for software and design costs related to the implementation of the Oracle E Business Suite ERP system. The implementation is expected to be completed in 2016. The expected cash flow impact of this project will be in the range of $40.0 million to $42.0 million. These costs will be financed using the cash flows from operations. Capital expenditures related to compliance with environmental regulations were $3.3 million and $5.6 million during the three months ended April 4, 2015 and March 29, 2014, respectively.

Accrued Insurance and Pension Plan Obligations

Based upon the annual actuarial estimate, current accruals and claims paid during the first three months of fiscal 2015, the Company has accrued approximately $9.3 million it expects will become due during the next twelve months in order to meet obligations related to the Company's self insurance reserves and accrued insurance obligations, which are included in current accrued expenses at April 4, 2015. The self insurance reserve is composed of estimated liability for claims arising for workers' compensation, and for auto liability and general liability claims. The self insurance reserve liability is determined annually, based upon a third party actuarial estimate. The actuarial estimate may vary from year to year due to changes in cost of health care, the pending number of claims or other factors beyond the control of management of the Company.

Based upon current actuarial estimates, the Company expects to contribute approximately $0.4 million to its domestic pension plans in order to meet minimum pension funding requirements during the next twelve months. In addition, the Company expects to make payments of approximately $7.1 million under its foreign pension plans in the next twelve months. The minimum pension funding requirements are determined annually, based upon a third party actuarial estimate. The actuarial estimate may vary from year to year due to fluctuations in return on investments or other factors beyond the control of management of the Company or the administrator of the Company's pension funds. No assurance can be given that the minimum pension funding requirements will not increase in the future. The Company has made tax deductible discretionary and required contributions to its domestic pension plans for the three months ended April 4, 2015 of approximately $0.1 million. Additionally, the Company has made required and tax deductible discretionary contributions to its foreign pension plans for the three months ended April 4, 2015 of approximately $1.5 million.

The U.S. Pension Protection Act of 2006 ("PPA") went into effect in January 2008. The stated goal of the PPA is to improve the funding of U.S. pension plans. U.S. plans in an under-funded status are required to increase employer contributions to improve the funding level within PPA timelines. Volatility in the world equity and other financial markets could have a material negative impact on U.S. pension plan assets and the status of required funding under the PPA. The Company participates in various U.S. multiemployer pension plans which provide defined benefits to certain employees covered by labor contracts. These plans are not administered by the Company and contributions are determined in accordance with provisions of negotiated labor contracts to meet their pension benefit obligations to their participants. The Company's contributions to each individual U.S. multiemployer plan represent less than 5% of the total contributions to each such plan. Based on the most currently available information, the Company has determined that, if a withdrawal were to occur, withdrawal liabilities for two of the U.S. plans in which the Company currently participates could be material to the Company, with one of these material plans certified as critical or red zone under PPA guidelines. With respect to the other U.S. multiemployer pension plans in which the Company participates and which are not individually significant, four plans have certified as critical or red zone, two have certified as endangered or yellow zone and one has certified as seriously endangered or orange zone as defined by the PPA. The Company has received notices of withdrawal liability from two U.S. multiemployer pension plans in which it participated. As a result, the Company has an accrued aggregate liability of approximately $2.0 million representing the present value of scheduled withdrawal liability payments under these multiemployer plans. While the Company has no ability to calculate a possible current liability for under-funded multiemployer plans that could terminate or could require additional funding under the PPA, the amounts could be material.

DGD Joint Venture

The Company announced on January 21, 2011 that a wholly-owned subsidiary of Darling entered into a limited liability company agreement with Valero to form the DGD Joint Venture. The DGD Joint Venture is owned 50% / 50% with Valero and was formed to design, engineer, construct and operate the DGD Facility, which is capable of processing approximately 11,000 barrels per day of input feedstock to produce renewable diesel fuel and certain other co-products, and is located adjacent to Valero’s refinery in Norco, Louisiana. The DGD Facility reached mechanical completion and began the production of renewable diesel in late June 2013.

On May 31, 2011, the DGD Joint Venture and Diamond Green Diesel LLC, a wholly-owned subsidiary of the DGD Joint Venture (“Opco”), entered into (i) a facility agreement (the “Facility Agreement”) with Diamond Alternative Energy, LLC, a wholly-owned subsidiary of Valero (the “Lender”), and (ii) a loan agreement (the “Loan Agreement”) with the Lender, which provided the DGD Joint Venture with a 14 year multiple advance term loan facility of approximately $221.3 million (the “JV Loan”) to support the design, engineering and construction of the DGD Facility, which is now in production. The Facility Agreement and the Loan Agreement prohibit the Lender from assigning all or any portion of the Facility Agreement or the Loan Agreement to unaffiliated third parties. Opco has also pledged substantially all of its assets, consisting of substantially all of the plant, property and equipment of the DGD Facility, to the Lender, and the DGD Joint Venture has pledged all of Opco’s equity interests to the Lender, until the JV Loan has been paid in full and the JV Loan has terminated in accordance with its terms.

Based on the sponsor support agreements executed in connection with the Facility Agreement and the Loan Agreement relating to the DGD Joint Venture with Valero, the Company has contributed a total of approximately $111.7 million for completion of the DGD Facility including the Company’s portion of cost overruns and working capital funding. As of the date of these Listing Particulars, it is anticipated that substantially all contributions have been made, except for possible additional working capital funding, which is not expected to be material to the Company if it occurs. As of April 4, 2015, under the equity method of accounting, the Company has an investment in the DGD Joint Venture of approximately $176.7 million included on the consolidated balance sheet. Distribution of earnings to the venture partners is prohibited until certain conditions required under the DGD Joint Venture’s Loan Agreement are satisfied, including prepayments of principal by the DGD Joint Venture upon qualifying events. In addition, the DGD Joint Venture has no mandatory distributions to its joint venture partners. The DGD Joint Venture received the $126.0 million of 2014 calendar year blenders credits from the Internal Revenue Service in April 2015. As a result, the DGD Joint Venture made debt payment of approximately $43 million, made dividend distributions to each partner in the amount of $25.0 million and retained the remaining amount for future capital expenditures and general DGD Joint Venture purposes.

On February 23, 2015, Darling, through its wholly owned subsidiary Darling Green Energy LLC ("Darling Green"), and a third party, Diamond Alternative Energy, LLC ("Diamond Alternative" and together with Darling Green, the "DGD Lenders"), entered into a revolving loan agreement (the "DGD Loan Agreement") with the DGD Joint Venture Opco. The DGD Lenders have committed to make loans available to Opco in the total amount of $10.0 million with each lender committed to $5.0 million of the total commitment. Any borrowings by Opco under the DGD Loan Agreement are at the applicable annum rate equal to the sum of (a) the LIBOR Rate (meaning Reuters BBA Libor Rates Page 3750) on such day plus (b) 2.50%. The DGD Loan Agreement matures on December 31, 2015, unless extended by agreement of the parties. During the first quarter of fiscal 2015, Opco borrowed and repaid $3.5 million plus an insignificant amount of interest to Darling Green. As of April 4, 2015, no amounts are owed to Darling Green under the DGD Loan Agreement.

On April 10, 2015, as part of a proposed consent decree in a litigation proceeding brought against the EPA by the American Petroleum Institute and the American Fuel and Petrochemical Manufacturers, the EPA announced the establishment of a timeline for issuing the renewable fuel standards for 2014 and 2015. Pursuant to the consent decree, the EPA would propose volume requirements for 2015 by June 1, 2015 and would finalize volume requirements for 2014 and 2015 by November 30, 2015. In addition, although not required by the consent decree, the EPA announced that it would finalize the standards for 2016 along the same timeline. The consent decree is subject to public notice and a 30-day comment period.

Financial Impact of VION Acquisition

On January 7, 2014, the Company acquired the VION Ingredients business division of VION by purchasing the shares of the VION Companies as described in Notes 1 and 3 to our Consolidated Financial Statements for the three months ended April 4, 2015. The purchase price for the transaction was approximately €1.6 billion in cash. The purchase price was financed through (i) borrowings under the Credit Agreement; (ii) proceeds from the Company's $874.0 million public common stock offering in December 2013; and (iii) proceeds from the private offering of $500.0 million aggregate principal amount of the 5.375% Notes.

As a result of the VION Acquisition, the Company has a substantial amount of indebtedness, which could make it more difficult for us to satisfy our obligations to our financial lenders and our contractual and commercial commitments, limit our ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements on commercially reasonable terms or at all, require us to use a substantial portion of our cash flows from operations to pay principal and interest on our indebtedness instead of other purposes, thereby reducing the amount of our cash flows from operations available for working capital, capital expenditures, acquisitions and other general corporate purposes, increase our vulnerability to adverse economic, industry and business conditions, expose us to the risk of increased interest rates as certain of our borrowings are at variable rates of interest, limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate, place us at a competitive disadvantage compared to other, less leveraged competitors, and/or increase our cost of borrowing.

Cash Flows and Liquidity Risks

Management believes that the Company's cash flows from operating activities consistent with the level generated in the first three months of Fiscal 2015, unrestricted cash and funds available under the Credit Agreement, will be sufficient to meet the Company's working capital needs and maintenance and compliance-related capital expenditures, scheduled debt and interest payments, income tax obligations, and other contemplated needs through the next twelve months. Numerous factors could have adverse consequences to the Company that cannot be estimated at this time, such as those factors discussed herein in the section entitled "*Cautionary Note Regarding Forward-Looking Statements*." These factors, coupled with volatile prices for natural gas and diesel fuel, currency exchange fluctuations, general performance of the U.S. and global economies, disturbances in world financial, credit, commodities and stock markets, and any decline in consumer confidence, including the inability of consumers and companies to obtain credit due to lack of liquidity in the financial markets, among others, could negatively impact the Company's results of operations in Fiscal 2015 and thereafter. The Company reviews the appropriate use of unrestricted cash periodically. Except for expenditures relating to the Company's ongoing installation activities with respect to its planned new ERP system project and costs related to the integration of Rothsay and Darling Ingredients International, no decision has been made as to non-ordinary course cash usages at this time; however, potential usages could include: opportunistic capital expenditures and/or acquisitions and joint ventures; investments relating to the Company's renewable energy strategy, including, without limitation, potential investments in additional renewable diesel and/or biodiesel projects; investments in response to governmental regulations relating to human and animal food safety or other regulations; unexpected funding required by the legislation, regulation or mass termination of multiemployer plans; and paying dividends or repurchasing stock, subject to limitations under the Credit Agreement and the 5.375 % Notes, as well as suitable cash conservation to withstand adverse commodity cycles.

Each of the factors described above has the potential to adversely impact the Company's liquidity in a variety of ways, including through reduced raw materials availability, reduced finished product prices, reduced sales, potential inventory buildup, increased bad debt reserves, potential impairment charges and/or higher operating costs.

Sales prices for the principal products that the Company sells are typically influenced by sales prices for agricultural-based alternative ingredients, the prices of which are based on established commodity markets and are subject to volatile changes. Any decline in these prices has the potential to adversely impact the Company's liquidity. Any of a decline in raw material availability, a decline in agricultural-based alternative ingredients prices, increases in energy prices or the impact of U.S. and foreign regulation (including, without limitation, China), changes in foreign exchange rates, imposition of currency controls and currency devaluations has the potential to adversely impact the Company's liquidity. A decline in commodities prices, a rise in energy prices, a slowdown in the U.S. or international economy or other factors, could cause the Company to fail to meet management's expectations or could cause liquidity concerns.

Contractual Obligations and Other Commercial Commitments

The following table summarizes our expected material contractual payment obligations, including both on- and off-balance sheet arrangements at January 3, 2015 (in thousands):

(in thousands)	Total	Less than 1 Year	1 – 3 Years	3 – 5 Years	More than 5 Years
Contractual obligations(a):					
Long-term debt obligations(b)	$2,119,028	$ 28,264	$ 64,095	$378,706	$1,647,963
Operating lease obligations(c)	158,074	32,280	54,541	42,214	29,039
Capital lease obligations(c)	8,560	2,873	4,161	1,360	166
Estimated interest payable(d)	432,183	73,231	143,258	128,984	86,710
Purchase commitments(e)	116,069	116,069	—	—	
Pension funding obligation(f)	6,464	6,464	—	—	—
Other obligations	24,852	23,264	710	434	444
Total	$2,865,230	$282,445	$266,765	$551,698	$1,764,322

(a) The above table does not reflect uncertain tax positions at January 3, 2015. The Company's uncertain tax position is approximately $ 8.1 million.
(b) Represents debt obligations outstanding as of January 3, 2015. See Note 10 to the consolidated financial statements.
(c) See Note 9 to the consolidated financial statements.
(d) Interest payable was calculated using the current rate for the debt that was outstanding as of January 3, 2015.
(e) Purchase commitments were determined based on specified contracts for natural gas, diesel fuel and finished product purchases.
(f) Pension funding requirements are determined annually based upon a third party actuarial estimate. The Company expects to make approximately $6.5 million in required contributions to domestic and foreign pension plans in Fiscal 2015. The Company is not able to estimate pension funding requirements beyond the next twelve months. The accrued pension benefit liability was approximately $66.9 million at the end of Fiscal 2014. The Company knows certain of the multiemployer pension plans that have not terminated to which it contributes and which are not administered by the Company were under-funded as of the latest available information, and while the Company has no ability to calculate a possible current liability for the under-funded multiemployer plan to which the Company contributes, the amounts could be material.

Off Balance Sheet Obligations

Based upon the underlying purchase agreements, the Company has commitments to purchase $92.4 million of commodity products consisting of approximately $89.7 million of finished products and approximately $2.7 million of natural gas and diesel fuel during the next twelve months, which are not included in liabilities on the Company's balance sheet at April 4, 2015. These purchase agreements are entered into in the normal course of the Company's business and are not subject to derivative accounting. The commitments will be recorded on the balance sheet of the Company when delivery of these commodities occurs and ownership passes to the Company during the remainder of Fiscal 2015, in accordance with accounting principles generally accepted in the United States.

Based upon the underlying lease agreements, the Company expects to pay approximately $34.1 million in operating lease obligations during the next twelve months, which are not included in liabilities on the Company's balance sheet at April 4, 2015. These lease obligations are included in cost of sales or selling, general and administrative expense as the underlying lease obligation comes due, in accordance with GAAP.

The following table summarizes the Company's other commercial commitments, including both on- and off-balance sheet arrangements that are part of the Company's Credit Agreement and other foreign bank guarantees that are not a part of the Company's Credit Agreement at April 4, 2015 (in thousands):

Other commercial commitments:	
Standby letters of credit	$32,004
Foreign bank guarantees	10,091
Total other commercial commitments:	$42,095

Critical Accounting Policies

The Company follows certain significant accounting policies when preparing its consolidated financial statements. A complete summary of these policies is included in Note 1 to our Consolidated Financial Statements for Fiscal 2014, included elsewhere in these Listing Particulars.

Certain of the policies require management to make significant and subjective estimates or assumptions that may deviate from actual results. In particular, management makes estimates regarding valuation of inventories, estimates of useful life of long-lived assets related to depreciation and amortization expense, estimates regarding fair value of the Company's reporting units and future cash flows with respect to assessing potential impairment of both long-lived assets and goodwill, self-insurance, environmental and litigation reserves, pension liability, estimates of income tax expense and estimates of expense related to stock options granted. Each of these estimates is discussed in greater detail in the following discussion.

Revenue Recognition

The Company recognizes revenue on sales when products are shipped and the customer takes ownership and assumes risk of loss. Certain customers may be required to prepay prior to shipment in order to maintain payment protection against certain foreign and domestic sales. These amounts are recorded as unearned revenue and revenue is recognized when the products have shipped and the customer takes ownership and assumes risk of loss. The Company has formula arrangements with certain suppliers whereby the charge or credit for raw materials is tied to published finished product commodity prices after deducting a fixed processing fee incorporated into the formula and is recorded as a cost of sale by line of business. The Company recognizes revenue related to grease trap servicing and industrial residual removal in the fiscal month the trap service or industrial residual removal occurs.

Inventories

The Company's inventories are valued at the lower of cost or market. Finished product and work in process manufacturing cost in the Feed Ingredients and Fuel Ingredients segments is calculated primarily using the first-in, first-out (FIFO) method, based upon the Company's raw material costs, collection and factory production operating expenses, and depreciation expense on collection and factory assets. In the Food Ingredients segment inventory cost is primarily determined based on the weighted average cost as the Food Ingredients products have a longer sell cycle. Market values of inventory are estimated at each plant location, based upon either: 1) the backlog of unfilled sales orders at the balance sheet date, or 2) unsold inventory, calculated using regional finished product prices quoted in the Jacobsen at the balance sheet date. Estimates of market value, based upon the backlog of unfilled sales orders or upon the Jacobsen, assume that the inventory held by the Company at the balance sheet date will be sold at the estimated market finished product sales price, subsequent to the balance sheet date. Actual sales prices received on future sales of inventory held at the end of a period may vary from either the backlog unfilled sales order price or the Jacobsen quotation at the balance sheet date. These variances could cause actual sales prices realized on future sales of inventory to be different than the estimate of market value of inventory at the end of the period. Inventories were approximately $401.6 million and $65.1 million at January 3, 2015 and December 28, 2013, respectively. The increase in inventory is primarily due to the VION Acquisition.

Long-Lived Assets, Depreciation and Amortization Expense and Valuation

The Company's property, plant and equipment are recorded at cost when acquired. Depreciation expense is computed on property, plant and equipment based upon a straight line method over the estimated useful life of the assets, which is based upon a standard classification of the asset group. Buildings and improvements are depreciated over a useful life of 15 to 30 years, machinery and equipment are depreciated over a useful life of 3 to 10 years and vehicles are depreciated over a life of 3 to 8 years. These useful life estimates have been developed based upon the Company's historical experience of asset life utility, and whether the asset is new or used when placed in service. The actual life and utility of the asset may vary from this estimated life. Useful lives of the assets may be modified from time to time when the future utility or life of the asset is deemed to change from that originally estimated when the asset was placed in service. Depreciation expense was approximately $186.0 million, $66.7 million and $57.3 million in fiscal years ending January 3, 2015, December 28, 2013 and December 29, 2012, respectively.

The Company's intangible assets, including permits, routes, non-compete agreements, trade names and royalty, consulting and leasehold agreements are recorded at fair value when acquired. Amortization expense is computed on these intangible assets based upon a straight line method over the estimated useful life of the assets, which is based upon a standard classification of the asset group. Collection routes are amortized over a useful life of 5 to 21 years; non-compete agreements are amortized over a useful life of 3 to 7 years; trade names with a finite life are amortized over a useful life of 4 to 15 years; royalty, consulting and leasehold agreements are amortized over the term of the agreement; and permits are amortized over a useful life of 10 to 20 years. The actual economic life and utility of the asset may vary from this estimated life. Useful lives of the assets may be modified from time to time when the future utility or life of the asset is deemed to change from that originally estimated when the asset was placed in service. Intangible asset amortization expense was approximately $83.6 million, $32.1 million and $28.1 million in fiscal years ending January 3, 2015, December 28, 2013 and December 29, 2012, respectively.

The Company reviews the carrying value of long-lived assets for impairment when events or changes in circumstances indicate that the carrying amount of an asset, or related asset group, may not be recoverable from estimated future undiscounted cash flows. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset or asset group to estimated undiscounted future cash flows expected to be generated by the asset or asset group. If the carrying amount of the asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. In Fiscal 2014, Fiscal 2013 and Fiscal 2012, no triggering event occurred requiring that the Company perform testing of its long-lived assets for impairment.

The net book value of property, plant and equipment was approximately $1,574.1 million and $666.6 million at January 3, 2015 and December 28, 2013, respectively. The net book value of intangible assets was approximately $932.4 million and $588.7 million at January 3, 2015 and December 28, 2013, respectively. The increase in property, plant and equipment and intangible assets is primarily due to the VION Acquisition.

Goodwill Valuation

During the fourth quarter of Fiscal 2014, the Company elected to change the date of the Company's annual assessments of goodwill and indefinite lived intangible assets impairment from the end of the Company's fiscal year to the end of October. This is a change in method of applying an accounting principal, which management believes is a preferable alternative as the new date of the assessment is more closely aligned with Company's strategic planning process. The change in assessment date did not delay, accelerate or avoid a potential impairment charge in 2014. The Company performed the annual goodwill and indefinite-lived intangible assets impairment assessments at October 25, 2014 and concluded that the Company's goodwill for all reporting units and all recorded indefinite-lived intangible assets were not impaired as of that date. Goodwill and indefinite lived assets are tested annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. The Company follows a two-step process for testing impairment. First, the fair value of each reporting unit is compared to its carrying value to determine whether an indication of impairment exists. If impairment is indicated, then the fair value of the reporting unit's goodwill is determined by allocating the unit's fair value of its assets and liabilities (including any unrecognized intangible assets) as if the reporting unit had been acquired in a business combination. The amount of impairment for goodwill is measured as the excess of its carrying value over its implied fair value.

Based on the Company's annual impairment testing at October 25, 2014 of Fiscal 2014 and year end of Fiscal 2013 and Fiscal 2012, the fair values of the Company's reporting units containing goodwill exceeded the related carrying value. However, the fair value of seven of the Company's nine reporting units was less than 30% of its carrying value, which was substantially less than the percentage by which the fair values of the Company's other two reporting units with goodwill exceeded their carrying values. It is possible, depending upon a number of factors that are not determinable at this time or within the control of the Company, that the fair value of these seven reporting units could decrease in the future and result in an impairment to goodwill. The amount of goodwill allocated to these reporting units was approximately $930.7 million. The Company's management believes the biggest risk to these reporting units is decreasing finished product prices and an economic slowdown that would impact raw material suppliers. Goodwill was approximately $1,320.4 million and $701.6 million at January 3, 2015 and December 28, 2013, respectively. The increase in goodwill is primarily due to the VION Acquisition.

Self Insurance, Environmental and Legal Reserves

The Company's workers compensation, auto and general liability policies contain significant deductibles or self insured retentions. The Company estimates and accrues for its expected ultimate claim costs related to accidents occurring during each fiscal year and carries this accrual as a reserve until these claims are paid by the Company. In developing estimates for self insured losses, the Company utilizes its staff, a third party actuary and outside counsel as sources of information and judgment as to the expected undiscounted future costs of the claims. The Company accrues reserves related to environmental and litigation matters based on estimated undiscounted future costs. With respect to the Company's self insurance, environmental and litigation reserves, estimates of reserve liability could change if future events are different than those included in the estimates of the actuary, consultants and management of the Company. At January 3, 2015 and December 28, 2013, the reserves for self insurance, environmental and litigation contingencies aggregated to approximately $54.9 million and $35.5 million, respectively. The Company has insurance recovery receivables of approximately $11.4 million and $8.8 million, respectively, related to these liabilities.

Pension Liability

The Company has retirement and pension plans covering a substantial number of its domestic and foreign employees. Most retirement benefits to employees are provided by the Company under separate final-pay noncontributory and contributory defined benefit pension plans for all salaried and hourly employees (excluding those employees covered by a union-sponsored plan), who meet service and age requirements. Defined benefits are based principally on length of service and earnings patterns during the five years preceding retirement. Pension expense and pension liability recorded by the Company is based upon an annual actuarial estimate provided by a third party administrator. Factors included in estimates of current year pension expense and pension liability at the balance sheet date include estimated future service period of employees, estimated future pay of employees, estimated future retirement ages of employees, and the projected time period of pension benefit payments. Two of the most significant assumptions used to calculate future pension obligations are the discount rate applied to pension liability and the expected rate of return on pension plan assets. These assumptions and estimates are subject to the risk of change over time, and each factor has inherent uncertainties which neither the actuary nor the Company is able to control or to predict with certainty. Effective January 1, 2012, the Company's Board of Directors authorized the Company to proceed with the restructuring of its domestic retirement benefit program to include the closing of Darling's domestic salaried and hourly defined benefit plans to new participants as well as the freezing of service and wage accruals thereunder effective December 31, 2011 (a curtailment of these plans for financial reporting purposes) and the enhancing of benefits under the Company's domestic defined contribution plans. The Company-sponsored domestic hourly union plan has not been curtailed; however, several locations of the Company-sponsored domestic hourly union plan have been curtailed as a result of collective bargaining renewals for those sites. See Note 15 to our Consolidated Financial Statements for Fiscal 2014, included elsewhere in these Listing Particulars.

The discount rate applied to the Company's pension liability is the interest rate used to calculate the present value of the pension benefit obligation. The weighted average discount rate was 2.79% and 4.66% at January 3, 2015 and December 28, 2013, respectively. The net periodic benefit cost for Fiscal 2015 would increase by approximately $2.4 million if the discount rate was 0.5% lower at a weighted average of 2.29%. The net periodic benefit cost for Fiscal 2015 would decrease by approximately $2.0 million if the discount rate was 0.5% higher at a weighted average of 3.29%.

The expected rate of return on the Company's pension plan assets is the interest rate used to calculate future returns on investment of the plan assets. The expected return on plan assets is a long-term assumption whose accuracy can only be assessed over a long period of time. The weighted average expected return on pension plan assets was 5.06% and 7.35% for Fiscal 2014 and Fiscal 2013, respectively. During Fiscal 2014, the Company's actual return on pension plan assets was a gain of $67.1 million or approximately 23.1% of pension plan assets as compared to Fiscal 2013 where the Company's actual return on pension plan assets was a gain of $13.1 million or approximately 12.3% of pension plan assets.

The Company has recorded a net pension liability of approximately $66.9 million and $11.1 million at January 3, 2015 and December 28, 2013, respectively. The Company's net pension cost was approximately $6.1 million, $3.9 million and $3.9 million for Fiscal 2014, Fiscal 2013 and Fiscal 2012, respectively. The projected net periodic pension expense for Fiscal 2015 is expected to increase by approximately $4.5 million as compared to Fiscal 2014.

Income Taxes

In calculating net income, the Company includes estimates in the calculation of income tax expense, the resulting tax liability and in future realization of deferred tax assets that arise from temporary differences between financial statement reporting and tax recognition of revenue and expense. The Company's deferred tax assets include a net operating loss carry-forward which is limited to approximately $0.7 million per year in future utilization due to the change in control resulting from the May 2002 recapitalization of the Company. Valuation allowances for deferred tax assets are recorded when it is more likely than not that deferred tax assets will not be realized.

Stock Option Expense

The calculation of expense of stock options issued utilizes the Black-Scholes mathematical model which estimates the fair value of the option award to the holder and the compensation expense to the Company, based upon estimates of volatility, risk-free rates of return at the date of issue and projected vesting of the option grants. The Company recorded compensation expense related to stock options expense for Fiscal 2014, Fiscal 2013 and Fiscal 2012 of approximately $2.3 million, $1.3 million and $1.0 million, respectively.

New Accounting Pronouncements

In April 2015, the FASB issued ASU No. 2015-04, Practical Expedient for the Measurement Date of an Employer's Defined Benefit Obligation and Plan Assets. The ASU amends ASC Topic 715, Compensation-Retirement Benefits. The new standard permits a reporting entity with a fiscal year-end that does not coincide with a month-end to measure defined benefit plan assets and obligations using the month-end that is closest to the entity's fiscal year-end and apply that expedient consistently from year to year. The practical expedient should be applied consistently to all plans if an entity has more than one plan. This ASU is effective for public entities for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those years. The Company is currently evaluating the impact of this standard.

In April 2015, the FASB issued ASU No. 2015-03, Simplifying the Presentation of Debt Issuance Costs. The ASU amends ASC (Subtopic 835-30), Interest—Imputation of Interest. The new standard requires debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying value of the debt liability, which is similar to the presentation of debt discounts or premiums. The costs will continue to be amortized to interest expense using the effective interest method. The ASU is effective for public entities for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. The Company is currently evaluating the impact of this standard.

In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606), which will supersede nearly all existing revenue recognition guidance under GAAP. The new ASU introduces a new five-step revenue recognition model in which an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In addition, this ASU requires disclosures sufficient to enable the users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers, including qualitative and quantitative disclosures about contracts with customers, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. This ASU allows for either full retrospective or modified retrospective adoption and will become effective for the Company for the annual reporting period beginning after December 15, 2016, with early adoption not permitted. The Company is currently evaluating the impact of this standard.

Quantitative and Qualitative Disclosures about Market Risks

Market risks affecting the Company include exposures to changes in prices of the finished products the Company sells, interest rates on debt, availability of raw material supplies and the price of natural gas and diesel fuel used in the Company's plants. Raw materials available to the Company are impacted by seasonal factors, including holidays, when raw material volume declines; warm weather, which can adversely affect the quality of raw material processed and finished products produced; and cold weather, which can impact the collection of raw material. Predominantly all of the Company's finished products are commodities that are generally sold at prices prevailing at the time of sale. Additionally, with acquisition of foreign entities we are exposed to foreign currency exchange risks, imposition of currency controls and the possibility of currency devaluation.

The Company makes limited use of derivative instruments to manage cash flow risks related to natural gas usage, diesel fuel usage, inventory, forecasted sales and foreign currency exchange rates. The Company does not use derivative instruments for trading purposes. Natural gas swaps and options are entered into with the intent of managing the overall cost of natural gas usage by reducing the potential impact of seasonal weather demands on natural gas that increases natural gas prices. Heating oil swaps and options are entered into with the intent of managing the overall cost of diesel fuel usage by reducing the potential impact of seasonal weather demands on diesel fuel that increases diesel fuel prices. Corn options and future contracts are entered into with the intent of managing U.S. forecasted sales of BBP by reducing the impact of changing prices. Foreign currency forward contracts are entered into to mitigate the foreign exchange rate risk for transactions designated in a currency other than the local functional currency. The interest rate swaps and the natural gas swaps are subject to the requirements of FASB authoritative guidance. Some of the Company's natural gas and diesel fuel instruments are not subject to the requirements of FASB authoritative guidance because some of the natural gas and diesel fuel instruments qualify as normal purchases as defined in FASB authoritative guidance. At April 4, 2015, the Company had corn option contracts outstanding that qualified and were designated for hedge accounting as well as heating oil swap contracts, corn option and forward contracts and foreign currency forward contracts that did not qualify and were not designated for hedge accounting.

In Fiscal 2014, the Company entered into corn option contracts that are considered cash flow hedges. Under the terms of the corn option contracts, the Company hedged a portion of its U.S. forecasted sales of BBP through the second quarter of Fiscal 2015. As of April 4, 2015, the aggregate fair value of these corn option contracts was approximately $0.2 million and is included in other current assets on the balance sheet, with an offset recorded in accumulated other comprehensive income for the effective portion. From time to time, the Company may enter into corn option contracts in the future. Gains and losses arising from open and closed portions of these contracts may have a significant impact on the Company's income if there is significant volatility in the price of corn.

As of April 4, 2015, the Company had the following outstanding forward contracts that were entered into to hedge the future payments of intercompany note transactions, foreign currency transactions in currencies other than the functional currency and forecasted transactions in currencies other than the functional currency. All of these transactions are currently not designated for hedge accounting (in thousands):

Functional Currency		Contract Currency			
Type	Amount	Type	Amount	Range of Hedge rates	U.S. Equivalent
Brazilian real	16,355	Euro	4,800	3.09 – 3.51	$ 5,203
Brazilian real	36,824	U.S. dollar	12,250	2.67 – 3.30	12,250
Euro	263,454	U.S. dollar	299,964	1.06 – 1.25	299,964
Euro	21,886	Polish zloty	90,000	4.06 – 4.29	23,889
Euro	5,505	Japanese yen	727,609	128.09 – 139.68	6,009
Euro	35,028	Chinese renminbi	238,577	6.81	38,233
Euro	25,145	Australian dollar	35,850	1.40 – 1.43	27,446
Euro	3,364	British pound	2,443	0.72 – 0.73	3,671
Polish zloty	21,095	Euro	5,064	4.11 – 4.20	5,648
British pound	109	Euro	150	0.72 – 0.73	162
British pound	116	U.S. dollar	177	1.52 – 1.54	177
					$422,652

The above foreign currency contracts mature within one year and include hedges on approximately $278.1 million of intercompany notes. The above foreign currency contracts had an aggregate fair value of approximately $8.7 million and are included in other current assets and accrued expenses at April 4, 2015.

Additionally, the Company had corn options contracts and forward contracts and heating oil swaps that are marked to market because they did not qualify for hedge accounting at April 4, 2015. These contracts have an aggregate fair value of approximately $0.4 million and are included in other current assets and accrued expenses at April 4, 2015.

As of April 4, 2015, the Company had forward purchase agreements in place for purchases of approximately $2.7 million of natural gas and diesel fuel in fiscal 2015. As of April 4, 2015, the Company had forward purchase agreements in place for purchases of approximately $89.7 million of finished product in fiscal 2015.

Interest Rate Sensitivity

At April 4, 2015, the Company's fixed rate debt obligations consist of the 5.375% Notes and other immaterial debt that accrue interest at an annual weighted average fixed rate of approximately 5.375%. As of April 4, 2015, the Company has long-term debt of approximately $1.5 billion subject to variable interest rates under the Senior Secured Facilities. This portion of the Company's debt is sensitive to fluctuations in interest rates. The Company estimates that a 1% increase in interest rates will increase the Company's annual interest expense by approximately $15.3 million.

Foreign Exchange

The Company now has significant international operations and is subject to certain opportunities and risks, including currency fluctuations. As a result, the Company is affected by changes in foreign currency exchange rates, particularly with respect to the euro, British pound, Canadian dollar, Australian dollar, Chinese renminbi, Brazilian real, Japanese yen and the Argentine peso.

INDUSTRY

Overview

We and businesses like ours collect and process edible and inedible animal and other products and convert them into feed, food and fuel ingredients sold globally. Businesses participating in our industry provide services and solutions to process billions of pounds of waste that might otherwise create significant ecological problems, as the inappropriate disposal of such waste streams would produce significant amounts of carbon dioxide, increase pathogenic risk for disease and use up valuable and scarce landfill capacity. Over the past decade, our industry has evolved significantly as businesses like ours continue to find innovative ways to recover and process more animal bio-nutrients, which historically would have been disposed as waste, into value-added and specialty ingredients that are used in a wide array of products.

On a macro level, our industry is tied to a number of global trends which we believe help support the demand for our value-added products and services. These trends include population growth, demographic changes, emerging market growth and demand for alternative energy. Our industry is principally driven by global consumption and production of beef, poultry, pork and fish, which together account for substantially all of our raw material bio-nutrient inputs. As income levels rise and the middle classes grow in emerging markets, consumers' diets are changing from staple foods such as rice or wheat to diets with higher quantities of animal protein and that demand supports the expected rising supply of inputs in our industry.

We are also impacted, mainly in North America, by factors influencing the production of our other sources of raw material, such as used cooking oil and bakery residuals. The underlying demand within these industries helps provide a continuous supply of raw materials for us and other industry participants.

Several macro and industry trends affect the global supply of and demand for our raw material inputs and our value-added products which are summarized below.

Supply of Inputs

Globally, according to a report published by The World Health Organization, annual meat production, consisting of pork, beef, poultry and other livestock is projected to increase from 218 million tons in 1997-1999 to 376 million tons by 2030, thus effectively growing at a CAGR of 1.7%. In U.S. and European markets, animal slaughters have seen modest growth over the last two decades, and this is expected to continue to be supported by GDP growth and changes in consumer preferences. Additionally, in emerging markets such as South America and Asia, animal slaughters are expected to experience continued strong growth and consolidation, leading to additional raw material supply from these regions. This anticipated emerging market growth is supported by macro trends, including population growth, increased urbanization and wage increases. For example, according to the Organisation for Economic Co-operation and Development, in China, meat and poultry consumption increased from 83.1 pounds per capita in 2000 to 107.6 pounds per capita in 2013.

Beef

According to the OECD, global beef consumption is expected to grow at a compound annual growth rate ("CAGR") of 1.5% from 2013 to 2020; beef consumption in China for the same period is expected to grow at a CAGR of 2.0%; and, according to the USDA, U.S. commercial beef production is expected to increase to 25.9 billion pounds in 2020, up from 24.5 billion in 2013. Increased levels of wealth in emerging markets are driving global beef consumption, as consumers are switching to diets that include more animal protein.

Poultry

According to the Statistics Division of the Food and Agriculture Organization of the United Nations and the OECD, total poultry consumption is expected to reach 108 million tons in 2013. Additionally, global poultry consumption is expected to grow at a CAGR of 2.0% from 2013 to 2020; consumption in developing countries is expected to grow at a CAGR of 2.4% from 2013 to 2020. Poultry production has grown rapidly as consumer preferences have shifted to relatively healthy and low cost poultry products at the expense of red meat alternatives.

Pork

Global pork consumption is expected to grow at a CAGR of 1.5% from 2013 to 2020, according to the OECD. According to the USDA, U.S. commercial pork production is expected to increase from 22.9 billion pounds in 2013 to 25.7 billion pounds by 2020. China is expected to be the main driver of global pork consumption with an increase in per capita pork consumption from 66.6 pounds in 2013 to 73.4 pounds by 2020. According to the OECD estimates, pork is China's meat of choice, accounting for nearly two thirds of total meat consumption.

Other Inputs

Two additional raw materials that support our U.S. business are used cooking oils and bakery residuals.

Used cooking oils serve as a substantial raw material input for our animal feed and biofuel production. The supply of used cooking oils has been driven by the favorable long-term trends in the United States related to consumers' preference for dining out at quick serve restaurants. According to IBIS, global quick serve restaurants revenue will reach $574 billion in 2015, growing at a CAGR of 2.9% from 2010.

The U.S. bakery industry produces significant volumes of residuals each year such that even a small percentage of their products rejected for quality concerns or that are not otherwise sold can produce millions of pounds of waste each week. The U.S. bakery industry is expected to experience growth as consumer disposable income continues to improve.

Demand for Our Outputs

We believe we are well-positioned to take advantage of several global trends relating to feed, food and fuel end markets that are driving ongoing demand for our value-added and specialty products.

Feed Ingredients

Within our Feed Ingredients segment, we offer value-added feed products, pet food and other products. Feed mills, which prepare animal feeds, utilize our end products as ingredients in animal feed and are our largest group of customers. The animal feed industry is a large and steadily growing global industry that supplies livestock and poultry producers with their primary raw material input and serves as a cornerstone of the world's food supply. According to Alltech, world compound feed production was 980 million tons in 2014 and is fast approaching one billion tons annually and the global commercial feed manufacturing industry generated an estimated annual turnover of $460 billion in 2014. Global population growth and expansion of developing economies have further bolstered demand for meat, requiring greater supply of feeds to match growing production.

Pet food manufacturers utilize our finished products as ingredients in pet food and represent our second largest group of customers. The global pet food market size was $58.6 billion in 2011 and is expected to reach a value of $74.8 billion in 2017, growing at a CAGR of 4.2% from 2011 to 2017. The pet food market has grown over the past five years, primarily driven by the increase in pet ownership from an aging population, increasing discretionary spending on pet-related products and greater demand for specialty, healthy pet foods.

A potential market for our industry is the aqua feed or “aquaculture” end market. Growth in aqua feed is driven primarily by growing volumes of aquaculture across the globe. The aqua feed industry is expected to shift from using expensive fish meals to using protein meals produced from beef, pork and poultry. The shortage of protein meals and competition for feed ingredients is expected to lead to an increase in prices.

Food Ingredients

Within our Food Ingredients segment, we offer a wide range of value-added ingredients, including gelatin, natural casings, meat by-products, edible fat and heparin. Gelatin is a protein and is a translucent, colorless and flavorless substance derived from collagen obtained from various animal by-products. Gelatin is used in a number of end markets, including food, pharmaceutical and photographic. Within food products, gelatin is used in confectionary, soft drinks, meat processing, bakery, fish processing, dairy products, taste enhancers, dietetic foods and salt reducers, among others. Pharmaceutical companies use gelatin for a number of products such as soft capsules, hard capsules, tableting, blood plasma substitutes and vitamin encapsulation. In the photographic industry, gelatin is used in x-ray film, color film, graphic film and black and color photo paper. Population growth, aging population and increasing global wealth are driving demand for gelatin and its key products. Higher disposable income and a higher percentage of youth in emerging markets are supporting the purchases of confectionary products such as gums and jellies, while increased health awareness and access to health care is driving demand in pharmaceutical products According to a Transparency Market Research report, the global gelatin market was valued at $1.8 billion in 2013 and is estimated to reach $3.0 billion in 2020, growing at a CAGR of 7.5% from 2014 to 2020, primarily driven by strong demand in China, India and South America.

We also supply natural casings to the sausage industry. The majority of sausages are made with natural casings, mainly in large sausage markets such as Europe, South America and China. Global sausage demand is expected to grow due to increasing disposable incomes in China and Brazil.

Additionally, we also supply heparin and other blood products and edible fats through Darling Ingredients International’s Sonac brands. Heparin is an anticoagulant primarily used to prevent venous thrombosis with patients that are temporarily bedridden. We expect penetration in end markets relating to blood products to increase, driven by trends such as reduced use of antibiotics in feed products. Sonac’s edible fat products are sold primarily to food and pet food producers (for example, for use in production of margarine, frying fats and other meats). We expect the end markets relating to edible fat products to grow in-line with GDP, which should provide for stable growth over the next few years.

Fuel Ingredients

Within our Fuel Ingredients segment, we offer biofuels and other bioenergy products.

Many industrialized countries have policies in place that mandate the inclusion of a minimum amount of biofuel additives to traditional petroleum blends, and many have proposed to increase these percentages significantly in the future. Under Directive 2009/28/EC on the promotion of the use of energy from renewable sources, which requires all E.U. Member States to collectively source 20% of all energy consumed within the E.U. from renewable sources by 2020, a binding target was introduced to ensure that 10% of transport fuel in each E.U. Member State comes from renewable sources by 2020, although that mandate may be reduced based upon current E.U. proposals. The United States has been targeting 30% of energy use to be generated from biofuels by 2030 and also passed legislation that mandates minimum levels of biofuel consumption. Government mandates for the use of alternative fuels have also been enacted in many developing countries, including China, India and Brazil.

OUR BUSINESS

Historical Overview

Founded by the Swift meat packing interests and the Darling family in 1882, we are a global developer and producer of sustainable natural ingredients from edible and inedible bio-nutrients, creating a wide range of ingredients and customized specialty solutions for customers in the pharmaceutical, food, pet food, feed, technical, fuel, bioenergy and fertilizer industries. With operations on five continents, we collect and transform all aspects of animal by-product streams into useable and specialty ingredients, such as gelatin, edible fats, feed-grade fats, animal proteins and meals, plasma, pet food ingredients, organic fertilizers, yellow grease, fuel feedstocks, green energy, natural casings and hides. We also recover and convert used cooking oil and commercial bakery residuals into valuable feed and fuel ingredients. In addition, we provide grease trap services to food establishments, environmental services to food processors and sell restaurant cooking oil delivery and collection equipment. During the fifty-three weeks ended April 4, 2015, we generated $3.9 billion in net sales, $486.2 million of Adjusted EBITDA and $121.1 million in net income attributable to Darling.

On January 7, 2014, we acquired VION Ingredients in the VION Acquisition. The VION Ingredients business is now conducted under the name Darling Ingredients International. In addition, on October 28, 2013, we completed the acquisition of substantially all of the assets of Rothsay in the Rothsay Acquisition. Prior to the Acquisitions, we had no material foreign operations. As a result of the Acquisitions, our business is now conducted through a global network of over 200 locations across five continents.

North America

We are a leading provider of animal by-product processing, used cooking oil and bakery residual recycling and recovery solutions to the U.S. food industry. We operate over 130 processing and transfer facilities in the United States to produce finished products such as protein (primarily meat and bone meal ("MBM") and poultry meal ("PM")), fats (primarily bleachable fancy tallow ("BFT"), poultry grease ("PG") and yellow grease ("YG")), bakery by-products ("BBP") and hides, as well as a range of branded and value-added products. We sell these products in North America and throughout the world, primarily to producers of animal feed, pet food, biodiesel, fertilizer and other consumer and industrial ingredients, including oleo-chemicals, soaps and leather goods, for use as ingredients in their products or for further processing. Rothsay is a leading recycler of animal byproducts and producer of biodiesel in Canada. Rothsay processes raw materials into finished fats and proteins products for use in animal feed, pet food, biodiesel, fertilizer and other ingredients and manufactures biodiesel for domestic and international markets. Rothsay has a network of five rendering plants in Manitoba, Ontario and Nova Scotia and a biodiesel operation in Quebec.

Europe, China, Australia and South America

We are a worldwide leader in the development and production of specialty ingredients from animal by-products for applications in animal feed, pet food, fuel, bioenergy, fertilizer, food and pharmaceuticals. Through Darling Ingredients International, we operate a global network of 68 production facilities across five continents covering all aspects of animal by-product processing through six brands: Rendac (fuel), Sonac (proteins, fats, edible fats and blood products), Ecoson (bioenergy and fertilizer), Rousselot (gelatin), CTH (natural casings) and Best Hides (hides and skins). Our specialized portfolio of over 400 products covers all animal origin raw material types and thereby offers a comprehensive, single source solution for suppliers. Our business has leading positions across Europe with operations in The Netherlands, Belgium, Germany, Poland and Italy under the Rendac and Sonac brand names. Value-added products include edible fats, blood products, bone products, protein meals and fats. Rousselot is a global leading market provider of gelatin for the food, pharmaceutical and technical industries with operations in Europe, the United States, South America and China. CTH is a leading natural casings company for the sausage industry with operations in Europe, China and the United States.

Operating Segments

Commencing with the first quarter of 2014, our business operations were reorganized into three new reportable operating segments: Feed Ingredients, Food Ingredients and Fuel Ingredients. This change was necessitated by the VION Acquisition and aligns our operations based on the products and services offered to various end markets.

The Feed Ingredients operating segment includes our global activities related to (i) the collection and processing of beef, poultry and pork animal by-products in North America and Europe into non-food grade oils and protein meals, (ii) the collection and processing of bakery residuals in North America into Cookie Meal®, which is predominantly used in poultry and swine rations, (iii) the collection and processing of used cooking oil in North America into non-food grade fats, as well as the production and sale of a variety of cooking oil collection delivery systems, (iv) the collection and processing of bovine, porcine and ovine blood in China, Europe and North America into blood plasma powder and hemoglobin, (v) the processing of cattle hides and hog skins in North America and Europe, (vi) the production of organic fertilizers using protein produced from our animal by-products processing activities in North America and Europe, and (vii) grease trap services to food service establishments and environmental services to food processors. Non-food grade oils and fats produced and marketed by us are principally sold to third parties to be used as ingredients in animal feed and pet food, as an ingredient for the production of biodiesel and renewable diesel, or to the oleo-chemical industry to be used as an ingredient in a wide variety of industrial applications. Protein meals produced and marketed by us are sold to third parties to be used as ingredients in animal feed, pet food and aquaculture. Blood plasma powder and hemoglobin produced and marketed by us are sold to third parties to be used as ingredients in animal feed, pet food and aquaculture.

The Food Ingredients operating segment includes our global activities related to (i) the collection and processing of beef and pork bone chips, beef hides, pig skins, and fish skins into gelatin and hydrolyzed collagen in Europe, China, South America and North America, (ii) the collection and processing of porcine and bovine intestines into natural casings in Europe, China and North America, (iii) the extraction and processing of porcine mucosa into crude heparin in Europe, (iv) the collection and refining of animal fat into food grade fat in Europe, and (v) the processing of bones to bone chips for the gelatin industry and bone ash. Gelatins produced and marketed by us are sold to third parties to be used as ingredients in the pharmaceutical, nutriceutical, food, and technical (i.e., photographic) industries. Natural casings produced and marketed by us are sold to third parties to be used as an ingredient in the production of sausages and other similar food products.

The Fuel Ingredients operating segment includes our global activities related to (i) the conversion of animal fats and recycled greases into biodiesel in North America, (ii) the conversion of organic sludge and food waste into biogas in Europe, (iii) the collection and conversion of fallen stock and certain animal by-products pursuant to applicable E.U. regulations into low-grade energy sources to be used in industrial applications, (iv) commencing in the second quarter of 2014, the processing of manure into natural bio-phosphate in Europe, and (v) our share of the results of our equity investment in the DGD Joint Venture to convert animal fats, recycled greases, used cooking oil, inedible corn oil, soybean oil, or other feedstocks that become economically and commercially viable into renewable diesel.

Net Sales

Darling's net sales from continuing operations by operating segment for Fiscal 2012, Fiscal 2013, Fiscal 2014 and for the fifty-three weeks ended April 4, 2015, were as follows (in thousands):

Net Sales by Operating Segment

	Fifty-three Weeks Ended April 4, 2015		Fiscal 2014		Fiscal 2013		Fiscal 2012	
Continuing operations:								
Feed Ingredients	$2,382,854	61.3%	$2,421,462	61.2%	$1,788,563	99.2%	$1,766,611	99.7%
Food Ingredients	1,225,047	31.5	1,248,352	31.6	—	—	—	—
Fuel Ingredients	276,945	7.1	286,629	7.2	13,705	0.8	5,941	0.3
Total	$3,884,846	100.0%	$3,956,443	100.0%	$1,802,268	100.0%	$1,772,552	100.0%

The net sales information set forth above should be read in conjunction with all the historical financial statements incorporated by reference or included elsewhere in these Listing Particulars.

Feed Ingredients

Our Feed Ingredients segment consists principally of (i) our U.S. ingredients business, including our used cooking oil, trap grease and food residuals collection businesses, the Rothsay ingredients business, and the ingredients and specialty products businesses conducted by us under the Sonac name (proteins, fats, technical fats and blood products) and (ii) our bakery by-products business.

Animal By-Products

North American Operations

Raw materials: Our North American animal by-products operations collect beef, poultry and pork by-products, which are collected primarily from slaughterhouses, grocery stores, butcher shops and food service establishments. These raw materials are collected in one of two manners. Certain large suppliers, such as large slaughterhouses, are furnished with bulk containers in which the raw material is loaded. We provide the remaining suppliers, primarily grocery stores and butcher shops, with containers in which to deposit the raw material. The containers are picked up by, or emptied into, our trucks on a periodic basis. The type and frequency of service is determined by individual supplier requirements, the volume of raw material generated by the supplier, supplier location and weather, among other factors. The raw materials we collect are transported either directly to a processing plant or to a transfer station where materials from several collection routes are loaded into trailers and transported to a processing plant. These raw materials are delivered to plants for processing usually within 24 hours of collection to deter spoilage.

In North America, we also collect used cooking oil from and service grease traps at restaurants, food service establishments, and grocery stores. Used cooking oil is heated, settled and purified for use as an animal feed additive or is further processed into biodiesel. Products derived from used cooking oil include YG, biodiesel and Fat for Fuel®, which uses grease as a fuel source for industrial boilers and dryers. Many of our customers operate stores that are part of national chains. Used cooking oil from food service establishments is placed in various sizes and types of containers that we supply. In some instances, these containers are unloaded directly onto our trucks, while in other instances used cooking oil is pumped through a vacuum hose into the truck. We sell two types of containers, called CleanStar® and B.O.S.S., for used cooking oil collection to food service establishments, both of which are proprietary self-contained collection systems that are housed either inside or outside the establishment, with the used cooking oil pumped directly into collection vehicles via an outside valve. The frequency of all forms of used cooking oil collection is determined by the volume of oil generated by the food service establishment. We either transport trap grease to waste treatment centers or recycle it at our facilities into a host of environmentally safe product streams. We provide our customers with a comprehensive set of solutions to their trap grease disposal needs, including manifests for regulatory compliance, computerized routing for consistent cleaning and comprehensive trap cleaning. We also collect non-hazardous liquid and semi-solid waste streams from the food processing industry and reprocess and recycle these residuals, primarily by permitted land application to enrich soils in accordance with applicable environmental regulations.

Processing operations: We produce finished products primarily through the grinding, cooking, separating, drying, and blending of various raw materials. The process starts with the collection of animal by-products, including fat, bones, feathers, offal and other animal by-products. The animal by-products are ground and heated to evaporate water and separate fats from animal tissue, as well as to sterilize and make the material suitable as an ingredient for animal feed. The separated fats, tallows and greases are then centrifuged and/or refined for purity. The remaining solid product is pressed to remove additional oils to create protein meals. The protein meal is then sifted through screens and ground further if necessary to produce an appropriately sized protein meal. The primary finished products derived from the processing of animal by-products are MBM, PM (both feed grade and pet food), PG, tallow, feather meal and blood meal. In addition, at certain of our facilities, we are able to operate multiple process lines simultaneously, which provides us with the flexibility and capacity to manufacture a line of premium and value-added products in addition to our principal finished products. Because of these processing controls, we are able to blend end products together in order to produce premium products with specific mixes that typically have higher protein and energy content and lower moisture than standard finished products, and such products command premium prices.

International Operations

Darling Ingredients International's ingredients and specialty products businesses are operated under the Sonac name by our Sonac C3, Sonac Bone and Sonac Blood business activities. The Sonac ingredients and specialty products businesses of Darling Ingredients International operate similarly to our North American ingredients division. However, the Sonac businesses, with the exception of Sonac C3, further separate raw material streams to add additional value to each stream.

- Sonac C3 processes animal by-products collected primarily from slaughterhouses, into proteins and fats for applications used in the pet food, feed, technical, biofuels and oleo-chemical markets. Oleo-chemical producers use fats to produce specialty ingredients used in paint, rubber, paper, concrete, plastics and a variety of other consumer and industrial products.
- Sonac Bone processes porcine bones into fat, bone protein, glue, bone ash and bone chips for the feed, pet food, food and gelatin industries.
- Sonac Blood processes bovine, porcine and ovine blood by separating blood into plasma and hemoglobin and produces specialized end products for application in the feed and pet food markets. Sonac Blood's end products include plasma, fibrimex, globin and hemin.

Bakery By-Products

We are a leading processor of bakery residuals in the United States. The bakery by-products division, which operates solely in the United States, collects bakery residual materials and processes the raw materials into BBP, including Cookie Meal®, an animal feed ingredient primarily used in poultry and swine rations.

Raw materials: Bakery by-products are collected from large commercial bakeries that produce a variety of products, including cookies, crackers, cereal, bread, dough, potato chips, pretzels, sweet goods and biscuits. We collect these materials by bulk loading onsite at the bakeries utilizing proprietary equipment, the majority of which is designed, engineered, manufactured and installed by us. All of the bakery residual that we collect is bulk loaded, which we believe represents a significant advantage over competitors that receive a large percentage of raw materials from less efficient, manual methods. The receipt of bulk-loaded bakery residual allows us to significantly streamline our bakery recycling process, reduce personnel costs, and maximize freight savings by hauling more tons per load.

Processing operations: The highly automated bakery by-products production process involves sorting and separating raw material, mixing it to produce the appropriate nutritional content, drying it to reduce excess moisture, and grinding it to the consistency of animal feed. During the bakery residual process, packaging materials are removed. The packaging material is fed into a combustion chamber along with sawdust, and heat is produced. This heat is used in the dryers to remove moisture from the raw materials that have been partially ground. Finally, the dried meal is ground to the specified granularity. The finished product, which is continually tested to ensure that the caloric and nutrient contents meet specifications, is a nutritious additive used in animal feed.

Other Products

Our Feed Ingredients segment also includes our hides businesses, including that operated under the BestHides name by Darling Ingredients International, and the organic fertilizer business conducted under the Nature Safe® name.

- Our hides operations process hides and skins from beef and hog processors, respectively, into outputs used in commercial applications, such as the leather industry. We sell treated hides and skins to external customers, the majority of which are tanneries. BestHides sources, sorts and processes hides from slaughterhouses, renderers and traders in Western Europe, and has a leading position in the premium South German hides market. Fresh and salted hides and fresh skins are sold to tanneries, automotive companies, leather processors and to the shoe and furniture industries in Italy, Germany and China.
- Our fertilizer operations utilize finished products from our animal by-products division to manufacture fertilizers from ingredients approved by the USDA to be used in organic farming which contain no waste by-products (i.e., sludge or sewage waste). Our North American fertilizer products are predominantly sold to golf courses, sports facilities, organic farms and landscaping companies.

Food Ingredients

Our Food Ingredients segment consists principally of (i) the gelatin business conducted by Darling Ingredients International under the Rousselot name, (ii) the natural casings and meat by-products business conducted by Darling Ingredients International under the CTH name and (iii) certain specialty products businesses conducted by Darling Ingredients International under the Sonac name.

Gelatin

Rousselot is a global leading market provider of gelatin and hydrolyzed collagen for the food, nutritional pharmaceutical and technical (photographic) industries with operations in Europe, China, South America and the United States. Rousselot has a network of 13 production plants and 7 sales locations, covering sales into more than 75 countries. With the Rousselot gelatin business, we are part of the growing global gelatin market. Gelatin is a functional ingredient, which means that it has a role in the end product by adding a critical property to it that is largely non-substitutable. Gelatin is used in a large variety of end products, but only small amounts are used in most products. Currently, available substitutes are limited and do not have the broad functionality required for most usages. Rousselot gelatin products have higher sales prices relative to our other end products, but comprise a minimal portion of the cost of final products in many segments, for example the pharmaceutical end markets. We believe many end customers focus on gelatin quality and consistency, supply reliability, application know-how and regulatory support and are therefore relatively less price sensitive to gelatin products. Rousselot's profitability is mainly driven by its ability to timely transfer increases in net raw materials costs to its customers in order to realize a relatively stable added value per kilogram of gelatin, in combination with a strong focus on operations excellence and product quality. Rousselot is involved in all four types of gelatin (pigskin, hide, bone and fish). Raw material prices are mainly driven by the availability and quality of raw material, and sales prices are mainly driven by market demand and the expected availability of gelatin supply. As such, securing sufficient raw material positions is key to the business. Rousselot enters into formal arrangements related to raw material purchases that differ by raw material type, by duration and by regional area. Rousselot markets its hydrolyzed collagen under the "Peptan" brand; this fast-growing specialty ingredient is positioned specifically towards nutritional supplement customers focusing on improved bone, joint and skin health.

Natural Casings and Meat By-Products

The CTH business of Darling Ingredients International is a leading natural casings company for the sausage business with operations in Europe, China and the United States. The activities of this business are divided into two categories:

- CTH Casings harvests, sorts and sells hog and sheep casings for worldwide food markets, particularly sausage manufacturers, and harvests, processes and sells hog and beef bowel package items for global pharmaceutical, food and feed market segments. CTH holds a leading position in the highly fragmented global casings market.
- CTH Meat By-Products harvests, purchases and processes hog, sheep and beef meat by-products for customers in the global food and European pet food industries. In the meat by-products market, CTH is a major player with established sales networks in Europe and Asia.

Other Specialty Products

In addition, our Food Ingredients segment includes the heparin and edible fat businesses currently operated by Darling Ingredients International under the Sonac name:

- Sonac Heparin extracts crude heparin from hydrolyzed mucosa for application in the pharmaceutical industry.
- Sonac Fat primarily melts, refines and packages animal fat into food grade fat for the food markets.

Fuel Ingredients

Our Fuel Ingredients segment consists of (i) our biofuel business conducted under the Dar Pro® and Rothsay names and (ii) the bioenergy business conducted by Darling Ingredients International under the Ecoson and Rendac names.

Biofuel

We produce biodiesel at our facilities in the United States and Canada. In the United States, we use a portion of our rendered animal fats and recycled greases, as well as third-party additives, to produce Bio G-3000™ Premium Diesel Fuel. We have the annual capacity to produce two million gallons of Bio G-3000™ at our facility in Butler, Kentucky. Our facility in Sainte-Catherine, Quebec also processes tallow and recycled oils produced by us into biodiesel. The Quebec facility, which was acquired in the Rothsay Acquisition, has a current annual capacity to produce approximately 14 million gallons a year. Our biodiesel product is sold to our internal divisions, as well as to commercial biodiesel producers in the United States and Canada, to be used as biodiesel fuel, a clean burning additive for diesel fuel, or as a biodegradable solvent or cleaning agent.

Bioenergy

In Europe, Ecoson produces green power from biogas production out of organic sludge and food waste for combined heat plant installations. Ecoson is the largest industrial digestion operation in The Netherlands, with an output matching the annual use of energy needs of approximately 10,000 households. In addition Ecoson's fat refinery produces refined fats and fatty acids. In Fiscal 2014, Ecoson commenced the processing of manure into natural biophosphate for use as fertilizer and green gas.

Rendac collects fallen stock and animal waste, also referred to as Category 1 and Category 2 material under applicable E.U. regulations, from farmers and slaughterhouses, and processes these materials into fats and meals, which can only be used as a low grade source of energy or fuel for boilers and cement kilns. With a specialized collection fleet of approximately 300 trucks, Rendac collects raw materials in The Netherlands, Germany, Poland and Belgium. This business is a market leader in the countries of Belgium, Netherlands and Luxembourg (the "Benelux region"), a regulated market with spare capacity requirements and long-term contracts with local governments.

Diamond Green Diesel

The DGD Joint Venture commenced operations in June 2013. The DGD Joint Venture operates a renewable diesel plant (the "DGD Facility") located in Norco, Louisiana capable of producing approximately 11,000 barrels per day of input feedstock to produce renewable diesel fuel and certain other co-products. We account for the DGD Joint Venture as an "investment in unconsolidated subsidiary." The DGD Joint Venture operates the DGD Facility, which converts animal fats, recycled greases and used cooking oil, which are supplied in part by us, and other feedstocks that become economically and commercially viable, such as inedible corn oil and soybean oil, into renewable diesel. The DGD Facility uses an advanced hydroprocessing-isomerization process licensed from UOP LLC, known as the Ecofining™ Process, and a pretreatment process developed by the Desmet Ballestra Group designed to convert approximately 1.1 billion pounds per year of feedstocks, into renewable diesel and certain other co-products. The Diamond Green Diesel renewable diesel product is sold to refiners under the Diamond Green Diesel® name to be blended with diesel fuel and is interchangeable with diesel produced from petroleum. Biodiesel blenders registered with the Internal Revenue Service (the "IRS") were eligible for a tax incentive in the amount of $1.00 per gallon of renewable diesel blended with petroleum diesel to produce a mixture containing 0.1% diesel fuel. As a blender, in the fourth quarter of Fiscal 2014, the DGD Joint Venture recorded approximately $126.0 million of blenders tax credits relating to its 2013 operations. However, the blenders tax credit expires annually, and is therefore at risk every year for delay or denial of extension. The 2014 blenders tax credit has expired, and has not yet been extended.

Our Competitive Strengths

We believe that Darling is distinguished by the following competitive strengths:

Leading Global Ingredients Company. We are a leading global company that develops and produces sustainable animal- and nutrient-based ingredients. With net sales of $3.9 billion during the fifty-three weeks ended April 4, 2015, and operations consisting of over 200 facilities across five continents, we are one of the largest global ingredients players with leading positions in most of our primary product categories. We are at the forefront of the processing and conversion of animal bio-nutrients into value-added and specialty products globally for use in the feed, food and fuel end-markets. We believe that we have one of the most comprehensive selections of product and service offerings in the industry, with over 400 different products across multiple end-markets, as well as the largest geographic footprint among our competitors, which gives us access to all key market segments and geographies. We believe our leadership position is based on strong and lasting relationships with our valued global customer base, as well as multi-decade relationships with key raw material suppliers globally.

Geographic Diversification and Balanced Raw Materials Sourcing. Our competitive position is supported by our highly diversified sources of animal- and nutrient-based materials across multiple end-markets and geographies. Our supply chain spans over 32 countries across five continents and enables us to source raw materials from almost every major marketplace around the world, including growth markets such as Asia and South America. We believe our highly diversified raw materials sourcing helps us to reduce earnings volatility related to cyclicality and other end-market dynamics.

Strong Track Record of Integration of Acquisitions and Robust Organic Growth. Historically, we have grown our business significantly through both acquisitions and organic investments. Our acquisitions of Rothsay and VION Ingredients have not only enabled us to expand and diversify our business from product and geographical perspectives, but also represented significant growth opportunities for us. Our management is focused on realizing the significant potential for future growth available to us as a result of these transformational acquisitions. We focus on four principal areas of potential growth across our Food, Feed and Fuel Ingredients segments: (i) cross-selling new products and services to existing customers, (ii) expanding existing products and services across our current geographies, (iii) building new facilities and/or launching new products to take advantage of new market opportunities, particularly in high-growth emerging markets and (iv) implementing and sharing best-practices across our broader portfolio of products and services.

Strong Industry Fundamentals. We believe that we benefit from positive industry fundamentals relating to raw material supply and end-market demand. In terms of raw material supply, growing demand for consumer proteins has contributed to increasing demand for beef, poultry, pork and fish, the processing of which provides us with a recurring source of raw materials. Within our end-markets, strong fundamentals, including global GDP growth and trends such as population growth, urbanization, higher consumer spending and related changes in dietary preferences in South America, Southeast Asia and China, support the global demand for animal feed, pet food, gelatin and edible fats. Further, mandates for the use of biofuels in the United States and globally have increased demand for biofuel feed stocks. This in turn drives demand for our products, such as our animal fats and oils that may be used as biofuel feed stocks.

Diverse Earnings Streams and Stable Financial Performance. As a result of the VION Acquisition, we have a more balanced product mix, which we believe supports stable financial performance and strong cash-flow generation. We believe our diverse feed, food and fuel end-markets, as well as geographic diversification, provide us with diverse earnings streams that help reduce our exposure to margin volatility in any one end-market. Our historically stable financial performance has been attributable in part to our “formula”-driven and margin-focused pricing model, which allows us to mitigate margin risk. Additionally, we have historically benefitted from strong cash-flow generation, which has enabled us to deploy cash towards deleveraging our balance sheet and making further investments in our business.

Experienced Management Team. Our senior management team includes seasoned veterans with strong reputations and diverse business experience within our industry who have a successful track record of managing and growing our businesses. Members of the Darling senior management team have an average of more than 25 years of industry experience. Our current management team is responsible for our significant growth over the last decade through organic investments and multiple acquisitions. Additionally, our management team has a strong record of integrating businesses and deleveraging our balance sheet following major acquisitions.

Our Strategy

The key elements of our strategy are as follows:

Continue to Enhance our Growth by Delivering Differentiated Feed, Food and Fuel Ingredients for a Growing Population. Our goal is to constantly identify, through research and development, acquisitions and other means, new and creative ways to be at the forefront of industry trends and to have the appropriate global presence to deliver differentiated value-added products and services to our global customer base. By consistently evolving to address changing global trends, from the perspectives of both our supply base and our end-market demand drivers, we aim to maintain and enhance our role as a leading global supplier of value-added ingredients. We expect to continue to introduce new products and explore new avenues of growth based on our customers' changing needs and preferences around the world.

Successfully Integrate and Leverage Business Opportunities from Acquisitions. The VION Acquisition has provided us with an opportunity to significantly expand our global footprint beyond North America and to diversify our product base into specialty-ingredients products. We have already generated and believe we will be able to generate further synergies and take advantage of new business opportunities arising from the acquisitions of Rothsay and VION Ingredients by enhancing plant-processing efficiency and raw material sourcing, implementing and sharing best practices across our broader portfolio of products and leveraging our leading worldwide market positions in ingredients products to establish new relationships with international accounts. Additionally, we intend to cross-sell and expand our footprint while solidifying relationships with existing customers by providing new products such as gelatin, blood products and proteins produced by Darling Ingredients International.

Optimize our Footprint and Capacity. We presently intend to grow by leveraging our product portfolio of over 400 products across the geographies in which we operate, particularly high growth markets. For example, we believe that Brazil will present a strong growth opportunity for Darling Ingredients International's blood business, which is currently limited to Europe, China and the United States. In addition to expanding within our current geographies, we intend to continue to evaluate opportunities to grow in new, high-growth markets. We seek to build, acquire and develop businesses within geographies where we can achieve a sustainable "top 3" market position within 5 years of entry. Where we believe it is profitable to do so, we expect to continue to make discretionary investments in our processing facilities in order to expand our current capacity or build new facilities to take advantage of new market opportunities. In this respect, we recently signed agreements with two poultry processors in the United States to build rendering plants adjacent to their poultry processing plants. We believe that these agreements will provide us with a dedicated raw material stream and significant freight synergies. In addition, we are in the process of constructing two new wet-pet-food plants in Nebraska and Kentucky to provide new products to our pet–food-industry customers. We believe that investing in our current footprint of operations, while sharing best practices from Rothsay and Darling

Ingredients International, will allow us to increase the volume of raw materials we process, and, in turn, the breadth and volume of finished products we sell. We believe that our strong cash-flow generation will allow us to invest to improve efficiency and invest in future growth.

Focus on Maintaining a Strong Balance Sheet with a Flexible Capital Structure. We intend to continue to deploy capital to maintain a strong balance sheet with a flexible capital structure, including reducing leverage through the generation of free cash flow. We believe that strong cash flow generation will enable us to pay down debt to reach long-term target leverage levels. A significant component of our capital structure is pre-payable, and we currently intend to use a portion of our future excess cash to reduce leverage.

Selectively Pursue Strategic Alliances and Acquisitions to Enhance our Business. Since 2003, Darling has acquired and successfully integrated over thirteen companies. These strategic acquisitions have allowed Darling to diversify its raw material supply and customer base. In October 2014, we acquired substantially all of the assets of Custom Blenders, one of the leading bakery residuals recyclers in the United States. The acquisition should provide significant synergies to our suppliers and customers in the Feed Ingredients segment. We will continue to selectively and opportunistically evaluate potential acquisitions globally, particularly in Asia and South America, which we view as strong growth markets. In addition to the DGD Joint Venture, we may also pursue partnerships and commercial agreements in developing technologies and emerging markets to diversify our product offerings, broaden our geographic reach and take advantage of potential changes in our industry.

Raw Materials Pricing and Supply Contracts

We have two primary pricing arrangements-formula and non-formula arrangements-with our suppliers of poultry, beef, pork, bakery residuals and used cooking oil. Under a “formula” arrangement, the charge or credit for raw materials is tied to published finished product prices for a competing ingredient after deducting a fixed processing fee. We also acquire raw material under “non-formula” arrangements whereby suppliers are either paid a fixed price, are not paid, or are charged a collection fee, depending on various economic and competitive factors. The credit received or amount charged for raw materials under both formula and non-formula arrangements is based on various factors, including the type of raw materials, demand for the raw materials, the expected value of the finished product to be produced, the anticipated yields, the volume of material generated by the supplier and processing and transportation costs. Formula prices are generally adjusted on a weekly, monthly or quarterly basis, while non-formula prices or charges are adjusted as needed to respond to changes in finished product prices or related operating costs. Since most of our raw materials are residual by-products of meat processing and other food production, we are not able to contract with our suppliers to increase supply if demand for our products increases.

A majority of our U.S. North American volume of rendering raw materials, including all of our significant poultry accounts, and substantially all of our bakery feed raw materials are acquired on a “formula basis,” which in most cases is set forth in contracts with our suppliers, generally with multi-year terms. These “formulas” allow us to manage the risk associated with decreases in commodity prices by adjusting our costs of materials based on changes in the price of our finished products, while also permitting us, in certain cases, to benefit from increases in commodity prices. The formulas provided in these contracts are reviewed and modified both during the term of, and in connection with the renewal of, the contracts to maintain an acceptable level of sharing between us and our suppliers of the costs and benefits from movements in commodity prices. A majority of Rothsay’s North American volume of rendering raw materials are acquired based on prices fixed on a quarterly basis with suppliers, with the remaining portion acquired on a “formula basis.” Darling Ingredients International (including North American operations) acquires a majority of its volume of rendering raw materials at spot or quarterly fixed prices. Although Darling Ingredients International, in general, has no long term contracts with its key suppliers, it has procured a series of four-year supply agreements with VION Food that became effective on closing of the VION Acquisition and provided approximately 13% of Darling Ingredients International's raw material supply (based on raw materials procured in Fiscal 2014). Approximately 82% of Darling's U.S. North American volume of raw materials in Fiscal 2014 was acquired on a "formula" basis.

Certain of our geographic regions facilities are highly dependent on one or a few suppliers. During Fiscal 2014, our 10 largest raw materials suppliers in North America accounted for approximately 25% of the total raw material processed by us in North America, with one single supplier accounting for approximately 5% of the total raw material processed in North America. In Europe, our 10 largest raw material suppliers accounted for approximately 35% of the total raw material processed by us in Europe, with one single supplier accounting for approximately 15% of the total raw material processed in Europe. In China, our 10 largest raw material suppliers accounted for approximately 23% of the total raw material processed by us in China, with one single supplier accounting for approximately 3% of the total raw material processed in China. In South America, our 10 largest raw material suppliers accounted for approximately 57% of the total raw material processed by us in South America, with one single supplier accounting for approximately 11% of the total raw material processed in South America. See the section entitled "*Risk Factors—Risks Related to Darling—A significant percentage of our revenue is attributable to a limited number of suppliers and customers*." Should any of these suppliers choose alternate methods of disposal, cease or materially decrease their operations, have their operations interrupted by casualty, or otherwise cease using, or reduce the use of, our collection services, any operating facilities dependent on such suppliers could be materially and adversely affected. See the section entitled "*Risk Factors—Risks Related to Darling—Certain of our operating facilities are highly dependent upon a single or a few suppliers*." For a discussion of our competition for raw materials, see the section entitled "*Competition*."

Marketing, Sales and Distribution of Finished Products

We sell our finished products worldwide. Finished product sales are primarily managed through our commodity trading departments. With respect to our North American operations, we have trading departments located at our corporate headquarters in Irving, Texas for fats, and at our office in Cold Spring, Kentucky for proteins. We also maintain sales offices in Des Moines, Iowa, New Orleans, Louisiana, and Memphis, Tennessee for the sale and distribution of selected products. Darling Ingredients International's finished product sales are managed primarily through trading departments that are located in Son en Breugel, The Netherlands, and through various offices located in Europe, Asia, South America and North America. Where appropriate, we coordinate international sales of common products in order to market them more efficiently. Our sales force is in contact with customers daily and coordinates the sale, and assists in the distribution of, most finished products produced at our processing plants. We also sell our finished products internationally through commodities brokers and our agents and directly to customers in various countries. We market certain of our finished products under our Dar Pro Solutions® brand, certain specialty products under the Sonac name, gelatin products under the Rousselot name, natural casings and meat by-products under the CTH name and hides under the BestHides name. See Note 20 to our Consolidated Financial Statements for Fiscal 2014, included elsewhere in these Listing Particulars, for a breakdown of the Company's sales by geographic regions.

We sell finished products in North America and throughout the world, primarily to producers of animal feed, pet food, biodiesel, fertilizer and other consumer and industrial products, including oleo-chemicals, soaps and leather goods, for use as ingredients in their products or for further processing. Certain of our finished products are ingredients that compete with alternatives, such as corn, soybean oil, inedible corn oil, palm oils, soybean meal and heating oil, based on nutritional and functional values; therefore, the actual pricing for those finished products, as well a competing products, can be quite volatile. While our principal finished products are generally sold at prices prevailing at the time of sale, our ability to deliver large quantities of finished products from multiple locations and to coordinate sales from a central location enables us to occasionally receive a premium over the then-prevailing market price. Our premium, value-added and branded products command significantly higher pricing relative to our principal finished product lines due to their enhanced nutritional content, which is a function of our specialized processing techniques. Customers for our premium, value-added and branded products include feed mills, pet food manufacturers, integrated poultry producers, the dairy industry and golf courses. Feed mills purchase meals, greases, tallows, and Cookie Meal® for use as feed ingredients. Pet food manufacturers require stringent feed safety certifications and consistently demand premium additives that are high in protein and nutritional content. As a result, pet food manufacturers typically purchase only premium or value-added products under supply contracts with us. Oleo-chemical producers use fats as feedstocks to produce specialty ingredients used in paint, rubber, paper, concrete, plastics and a variety of other consumer and industrial products. Darling Ingredients International's premium, value-added and branded products also command higher pricing, including with respect to gelatin, natural casings, meat by-products, edible fat, heparin and specialty blood products.

We obtain payment protection for most of our global export sales by requiring payment before shipment, either through bank letters of credit or cash against documents at the origin of the sale or guarantees of payment from government agencies. For U.S. sales, we are ordinarily paid for products in U.S. dollars and have not experienced any material currency translation losses or any material foreign exchange control difficulties. Darling Ingredients International's product sales are generally denominated in the local currency. However, in certain markets (such as South America), some product sales are denominated in non-functional currencies, such as U.S. dollars and euros. Historically, Darling Ingredients International hedged non-functional currency product sales, which we have continued post-closing.

Our management monitors market conditions and prices for our finished products on a daily basis. If market conditions or prices were to significantly change, our management would evaluate and implement any measures that it may deem necessary to respond to the change in market conditions. For larger formula-based pricing suppliers, the indexing of raw material cost to finished product prices effectively establishes the gross margin on finished product sales at a stable level, providing us some protection from finished product price declines.

Finished products produced by us are shipped primarily by truck or rail from our plants shortly following production. While there can be some temporary inventory accumulations at various North American and international locations, particularly port locations for export shipments, with the exception of gelatin and natural casings, inventories rarely exceed three weeks' production and, therefore, we use limited working capital to carry those inventories. Our limited inventories also reduce our exposure to fluctuations in finished-product prices. With respect to gelatin and natural casings, Darling Ingredients International, in contrast, has historically carried much larger inventories due to the manufacturing process and market dynamics related to those products, which requires a greater amount of working capital to carry these investments. Other factors that influence competition, markets and the prices that we receive for our finished products include the quality of our finished products, consumer health consciousness, worldwide credit conditions and government aid and regulations. From time to time, we enter into arrangements with our suppliers of raw materials pursuant to which these suppliers have the option to buy back our finished products at market prices.

We operate a fleet of trucks, trailers and railcars to transport raw materials from suppliers and finished products to customers or ports for transportation by ship. It also utilizes third party freight to cost-effectively transfer materials and augment our in-house logistics fleet. Within our bakery by-products division, substantially all inbound and outbound freight is handled by third party logistics companies.

Competition

We believe we are the only global ingredients company with products generated principally from animal-origin raw material types; however, we compete with a number of regional and local players in our various sub-segments and end markets.

The procurement of raw materials currently presents greater challenges to our business than the sale of finished products. In North America, consolidation within the meat processing industry has resulted in bigger and more efficient slaughtering operations, the majority of which utilize “captive” renderers (rendering operations integrated with the meat or poultry packing operation). At the same time, the number of small meat processors, which have historically been a dependable source of supply for non-captive renderers, such as us, has decreased significantly. In addition, the slaughter rates in the meat processing industry are subject to economic conditions and, as a result, during periods of economic decline, the availability, quantity and quality of raw materials available to the independent renderers decreases. These factors have been offset, in part, however, by increasing environmental consciousness. The need for food service establishments in the United States to comply with environmental regulations concerning the proper disposal of used restaurant cooking oil should continue to provide a growth area for this raw material source. The rendering industry is highly fragmented with a number of local slaughtering operations that provide us with raw materials. In North America, we compete with other rendering, restaurant services and bakery residual businesses, and alternative methods of disposal of animal processing by-products and used restaurant cooking oil provided by trash haulers, waste management companies and biodiesel companies and others. In addition, U.S. food service establishments have increasingly experienced theft of used cooking oil. A number of our competitors for the procurement of raw material are experienced, well-capitalized companies that have significant operating experience and historic supplier relationships. Competition for available raw materials is based primarily on price and proximity to the supplier.

In marketing our finished products domestically and internationally, we face competition from other processors and from producers of other suitable ingredient alternatives. However, we differentiate ourselves through the scope and depth of our product portfolio and geographic footprint. While we compete with a number of well capitalized companies across our business, such as Cargill, Inc., Tyson Foods, Inc. and Swift & Company in the U.S. products business, and others in the global gelatin, bone products, and blood products business, we do not have a single competitor that we compete with across all of our products or geographies.

Seasonality

Although the amount of raw materials made available to us in each of our segments by our suppliers is relatively stable on a weekly basis, it is impacted by seasonal factors, including holidays, during which the availability of raw materials declines because major meat and poultry processors are not operating, and cold and other severe weather, which can hinder the collection of raw materials. Warm weather can also adversely affect the quality of raw materials processed and our yields on production because raw material deteriorates more rapidly in warm weather than in cooler weather. Weather can vary significantly from one year to the next and may impact the comparability of our operating results between periods. The amount of bakery residuals we process generally increases during the summer from June to September. Gelatin sales generally decline in the summer.

Intellectual Property

We maintain valuable trademarks, service marks, copyrights, trade names, trade secrets, proprietary technologies and similar intellectual property, and consider our intellectual property to be of material value. We have registered or applied for registration of certain of our intellectual property, including the tricolor triangle used in our signage and logos and the names "Darling," "Darling Ingredients," "Griffin Industries," "Dar Pro Solutions," "Dar Pro," "Rousselot," "Sonac," "Ecoson," "Rendac," "Rothsay," "Nature Safe," "CleanStar," "Peptan," "Cookie Meal," and "Bakery Feeds," and certain patents, both domestically and internationally, relating to the process for preparing nutritional supplements and the drying and processing of raw materials.

Employees and Labor Relations

As of January 3, 2015, we employed globally approximately 10,000 persons full-time. While we have no national or multi-plant union contracts, at January 3, 2015, approximately 25% of our North American employees were covered by multiple collective bargaining agreements. In addition, approximately 36% of Darling Ingredients International's employees are covered by various collective bargaining agreements. Management believes that our relations with our employees and their representatives are satisfactory. There can be no assurance, however, that these satisfactory arrangements will continue, or that new agreements will be reached without union action or on terms satisfactory to us.

Legal Proceedings

We are a party to several lawsuits, claims and loss contingencies arising in the ordinary course of our business, including assertions by certain regulatory and governmental agencies related to permitting requirements and air, wastewater and storm water discharges from our processing facilities.

Our workers compensation, auto and general liability policies contain significant deductibles or self-insured retentions. We estimate and accrue our expected ultimate claim costs related to accidents occurring during each fiscal year and carry this accrual as a reserve until these claims are paid.

As a result of the matters discussed above, we have established loss reserves for insurance, environmental, litigation and tax matters. At April 4, 2015 and January 3, 2015, the reserves for insurance, environmental and litigation contingencies reflected on the balance sheet in accrued expenses and other non-current liabilities were approximately $58.1 million and $54.9 million, respectively. We have insurance recovery receivables of approximately $11.4 million as of April 4, 2015 and January 3, 2015, related to these liabilities.

Lower Passaic River Area. In December 2009, we, along with numerous other entities, received notice from the EPA that we (as successor-in-interest to Standard Tallow Company) are considered a potentially responsible party with respect to alleged contamination in the lower Passaic River area which is part of the Diamond Alkali Superfund Site located in Newark, New Jersey. Our designation as a potentially responsible party is based upon the operation of a former plant site located in Newark, New Jersey by Standard Tallow Company, an entity that we acquired in 1996. In the letter, EPA requested that we join a group of other parties in funding a remedial investigation and feasibility study at the site. As of the date of these Listing Particulars, we have not agreed to participate in the funding group. Our ultimate liability for investigatory costs, remedial costs and/or natural resource damages in connection with the lower Passaic River area cannot be determined at this time.

Fresno Facility Permit Issue. We have been named as a defendant and a real party in interest in a lawsuit filed on April 9, 2012 in the Superior Court of the State of California, Fresno County, styled

Concerned Citizens of West Fresno vs. Darling International Inc. The complaint, as subsequently amended, alleges that our Fresno facility is operating without a proper use permit and seeks, among other things, injunctive relief. The complaint had at one time also alleged that our Fresno facility constitutes a continuing private and public nuisance, but the plaintiff has since amended the complaint to drop these allegations. The City of Fresno was also named as a defendant in the original complaint but has since had a judgment entered in its favor and is no longer a defendant in the lawsuit; however, in December 2013 the City of Fresno filed a motion to intervene as a plaintiff in this matter. The Superior Court heard the motion on February 4, 2014, and entered an order on February 18, 2014 denying the motion. Rendering operations have been conducted on the site since 1955, and we believe that it possesses all of the required federal, state and local permits to continue to operate the facility in the manner currently conducted and that its operations do not constitute a private or public nuisance. Accordingly, the Company intends to defend itself vigorously in this matter. Discovery has begun and this matter was scheduled for trial in July 2014; however, the parties have agreed to stay the litigation while they participate in a mediation process.

We are engaged in other legal proceedings from time to time. The proceedings described above and such other proceedings can be complex and take many months, or even years, to reach resolution, with the final outcome being dependent upon a number of variables, some of which are not within our control. Therefore, although we will vigorously defend itself in each of the described actions, the ultimate resolution and potential financial impact on us is uncertain.

Regulations

We are subject to the rules and regulations of various federal, state, local and foreign governmental agencies including the following principal governmental agencies in the following countries:

United States

- The FDA, which regulates pharmaceutical products and food and feed safety. The FDA enforces the Federal Food, Drug and Cosmetic Act, which prohibits adulteration and misbranding of food and empowers the FDA to take enforcement action against adulterated and misbranded products, including human and animal food. As discussed in the section entitled "*Risk Factors—Risks Related to Darling—Our business may be affected by the impact of BSE and other food safety issues*," the FDA has promulgated rules prohibiting the use of mammalian proteins, with some exceptions, in feeds for cattle, sheep and other ruminant animals, and certain tallow and brain and spinal cord material from cattle in feed for cattle and other animals. Management believes we are in compliance with the provisions of these rules. See that section for more information regarding certain FDA rules that affect our business, including changes to the BSE Feed Rule.

- The USDA, which has authority over meat, poultry, and egg products and inspects producers to ensure compliance with applicable laws and regulations. The USDA regulates our collection and production methods as well as the safety of our rendering and processing operations. Within the USDA, two agencies exercise direct regulatory oversight of our activities:
  - *Animal and Plant Health Inspection Service* ("APHIS") certifies facilities and claims made for exported materials to meet importing country requirements and establishes and enforces import requirements for live animals and animal by-products as well as plant products, and
  - *Food Safety Inspection Service* ("FSIS") regulates sanitation of our facilities and our food safety programs, among other things.

On January 12, 2004, FSIS issued three interim final rules designed to enhance its BSE safeguards in order to minimize human exposure to BSE infective tissues and assure consumers of the safety of the meat supply. These regulations prohibited non-ambulatory animals from entering the food chain, required removal of specified risk materials at slaughter, and prohibited carcasses from cattle tested for BSE from entering the food chain until the animals tested negative for BSE, among other provisions. On July 13, 2007, FSIS published an affirmation of the interim final rules concerning prohibition of specified risk materials and non-ambulatory animals and the use of stunning devices, with several amendments.

On November 19, 2007, APHIS implemented revised import regulations that allowed Canadian cattle 30 months of age and older and born on or after March 1, 1999, and bovine products derived from such cattle to be imported into the United States for any use, if such cattle and products complied with specified FDA and FSIS regulations. Imports of Canadian cattle younger than 30 months of age have been allowed since March 2005. Imports of SRM from Canadian-born cattle slaughtered in Canada are not permitted. On March 4, 2014, APHIS implemented amended import regulations concerning cattle and bovine products. The final rule established a system for classifying regions as to BSE risk that is consistent with international standards set by the OIE, and based importation requirements for cattle and beef products on: (i) the inherent risk of BSE infectivity in the commodity to be imported and (ii) the BSE risk status of the region from which the commodity originates.

- The EPA, which regulates air and water discharges and hazardous and solid waste requirements among other environmental requirements, as well as local and state environmental agencies with jurisdiction over environmental matters affecting our operations.
- *State Departments of Agriculture*, which regulate animal by-product collection and transportation procedures and animal feed quality.
- The *Association of American Feed Control Officials* ("AAFCO") is a voluntary membership association of local, state, and federal agencies that regulate the sale and distribution of animal feeds and animal drug remedies. Although AAFCO has no regulatory authority, it brings together stakeholders and works to develop and implement uniform and equitable laws, regulations, standards, definitions, and enforcement policies for regulating the manufacture, labeling, distribution and sale of animal feeds.
- The *United States Department of Transportation* ("USDOT"), as well as local and state transportation agencies, which regulate the operation of our commercial vehicles.
- OSHA, which is the main federal agency charged with the enforcement of worker safety and health legislation.
- The SEC, which regulates securities and information required in annual, quarterly and other reports filed by publicly traded companies.

European Union and the E.U. Member States

- The *European Commission, Directorate-General for Health and Food Safety*, which addresses regulations for food, feed, human and animal health, technical uses of animal by-products and packaging.
- The *European Medicines Agency*, which establishes guidance for pharmaceutical products, bovine products and metal residues.
- The *European Directorate for the Quality for Medicines and Healthcare*, which protects public health by enabling the development, supporting the implementation, and monitoring the application of quality standards for safe medicines and their safe use.
- The *European Pharmacopeia*, which establishes requirements for the qualitative and quantitative composition of medicines, the tests to be carried out on medicines and on substances and materials used in their production.

- The *European Chemicals Agency*, which is responsible for the implementation of the European Council's Regulation on the Registration, Evaluation, Authorisation and Restriction of Chemicals.
- The *European Commission*, *Directorate-General for the Environment*, which establishes regulations on pollution and waste, such as the Directives on Industrial Emissions, Integrated Pollution Prevention and Control and Best Available Techniques Reference Document on the Slaughterhouses and Animal By-products Industries.
- *European Union Member* States must ensure adequate control and supervision of principles set forth in numerous *EU Directives*, such as minimum safety and health requirements for the workplace and use of work equipment by workers. EU Member States are allowed to maintain or establish more stringent measures in their own legislation. In general, each EU Member State's ministry of labor affairs is responsible for regulating health and safety at work and labor inspection services and is in charge of controlling compliance with applicable legislation and regulations.
- The Netherlands *Food and Consumer Product Safety Authority (Nederlandse Voedsel- en Warenautoriteit)*, which issues permits, approvals and registrations to establishments or plants engaged in certain activities related to the handling of animal by-products and food and feed production.
- Belgium's *Federal Agency for the Safety of the Food Chain (FASFC) (Federal Agentschap voor de Veiligheid van de Voedselketen)*, which issues permits, approvals and registrations to establishments or plants engaged in certain activities related to the handling of animal by-products and food and feed production.
- Belgium's *Public Waste Agency of Flanders (Openbare Afvalstoffenmaatschappij voor het Vlaams Gewest)*, which issues permits, approvals and registrations to establishments or plants carrying out certain activities related to the handling of animal by-products.
- The *German Competent Authorities at state (Länder) level*, which issue permits, approvals and registrations to establishments or plants carrying out certain activities related to the handling of animal by-products and food and feed production.
- The United Kingdom's *Health and Safety Executive* is the government body responsible for enforcing health and safety at work legislation, such as the Health and Safety at Work Act 1974, and enforcing health and safety law in industrial workplaces, together with local authorities.
- The United Kingdom's *Food Standards Agency* issues permits, approvals and registrations to plants carrying out certain activities related to the handling of animal by-products.

Canada

- The CFIA, which regulates animal health and the disposal of animals and their products or by-products.
- *Canadian provincial ministries of agriculture*, which regulate food safety and quality, air and water discharge requirements and the disposal of deadstock.
- The *Canadian Department of the Environment* ("Environment Canada"), which ensures compliance with Canadian federal air and water discharge and wildlife management requirements, and the various provincial and local environmental ministries and agencies.
- *The Canadian Technical Standards and Safety Authority* ("TSSA"), a non-profit organization that regulates the safety of fuels and pressure vessels and boilers.

China

- The *General Administration of Quality Supervision, Inspection and Quarantine*, which supervises the import and export of food and feed.
- *The Ministry of Health of the People's Republic of China*, which establishes standards for food and pharmaceutical products.
- The *Chinese Pharmacopeia*, which establishes standards for pharmaceutical products.

Brazil

- *The Ministry of Agriculture, Cattle and Supply* (*Ministério da Agricultura, Pecuária e Abastecimento*), which regulates the production of gelatin.

Argentina

- *The National Department for Food Safety and Quality* (*Servicio Nacional de Sanidad y Calidad Agroalimentaria*), which regulates the production of gelatin.
- *The National Department of Animal Health* (*Servicio Nacional de Sanidad Animal*), which at the local level is equivalent to the FDA in Argentina.

Australia

- The *Australian Quarantine and Inspection Service*, which regulates the import and export of agricultural products, including animal by-products.
- The *Department of Agriculture, Fisheries and Forestry*, which administers meat and animal by-product legislation.
- *PrimeSafe*, which is the principal regulator of meat and animal by-product businesses in the State of Victoria.
- The *Australian Competition and Consumer Commission*, which regulates Australia's competition and consumer protection law.
- The *Australian Securities and Investments Commission*, which regulates Australia's company and financial services laws.
- *Worksafe Victoria*, which is the regulator responsible for administering and enforcing occupational health and safety laws and regulations in the State of Victoria.
- *Environment Protection Authority Victoria*, which administers environmental protection laws in Victoria.
- *Goulburn-Murray Rural Water Corporation*, which manages allocation and use of water under local water laws in Victoria.

Rules and regulations promulgated by these and other agencies may influence our operating results at one or more facilities.

OUR MANAGEMENT

Darling's executive officers and directors and the Issuer's management board members, their ages and their positions as of March 18, 2015 are as follows. Our executive officers serve at the discretion of our board of directors.

Name	Age	Position
Randall C. Stuewe	52	Chairman of the Board and Chief Executive Officer of Darling Ingredients and Management Board Member A of the Issuer
Dirk Kloosterboer	60	Director and Chief Operating Officer of Darling Ingredients and Management Board Member B of the Issuer
John O. Muse	66	Executive Vice President—Chief Financial Officer (Principal Accounting Officer) of Darling Ingredients and Management Board Member A of the Issuer
Rick A. Elrod	55	Executive Vice President—DarPro U.S.A. of Darling Ingredients
Jan van der Velden	51	Executive Vice President—Ecoson Rendac Sonac (ERS) of Darling Ingredients
John Bullock	58	Executive Vice President—Chief Strategy Officer of Darling Ingredients
John F. Sterling	51	Executive Vice President—General Counsel and Secretary of Darling Ingredients
O. Thomas Albrecht(2)(3)	68	Director of Darling Ingredients
D. Eugene Ewing(1)(2)	66	Director of Darling Ingredients
Mary R. Korby	70	Director of Darling Ingredients
Charles Macaluso(3)	71	Director of Darling Ingredients
John D. March(1)(2)	67	Director of Darling Ingredients
Justinus J.G.M. Sanders	58	Director of Darling Ingredients
Michael Urbut(1)(3)(4)	66	Director of Darling Ingredients
Martinus A.D.M. Beerendonk	51	Management Board Member B of the Issuer
Johan A.C.M. Roijmans	44	Management Board Member B of the Issuer

(1) Member of the audit committee.
(2) Member of the compensation committee.
(3) Member of the nominating and corporate governance committee.
(4) In accordance with requirements of the SEC and the NYSE listing requirements, our board of directors has designated Mr. Urbut as an audit committee financial expert.

Randall C. Stuewe, 52. Mr. Stuewe has served as our Chairman and Chief Executive Officer of Darling Ingredients since February 2003 and as a Management Board Member A of the Issuer since May 2015. From 1996 to 2002, Mr. Stuewe worked for ConAgra Foods, Inc. as executive vice president and most recently as president of Gilroy Foods. Prior to serving at ConAgra Foods, he spent twelve years in management, sales and trading positions at Cargill, Incorporated.

Dirk Kloosterboer, 60. Mr. Kloosterboer has served as Darling Ingredients' Chief Operating Officer since January 2014 and as a Management Board Member B of the Issuer since May 2015. He served as chief operations officer and a director and vice chairman of the board of VION N.V. from 2008 until we acquired VION Ingredients in January 2014. From September 2012 to April 2013, Mr. Kloosterboer served as chief executive officer of VION N.V. Mr. Kloosterboer has served as a director of our company since January 2014, when he joined our Board upon the closing of our acquisition of VION Ingredients.

John O. Muse, 66. Mr. Muse has served as Executive Vice President—Chief Financial Officer of Darling Ingredients since December 8, 2014 and as a Management Board Member A of the Issuer since May 2015. Prior to that, he served as our Chief Synergy Officer since January 2014, our Executive Vice President—Chief Administrative Officer from September 2012 to December 2013, our Executive Vice President—Finance and Administration from February 2000 to September 2012 and Vice President and Chief Financial Officer from October 1997 to February 2000. Prior to that, he was Vice President and General Manager at Consolidated Nutrition, L.C. from 1994 to 1997. He also held the position of Vice President of Premiere Technologies, a wholly-owned subsidiary of Archer-Daniels Midland Company from 1992 to 1994. From 1971 to 1992, Mr. Muse was Assistant Treasurer and Assistant Secretary at Central Soya Company, Inc.

Rick A. Elrod, 55. Mr. Elrod has served as our Executive Vice President—Dar Pro U.S.A. of Darling Ingredients since April 2015. From December 2010 to April 2015, he served as out Senior Vice President—Eastern Region. Prior to that he served in various managerial capacities since joining Griffin Industries in 1984. He has extensive experience in raw material procurement and plant operations and is involved in various associations within the industry.

Jan van der Velden, 51. Mr. van der Velden has served as Darling Ingredients' Executive Vice President—ERS since January 2014. He has served in a number of different capacities for VION Ingredients (now known as Darling Ingredients International) since June 1989. Most recently, he has served as the Managing Director of ERS for VION Ingredients since March 2012 and the Vice President Raw Materials & Logistics for VION Ingredients since January 2001. From May 2005 to March 2012, he served as the managing director of VION Ingredients Germany. He also served as a member of the board of VION Ingredients.

John Bullock, 58. Mr. Bullock has served as Darling Ingredients' Executive Vice President—Chief Strategy Officer since January 2014. Prior to that, he served as our Senior Vice President—Business Development from May 2012 to December 2013. Mr. Bullock began his career at General Mills Inc. in 1978 in ingredient purchasing and risk management. From 1991 to 2004, Mr. Bullock worked for ConAgra Foods Inc., where he led the mergers and acquisitions group of the ConAgra Trading and Processing Companies, with responsibility for leading the company's growth initiatives and acquiring numerous businesses throughout the world. From 2004 to May 2012, Mr. Bullock operated JBULL INC., a boutique consulting firm he formed specializing in enhancing margin opportunities for agricultural business expansions and developing renewable fuels, during which time he consulted on numerous projects for our company, including its effort in the development and construction of the Diamond Green Diesel Facility.

John F. Sterling, 51. Mr. Sterling has served as Darling Ingredients' Executive Vice President—General Counsel and Secretary since August 2007. From 1997 to July 2007, Mr. Sterling worked for Pillowtex Corporation, where he served as Vice President, General Counsel and Secretary since 1999. Mr. Sterling began his career with the law firm of Thompson & Knight, where he was a member of the firm's corporate and securities practice area.

O. Thomas Albrecht, 68. Mr. Albrecht was employed by McDonald's Corporation from 1977 until his retirement in March 2001. Most recently, from 1995 until March 2001, Mr. Albrecht served as a senior vice president and chief purchasing officer of McDonald's Corporation. From March 2007 until October 2010, Mr. Albrecht served as President of R&J Construction Supply, Inc. Mr. Albrecht has served as a director of Darling Ingredients since May 2002.

D. Eugene Ewing, 66. Mr. Ewing has been the managing member of Deeper Water Consulting, LLC, a private wealth and business consulting company since March, 2004. Previously, Mr. Ewing was with the Fifth Third Bank. Prior to that, Mr. Ewing was a partner in Arthur Andersen LLP. Mr. Ewing currently serves as a director of Compass Diversified Holdings (NYSE: CODI), where he serves as chairman of the audit committee and as a member of the compensation committee. Mr. Ewing is on the advisory board for the business school at the University of Kentucky. Mr. Ewing is also a director of a private trust company located in Wyoming. Mr. Ewing has served as a director of Darling Ingredients since May 2011.

Mary R. Korby, 70. Ms. Korby retired as a partner of the law firm of K&L Gates LLP, after having practiced law for more than 19 years as a partner at the law firms of K&L Gates LLP and previously, Weil Gotshal & Manges LLP. During her legal practice, Ms. Korby advised boards of directors and companies regarding securities law compliance, stock exchange listings, disclosure issues and corporate governance, as well as tender offers, joint ventures and mergers and acquisitions, including complex cross-border public and private transactions in diverse industries such as chemicals, defense, recycling, green energy, aviation, and manufacturing. Ms. Korby has served as a director of Darling Ingredients since September 2014.

Charles Macaluso, 71. Since 1998, Mr. Macaluso has been a principal of Dorchester Capital, LLC, a management consulting and corporate advisory service firm focusing on operational assessment, strategic planning and workouts. From 1996 to 1998, he was a partner at Miller Associates, Inc., a workout, turnaround partnership focusing on operational assessment, strategic planning and crisis management. Mr. Macaluso currently serves as a director of the following companies: GEO Specialty Chemicals, where he serves as the chairman of the board; Global Power Equipment Group Inc. (NASDAQ: GLPW), where he serves as chairman of the board; Woodbine Acquisition Corp., where he serves on the audit and compensation committees; and Pilgrim's Pride Corporation (NYSE: PPC), where he serves on the audit committee. Mr. Macaluso has served as a director of Darling Ingredients since May 2002.

John D. March, 67. Mr. March was employed by Cargill, Incorporated from 1971 until his retirement in December 2007, where he held a variety of managerial positions throughout his career. Most recently, from January 2000 until December 2007, Mr. March served as Corporate Vice President Platform Leader—Cargill Grain and Oilseed Supply Chain; Cargill Food Ingredients—North America. Mr. March currently serves as a director of BioFuel Energy Corp. (NASDAQ: BIOF), where he serves on the compensation and risk committees. Mr. March has served as a director of Darling Ingredients since March 2008.

Justinus J.G.M. Sanders, 58. Mr. Sanders has been employed in a variety of executive positions throughout his career. Most recently, he was employed from 2010 to June 2014 as the Chief Executive Officer of PSV NV Eindhoven, a professional European soccer team. In addition, since 2008 he has served as a private consultant to various businesses. From 1992 to 2008, he was employed in various managerial capacities by Campina BV, an international dairy cooperative with revenues in excess of $5 billion in consumer products and ingredients, including serving as the Chief Executive Officer from June 2000 to 2008. Prior to that, from 1988 to 1992, he served as the Chief Financial Officer of HCS Technology NV, a listed company in The Netherlands involved in automation and office equipment, and from 1980 to 1988 he served in various managerial functions at Mars Incorporated in Europe and in Australia. Mr. Sanders has served as a director of Darling Ingredients since February 2015.

Michael Urbut, 66. Mr. Urbut served as a director of FSB Global Holdings, Inc. or its predecessor Fresh Start Bakeries, Inc. from 1999 until 2010, during which time he served as chair of its audit committee. Previous to 1999, Mr. Urbut worked in various management capacities at several foodservice-related companies. Mr. Urbut has served as a director of Darling Ingredients since May 2005.

Martinus A.D.M Beerendonk, 51. Mr. Beerendonk has served as a Management Board Member B of the Issuer since May 2015. Mr Beerendonk served as Director General Affairs within the VION Ingredients organization since 1999 through the VION Acquisition, and has continued in that role with Darling Ingredients International.

Johan A.C.M. Roijmans, 44. Mr. Roijmans has served as a Management Board Member B of the Issuer since May 2015. Prior to the VION Acquisition, Mr. Roijmans served in different finance roles within the VION Ingredients organization since 2006, including as Finance Director of Rousselot for global gelatin operations from 2008-2010 and as Senior Finance Director of VION Ingredients from 2010-2014 with responsibility for the finance of VION Ingredients' worldwide operations. He continues to serve as Vice President Finance – International Operations for Darling Ingredients and Darling Ingredients International, with responsibilities for accounting, controlling, tax, treasury, information technology and the internal controls within our international operations.

The registered business address of the directors and executive officers of Darling Ingredients is Darling Ingredients Inc., 251 O'Connor Ridge Blvd., Suite 300, Irving, Texas 75038, United States. The registered business address of the management board members of the Issuer is N.C.B.-weg 10, 5681 RH Best, The Netherlands. We believe that there are no conflicts of interest between the duties of each of the members of Darling Ingredients' and the Issuer's management listed above and their private interests and/or duties.

DESCRIPTION OF OTHER INDEBTEDNESS

The following descriptions are only summaries of the material provisions of the Credit Agreement and the 5.375% Notes Indenture, and do not purport to be complete.

Senior Secured Facilities

On January 6, 2014, the Company entered into the Credit Agreement. The Credit Agreement provides for the Senior Secured Facilities in the aggregate principal amount of $2.65 billion comprised of (i) a five-year revolving loan facility of $1.0 billion (approximately $250.0 million of which is available for a letter of credit sub-facility and $50.0 million of which is available for a swingline sub-facility), (ii) a five-year term loan A facility of $350.0 million and (iii) a seven-year term loan B facility of $1.3 billion consisting of $600.0 million in term loan B U.S.D. loans (the "USD Term Loan B") and the euro equivalent of $700.0 million in term loan B euro loans (the "Euro Term Loan B" and, together with the USD Term Loan B, the "term loan B facility"). $200.0 million of the term loan A facility was borrowed in U.S. dollars by Darling Ingredients, and the Canadian dollar equivalent of $150.0 million of the term loan A facility was borrowed in Canadian dollars by Darling Canada. The USD Term Loan B was borrowed in U.S. dollars by Darling Ingredients and the Euro Term Loan B was borrowed in Euros by Darling NL. The Credit Agreement also permits Darling Ingredients and the other borrowers thereunder to incur ancillary facilities provided by any lender under the Senior Secured Facilities. Up to $350 million of the revolving loan facility is available to be borrowed by Darling Ingredients in U.S. dollars, Canadian dollars, Euros and other currencies to be agreed and available to each applicable lender, to be borrowed in Canadian dollars by Darling Canada and to be borrowed in U.S. Dollars, Euros and other currencies to be agreed and available to each applicable lender by Darling NL and certain other foreign subsidiaries of Darling Ingredients. Darling Ingredients and Darling Canada used the entire proceeds of the term loan A facility and a portion of the revolving loan facility to pay a portion of the consideration for the Rothsay Acquisition and related fees and expenses, and Darling Ingredients and Darling NL used the entire proceeds of the term loan B facility and a portion of the revolving loan facility to pay a portion of the consideration for the Vion Acquisition and related fees and expenses. The Company intends to use the revolving loan facility for working capital needs, general corporate purposes and other purposes not prohibited by the Credit Agreement. The Credit Agreement also provides the Company with the option to increase any of the facilities under the Senior Secured Facilities, or to add new facilities under the Credit Agreement, in an amount up to $600.0 million, plus additional amounts to the extent that, after giving effect to such amounts, the Company would be in compliance with a secured leverage ratio, in each case, subject to certain conditions.

The interest rate applicable to any borrowings under the revolving loan facility and the term loan A facility will equal either LIBOR/CDOR plus 2.50% per annum or base rate/Canadian prime rate plus 1.50% per annum, subject to certain step-downs based on the Company's consolidated total leverage ratio. Base rate means a rate per annum equal to the greatest of (i) the prime rate then in effect, (ii) the federal funds effective rate (as defined in the Credit Agreement) plus 0.5% and (iii) the adjusted LIBOR for a one-month interest period plus 1%. Canadian prime rate means the rate per annum to be the higher of (a) the rate of interest per annum most recently announced or established by JPMorgan, Toronto Branch as its reference rate in effect on such day for determining interest rates for Canadian Dollar denominated commercial loans in Canada and (b) the sum of the yearly interest rate to which the one-month CDOR rate is equivalent plus 1.0%. The interest rate applicable to any borrowings under the term loan B facility will equal (i) for the USD Term Loan B, either the base rate (which shall at no time be less than 1.75%) plus 1.50% or the LIBOR rate (which shall at no time be less than 0.75%) plus 2.50%, and (ii) for the Euro Term Loan B, the euro interbank offered rate (which shall at no time be less than 0.75%) plus 2.75%, in each case subject to a step-down based on the Company's consolidated total leverage ratio. A commitment fee of 45 basis points (subject to certain step-downs based on the Company's consolidated total leverage ratio) will be charged on a quarterly basis with respect to any unused portions of the revolving credit facility. A fronting fee will be charged on the date of issuance with respect to commercial letters of credit issued under the Senior Secured Facilities and on a quarterly basis with respect to standby letters of credit issued under the Senior Secured Facilities. During the continuance of any payment default, the interest rate applicable to such overdue amounts under the Senior Secured Facilities will increase by 2.00% per annum. Interest and fees with respect to any ancillary facility will be as agreed with the applicable ancillary lender.

The term loan A facility is repayable in quarterly installments as follows: for the first eight quarters, 1.25% of the original principal amount of the term loan A facility, for the ninth through sixteenth quarters, 1.875% of the original principal amount of the term loan A facility, and for each quarterly installment after such sixteenth installment until September 27, 2018, 3.75% of the original principal amount of the term loan A facility. The term loan B facility is repayable in equal quarterly installments of 0.25% of the original principal amount of the term loan B facility, with the balance due on January 7, 2021. The revolving credit facility will mature on September 27, 2018.

The Senior Secured Facilities are secured, subject to certain carve-outs and exceptions, by a first priority lien on substantially all of the assets of the Company and its domestic subsidiaries. The obligations of Darling Canada, Darling NL and any other foreign borrower under the Senior Secured Facilities are also secured by a first priority lien on certain assets of certain of the Company's foreign subsidiaries organized in Canada, Belgium, Germany, The Netherlands and Brazil, subject to certain carve-outs and exceptions. Following the completion of this offering of the notes, the obligations of the foreign borrowers under the Senior Secured Facilities will also be secured by substantially all of the assets of the Issuer, including the intercompany loan pursuant to which the proceeds from this offering will be advanced to Darling International NL Holdings B.V. In addition, subject to the requirements of local law, consultation with any applicable works council and the obtainment of any applicable corporate and regulatory approvals, following the offering of the notes, the obligations of the foreign borrowers under the Senior Secured Facilities may also become secured by the equity interests in the Issuer held by its parent.

The obligations of the Company under the Senior Secured Facilities are guaranteed by certain of the Company's wholly-owned domestic subsidiaries, and the obligations of Darling Canada, Darling NL and any other foreign borrower under the Senior Secured Facilities are guaranteed by the Company and certain of its domestic and foreign wholly-owned subsidiaries, in each case subject to certain carve-outs and exceptions. Following the completion of this offering of the notes, the obligations of the foreign borrowers under the Senior Secured Facilities will also be guaranteed by the Issuer; provided that such guaranty will at all times be limited to an amount that will not render the Issuer insolvent or otherwise subject to avoidance under applicable bankruptcy or other laws.

The Senior Secured Facilities may be prepaid at any time without premium or penalty (other than compensation for any breakage costs associated with prepayments of LIBOR rate loans); provided that the term loans under the term loan B facility were subject to a 101% soft-call premium for the first six months following the closing date for the Senior Secured Facilities. The Senior Secured Facilities must be prepaid upon the occurrence of certain events, which include (i) the receipt of net cash proceeds from certain non-ordinary course sales or other disposition of assets, (ii) the receipt of net cash proceeds from certain issuances or incurrences of debt by the Company or its subsidiaries and (iii) the receipt of excess cash flow, in each case, subject to certain exceptions, thresholds and reinvestment rights.

The Credit Agreement contains various customary representations and warranties by the Company and its subsidiaries, which include customary use of materiality, material adverse effect and knowledge qualifiers. The Credit Agreement also contains (i) certain affirmative covenants that impose certain reporting and/or performance obligations on the Company and its restricted subsidiaries, (ii) certain negative covenants that generally prohibit, subject to various exceptions, the Company and its restricted subsidiaries from taking certain actions, including, without limitation, incurring indebtedness, making investments, incurring liens, paying dividends and engaging in mergers and consolidations, sale and leasebacks and asset dispositions, (iii) financial covenants comprising of a maximum total leverage ratio, a maximum secured leverage ratio and a minimum interest coverage ratio and (iv) customary events of default (including a change of control). Obligations under the Senior Secured Facilities may be declared due and payable upon the occurrence and during the continuance of such customary events of default.

As of April 4, 2015, the maximum amount that the Company could have borrowed was $200.0 million and CAD $150.0 million under the term loan A facility, $600.0 million and €510.0 million under the term loan B facility and the Company had $88.6 million outstanding under the revolving credit facility.

The net proceeds in this offering are intended to be used to refinance the outstanding borrowings under the Euro Term Loan B of the Senior Secured Facilities and to pay fees and expenses related thereto, and to use any remaining proceeds for general corporate purposes. See the section entitled "*Use of Proceeds*."

5.375% Senior Notes Due 2022

On December 18, 2013, Darling issued $500.0 million aggregate principal amount of its 5.375% Notes under the 5.375% Notes Indenture. Darling used the net proceeds from the offering of the 5.375% Notes to redeem the 8.5% Notes, to pay fees and expenses related to the completion of the VION Acquisition, to repay a portion of the borrowings used to fund a portion of the consideration for the VION Acquisition and for general corporate purposes, which included the repayment of indebtedness.

Interest on the 5.375% Notes accrues at the rate of 5.375% per annum and is payable in cash semi-annually in arrears on January 15 and July 15 of each year. The Company is not required to make any mandatory redemption or sinking payments on the 5.375% Notes. However, if the Company sells certain of its assets or experiences specific kinds of changes in control, the Company must offer to purchase the 5.375% Notes.

The Company may at any time and from time to time purchase the 5.375% Notes on the open market or otherwise.

The Company may redeem all or, from time to time, a part of the 5.375% Notes (including additional notes, if any), upon not less than 30 nor more than 60 days' notice, at the following redemption prices (expressed as a percentage of principal amount) plus accrued and unpaid interest on the 5.375% Notes, if any, to, but excluding, the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the twelve-month period beginning on January 15 of the years indicated below:

Year	Percentage
2017	104.031%
2018	102.688%
2019	101.344
2020 and thereafter	100.000%

Prior to January 15, 2017, the Company may on any one or more occasions redeem up to 40% of the original principal amount of the 5.375% Notes (calculated after giving effect to any issuance of additional notes), upon not less than 30 nor more than 60 days' notice, with the net cash proceeds of one or more equity offerings at a redemption price of 105.375% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date); provided that

(1) at least 50% of the original principal amount of the 5.375% Notes (calculated after giving effect to any issuance of additional notes) remains outstanding after each such redemption; and

(2) the redemption occurs within 90 days after the closing of such equity offering.

In addition, at any time prior to January 15, 2017, the Company may redeem the 5.375% Notes, in whole but not in part, upon not less than 30 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount thereof plus the applicable premium plus accrued and unpaid interest, if any, to, but excluding, the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

The 5.375% Notes Indenture contains covenants limiting the Company's ability and the ability of its restricted subsidiaries to, among other things, incur additional indebtedness or issue preferred stock, pay dividends or make other distributions on or repurchase the Company's capital stock or make other restricted payments, create restrictions on the payment of dividends or other amounts from the Company's restricted subsidiaries to the Company or the Company's other restricted subsidiaries, make loans or investments, enter into certain transactions with affiliates, create liens, designate the Company's subsidiaries as unrestricted subsidiaries, and sell certain assets or merge with or into other companies or otherwise dispose of all or substantially all of the Company's assets.

The 5.375% Notes Indenture also provides for customary events of default, including, without limitation, payment defaults, covenant defaults, cross acceleration defaults to certain other indebtedness in excess of specified amounts, certain bankruptcy and insolvency events of default and judgment defaults in excess of specified amounts. If any such event of default occurs and is continuing under the 5.375% Notes Indenture, the trustee or the holders of at least 25% in principal amount of the total outstanding existing notes may declare the principal, premium, if any, interest and any other monetary obligations on all the then outstanding 5.375% Notes issued under the 5.375% Notes Indenture to be due and payable immediately.

DESCRIPTION OF THE NOTES

In this description, (i) references to the "Issuer" are only to Darling Global Finance B.V. and not any of its Subsidiaries, (ii) the terms "we," "our" and "us" refer to the Parent and its consolidated Subsidiaries and (iii) the term "Parent" refers only to Darling Ingredients Inc. and not any of its Subsidiaries. You will find the definitions of capitalized terms used in this description under the heading "—*Certain Definitions*."

On the Issue Date, the Issuer will issue the Notes under the Indenture (the "Indenture") among itself, the Guarantors and Citibank, N.A., London Branch, as trustee (the "Trustee"). The Indenture will not be qualified under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and therefore will not be entitled to the benefit of any provisions of the Trust Indenture Act. The Notes will not be registered under the Securities Act and holders of the Notes will not be entitled to any registration or similar rights. Consequently, the Notes will be subject to certain transfer restrictions. See "*Notice to Investors*."

Notes that may be issued under the Indenture are unlimited in aggregate principal amount, although the issuance of Notes on the Issue Date will be limited to €515.0 million. The Issuer may issue an unlimited principal amount of additional Notes having identical terms and conditions as the Notes other than the issue date, the issue price and the first interest payment date and the first date from which interest will accrue (the "Additional Notes"); *provided*, that if any Additional Notes are not fungible with the Notes for U.S. federal income tax purposes, such Additional Notes will have a separate common code number and ISIN from the Notes. The Issuer will only be permitted to issue such Additional Notes if, at the time of such issuance, we are in compliance with the covenants contained in the Indenture, including the covenant described under *"—Certain Covenants—Limitation on Indebtedness*." Any Additional Notes will vote on all matters with the Notes.

This "*Description of the Notes*" is intended to be a useful overview of the material provisions of the Notes, the Note Guarantees and the Indenture. This description is only a summary of the obligations of the Issuer and the Guarantors and your rights. The Indenture contains a complete description of the obligations of the Issuer and the Guarantors and your rights.

The registered holder of a Note will be treated as the owner of it for all purposes. The registered holders of the Notes are those that own Notes registered in their own names on the books that the Issuer, the Registrar or the Transfer Agent maintains for this purpose, and not those who own beneficial interests in the Notes registered in street name or in Notes held in book-entry form through one or more depositaries. Only registered holders will have rights under the Indenture. Owners of beneficial interests in the Notes should read the information contained in the section entitled "*Book-Entry Settlement and Clearance*."

General

The Notes

The Notes:

- are general unsecured, senior obligations of the Issuer;
- are limited to an aggregate principal amount of €515.0 million, subject to the ability of the Issuer to issue Additional Notes;
- mature on May 30, 2022;
- will be issued in denominations of €100,000 and integral multiples of €1,000 in excess thereof;

- rank equally in right of payment to all existing and future senior Indebtedness of the Issuer, without giving effect to collateral arrangements;
- will be effectively junior to existing and future secured Indebtedness of the Issuer and the Guarantors, including Indebtedness under the Senior Secured Credit Agreement, to the extent of the value of the assets securing such debt;
- will be structurally subordinated to all of the existing and future indebtedness and other liabilities (including trade payables and capital lease obligations) of each of the Subsidiaries of the Parent (other than the Issuer) that do not guarantee the Notes, including current and future Foreign Subsidiaries that guarantee Indebtedness under the Senior Secured Credit Agreement but that do not and will not guarantee the Notes; and
- will be unconditionally guaranteed on a senior unsecured basis by the Guarantors. See "*—The Note Guarantees*."

The Issuer is a wholly-owned, indirect Subsidiary of the Parent that was incorporated as a special purpose finance subsidiary to facilitate the offering of the Notes. The Issuer does not have any substantial operations or assets (other than its claim under an intercompany loan pursuant to which proceeds from this offering will be advanced to Darling International NL Holdings B.V. in connection with the refinancing the outstanding borrowings under the Euro Term Loan B, as described under "*Use of Proceeds*"). See "*Risk Factors—Risks Related to the Notes and this Offering—The Issuer's ability to repay the notes depends on the performance of Darling Ingredients and Darling Ingredients' subsidiaries, including Darling Ingredients' non-guarantor subsidiaries, and their ability to make payments*."

The Note Guarantees

The Notes will be guaranteed by the Parent and all Restricted Subsidiaries of the Parent that guarantee the Senior Secured Credit Agreement (other than Foreign Subsidiaries and the Issuer). Future Restricted Subsidiaries of the Parent (other than any Foreign Subsidiary or any Receivables Entity) that guarantee the Senior Secured Credit Agreement and certain other Indebtedness will also guarantee the Notes. See "*—Certain Covenants—Future Guarantors*." The Note Guarantees will be full and unconditional, joint and several obligations of the Guarantors and will become operative on the Issue Date. See "*—Note Guarantees*."

Each Guarantee:

- will be a general unsecured, senior obligation of the Guarantor;
- will rank equally in right of payment to any existing and future senior Indebtedness of such Guarantor (including, in the case of the Parent, the 5.375% Notes and, in the case of any Restricted Subsidiary that is a Guarantor, such Restricted Subsidiary's Guarantee of the 5.375% Notes), without giving effect to collateral arrangements;
- will be effectively junior to all existing and future secured Indebtedness of such Guarantor, including Indebtedness under the Senior Secured Credit Agreement, to the extent of the value of the assets securing such Indebtedness; and
- will be structurally subordinated to all of the existing and future indebtedness and other liabilities (including trade payables and capital lease obligations) of each of the Subsidiaries of such Guarantor (other than the Issuer) that do not guarantee the Notes, including current and future Foreign Subsidiaries that guarantee Indebtedness under the Senior Secured Credit Agreement but that do not and will not guarantee the Notes.

Interest

Interest on the Notes will be payable semi-annually and:

- accrue at the rate of 4.75% per annum;
- accrue from the date of original issuance or, if interest has already been paid, from the most recent interest payment date;
- be payable in cash semi-annually in arrears on May 30 and November 30, commencing on November 30, 2015;
- be payable to the holders of record on the May 15 and November 15 immediately preceding the related interest payment dates; and
- be computed on the basis of a 360-day year comprised of twelve 30-day months.

Listing of the Notes

Application has been made to the Irish Stock Exchange plc (the "Irish Stock Exchange") for the Notes to be admitted to the Official List of the Irish Stock Exchange and for trading on the Global Exchange Market, which is the exchange-regulated market of the Irish Stock Exchange. There can be no assurance that any such application will be successful or that any such listing will be granted or maintained. The placement of the Notes is not conditioned upon such listing.

Methods of Receiving Payments on the Notes

Principal, premium, if any, Additional Amounts, if any, and interest on Notes represented by global notes in registered form without interest coupons attached (the "Global Notes") will be payable at the specified office or agency of one or more Paying Agents; *provided* that all such payments with respect to Notes represented by one or more Global Notes registered in the name of a nominee of the Common Depositary will be made by wire transfer of immediately available funds to the account specified by the holder or holders thereof.

Principal, premium, if any, Additional Amounts, if any, and interest on any certificated securities in registered form ("Definitive Registered Notes") will be payable at the specified office or agency of one or more Paying Agents maintained for such purposes. In addition, interest on the Definitive Registered Notes may be paid by check mailed to the person entitled thereto as shown on the register for the Definitive Registered Notes. See "*—Paying Agent and Registrar for the Notes*."

Paying Agent and Registrar for the Notes

The Issuer will maintain one or more paying agents (each, a "Paying Agent") for the Notes, including in the City of London (the "Principal Paying Agent"). The Issuer will also undertake, to the extent possible, to maintain a paying agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to the European Council Directive 2003/48/EC regarding the taxation of savings income, as amended from time to time (the "EU Savings Tax Directive"), or any law or agreement implementing or complying with, or introduced in order to conform to or supplement, the EU Savings Tax Directive. The initial Principal Paying Agent for the Notes is Citibank, N.A., London Branch in the City of London.

The Issuer will also maintain a registrar outside the United Kingdom (the "Registrar") and one or more transfer agents (each, a "Transfer Agent") for the Notes. The initial Registrar for the Notes is Citigroup Global Markets Deutschland AG in Frankfurt, Germany. The initial Transfer Agent for the Notes is Citibank, N.A., London Branch. The Registrar will maintain a register reflecting ownership of Notes outstanding from time to time, and each of the Registrar and the Transfer Agent will facilitate transfers of Definitive Registered Notes on behalf of the Issuer.

The Issuer may change any Paying Agent, Registrar or Transfer Agent for the Notes without prior notice to the holders of the Notes. The Issuer or any of its Subsidiaries may act as Paying Agent or Registrar in respect of the Notes. For so long as the Notes are listed on the Official List of the Irish Stock Exchange and admitted for trading on the Global Exchange Market thereof and the rules of the Irish Stock Exchange so require, the Issuer will file a notice of any change of Paying Agent, Registrar or Transfer Agent with the Companies Announcement Office of the Irish Stock Exchange.

Transfer and Exchange

A holder may transfer or exchange Notes in accordance with the Indenture. In connection with any transfer or exchange, the Registrar and the Trustee may require a holder to furnish appropriate endorsements, transfer and other documents, including those described under "*Notice to Investors*." No service charge will be imposed by the Issuer, the Trustee, the Transfer Agent or the Registrar for any registration of transfer or exchange of Notes, but the Issuer may require a holder to pay a sum sufficient to cover any transfer tax or other governmental taxes and fees required by law or permitted by the Indenture. The Issuer is not required to transfer or exchange any Note selected for redemption. Also, the Issuer is not required to transfer or exchange any Note for a period of 15 days before a selection of Notes to be redeemed.

Payment of Additional Amounts

All payments made under or with respect to the Notes or any Note Guarantee will be made free and clear of and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or other governmental charges of whatever nature, including any penalties, interest and other liabilities relating thereto ("Taxes") imposed or levied by or on behalf of any government, or any political subdivision of any authority or agency therein or thereof, having power to tax of (i) any jurisdiction in which the Issuer (including any successor thereto under the Indenture) is then incorporated, organized or resident for tax purposes, (ii) any jurisdiction in which any Guarantor is then incorporated, organized or resident for tax purposes or (iii) any jurisdiction from or through which the payment is made by or on behalf of the Issuer or any Guarantor (including, without limitation, the jurisdiction of any Paying Agent) (each of (i), (ii) and (iii), a "Relevant Tax Jurisdiction"), unless the withholding or deduction of such Taxes is then required by law or by regulation or by government policy having the force of law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of any Relevant Tax Jurisdiction will at any time be required by law or by regulation or by government policy having the force of law to be made from any payments made under or with respect to the Notes or with respect to any Note Guarantee, including, without limitation, payments of principal, redemption price, repurchase price, interest or premium, the Issuer or the relevant Guarantor, as applicable, will pay such additional amounts (the "Additional Amounts") as may be necessary in order that the net amounts received in respect of such payments by each holder (including Additional Amounts) after such withholding or deduction will equal the respective amounts that would have been received in respect of such payments in the absence of such withholding or deduction; *provided*, *however*, that no Additional Amounts will be payable with respect to:

(1) any Taxes that would not have been imposed but for the holder of a Note or the beneficial owner of a Note being a citizen or resident or national of, incorporated in or carrying on a business or maintaining a permanent establishment or physical presence, in the applicable Relevant Tax Jurisdiction in which such Taxes are imposed or having any other present or former connection with the applicable Relevant Tax Jurisdiction other than the mere acquisition, holding, enforcement or receipt of payment in respect of such Note or any Note Guarantee;

(2) any Taxes that would not have been imposed but for the failure of the holder of a Note or beneficial owner of a Note to provide timely and accurate information concerning the nationality, residence or identity of such holder or beneficial owner or an appropriate tax

file number, or other number or exemption details or to make any valid and timely declaration or similar claim or satisfy any certification, information or other reporting requirement, which is required or imposed by a statute, treaty, regulation or administrative practice of the applicable Relevant Tax Jurisdiction as a condition to any exemption from or reduction in all or part of such Taxes to which such holder or beneficial owner is entitled;

(3) any Note presented for payment (where Notes are in the form of Definitive Registered Notes and presentation is required) more than 30 days after the relevant payment is first made available for payment to the holder (except to the extent that the holder would have been entitled to Additional Amounts had the Note been presented on the last day of such 30 day period);

(4) any payment under or with respect to a Note made to any holder who is a fiduciary or partnership or any Person other than the sole beneficial owner of such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or the beneficial owner of such payment would not have been entitled to the Additional Amounts had such beneficiary, settlor, member or beneficial owner been the actual holder of such Note;

(5) any estate, inheritance, gift, sales, excise, transfer, personal property or similar Taxes;

(6) any Taxes payable other than by deduction or withholding from payments under, or with respect to, the Notes or any Note Guarantee;

(7) any withholding or deduction that is imposed on a payment to an individual and that is required to be made pursuant to the EU Savings Tax Directive or any law or agreement implementing or complying with, or introduced in order to conform to or supplement, the EU Savings Tax Directive;

(8) any withholding Taxes arising under or in connection with Sections 1471 through 1474 of the Code as of the Issue Date (or any amendment or successor version that is substantially comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code; or

(9) any combination of items (1) through (8) above.

In addition to the foregoing, the Issuer and the Guarantors will also promptly pay and indemnify any holder for any present or future stamp, issue, registration, court or documentary Taxes, or any other excise or property Taxes or similar Taxes which are levied by any Relevant Tax Jurisdiction on the execution, delivery, registration or enforcement of any of the Notes, the Indenture or any Note Guarantee.

If the Issuer or any Guarantor, as the case may be, is or becomes obligated to pay Additional Amounts with respect to any payment under or with respect to the Notes or any Note Guarantee, the Issuer or the relevant Guarantor, as the case may be, will deliver to the Trustee (with a copy to each Paying Agent other than the Trustee, if then serving as a Paying Agent) on a date that is at least 30 days prior to the date of that payment (unless the obligation to pay Additional Amounts arises after the 30th day prior to that payment date, in which case the Issuer or the relevant Guarantor shall notify the Trustee (with a copy to each such Paying Agent) promptly thereafter) an Officers' Certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable. The Officers' Certificate shall also set forth any other information reasonably necessary to enable the Paying Agents to pay Additional Amounts to holders on the relevant payment date. The Trustee and the Paying

Agents shall be entitled to rely solely on such Officers' Certificate as conclusive proof that such payments are necessary and the amount of such payments. The Issuer or the relevant Guarantor will provide the Trustee with documentation evidencing the payment of Additional Amounts and the Trustee will make such documentation available to the holders of the Notes upon request.

The Issuer or the relevant Guarantor will make or cause to be made all withholdings and deductions required by law and will remit the full amount deducted or withheld to the relevant taxing authority in accordance with applicable law. The Issuer or the relevant Guarantor will provide to the Trustee an official receipt (or a certified copy of the official receipt) evidencing the payment of any Taxes so deducted or withheld. The Issuer or the relevant Guarantor (as the case may be) will attach to each certified copy or other document a certificate stating the amount of such Taxes paid per €1,000 principal amount of the Notes then outstanding. Upon request, copies of those receipts or other documentation, as the case may be, will be made available by the Trustee to the holders of the Notes upon request.

Unless otherwise expressly stated or the context otherwise requires, whenever in the Indenture, the Notes, or in this "*Description of the Notes*" there is mentioned, in any context, the payment of amounts based upon the principal amount of the Notes or of principal, interest or of any other amount payable under, or with respect to, any of the Notes or Note Guarantee (as the case may be), such mention shall be deemed to include mention of the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The above obligations will survive termination, defeasance or discharge of the Indenture and any transfer by a holder or beneficial owner of its Notes and will apply mutatis mutandis to any jurisdiction in which any successor person to the Issuer or any Guarantor is incorporated, organized or resident for tax purposes or any jurisdiction from or through which such person makes any payment on the Notes (or any Note Guarantee) and any political subdivision thereof or therein.

Optional Redemption

Except as described below, the Notes are not redeemable until May 30, 2018.

On and after May 30, 2018, the Issuer may redeem all or, from time to time, a part of the Notes (including Additional Notes, if any), upon not less than 30 nor more than 60 days' notice, at the following redemption prices (expressed as a percentage of principal amount) plus accrued and unpaid interest on the Notes, if any, to, but excluding, the applicable redemption date and all Additional Amounts (if any) then due or which will become due on the applicable redemption date as a result of the redemption or otherwise (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date and Additional Amounts (if any) in respect thereof), if redeemed during the twelve-month period beginning on May 30 of the years indicated below:

Year	Percentage
2018	102.3750%
2019	101.1875%
2020 and thereafter	100.0000%

Prior to May 30, 2018, the Issuer may on any one or more occasions redeem up to 40% of the original principal amount of the Notes (calculated after giving effect to any issuance of Additional Notes), upon not less than 30 nor more than 60 days' notice, with the Net Cash Proceeds of one or more Equity Offerings at a redemption price of 104.75% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the redemption date and all Additional Amounts (if any) then due or which will become due on the redemption date as a result of the redemption or otherwise (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date and Additional Amounts (if any) in respect thereof); *provided* that

(1) at least 50% of the original principal amount of the Notes (calculated after giving effect to any issuance of Additional Notes) remains outstanding after each such redemption; and

(2) the redemption occurs within 90 days after the closing of such Equity Offering.

In addition, at any time prior to May 30, 2018, the Issuer may redeem the Notes, in whole but not in part, upon not less than 30 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount thereof plus the Applicable Premium plus accrued and unpaid interest, if any, to, but excluding, the redemption date and all Additional Amounts (if any) then due or which will become due on the redemption date as a result of the redemption or otherwise (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date and Additional Amounts (if any) in respect thereof).

"Applicable Premium" means, with respect to a Note at any redemption date, the greater of (i) 1.0% of the principal amount of such Note and (ii) the excess, if any, of (A) the present value as of such redemption date of (1) the redemption price of such Note at May 30, 2018 (such redemption price being set forth in the second full paragraph of this "—Optional Redemption" section) plus (2) all required interest payments due on such Note through May 30, 2018 (excluding accrued but unpaid interest to the redemption date and including Additional Amounts to the extent, and only to the extent, attributable to Taxes that are in effect as of such redemption date), computed using a discount rate equal to the Bund Rate as of such redemption date plus 50 basis points, over (B) the principal amount of such Note. Neither the Trustee nor any Paying Agent shall have any duty to calculate or verify the calculation of the Applicable Premium.

"Bund Rate" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such redemption date.

"Comparable German Bund Issue" means, with respect to any redemption date, the *German Bundesanleihe* security selected by the Independent Dealer as having a fixed maturity most nearly equal to the remaining term of the Notes to be redeemed that would be utilized at the time of selection and in accordance with customary financial practice in pricing new issues of euro-denominated corporate debt securities in a principal amount approximately equal to the aggregate principal amount of Notes originally issued on the Issue Date and of a maturity most nearly equal to the remaining term of the Notes to be redeemed; *provided*, *however*, that, if the remaining term of the Notes to be redeemed is not equal to the fixed maturity of the *German Bundesanleihe* security selected by the Independent Dealer, the Bund Rate shall be determined by linear interpolation (calculated to the nearest one-twelfth of a year) from the yields of *German Bundesanleihe* securities for which such yields are given, except that if the remaining term of the Notes to be redeemed is less than one year, a fixed maturity of one year shall be used.

"Comparable German Bund Price" means, with respect to any redemption date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Dealer Quotations, or if the Parent obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations.

"Independent Dealer" means, with respect to any redemption date, one of the Reference German Bund Dealers appointed by the Parent to act as the "Independent Dealer" for such redemption date.

“Reference German Bund Dealer” means, with respect to any redemption date, (a) Goldman Sachs International, J.P. Morgan Securities plc and Bank of Montreal, London Branch (or their respective affiliates which are Subject Dealers (as defined below)); *provided*, *however*, that if any of the foregoing shall cease to be a dealer of *German Bundesanleihe* securities (a “Subject Dealer”), the Parent will substitute therefor another Subject Dealer and (b) any other Subject Dealer(s) selected by the Parent.

“Reference German Bund Dealer Quotation” means, with respect to each Reference German Bund Dealer and any redemption date, the average, as determined by the Parent, of the bid and ask prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Parent by such Reference German Bund Dealer at 3:30 p.m. (Frankfurt, Germany time) on the third business day preceding such redemption date. As used in the preceding sentence, “business day” means any day (other than a Saturday or a Sunday) on which banking institutions in Frankfurt, Germany are not authorized or obligated by law or executive order to remain closed.

The Issuer may redeem the Notes, in whole but not in part, at its discretion at any time upon giving not less than 30 nor more than 60 days’ prior notice as provided in the Indenture, at a redemption price equal to the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed by the Issuer for redemption (a “Tax Redemption Date”) and all Additional Amounts (if any) then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise (subject to the right of holders of the Notes on the relevant record date to receive interest due on the relevant interest payment date and Additional Amounts (if any) in respect thereof), if on the next date on which any amount would be payable in respect of the Notes, the Issuer or any Guarantor is or would be required to pay Additional Amounts, and the Issuer or such Guarantor cannot avoid any such payment obligation by taking reasonable measures available to it, and the requirement arises as a result of:

(1) any change in, repeal of or amendment to, the laws (or any regulations, or rulings promulgated thereunder) of the applicable Relevant Tax Jurisdiction that is first announced after the Issue Date affecting taxation which change, repeal or amendment becomes effective on or after the Issue Date; or

(2) any change in, repeal of or amendment to, the existing official position or the introduction of an official position regarding the application, administration or interpretation of such laws, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction or a change in published practice) that is first announced after the Issue Date, which change, repeal, amendment, application, administration or interpretation becomes effective on or after the Issue Date.

The Issuer will not give any such notice of redemption earlier than 60 days prior to the earliest date on which the Issuer would be obligated to make such payment if a payment in respect of the Notes were then due, and at the time such notice is given, the obligation to pay Additional Amounts must remain in effect. Prior to giving any notice of redemption of the Notes pursuant to the foregoing, the Issuer will deliver to the Trustee an opinion of an independent tax expert, such tax expert being an internationally recognized law or accounting firm, to the effect that there has been such change, amendment or other event which would entitle the Issuer to redeem the Notes hereunder. In addition, before the Issuer gives notice of redemption of the Notes as described above, it will deliver to the Trustee an Officers’ Certificate to the effect that it cannot avoid its obligation to pay Additional Amounts by the Issuer taking reasonable measures available to it. The Trustee shall accept such Officers’ Certificate and opinion of the tax expert as sufficient evidence of the existence and satisfaction of the conditions precedent as described above, in which event it will be conclusive and binding on the holders.

If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest, if any, will be paid on the optional redemption date to the Person in whose name the Note is registered at the close of business on such record date, and no additional interest will be payable to holders whose Notes will be subject to redemption by the Issuer. Unless the Issuer defaults on the payment of the redemption price, interest will cease to accrue on the Notes or the portions thereof called for redemption on the applicable redemption date.

If less than all of the Notes are to be redeemed at any time, the Registrar will select the Notes for redemption in compliance with the requirements of the principal securities exchange, if any, on which the Notes are listed, as certified to the Registrar by the Issuer, and in compliance with the requirements of Euroclear or Clearstream, or if the Notes are not so listed or such exchange prescribes no method of selection and the Notes are not held through Euroclear or Clearstream or Euroclear or Clearstream prescribe no method of selection, on a pro rata basis or by use of a pool factor; provided, however, that no Note or beneficial interest in the Notes of €100,000 in aggregate principal amount or less shall be redeemed in part and Notes and beneficial interests therein shall be redeemed only in integral multiples of €1,000. If any Note is to be redeemed in part only, the notice of redemption relating to such Note will state the portion of the principal amount thereof to be redeemed. A new Note in principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original Note. The Registrar will not be liable for any selections made by it in accordance with this paragraph.

Mandatory Redemption; Offers to Purchase; Open Market Purchases

The Issuer is not required to make any mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, the Issuer may be required to offer to purchase Notes as described under the captions "*—Change of Control*" and "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*." The Issuer may acquire Notes by means other than a redemption, whether by tender offer, open market purchases, negotiated transactions or otherwise, in accordance with applicable securities law, so long as such acquisition does not otherwise violate the terms of the Indenture.

Ranking

The Notes will be general unsecured obligations of the Issuer that rank senior in right of payment to all existing and future Indebtedness of the Issuer that is expressly subordinated in right of payment to the Notes. The Notes will rank equally in right of payment with all existing and future Indebtedness of the Issuer that is not so subordinated, without giving effect to collateral arrangements. The Notes will be effectively subordinated to all of the Issuer's and the Guarantors' existing and future secured Indebtedness, including Indebtedness under the Senior Secured Credit Agreement, to the extent of the value of the assets securing such Indebtedness. The Notes will be structurally subordinated to all of the existing and future indebtedness and other liabilities (including trade payables and capital lease obligations) of each of the subsidiaries of the Parent (other than the Issuer) that do not guarantee the Notes. In the event of the bankruptcy, liquidation, reorganization or other winding-up of the Issuer or the Guarantors or upon a default in payment with respect to, or the acceleration of, any Indebtedness under the Senior Secured Credit Agreement or other secured Indebtedness, the assets of the Issuer and the Guarantors that secure such secured Indebtedness will be available to pay obligations on the Notes and the Note Guarantees only after all Indebtedness under the Senior Secured Credit Agreement and other secured Indebtedness has been repaid in full from such assets. We advise you that there may not be sufficient assets remaining to pay amounts due on any or all the Notes and the Note Guarantees then outstanding.

As of April 4, 2015, after giving effect to the Transactions:

- we would have had approximately $2,101.7 million of total Indebtedness (including the Notes), all of which would have ranked equally with the Notes, without giving effect to collateral arrangements;
- of our total Indebtedness, we would have had approximately $982.2 million of secured Indebtedness, including secured Indebtedness under the Senior Secured Credit Agreement (excluding an additional $32.0 million represented by outstanding letters of credit under the Senior Secured Credit Agreement), to which the Notes and Note Guarantees would have been effectively subordinated to the extent of the value of the assets securing such Indebtedness;
- we would have had commitments available to be borrowed under the Senior Secured Credit Agreement of up to $879.4 million (after giving effect to $32.0 million of outstanding letters of credit under the Senior Secured Credit Agreement), which could increase by at least $600.0 million, subject to certain conditions; and
- our non-guarantor subsidiaries would have had approximately $1,285.6 million of total liabilities (including trade payables but excluding intercompany liabilities), all of which would have been structurally senior to the Notes. Of the $1,285.6 million of total liabilities, $574.0 million would have been guaranteed by the subsidiary guarantors.

Although the Indenture will limit the amount of Indebtedness that the Parent and its Restricted Subsidiaries may Incur, such Indebtedness may be substantial and a significant portion of such Indebtedness may be secured Indebtedness or structurally senior to the Notes.

Note Guarantees

The Guarantors will, jointly and severally, unconditionally guarantee on a senior unsecured basis the Issuer's obligations under the Notes and the Indenture. In addition, such Guarantors will agree to pay any and all costs and expenses (limited, in the case of legal fees and expenses, to the fees and expenses of one primary counsel to each of the Trustee and the holders of the Notes, taken as a whole, and, in the case of an actual or perceived conflict of interest, to the fees and expenses of one additional counsel to each group of similarly situated holders of Notes, taken as a whole) reasonably Incurred by the Trustee or the holders in enforcing any rights under the Note Guarantees. The obligations of the Guarantors under the Note Guarantees will rank equally in right of payment with other unsecured Indebtedness of such Guarantors, except to the extent such other Indebtedness is expressly subordinated to the obligations arising under the Note Guarantees.

Not all of the Parent's subsidiaries will guarantee the Notes. In the event of a bankruptcy, liquidation or reorganization of any of these non-guarantor subsidiaries, these non-guarantor subsidiaries must pay the holders of their debts and their trade creditors in full before they will be permitted to distribute any of their assets to the Parent.

For the fifty-three weeks ended April 4, 2015, our non-guarantor subsidiaries represented approximately 52.3% of our net sales, approximately 56.5% of our operating income and approximately 54.8% of our Adjusted EBITDA, respectively. As of April 4, 2015, after giving effect to the Transactions, our non-guarantor subsidiaries would have represented approximately 59.9% of our total assets and would have had approximately $1,285.6 million of total liabilities, including trade payables but excluding intercompany liabilities. All of these liabilities would have been structurally senior to the Notes. Of the $1,285.6 million of total liabilities, $574.0 million would have been guaranteed by the subsidiary guarantors.

The obligations of each Guarantor under its Note Guarantee will be limited as necessary to prevent that Note Guarantee from constituting a fraudulent conveyance or fraudulent transfer under applicable law. If a Note Guarantee were rendered voidable, it could be subordinated by a court to all other Indebtedness (including Guarantees and other contingent liabilities) of the Guarantor, and, depending on the amount of such Indebtedness, a Guarantor's liability on its Note Guarantee could be reduced to zero.

A Restricted Subsidiary that is a Guarantor will be released from its obligations under its Note Guarantee upon the release or discharge of such Guarantor from its Guarantee of (a) if the Senior Secured Credit Agreement is outstanding, Indebtedness under the Senior Secured Credit Agreement (including, by reason of the termination of the Senior Secured Credit Agreement) and (b) if the Senior Secured Credit Agreement is not outstanding, any other Indebtedness that resulted in the obligation of such Guarantor to provide a Note Guarantee if the aggregate amount of such other Indebtedness is not in excess of $50.0 million following such release, *provided* that, in each case, such Guarantor would not then otherwise be required to Guarantee the Notes pursuant to the Indenture, and, in each case, except a release or discharge by or as a result of payment under such Guarantee under the Senior Secured Credit Agreement or such other Indebtedness, as applicable (it being understood that a release subject to contingent reinstatement shall constitute a release).

In the event a Restricted Subsidiary that is a Guarantor is sold or disposed of (whether by merger, consolidation, the sale of its Capital Stock or the sale of all or substantially all of its assets) and whether or not such Guarantor is the surviving Person in such transaction to a Person which is not the Parent or a Restricted Subsidiary of the Parent (other than a Receivables Entity), such Guarantor will be released from its obligations under its Note Guarantee if:

(1) the sale or other disposition is in compliance with the Indenture, including the covenants "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*" (it being understood that only such portion of the Net Available Cash as is required to be applied on or before the date of such release in accordance with the terms of the Indenture needs to be applied in accordance therewith at such time) and "*—Certain Covenants—Merger and Consolidation*"; and

(2) (a) if the Senior Secured Credit Agreement is outstanding, such Guarantor is also released from its Guarantee granted in connection with the Senior Secured Credit Agreement and (b) if the Senior Secured Credit Agreement is not outstanding, all the obligations of such Guarantor under any agreements relating to any other Indebtedness of the Parent or its Restricted Subsidiaries with an aggregate amount in excess of $50.0 million terminate upon consummation of such transaction.

In addition, (i) a Restricted Subsidiary that is a Guarantor will be released from its obligations under the Indenture and its Note Guarantee if the Parent designates such Subsidiary as an Unrestricted Subsidiary and such designation complies with the other applicable provisions of the Indenture, (ii) a Guarantor will be released from its obligations under the Indenture and its Note Guarantee in connection with any legal or covenant defeasance of the Notes in accordance with the terms of the Indenture and (iii) a Guarantor will be released from its obligations under the Indenture and its Note Guarantee upon satisfaction and discharge of the Indenture in accordance with the terms of the Indenture.

Neither the Issuer nor any Guarantor shall be required to make a notation on the Notes to reflect any release, discharge or termination of such Note Guarantee.

Change of Control

If a Change of Control occurs, unless the Issuer has exercised its right to redeem all of the Notes as described under "*—Optional Redemption*," each holder will have the right to require the Issuer to repurchase all or any part (equal to €100,000 or an integral multiple of €1,000 in excess thereof) of such holder's Notes at a purchase price in cash equal to 101% of the principal amount of the Notes plus accrued and unpaid interest, if any, to, but excluding, the date of purchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Within 30 days following any Change of Control, unless the Issuer has exercised its right to redeem all of the Notes as described under "—*Optional Redemption*," the Issuer will give notice (the "Change of Control Offer") to each holder, with a copy to the Trustee, stating:

(1) that a Change of Control has occurred and that such holder has the right to require the Issuer to purchase such holder's Notes at a purchase price in cash equal to 101% of the principal amount of such Notes plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of record on a record date to receive interest on the relevant interest payment date) (the "Change of Control Payment");

(2) the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is first given) (the "Change of Control Payment Date"); and

(3) the procedures determined by the Issuer, consistent with the Indenture, that a holder must follow in order to have its Notes repurchased.

On the Change of Control Payment Date, the Issuer will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes (in integral multiples of €1,000) properly tendered pursuant to the Change of Control Offer; *provided* that if, following repurchase of a portion of a Note, the remaining principal amount of such Note outstanding immediately after such repurchase would be less than €100,000, then the portion of such Note so repurchased shall be reduced so that the remaining principal amount of such Note outstanding immediately after such repurchase is €100,000;

(2) deposit with a Paying Agent selected by the Issuer for such Change of Control Offer an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes so tendered; and

(3) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officers' Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Issuer.

A Change of Control Offer may be made in advance of a Change of Control, conditioned upon consummation of the Change of Control, if a definitive agreement is in effect at the time of making such Change of Control Offer that, when consummated in accordance with its terms, will result in a Change of Control; *provided* that such Change of Control Offer complies with all applicable securities laws or regulations.

The Paying Agent selected by the Issuer for such Change of Control Offer will promptly mail or otherwise deliver to each holder of Notes so tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; *provided* that each such new Note will be in a principal amount of €100,000 or integral multiples of €1,000 in excess thereof.

If the Change of Control Payment Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest, if any, will be paid on the Change of Control Payment Date to the Person in whose name a Note is registered at the close of business on such record date, and no additional interest will be payable to holders who tender pursuant to the Change of Control Offer.

The Change of Control provisions described above will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the holders to require that the Issuer repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if (i) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer; or (ii) notice of redemption to redeem the Notes in full has been given pursuant to the Indenture as described under the caption "*—Optional Redemption*," unless and until there is a default in the payment of the applicable redemption price.

The Issuer will comply, to the extent applicable, with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws or regulations, in each case to the extent applicable in connection with the repurchase of Notes as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations described in the Indenture by virtue of the conflict.

If and for so long as the Notes are listed on the Official List of the Irish Stock Exchange and admitted for trading on the Global Exchange Market thereof and the rules of the Irish Stock Exchange so require, the Issuer will file a notice relating to the Change of Control Offer as soon as reasonably practicable after the Change of Control Payment Date with the Companies Announcement Office of the Irish Stock Exchange. Such notice shall state the aggregate principal amount of Notes repurchased by the Issuer (or, if applicable, a third party) pursuant to the applicable Change of Control Offer and the aggregate principal amount of Notes outstanding after giving affect to such repurchase.

The Issuer's ability to repurchase Notes pursuant to a Change of Control Offer may be limited by a number of factors. The occurrence of certain of the events that constitute a Change of Control would constitute a default under the Senior Secured Credit Agreement and the indenture governing the 5.375% Notes would require the Parent to offer to repurchase those notes upon the occurrence of a change of control upon terms substantially similar to those in the Indenture. In addition, certain events that may constitute a change of control under the Senior Secured Credit Agreement and cause a default under that agreement may not constitute a Change of Control under the Indenture. Future Indebtedness of the Parent and its Subsidiaries may also contain prohibitions of certain events that would constitute a Change of Control or require such Indebtedness to be repurchased upon a Change of Control. Moreover, the exercise by the holders of their right to require the Issuer to repurchase the Notes could cause a default under such Indebtedness, including as the result of a failure to repurchase such Indebtedness when required, even if the Change of Control itself does not, due to the financial effect of such repurchase on the Issuer. Finally, the Issuer's ability to pay cash to the holders upon a repurchase may be limited by the Issuer's then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases. See "*Risk Factors—Risks Related to the Notes and this Offering—We may not be able to repurchase the notes upon a change of control or an offer to repurchase the notes in connection with an asset sale as required by the indenture*."

Even if sufficient funds were otherwise available, the terms of the Senior Secured Credit Agreement will, and future Indebtedness may, prohibit the Issuer's prepayment or repurchase of Notes before their scheduled maturity. Consequently, if the Issuer is not able to prepay its obligations under the Senior Secured Credit Agreement and any such other Indebtedness containing similar restrictions or obtain requisite consents, as described above, the Issuer will be unable to fulfill its repurchase obligations if holders of Notes exercise their repurchase rights following a Change of Control, resulting in a default under the Indenture. A default under the Indenture may result in a cross-default under the Senior Secured Credit Agreement or other Indebtedness.

The Change of Control provisions described above may deter certain mergers, tender offers and other takeover attempts involving the Parent by increasing the capital required to effectuate such transactions. The definition of "Change of Control" includes a disposition of all or substantially all of the property and assets of the Parent and its Restricted Subsidiaries taken as a whole to any Person. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the property or assets of a Person. As a result, it may be unclear as to whether a Change of Control has occurred and whether a holder of Notes may require the Issuer to make an offer to repurchase the Notes as described above.

Prior to the occurrence of a Change of Control, the provisions under the Indenture relative to the Issuer's obligation to make an offer to repurchase the Notes as a result of such Change of Control may be waived or modified with the written consent of the holders of a majority in principal amount of the Notes.

Certain Covenants

Effectiveness of Covenants

Following the first day:

(a) the Notes have an Investment Grade Rating from both of the Ratings Agencies; and

(b) no Default has occurred and is continuing under the Indenture (the occurrence of the events described in the foregoing clauses (a) and (b) being collectively referred to as a "Covenant Suspension Event").

The Parent and its Restricted Subsidiaries will not be subject to the provisions of the Indenture summarized under:

- "*—Limitation on Indebtedness*";
- "*—Limitation on Restricted Payments*";
- "*—Limitation on Restrictions on Distributions from Restricted Subsidiaries*";
- "*—Limitation on Sales of Assets and Subsidiary Stock*";
- "*—Limitation on Affiliate Transactions*";
- Clause (3) of the first paragraph of "*—Merger and Consolidation*"; and
- "*—Limitation on Lines of Business*" (collectively, the "Suspended Covenants").

If at any time the Notes' credit rating is downgraded from an Investment Grade Rating by any Rating Agency (such date, a "Reversion Date"), then the Suspended Covenants will thereafter be reinstated as if such covenants had never been suspended and be applicable pursuant to the terms of the Indenture (including in connection with performing any calculation or assessment to determine compliance with the terms of the Indenture), unless and until the Notes subsequently attain an Investment Grade Rating from both of the Rating Agencies and no Default is then in existence (in which event the Suspended Covenants shall no longer be in effect for such time that the Notes maintain an

Investment Grade Rating from both Rating Agencies); *provided, however*, that no Default, Event of Default or breach of any kind shall be deemed to exist under the Indenture, the Notes or the Note Guarantees with respect to the Suspended Covenants based on, and none of the Parent or any of its Subsidiaries shall bear any liability for, any actions taken or events occurring after the Notes attain Investment Grade Rating and before any reinstatement of such Suspended Covenants as provided above, or any actions taken at any time pursuant to any contractual obligation arising prior to such reinstatement, regardless of whether such actions or events would have been permitted if the Suspended Covenants remained in effect during such period. The period of time between the occurrence of a Covenant Suspension Event and a Reversion Date is referred to as the "Suspension Period."

During any Suspension Period, the Board of Directors of the Parent may not designate any of the Parent's Subsidiaries as Unrestricted Subsidiaries pursuant to the Indenture unless, so long as the Senior Secured Credit Agreement is outstanding, such Subsidiary is also designated as an "unrestricted subsidiary" under the Senior Secured Credit Agreement.

On a Reversion Date, all Indebtedness Incurred during the Suspension Period will be classified to have been Incurred pursuant to the first paragraph or clauses (1) through (26) of "*—Limitation on Indebtedness*" (to the extent such Indebtedness would be permitted to be Incurred thereunder as of the Reversion Date and after giving effect to the Indebtedness Incurred prior to the Suspension Period and outstanding on the Reversion Date). To the extent such Indebtedness would not be permitted to be Incurred pursuant to such paragraph or clauses of "*—Limitation on Indebtedness*," such Indebtedness will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause (4) of "*—Limitation on Indebtedness*." Calculations made after a Reversion Date of the amounts available to be made as Restricted Payments under "*—Limitation on Restricted Payments*" will be made as though the covenants described under "*—Limitation on Restricted Payments*" had been in effect since the Issue Date and throughout any Suspension Period. Accordingly, Restricted Payments made during such Suspension Period will reduce the amount available to be made as Restricted Payments under clause (c) of the first paragraph of "*—Limitation on Restricted Payments*." However, no Default or Event of Default will be deemed to have occurred as a result of the Reversion Date occurring on the basis of any actions taken or the continuance of any circumstances resulting from actions taken or the performance of obligations under agreements entered into by the Parent or any of the Restricted Subsidiaries during the Suspension Period relating to any Suspended Covenant (other than agreements to take actions after the Reversion Date that would not be permitted outside of the Suspension Period entered into in contemplation of the Reversion Date). Upon the occurrence of a Suspension Period, the amount of Excess Proceeds shall be reset at zero.

There can be no assurance that the Notes will ever achieve or maintain an Investment Grade Rating.

The Trustee will be under no duty to monitor, inquire as to or ascertain compliance with the covenants in the Indenture.

Limitation on Indebtedness

The Parent will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness); *provided, however*, that the Parent and any Restricted Subsidiary may Incur Indebtedness (including Acquired Indebtedness) if on the date thereof and after giving effect thereto on a *pro forma* basis (including a *pro forma* application of the proceeds therefrom) (1) the Consolidated Coverage Ratio for the Parent and its Restricted Subsidiaries is at least 2.0 to 1.0 and (2) no Default or Event of Default will have occurred or be continuing or would occur as a consequence of Incurring the Indebtedness or transactions relating to such Incurrence; *provided further* that Non-Guarantor Restricted Subsidiaries may not Incur Indebtedness pursuant to this paragraph if, after giving *pro forma* effect to such Incurrence (including a *pro forma* application of the proceeds therefrom), the aggregate principal amount of Indebtedness Incurred by Non-Guarantor Restricted Subsidiaries pursuant to this paragraph and then outstanding would exceed the greater of (x) $250.0 million and (y) 4.35% of Consolidated Total Assets.

The first paragraph of this covenant will not prohibit the Incurrence of the following Indebtedness:

(1) Indebtedness of the Parent or any Restricted Subsidiary Incurred pursuant to a Credit Facility (including the issuance and creation of letters of credit, bank guarantees, bankers' acceptances and similar instruments thereunder) in an aggregate principal amount up to $3,250.0 million at any one time outstanding;

(2) Guarantees by the Parent or any Restricted Subsidiary of Indebtedness Incurred in accordance with the provisions of the Indenture; provided that in the event such Indebtedness that is being Guaranteed is a Subordinated Obligation, then the related Guarantee shall be subordinated in right of payment to the Notes or the Note Guarantee, as the case may be, to the same extent as the Indebtedness being Guaranteed;

(3) Indebtedness of the Issuer or the Parent owing to and held by any Restricted Subsidiary (other than a Receivables Entity) or Indebtedness of a Restricted Subsidiary owing to and held by the Parent or any Restricted Subsidiary (other than a Receivables Entity); *provided, however*,

(a) if the Issuer is the obligor on such Indebtedness and a Guarantor is not an obligee, such Indebtedness is subordinated in right of payment to the Notes (except (i) in respect of the intercompany current liabilities incurred in the ordinary course of business in connection with the cash management operations of the Parent and its Restricted Subsidiaries or (ii) if not permitted by any applicable law or regulation or order of any relevant governmental authority);

(b) if a Guarantor is the obligor on such Indebtedness and the Issuer or a Guarantor is not an obligee, such Indebtedness is subordinated in right of payment to the Note Guarantee of such Guarantor (except (i) in respect of the intercompany current liabilities incurred in the ordinary course of business in connection with the cash management operations of the Parent and its Restricted Subsidiaries or (ii) if not permitted by any applicable law or regulation or order of any relevant governmental authority); and

(c) (i) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being beneficially held by a Person other than the Parent or a Restricted Subsidiary (other than a Receivables Entity) of the Parent and (ii) any sale or other transfer of any such Indebtedness to a Person other than the Parent or a Restricted Subsidiary (other than a Receivables Entity) of the Parent and other than in connection with any pledge of such Indebtedness constituting a Permitted Lien shall be deemed, in each case, to constitute an Incurrence of such Indebtedness by the Parent or such Restricted Subsidiary, as the case may be;

(4) Indebtedness represented by (a) the Notes issued on the Issue Date and the Note Guarantees, (b) any Indebtedness (other than the Indebtedness described in clauses (1), (8), (10), (11) and (14) of this paragraph) outstanding on the Issue Date, and (c) any Refinancing Indebtedness Incurred in respect of any Indebtedness described in this clause (4) or clause (5) of this paragraph or Incurred pursuant to the first paragraph of this covenant;

(5) Indebtedness of the Parent or any Restricted Subsidiary (a) Incurred and outstanding on the date of any acquisition of any assets (including through the acquisition of a Person that becomes or is merged with and into the Parent or a Restricted Subsidiary) or secured by a Lien on any assets (including the assets of the Parent or any such Restricted Subsidiary) on or prior to the acquisition thereof and (b) Incurred to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions in connection with, or in contemplation of, any acquisition of any assets (including through the acquisition of a Person that becomes or is merged with and into the Parent or a Restricted Subsidiary) or secured by a Lien on any assets (including

the assets of the Parent or any such Restricted Subsidiary) prior to the acquisition thereof; provided, however, that at the time of any such transaction in clauses (a) and (b) above, either (i) the Parent would have been able to Incur $1.00 of additional Indebtedness pursuant to the first paragraph of this covenant after giving effect to the Incurrence of such Indebtedness pursuant to this clause (5) or (ii), on a *pro forma* basis, the Consolidated Coverage Ratio for the Parent and its Restricted Subsidiaries would be greater than or equal to such ratio for the Parent and its Restricted Subsidiaries immediately prior to such transaction;

(6) (a) Indebtedness of Non-Guarantor Restricted Subsidiaries not to exceed the greater of (x) $250.0 million and (y) 4.35% of Consolidated Total Assets at any time outstanding and (b) Indebtedness of Non-Guarantor Restricted Subsidiaries Incurred under short-term working capital facilities, lines of credit or overdraft facilities secured by such Non-Guarantor Restricted Subsidiary's accounts receivable and/or inventory in an aggregate principal amount not to exceed 75% of the book value of such Non-Guarantor Restricted Subsidiary's accounts receivable and inventory;

(7) Indebtedness in connection with Qualified Receivables Transactions in an aggregate principal amount not to exceed $100.0 million at any time outstanding;

(8) Indebtedness under Hedging Obligations that are Incurred in the ordinary course of business (and not for speculative purposes);

(9) the Incurrence by the Parent or any of its Restricted Subsidiaries of Indebtedness represented by Capitalized Lease Obligations, mortgage financings, purchase money obligations or other payments, in each case Incurred to finance all or any part of the purchase price or cost of design, construction, lease, installation or improvement of assets or property (other than Capital Stock, except Capital Stock in a Person that becomes a Restricted Subsidiary) acquired, constructed, repaired or improved in the ordinary course of business of the Parent or such Restricted Subsidiary, and Attributable Indebtedness, in an aggregate principal amount, including all Refinancing Indebtedness Incurred to refund, defease, renew, extend, refinance or replace any Indebtedness Incurred pursuant to this clause (9), not to exceed the greater of (x) $100.0 million and (y) 1.75% of Consolidated Total Assets at any time outstanding;

(10) Indebtedness Incurred in respect of workers' compensation claims, health, disability or other employee benefits or unemployment and social security laws and regulations, property, casualty or liability insurance and premiums related thereto, self-insurance obligations, performance, customs, stay, appeal, tax (including VAT), surety and similar bonds, performance or completion guarantees and similar obligations provided by the Parent or a Restricted Subsidiary in the ordinary course of business;

(11) to the extent constituting Indebtedness, contingent obligations arising under indemnity agreements to title insurance companies to cause such title insurers to issue title insurance policies in the ordinary course of business with respect to the real property of the Parent or any Restricted Subsidiary;

(12) to the extent constituting Indebtedness, unfunded pension fund and other employee benefit plan obligations and liabilities to the extent they are permitted to remain unfunded under applicable law;

(13) Indebtedness arising from agreements of the Parent or a Restricted Subsidiary providing for indemnification, adjustment of purchase price or similar obligations (including earn-outs), in each case, Incurred or assumed in connection with an Investment or the acquisition or disposition of any business, assets or Capital Stock of a Restricted Subsidiary;

(14) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business, *provided, however*, that such Indebtedness is extinguished or reimbursed within five Business Days of Incurrence;

(15) Indebtedness in the form of (a) Guarantees of Indebtedness of the Renewable Diesel Joint Venture or other joint ventures; *provided* that the aggregate principal amount of the Indebtedness so guaranteed pursuant to such Guarantees shall not exceed $300.0 million at any one time outstanding, (b) Guarantees of the obligation to make an Investment in the Renewable Diesel Joint Venture or other joint venture which Investment is otherwise permitted to be made under the definition of "Permitted Investments" or the covenant described under "*—Limitation on Restricted Payments*," (c) Liens on the Capital Stock of the Renewable Diesel Joint Venture or other joint ventures consisting of a Permitted Renewable Joint Venture Investment or any other Investment permitted to be made under the definition of "Permitted Investments" or the covenant described under "*—Limitation on Restricted Payments*" in favor of the holder of any Indebtedness of the Renewable Diesel Joint Venture or any other joint venture and/or the Guarantee set forth in the foregoing clause (15)(a) and (d) Liens on cash and cash equivalents to secure (x) obligations to make an Investment in the Renewable Diesel Joint Venture or any other joint venture permitted under the definition of "Permitted Investments" or the covenant described under "*—Limitation on Restricted Payments*," or (y) a letter of credit posted to secure obligations set forth in the foregoing clause (15)(d)(x);

(16) to the extent constituting Indebtedness, (a) obligations under any take-or-pay obligations contained in supply and similar arrangements and Incurred in the ordinary course of business, (b) Indebtedness consisting of the financing of insurance premiums, and (c) customer deposits and advance payments received in the ordinary course of business from customers for goods and services purchased in the ordinary course of business;

(17) all obligations of the Parent or any Restricted Subsidiary for the reimbursement of any obligor on any letter of credit, banker's acceptance, bank guarantee, surety bond or similar credit transaction (including any such obligations supported by any letter of credit, banker's acceptance, bank guarantee or similar instruments); *provided* that if at any time after the issuance of such letter of credit, banker's acceptance, bank guarantee, surety bond or other similar credit transaction there is a drawing thereunder, such drawing must, as of the date thereof, then otherwise be permitted pursuant to this covenant;

(18) to the extent constituting Indebtedness, deferred compensation payable to directors, officers, members of management, employees or consultants of the Parent or any Restricted Subsidiary;

(19) Indebtedness in respect of repurchase agreements constituting Cash Equivalents;

(20) Indebtedness consisting of promissory notes issued by the Parent or any Restricted Subsidiary to future, present or former directors, officers, members of management, employees or consultants of the Parent or any of its Subsidiaries or their respective assigns, estates, heirs, family members, spouses, former spouses, domestic partners or former domestic partners to finance the purchase, redemption or other acquisition, cancellation or retirement for value of Capital Stock, or options, warrants, equity appreciation rights or other rights to purchase or acquire Capital Stock of the Parent or any Restricted Subsidiary or any direct or indirect parent of the Parent permitted under "*—Limitation on Restricted Payments*";

(21) obligations, contingent or otherwise, for the payment of money under any non-compete, consulting or similar agreement entered into with the seller of a business or any other similar arrangements providing for the deferred payment of the purchase price for an acquisition permitted under the Indenture;

(22) cash management obligations and Indebtedness incurred by the Parent or any Restricted Subsidiary in respect of netting services, overdraft protections, commercial credit cards, stored value cards, purchasing cards and treasury management services, automated clearing-house arrangements, employee credit card programs, controlled disbursement, ACH transactions, return items, interstate deposit network services, dealer incentive, supplier finance or similar programs, Society for Worldwide Interbank Financial Telecommunication transfers, cash pooling and operational

foreign exchange management and similar arrangements, in each case entered into in the ordinary course of business in connection with cash management, including cash management among the Parent and its Subsidiaries, and deposit accounts;

(23) any liability or obligation arising under a declaration of joint and several liability (*hoofdelijke aansprakelijkheid*) as referred to in Article 2:403 of the Dutch Civil Code, issued prior to the date of the Indenture or any joint and several liability (*hoofdelijke aansprakelijkheid*) under any fiscal unity for Dutch corporate income purposes;

(24) Indebtedness of the type described in clause (7) of the definition of "Indebtedness" to the extent the related Lien is permitted under "*—Limitation on Liens*";

(25) Indebtedness in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (25) and then outstanding, will not exceed 100% of the Net Cash Proceeds received by the Parent from the issuance or sale (other than to a Restricted Subsidiary) of its Capital Stock (other than Disqualified Stock or an Excluded Contribution) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock or an Excluded Contribution) of the Parent subsequent to the Issue Date; *provided*, *however*, that (i) any such Net Cash Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under the covenant described below under "*—Limitation on Restricted Payments*" to the extent the Parent and its Restricted Subsidiaries incur Indebtedness in reliance hereon and (ii) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of Incurring Indebtedness pursuant to this clause (25) to the extent the Parent or any of its Restricted Subsidiaries makes a Restricted Payment under the covenant described below under "*—Limitation on Restricted Payments*" in reliance thereon; and

(26) in addition to the items referred to in clauses (1) through (25) above, Indebtedness of the Parent and its Restricted Subsidiaries in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (26) and then outstanding, will not exceed the greater of (x) $150.0 million and (y) 2.6% of Consolidated Total Assets at any time outstanding.

Neither the Issuer nor any Guarantor will Incur any Refinancing Indebtedness under clause (4) of the preceding paragraph if the proceeds thereof are used, directly or indirectly, to refinance any Subordinated Obligations of the Issuer or such Guarantor unless such Indebtedness will be subordinated to the Notes or the Note Guarantee of such Guarantor to at least the same extent as such Subordinated Obligations. No Restricted Subsidiary (other than the Issuer, a Guarantor or a Foreign Subsidiary) may Incur any Indebtedness if the proceeds are used to refinance Indebtedness of the Issuer or a Guarantor.

For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this covenant:

(1) subject to clause (2) below, in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in the first and second paragraphs of this covenant, the Parent, in its sole discretion, will classify such item of Indebtedness on the date of Incurrence and may later reclassify and redivide all or a portion of such item of Indebtedness among one or more of the types of Indebtedness described in the first and second paragraphs of this covenant in any manner that complies with this covenant and only be required to include the amount and type of such Indebtedness in one of any such clauses;

(2) all Indebtedness outstanding or Incurred prior to or on the Issue Date under the Senior Secured Credit Agreement shall be deemed Incurred under clause (1) of the second paragraph of this covenant and not the first paragraph or clause (4)(c) of the second paragraph of this covenant;

(3) Guarantees of, or obligations in respect of letters of credit relating to, Indebtedness which is otherwise included in the determination of a particular amount of Indebtedness shall not be included;

(4) if obligations in respect of letters of credit are Incurred pursuant to a Credit Facility and are being treated as Incurred pursuant to clause (1) of the second paragraph above and the letters of credit relate to other Indebtedness, then such other Indebtedness shall not be included;

(5) the principal amount of any Disqualified Stock of the Parent or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary that is not a Guarantor, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;

(6) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness;

(7) the principal amount of any Indebtedness outstanding in connection with a Qualified Receivables Transaction is the Receivables Transaction Amount;

(8) the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined in accordance with GAAP; and

(9) for purposes of Indebtedness Incurred under clause (3) of the second paragraph of this covenant, it is understood that payments may be made thereon unless an Event of Default has occurred and is continuing and the Notes have been accelerated in accordance with the provisions described under "*Events of Default*."

Accrual of interest, accrual of dividends, the accretion of accreted value, the payment of interest in the form of additional Indebtedness, the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock, the payment of any premiums, fees, costs, expenses or charges and the reclassification of commitments or obligations due to a change in GAAP, in each case, will not be deemed to be an Incurrence of Indebtedness for purposes of this covenant. The amount of any Indebtedness outstanding as of any date shall be (i) the accreted value thereof in the case of any Indebtedness issued with original issue discount and (ii) the principal amount or liquidation preference thereof, together with any interest thereon that is more than 30 days past due, in the case of any other Indebtedness.

In addition, the Parent will not permit any of its Unrestricted Subsidiaries to Incur any Indebtedness (other than Renewable Diesel Joint Venture Indebtedness) or issue any shares of Disqualified Stock, unless such Incurrence of Indebtedness is otherwise permitted under the definition of "Unrestricted Subsidiary" and the Indenture. The Parent will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness with respect to the Renewable Diesel Joint Venture (unless the Renewable Diesel Joint Venture is a Restricted Subsidiary subject to the limitations set forth under this "Limitation on Indebtedness" covenant) other than the Renewable Diesel Joint Venture Indebtedness. If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary as of such date (and, if such Indebtedness is not permitted to be Incurred as of such date under this "*—Limitation on Indebtedness*" covenant, the Parent shall be in Default of this covenant).

Limitation on Restricted Payments

The Parent will not, and will not permit any of its Restricted Subsidiaries, directly or indirectly, to:

(1) declare or pay any dividend or make any distribution (whether made in cash, securities or other property) on or in respect of the Parent's or its Restricted Subsidiaries' Capital Stock (including any payment in connection with any merger or consolidation involving the Parent or any of its Restricted Subsidiaries) except:

(a) dividends or distributions payable in Capital Stock of the Parent (other than Disqualified Stock) or in options, warrants or other rights to purchase such Capital Stock of the Parent; and

(b) dividends or distributions payable to the Parent or a Restricted Subsidiary (and if such Restricted Subsidiary is not a Wholly-Owned Subsidiary, to its other holders of Capital Stock (other than Disqualified Stock) on a pro rata basis, taking into account the relative preferences, if any, of the various classes of Capital Stock in such Restricted Subsidiaries), including, for the avoidance of doubt, solely with respect to Subsidiaries organized in Germany, the entering into domination and profit and loss pooling agreements (*Beherrschungs—und Ergebnisabführungsverträge*) within the meaning of Section 291 of the German Stock Corporation Act (AktG) as well as the distribution of profits and the compensation for losses in connection therewith;

(2) purchase, redeem, retire, defease or otherwise acquire for value, including in connection with any merger or consolidation, any Capital Stock of the Parent or any direct or indirect parent of the Parent held by Persons other than the Parent or a Restricted Subsidiary (other than in exchange for Capital Stock of the Parent (other than Disqualified Stock));

(3) make any principal payment on, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value, in each case, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Obligations (other than (x) Indebtedness of the Parent owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Parent or any other Restricted Subsidiary permitted under clause (3) of the second paragraph of the "*—Limitation on Indebtedness*" covenant or (y) the payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Obligations purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of purchase, repurchase, redemption, defeasance or other acquisition or retirement); or

(4) make any Restricted Investment in any Person;

(any such dividend, distribution, purchase, redemption, repurchase, defeasance, payments, other acquisition, retirement or Restricted Investment referred to in clauses (1) through (4) shall be referred to herein as a "Restricted Payment"), if at the time the Parent or such Restricted Subsidiary makes such Restricted Payment:

(a) a Default shall have occurred and be continuing (or would result therefrom);

(b) the Parent is not able to Incur $1.00 of additional Indebtedness pursuant to the first paragraph under the "*—Limitation on Indebtedness*" covenant after giving effect, on a *pro forma* basis, to such Restricted Payment; and

(c) the aggregate amount of such Restricted Payment, together with all other Restricted Payments declared or made subsequent to December 29, 2013 (excluding Restricted Payments made pursuant to clauses (1), (2), (3), (4), (7), (8) and (12) of the next succeeding paragraph but including Restricted Payments made pursuant to all other clauses of the next succeeding paragraph) would exceed the sum of:

(i) (A) $340.4 million *plus* (B) 50% of Consolidated Net Income for the period (treated as one accounting period) from December 29, 2013 to the end of the most recent fiscal quarter ending prior to the date of such Restricted Payment for which financial statements are in existence (or, in case such Consolidated Net Income is a deficit, minus 100% of such deficit);

(ii) 100% of the aggregate (A) Net Cash Proceeds and (B) the fair market value (as determined in good faith by the Parent) of Related Business Assets or Capital Stock (other than Disqualified Stock) of a Person that becomes a Restricted Subsidiary engaged in a Related Business, in each case received by the Parent from the issue or sale of its Capital Stock (other than Disqualified Stock) or other capital contributions subsequent to December 29, 2013 (in each case, other than an issuance or sale of such Capital Stock to a Restricted Subsidiary or an employee stock ownership plan, option plan or similar trust to the extent such sale to an employee stock ownership plan or similar trust is financed by loans from or Guaranteed by the Parent or any Restricted Subsidiary unless such loans have been repaid with cash on or prior to the date of determination), excluding in any event Excluded Contributions and Net Cash Proceeds received by the Parent from the issue and sale of its Capital Stock or capital contributions to the extent applied to redeem Notes in compliance with the provisions set forth under the third paragraph of the caption "*—Optional Redemption*";

(iii) the amount by which Indebtedness of the Parent or its Restricted Subsidiaries is reduced on the Parent's balance sheet upon the conversion or exchange (other than by a Restricted Subsidiary) subsequent to December 29, 2013 of any Indebtedness of the Parent or its Restricted Subsidiaries convertible or exchangeable for Capital Stock (other than Disqualified Stock) of the Parent (less the amount of any cash, or the fair market value of any other property, distributed by the Parent upon such conversion or exchange);

(iv) the amount equal to the net reduction in Restricted Investments made by the Parent or any of its Restricted Subsidiaries in any Person resulting from:

(A) repurchases or redemptions or other acquisitions or retirements of such Restricted Investments by such Person, proceeds realized upon the sale or other disposition of such Restricted Investment to a Person (other than the Parent or a Restricted Subsidiary of the Parent), repayments of loans or advances or other transfers of assets (including by way of dividend, distribution, interest payment or other return on capital or Investment) by such Person to the Parent or any Restricted Subsidiary (other than for reimbursement of tax payments); or

(B) the (i) redesignation of Unrestricted Subsidiaries as Restricted Subsidiaries, (ii) merger or consolidation of Unrestricted Subsidiaries into the Parent or any of its Restricted Subsidiaries or (iii) transfer (other than by lease) of all or substantially all of the Unrestricted Subsidiaries' assets to the Parent or any of its Restricted Subsidiaries after December 29, 2013 (valued in each case as provided in the definition of "Investment");

which amount in each case under this clause (iv) was included in the calculation of the amount of Restricted Payments made after December 29, 2013; *provided, however*, that no amount will be included under this clause (iv) to the extent it is already included in Consolidated Net Income;

(v) the amount of the cash and Cash Equivalents and the fair market value (as determined in good faith by the Parent) of property or assets or of marketable securities received by the Parent or any Restricted Subsidiary after December 29, 2013 in connection with:

(A) the sale or other disposition (other than to the Parent or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Parent or any Subsidiary of the Parent for the benefit of its employees to the extent funded by the Parent or any Restricted Subsidiary) of Capital Stock of an Unrestricted Subsidiary of the Parent; or

(B) any dividend or distribution made by an Unrestricted Subsidiary to the Parent or a Restricted Subsidiary;

provided, *however*, that no amount will be included under this clause (v) to the extent it is already included in Consolidated Net Income.

As of April 4, 2015, after giving effect to the Transactions, the Parent and its Restricted Subsidiaries would have been able to make Restricted Payments pursuant to the foregoing clause (c) in an amount of approximately $471.8 million.

The provisions of the preceding paragraph will not prohibit:

(1) any payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement of Capital Stock, Disqualified Stock or Subordinated Obligations of the Issuer or any Guarantor made by exchange for, or out of the Net Cash Proceeds of (i) the substantially contemporaneous contribution to the common equity capital of the Parent or (ii) the substantially concurrent sale of Capital Stock of the Parent (or any direct or indirect parent company of the Parent to the extent contributed to the capital of the Parent) (other than Disqualified Stock and other than Capital Stock issued or sold to a Restricted Subsidiary or an employee stock ownership plan or similar trust to the extent such sale to an employee stock ownership plan or similar trust is financed by loans from or Guaranteed by the Parent or any Restricted Subsidiary unless such loans have been repaid with cash on or prior to the date of determination); *provided, however*, that the Net Cash Proceeds from such sale of Capital Stock will be excluded from clause (c)(ii) of the preceding paragraph;

(2)(a) any payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Obligations of the Issuer or any Guarantor made by exchange for, or out of the proceeds of the substantially concurrent sale of, Subordinated Obligations of the Issuer or any Guarantor that, in each case, is permitted to be Incurred pursuant to the covenant described under "*—Limitation on Indebtedness*" and that in each case constitutes Refinancing Indebtedness and (b) any payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Obligations of any Non-Guarantor Restricted Subsidiary made by exchange for, or out of the proceeds of the substantially concurrent sale of, Subordinated Obligations of any Non-Guarantor Restricted Subsidiary that is permitted to be Incurred pursuant to the covenant described under "*—Limitation on Indebtedness*" and that constitutes Refinancing Indebtedness;

(3) any payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement of Disqualified Stock of the Parent or a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Disqualified Stock of the Parent or such Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred pursuant to the covenant described under "*—Limitation on Indebtedness*" and that in each case constitutes Refinancing Indebtedness;

(4) so long as no Default or Event of Default has occurred and is continuing, any purchase or redemption of Subordinated Obligations of the Parent or any Restricted Subsidiary from Net Available Cash to the extent permitted under "*—Limitation on Sales of Assets and Subsidiary Stock*";

(5) the payment of any dividend or distribution or the consummation of any irrevocable redemption within 60 days after the date of declaration or the giving of the irrevocable notice, as applicable, if at the date of declaration or the giving of the irrevocable notice such payment would have complied with this covenant;

(6) so long as no Default or Event of Default has occurred and is continuing, (a) the purchase, redemption or other acquisition, cancellation or retirement for value of Capital Stock, or options, warrants, equity appreciation rights or other rights to purchase or acquire Capital Stock of the Parent or any Restricted Subsidiary or any direct or indirect parent of the Parent held by any future, present or former director, officer, member of management, employee or consultant of the Parent or any Subsidiary of the Parent or their assigns, estates, heirs, family members, spouses, former spouses, domestic partners or former domestic partners, in each case in connection with the repurchase provisions under employee stock option or stock purchase agreements or other agreements to

compensate management employees; *provided* that such Capital Stock, or options, warrants, equity appreciation rights or other rights to purchase or acquire Capital Stock, were received for services related to, or for the benefit of, the Parent and its Restricted Subsidiaries; and *provided further* that such redemptions or repurchases pursuant to this clause will not exceed $10.0 million in the aggregate during any fiscal year (with any unused amounts in any fiscal year from each of the immediately preceding four fiscal years being carried over to the immediately succeeding fiscal year), plus the amount of any capital contributions to the Parent as a result of sales of Capital Stock, or options, warrants, equity appreciation rights or other rights to purchase or acquire Capital Stock, of the Parent or any direct or indirect parent of the Parent to such persons (*provided, however*, that the Net Cash Proceeds from such sale of Capital Stock will be excluded from clause (c)(ii) of the preceding paragraph), and (b) loans or advances to employees, officers or directors of the Parent or any Subsidiary of the Parent, the proceeds of which are used to purchase Capital Stock of the Parent, in an aggregate amount not to exceed $5.0 million outstanding at any one time (without giving effect to the forgiveness of any such loan);

(7) so long as no Default or Event of Default has occurred and is continuing, the declaration and payment of dividends to holders of any class or series of Disqualified Stock of the Parent or any Restricted Subsidiary or Preferred Stock of any Restricted Subsidiary issued in accordance with the terms of the Indenture to the extent such dividends are included in the definition of "Consolidated Interest Expense";

(8) (a) repurchases of fractional shares of Capital Stock for nominal amounts which are required to be repurchased in connection with the exercise of stock options or warrants to permit the issuance of whole shares of Capital Stock; and (b) repurchases of Capital Stock deemed to occur upon the cashless exercise of stock options, warrants or other convertible securities if such Capital Stock represents (i) a portion of the exercise price thereof or (ii) withholding Incurred in connection with such exercise to pay for any taxes in connection therewith;

(9) [Reserved.];

(10) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Subordinated Obligation (i) at a purchase price not greater than 101% of the principal amount of such Subordinated Obligation in the event of a Change of Control in accordance with provisions similar to the "*—Change of Control*" covenant or (ii) at a purchase price not greater than 100% of the principal amount thereof in accordance with provisions similar to the "*—Limitation on Sales of Assets and Subsidiary Stock*" covenant; *provided* that, prior to or simultaneously with such purchase, repurchase, redemption, defeasance or other acquisition or retirement, the Issuer has made the Change of Control Offer or Asset Disposition Offer, as applicable, as provided in such covenant with respect to the Notes and has completed the repurchase or redemption of all Notes validly tendered for payment in connection with such Change of Control Offer or Asset Disposition Offer;

(11) the distribution, by dividend or otherwise, of shares of Capital Stock of Unrestricted Subsidiaries (other than the Renewable Diesel Joint Venture or Unrestricted Subsidiaries the primary assets of which are cash and/or Cash Equivalents);

(12) Restricted Payments that are made with Excluded Contributions;

(13) Restricted Payments in the form of Investments in Unrestricted Subsidiaries in an amount not to exceed the greater of (x) $75.0 million and (y) 1.3% of Consolidated Total Assets;

(14) so long as no Default has occurred and is continuing, additional Restricted Payments; *provided* that, if, after giving *pro forma* effect to any such Restricted Payment, the Leverage Ratio would be greater than 2.75 to 1.00, the aggregate amount of Restricted Payments made pursuant to this clause (14) shall not exceed the greater of (x) $100.0 million and (y) 1.75% of Consolidated Total Assets; and

(15) the payment of dividends, distributions or advances to any holding company that meets the requirements set forth in clause (1) of the definition of "Change of Control" to pay, without duplication, (a) (x) consolidated, combined or similar Federal, state and local income taxes payable by such holding company and directly attributable to the operations of the Parent and its Subsidiaries and (y) franchise or similar taxes of such holding company required to maintain such holding company's corporate existence; *provided* that the amount of such dividends, distributions or advances paid in respect of this clause (a) shall not exceed (A) the excess, if any, of the amount of income tax that would be due with respect to a hypothetical consolidated, combined or similar Federal, state or local tax return that included only the Parent and its Subsidiaries over the income tax actually payable by the Parent and its Subsidiaries directly to taxing authorities plus (B) the actual amount of such franchise or similar taxes of such holding company required to maintain such holding company's corporate existence, each as applicable; (b) fees and expenses (including legal, audit and tax (including franchise tax) expenses) required to maintain its corporate existence, and general corporate operating and overhead expenses of such holding company (including customary salary, bonus and other benefits payable to, and indemnities provided on behalf of, officers, directors and employees of such holding company), in each case to the extent such fees and expenses are attributable to the ownership or operation of the Parent and its Subsidiaries and public company listing fees to a national securities exchange with respect to such holding company's securities; and (c) fees and expenses, other than to Affiliates of the Parent, related to any unsuccessful equity offering of such holding company that has been undertaken to finance the Parent and its Subsidiaries.

The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Parent or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The fair market value of any cash Restricted Payment shall be its face amount and any non-cash Restricted Payment shall be determined conclusively in good faith by an Officer or the Board of Directors of the Parent.

As of the Issue Date, all of the Parent's Subsidiaries (other than the Insurance Company of Colorado, Inc., Darling Green Energy, LLC, Roseller Marine, Ltd. and each of their respective Subsidiaries) will be Restricted Subsidiaries. The Board of Directors shall not designate any Restricted Subsidiaries as Unrestricted Subsidiaries except in compliance with the provisions of the definition of "Unrestricted Subsidiary."

Limitation on Liens

The Parent will not, and will not permit the Issuer or any of the Restricted Subsidiaries that are Guarantors to, directly or indirectly, create or Incur any Lien (other than Permitted Liens) upon any of its property or assets (including Capital Stock of its Subsidiaries) or income or profits therefrom, whether owned on the Issue Date or acquired after that date, which Lien is securing any Indebtedness, unless contemporaneously with the Incurrence of such Liens effective provision is made to secure the Indebtedness due under the Indenture and the Notes or, in respect of Liens on any Guarantor's property or assets, any Note Guarantee of such Guarantor, equally and ratably with (or senior in priority to in the case of Liens with respect to Subordinated Obligations) the Indebtedness secured by such Lien for so long as such Indebtedness is so secured.

Limitation on Restrictions on Distributions from Restricted Subsidiaries

The Parent will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions on its Capital Stock to the Parent or its Restricted Subsidiaries, or pay any Indebtedness or other obligations owed to the Parent or any

Restricted Subsidiary (it being understood that the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on Common Stock shall not be deemed a restriction on the ability to make distributions on Capital Stock);

(2) make any loans or advances to the Parent or any Restricted Subsidiary (it being understood that the subordination of loans or advances made to the Parent or any Restricted Subsidiary to other Indebtedness Incurred by the Parent or any Restricted Subsidiary shall not be deemed a restriction on the ability to make loans or advances); or

(3) transfer any of its property or assets to the Parent or any Restricted Subsidiary (it being understood that such transfers shall not include any type of transfer described in clause (1) or (2) above).

The preceding provisions will not prohibit:

(i) any encumbrance or restriction pursuant to an agreement in effect at or entered into on the Issue Date, including, without limitation, the Indenture, the Notes, the Note Guarantees and the Senior Secured Credit Agreement (and related documentation) in effect on such date;

(ii) any encumbrance or restriction with respect to a Restricted Subsidiary (or its assets) pursuant to an agreement relating to any Capital Stock, other assets or Indebtedness Incurred by a Restricted Subsidiary on or before the date on which such Restricted Subsidiary was acquired by the Parent or a Restricted Subsidiary (other than Capital Stock or Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Restricted Subsidiary became a Restricted Subsidiary or was acquired by the Parent or in contemplation of the transaction) and outstanding on such date; *provided* that any such encumbrance or restriction shall not extend to any assets or property of the Parent or any other Restricted Subsidiary other than the assets and property so acquired;

(iii) any encumbrance or restriction with respect to a Restricted Subsidiary pursuant to an agreement effecting a refunding, replacement or refinancing of Indebtedness Incurred pursuant to an agreement referred to in clause (i) or (ii) of this paragraph or this clause (iii) or contained in any amendment, restatement, modification, renewal, supplement, refunding, replacement or refinancing of an agreement referred to in clause (i) or (ii) of this paragraph or this clause (iii); *provided, however*, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement, amendment, restatement, modification, renewal, supplement, refunding, replacement or refinancing are not materially less favorable, taken as a whole, as determined in good faith by the Parent, to the holders of the Notes than the encumbrances and restrictions contained in such agreements referred to in clauses (i) or (ii) of this paragraph on the Issue Date or the date such Restricted Subsidiary became a Restricted Subsidiary or was merged into a Restricted Subsidiary, whichever is applicable;

(iv) any encumbrance or restriction:

(a) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, sublease, license or similar contract, or the assignment or transfer of any such lease, sublease, license or other contract;

(b) contained in mortgages, pledges or other security agreements permitted under the Indenture securing Indebtedness of the Parent or a Restricted Subsidiary to the extent such encumbrances or restrictions restrict the transfer of the property subject to such mortgages, pledges or other security agreements; or

(c) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Parent or any Restricted Subsidiary;

(v) any encumbrance or restriction pursuant to (a) purchase money obligations for property acquired in the ordinary course of business and (b) Capitalized Lease Obligations permitted under the Indenture, in each case, that impose encumbrances or restrictions on the property so acquired;

(vi) any Purchase Money Note or other Indebtedness or contractual requirements Incurred with respect to a Qualified Receivables Transaction relating exclusively to a Receivables Entity that, as determined in good faith by the Parent, are necessary to effect such Qualified Receivables Transaction;

(vii) any restriction with respect to a Restricted Subsidiary (or any of its property or assets) imposed pursuant to an agreement entered into for the direct or indirect sale or disposition of the Capital Stock or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;

(viii) any customary provisions in partnership agreements, limited liability company governance documents, joint venture agreements and other similar agreements (including, without limitation, those with respect to the Renewable Diesel Joint Venture), asset sale agreements, sale leaseback agreements, stock sale agreements and other similar agreements entered into in the ordinary course of business;

(ix) restrictions on cash and other deposits or net worth provisions in leases and other agreements entered into by the Parent or any Restricted Subsidiary in the ordinary course of business;

(x) encumbrances or restrictions arising or existing by reason of applicable law, any applicable rule, regulation or order or any regulatory authority (including a taxing authority);

(xi) encumbrances or restrictions contained in indentures or debt instruments or other agreements governing Indebtedness Incurred or Preferred Stock issued by the Parent or any Restricted Subsidiary subsequent to the Issue Date and permitted pursuant to the covenant described under "*—Limitation on Indebtedness*"; *provided* that such encumbrances and restrictions with respect to such Restricted Subsidiary contained in any agreement or instrument will not materially affect the Issuer's ability to make anticipated principal or interest payments on the Notes (as determined in good faith by the Parent);

(xii) customary provisions in leases, subleases, licenses and other agreements and instruments entered into in the ordinary course of business;

(xiii) any encumbrance or restriction pursuant to Hedging Obligations; and

(xiv) any encumbrances or restrictions imposed by an amendments, modifications, restatements, amendments and restatements, extensions, restructurings, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (iv) through (xiii) above or this clause (xiv); *provided* that, without duplication of any provisions in clauses (iv) through (xiii) above or this clause (xiv), such amendments, modifications, restatements, amendments and restatements, extensions, restructurings, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Parent, not materially more restrictive with respect to such encumbrance and other restriction, taken as a whole, than those prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing.

Limitation on Sales of Assets and Subsidiary Stock

The Parent will not, and will not permit any of its Restricted Subsidiaries to, make any Asset Disposition unless:

(1) the Parent or such Restricted Subsidiary, as the case may be, receives consideration at least equal to the fair market value (such fair market value to be determined on the date of contractually

agreeing to such Asset Disposition), as determined in good faith by the Parent (including as to the value of all non-cash consideration), of the shares and assets subject to such Asset Disposition;

(2) at least 75% of the consideration (excluding any consideration by way of relief from, or by any other person assuming responsibility for, any liabilities, contingent or otherwise, other than Indebtedness) from such Asset Disposition received by the Parent or such Restricted Subsidiary, as the case may be, is in the form of cash or Cash Equivalents; and

(3) within 365 days of the later of the date of such Asset Disposition or the receipt of Net Available Cash from such Asset Disposition, an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by the Parent or such Restricted Subsidiary, as the case may be:

(a) *first*, to the extent the Parent or any Restricted Subsidiary, as the case may be, elects (or is required by the terms of any Indebtedness) to prepay, repay or purchase Indebtedness of the Issuer (other than any Disqualified Stock or Subordinated Obligations) or Indebtedness of the Parent or a Restricted Subsidiary (other than any Disqualified Stock) (in each case other than Indebtedness owed to the Parent or an Affiliate of the Parent); *provided*, *however*, that, in connection with any prepayment, repayment or purchase of Indebtedness (other than revolving Indebtedness) pursuant to this clause (a), the Parent or such Restricted Subsidiary will retire such Indebtedness and will cause the related commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased; and

(b) *second*, to the extent of the balance of such Net Available Cash after application in accordance with clause (a), to the extent the Parent or such Restricted Subsidiary elects, to invest in Additional Assets;

provided that pending the final application of any such Net Available Cash in accordance with clause (a) or clause (b) above, the Parent and its Restricted Subsidiaries may temporarily reduce Indebtedness or otherwise invest such Net Available Cash in any manner not prohibited by the Indenture; *provided*, *further*, that in the case of clause (b), a binding commitment to invest in Additional Assets shall be treated as a permitted application of the Net Available Cash so long as the Parent or a Restricted Subsidiary enters into such commitment within such 365-day period with the good faith expectation that such Net Available Cash will be applied to satisfy such commitment within 180 days of the end of such 365-day period (an "Acceptable Commitment") and such Net Available Cash is actually applied in such manner within such time period (such period, the "Acceptable Commitment Period"), and in the event any Acceptable Commitment is later cancelled or terminated for any reason before the Net Available Cash is applied in connection therewith, the Parent or such Restricted Subsidiary enters into another Acceptable Commitment (a "Second Commitment") within the Acceptable Commitment Period and such Net Available Cash is actually applied in such manner within 180 days from the date of the Second Commitment, it being understood that if a Second Commitment is later cancelled or terminated for any reason before such Net Available Cash is applied, then such Net Available Cash shall constitute Excess Proceeds.

Any Net Available Cash from Asset Dispositions that are not applied or invested as provided in the preceding paragraph will be deemed to constitute "Excess Proceeds." If the aggregate amount of Excess Proceeds exceeds $50.0 million, the Issuer will be required to make an offer ("Asset Disposition Offer") to all holders of Notes and to the extent required by the terms of other Pari Passu Indebtedness, to all holders of other Pari Passu Indebtedness outstanding with similar provisions requiring the Issuer to make an offer to purchase such Pari Passu Indebtedness with the proceeds from any Asset Disposition ("Pari Passu Notes"), to purchase the maximum principal amount of Notes and any such Pari Passu Notes to which the Asset Disposition Offer applies that may be purchased out of the Excess Proceeds, at an offer price in cash in an amount equal to 100% of the principal amount of the Notes and Pari Passu Notes plus accrued and unpaid interest to the date of purchase, in accordance with the procedures set forth in the Indenture or the agreements governing the Pari Passu Notes, as applicable, and, in the case of the Notes, in denominations of €100,000 and integral multiples of €1,000 in excess thereof. To the extent that the aggregate amount of Notes and Pari Passu Notes so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the Excess Proceeds, the Issuer may use any remaining Excess Proceeds for general corporate purposes, subject to the other covenants contained in the Indenture. If the aggregate principal amount of Notes surrendered by holders thereof and other Pari Passu Notes surrendered by holders or lenders, collectively, exceeds the amount of Excess Proceeds, the Notes and Pari Passu Notes shall be purchased on a pro rata basis on the basis of the aggregate principal amount of tendered Notes and Pari Passu Notes and the Trustee shall select the Notes (or portions thereof) to be purchased on a pro rata basis on the basis of the aggregate principal amount of tendered Notes (subject in each of the foregoing cases to such adjustments as the Trustee or the Issuer may in their sole discretion deem necessary or appropriate so that the denominations in which Notes and Pari Passu Notes are repurchased, and the denominations of any Notes and Pari Passu Notes repurchased in part, are denominations authorized by the Indenture and, if applicable, the agreements governing the Pari Passu Notes, as the case may be). Upon completion of such Asset Disposition Offer, the amount of Excess Proceeds shall be reset at zero. Notwithstanding anything to the contrary in the foregoing, the Issuer may commence an Asset Disposition Offer prior to the expiration of 365 days after the occurrence of an Asset Disposition or the receipt of Net Available Cash from such Asset Disposition; provided that such Asset Disposition Offer complies with all applicable securities laws and regulations.

The Asset Disposition Offer will remain open for a period of 20 Business Days following its commencement, except to the extent that a longer period is required by applicable law (the "Asset Disposition Offer Period"). No later than ten Business Days after the termination of the Asset Disposition Offer Period (the "Asset Disposition Purchase Date"), the Issuer will purchase the principal amount of Notes and Pari Passu Notes required to be purchased pursuant to this covenant (the "Asset Disposition Offer Amount") or, if less than the Asset Disposition Offer Amount has been so validly tendered, all Notes and Pari Passu Notes validly tendered in response to the Asset Disposition Offer.

If the Asset Disposition Purchase Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest up to but excluding the Asset Disposition Purchase Date will be paid to the Person in whose name a Note is registered at the close of business on such record date, and no additional interest will be payable to holders who tender Notes pursuant to the Asset Disposition Offer.

On or before the Asset Disposition Purchase Date, the Issuer will, to the extent lawful, accept for payment, on a pro rata basis to the extent necessary, the Asset Disposition Offer Amount of Notes and Pari Passu Notes or portions of Notes and Pari Passu Notes so validly tendered and not properly withdrawn pursuant to the Asset Disposition Offer, or if less than the Asset Disposition Offer Amount has been validly tendered and not properly withdrawn, all Notes and Pari Passu Notes so validly tendered and not properly withdrawn; *provided*, that if following a repurchase of a portion of a Note, the remaining principal amount of such Note outstanding immediately following such repurchase would be less than €100,000, then the portion of such Note so repurchased shall be reduced so that the remaining principal amount of such Note outstanding immediately following such repurchase is €100,000; and provided, further, that if following a repurchase of a portion of a Pari Passu Note which by its terms or the terms of its governing agreement is issuable only in specified authorized denominations, the remaining principal amount of such Pari Passu Note outstanding immediately following such repurchase would be less than the minimum authorized denomination, then the portion of such Pari Passu Note so repurchased shall be reduced so that the remaining principal amount of such Note outstanding immediately following such repurchase is such minimum authorized denomination. The Issuer will deliver to the Trustee an Officers' Certificate stating that such Notes or portions thereof were accepted for payment by the Issuer in accordance with the terms of this covenant and, in addition, the Issuer will deliver all certificates and notes required, if any, by the agreements governing the Pari Passu Notes. The Issuer or the Paying Agent selected by the Issuer for such Asset Disposition Offer, as the case may be, will promptly (but in any case not later than ten Business Days after the termination of the Asset Disposition Offer Period) mail or deliver to each tendering holder of Notes or holder or lender of Pari Passu Notes, as the case may be, an amount equal to the purchase price of the Notes or Pari Passu Notes so validly tendered and not properly withdrawn by such holder or lender, as the case may be, and accepted by the Issuer for purchase, and the Issuer will promptly issue a new Note, and the Trustee, upon delivery of an Officers' Certificate from the Issuer, will authenticate and mail or deliver such new Note to such holder, in a principal amount equal to any unpurchased portion of the Note surrendered; *provided* that each such new Note will be in a principal amount of €100,000 or an integral multiple of €1,000 in excess thereof. In addition, the Issuer will take any and all other actions required by the agreements governing the Pari Passu Notes. Any Note not so accepted will be promptly mailed or delivered by the Issuer to the holder thereof. The Issuer will publicly announce the results of the Asset Disposition Offer on the Asset Disposition Purchase Date.

For the purposes of this covenant, the following will be deemed to be cash:

(1) the assumption by the transferee of Indebtedness of the Parent or Indebtedness of a Restricted Subsidiary (other than Subordinated Obligations or Disqualified Stock) and the release of the Parent or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Disposition (in which case the Parent or such Restricted Subsidiary will, without further action, be deemed to have applied such deemed cash to repay Indebtedness in accordance with clause (3)(a) above);

(2) securities, notes or other obligations received by the Parent or any Restricted Subsidiary from the transferee that are converted by the Parent or such Restricted Subsidiary into cash within 180 days following the closing of such Asset Disposition;

(3) any Designated Noncash Consideration received by the Parent or any of its Restricted Subsidiaries in such Asset Disposition having an aggregate fair market value (as determined in good faith by the Parent), taken together with all other Designated Noncash Consideration received pursuant to this clause (3) that is at that time outstanding, not to exceed the greater of (i) $50.0 million and (ii) 0.85% of Consolidated Total Assets at the time of the receipt of such Designated Noncash Consideration (with the fair market value of each item of Designated Noncash Consideration being measured at the time received without giving effect to subsequent changes in value) (in which case the Parent or such Restricted Subsidiary will, without further action, be deemed to have applied such deemed cash to acquire Additional Assets in accordance with clause 3(b) above); and

(4) any Additional Assets received by Parent or any of its Restricted Subsidiaries in such Asset Disposition (in which case the Parent or such Restricted Subsidiary will, without further action, be deemed to have applied such deemed cash (in an amount equal to the fair market value, as determined in good faith by the Parent, of the Additional Assets so received) to acquire Additional Assets in accordance with clause (3)(b) above).

The Issuer will comply, to the extent applicable, with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to the Indenture. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue of any conflict.

Limitation on Affiliate Transactions

The Parent will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or conduct any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of the Parent (an "Affiliate Transaction") involving aggregate payments or consideration in excess of $10.0 million unless:

(1) the terms of such Affiliate Transaction are no less favorable to the Parent or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction in arm's-length dealings with a Person who is not such an Affiliate; and

(2) in the event such Affiliate Transaction involves an aggregate consideration in excess of $25.0 million, the terms of such transaction have been approved by a majority of the members of the Board of Directors of the Parent and by a majority of the disinterested members of such Board, if any (and such majority or majorities, as the case may be, determines that such Affiliate Transaction satisfies the criteria in clause (1) above).

The preceding paragraph will not apply to:

(1) any Restricted Payment permitted to be made pursuant to the covenant described under "—*Limitation on Restricted Payments*" and the definition of "Permitted Investments";

(2) any issuance of securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment agreements and other compensation arrangements, severance arrangements, options to purchase Capital Stock of the Parent, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits plans and/or indemnity provided on behalf of officers and employees of the Parent and its Restricted Subsidiaries;

(3) to the extent permitted by the terms of the Indenture, loans or advances to employees, officers or directors of the Parent or any Restricted Subsidiary of the Parent in the ordinary course of business;

(4)(a) any transaction between the Parent and a Restricted Subsidiary or between Restricted Subsidiaries, and (b) Guarantees issued by the Parent or a Restricted Subsidiary for the benefit of the Parent or a Restricted Subsidiary, as the case may be, in accordance with "*—Limitations on Indebtedness*";

(5) transactions in the ordinary course of business between the Parent or any of its Restricted Subsidiaries and any Person, including the Renewable Diesel Joint Venture or any other joint venture, in which the Parent or any of its Restricted Subsidiaries owns any Capital Stock for the purchase or sale of inventory, goods or services;

(6) the payment of reasonable and customary fees and expenses paid to, and indemnity provided on behalf of, officers, directors, employees, members of management and consultants of the Parent or any Subsidiary;

(7) the existence of, and the performance of obligations of the Parent or any of its Restricted Subsidiaries under the terms of any agreement to which the Parent or any of its Restricted Subsidiaries is a party as of or on the Issue Date, as these agreements may be amended, restated, amended and restated, supplemented, extended, renewed or otherwise modified from time to time; *provided*, *however*, that any future amendment, restatement, amendment and restatement, supplement, extension, renewal or other modification entered into after the Issue Date will be permitted to the extent that its terms are not more disadvantageous to the holders of the Notes than the terms of the agreements in effect on the Issue Date;

(8) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, in each case in the ordinary course of the business of the Parent and its Restricted Subsidiaries and otherwise in compliance with the terms of the Indenture; *provided* that in the reasonable determination of the Parent, such transactions are on terms that are no less favorable to the Parent or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Parent or such Restricted Subsidiary with an unrelated Person;

(9) any issuance or sale of Capital Stock (other than Disqualified Stock) to Affiliates of the Parent and the granting of registration and other customary rights in connection therewith;

(10) sales or other transfers or dispositions of accounts receivable and other related assets customarily transferred in an asset securitization transaction involving accounts receivable to a Receivables Entity in a Qualified Receivables Transaction, and acquisitions of Permitted Investments in connection with a Qualified Receivables Transaction;

(11) any agreement between any Person and an Affiliate of such Person existing at the time such Person is acquired by or merged into the Parent or a Restricted Subsidiary; *provided*, that such agreement was not entered into in contemplation of such acquisition or merger, or any amendment thereto (so long as any such amendment is not disadvantageous to the holders in any material respect in the good faith judgment of the Parent when taken as a whole as compared to such agreement as in effect on the date of such acquisition or merger);

(12) any transaction on arm's length terms with non-Affiliates that become Affiliates as a result of such transaction; and

(13) transactions in which the Parent or any Restricted Subsidiary delivers to the Trustee an opinion or appraisal issued by an independent accounting, appraisal or investment banking firm of national standing stating that the terms of such transaction are not materially less favorable than those that might reasonably have been obtained by the Parent or such Restricted Subsidiary in a comparable transaction at such time on an arm's length basis from a Person that is not an Affiliate.

SEC Reports

Notwithstanding that the Parent may not be subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, to the extent permitted by the Exchange Act, the Parent will file with the SEC, and make available to the Trustee and the registered holders of the Notes, the annual reports and the information, documents and other reports (or copies of such portions of any of the foregoing as the SEC may by rules and regulations prescribe) that are specified in Sections 13 and 15(d) of the Exchange Act with respect to U.S. issuers within the time periods specified therein or in the relevant forms. In the event that the Parent is not permitted to file such reports, documents and information with the SEC pursuant to the Exchange Act, the Parent will nevertheless make available such Exchange Act reports, documents and information to the Trustee and the holders of the Notes as if the Parent were subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act within the time periods specified therein or in the relevant forms.

If the Parent has designated any of its Subsidiaries as Unrestricted Subsidiaries and the Consolidated EBITDA of the Unrestricted Subsidiaries taken together exceeds 5% of the Consolidated EBITDA of the Parent, then the quarterly and annual financial information required by the preceding paragraph shall include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes to the financial statements and in Management's Discussion and Analysis of Results of Operations and Financial Condition, of the financial condition and results of operations of the Parent and its Restricted Subsidiaries. Notwithstanding the foregoing, the Parent shall comply with the separate financial information requirements for Guarantors and non-guarantor subsidiaries (including any Unrestricted Subsidiaries) contemplated by Rule 3-10 of Regulation S-X promulgated by the SEC.

In addition, the Issuer and the Guarantors will agree that they will make available to the holders and to prospective investors, upon the request of such holders, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act so long as the Notes are not freely transferable under the Securities Act. For purposes of this covenant, the Issuer and the Guarantors will be deemed to have furnished the reports to the Trustee and the holders of Notes as required by this covenant if the Parent has filed such reports with the SEC via the EDGAR filing system and such reports are publicly available.

If and so long as the Notes are listed on the Official List of the Irish Stock Exchange and admitted for trading on the Global Exchange Market and the rules of the Irish Stock Exchange so require, the Issuer will make available copies of the following documents at either its registered office or its principal place of business during normal business hours on any weekday (other than a holiday or other day on which such office would customarily be closed): the organizational documents of the Issuer; the Parent's most recent audited consolidated financial statements and subsequent interim consolidated financial statements, in each case published by the Parent; and the Indenture (including the form of the Notes and setting forth the terms of the Note Guarantees).

Merger and Consolidation

The Parent and the Issuer. Neither the Parent nor the Issuer will consolidate with or merge with or into, or convey, transfer, lease or otherwise dispose of all or substantially all its property and assets in one or more related transactions to, any Person, unless:

(1) the resulting, surviving or transferee Person (the "Successor Person") will be a corporation or a limited liability company (*provided* that, in the case the Successor Person to the Issuer is a limited liability company, there shall be a corporate co-issuer) in each case organized and existing under the laws of the United States of America, any State of the United States or the District of Columbia or, in the case of a Successor Person to the Issuer (other than the Parent), a member state of the European Union, and the Successor Person (if not the Parent or the Issuer, as applicable) will expressly assume, by supplemental indenture, executed and delivered to the Trustee, in form satisfactory to the Trustee, all the obligations of the Parent or the Issuer under the Notes, the Note Guarantee and the Indenture, as applicable;

(2) immediately after giving *pro forma* effect to such transaction, no Default or Event of Default shall have occurred and be continuing;

(3) immediately after giving *pro forma* effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Person or any Subsidiary of the Successor Person as a result of such transaction as having been Incurred by the Successor Person or such Subsidiary at the time of such transaction), the Parent (in the case of a Successor Person to the Issuer) or the Successor Person (in the case of a Successor Person to the Parent) would be able to Incur at least an additional $1.00 of Indebtedness pursuant to the first paragraph of the "*—Limitation on Indebtedness*" covenant or the Consolidated Coverage Ratio for the Parent (in the case of a Successor Person to the Issuer) or the Successor Person (in the case of a Successor Person to the Parent) and its Restricted Subsidiaries would be greater than or equal to such ratio for the Parent and its Restricted Subsidiaries immediately prior to such transaction;

(4)(a) in the case of a Successor Person to the Parent, such Successor Person shall own, directly or indirectly, all of the Capital Stock of the Issuer (other than directors' qualifying shares); and (b) in the case of a Successor Person to the Issuer (other than the Parent), all of the Capital Stock (in each case other than directors' qualifying shares) of such Successor Person shall be owned, directly or indirectly, by the Parent;

(5) the Parent (in the case of a Successor Person to the Issuer (other than the Parent)) or the Successor Person (in the case of a Successor Person to the Parent (other than the Issuer)) and each Restricted Subsidiary that is a Guarantor (unless it is the other party to the transactions above) shall have by supplemental indenture confirmed that its Guarantee shall apply to such Person's obligations in respect of the Indenture and the Notes; and

(6) the Parent or the Successor Person (in the case of a Successor Person to the Parent) shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indenture (if any) comply with the Indenture.

For purposes of this covenant, the sale, lease, conveyance, assignment, transfer, or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Parent or the Issuer, which properties and assets, if held by the Parent or the Issuer instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Parent or the Issuer on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Parent or the Issuer, as applicable.

The predecessor Person will be released from its obligations under the Indenture and all of its obligations under the Notes or its Note Guarantee, as applicable, and the Successor Person will succeed to, and be substituted for, and may exercise every right and power of, the predecessor Person under the Indenture, but in the case of a lease of all or substantially all its assets, the Issuer will not be released from the obligation to pay the principal of or interest on the Notes and the Parent will not be released from its obligations under its Note Guarantee, as applicable.

Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances, there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

Notwithstanding the preceding clause (3), (x) any Restricted Subsidiary may consolidate with, merge into or transfer all or part of its properties and assets to the Parent and (y) the Parent may merge with an Affiliate incorporated solely for the purpose of reincorporating the Parent in another jurisdiction to realize tax benefits, so long as the amount of Indebtedness of the Parent and the Restricted Subsidiaries is not increased thereby. If a Restricted Subsidiary merges into the Parent, the Parent will not be required to comply with the preceding clauses (5) and (6).

Restricted Subsidiaries that are Guarantors. In addition, the Parent will not permit any Restricted Subsidiary that is a Guarantor to consolidate with, merge with or into any Person and will not permit the conveyance, transfer, lease or other dispositions of all or substantially all of the property or assets of any Restricted Subsidiary that is a Guarantor in one or more related transactions to any Person *unless:*

(1)(a) if such entity shall remain a Guarantor, the resulting, surviving or transferee Person (the "Successor Guarantor") will be a corporation, partnership, trust or limited liability company organized and existing under the laws of the United States of America, any State of the United States or the District of Columbia or any other jurisdiction in which the predecessor Subsidiary was organized; (b) immediately after giving pro forma effect to such transaction (and treating any Indebtedness that becomes an obligation of the resulting, surviving or transferee Person or any Restricted Subsidiary as a result of such transaction as having been Incurred by such Person or such Restricted Subsidiary at the time of such transaction), no Default of Event of Default shall have occurred and be continuing; (c) the Successor Guarantor, if other than such Guarantor, expressly assumes all the obligations of such Guarantor under the Indenture, the Notes and its Note Guarantee pursuant to a supplemental indenture or other documents or instruments in form reasonably satisfactory to the Trustee, and (d) the Parent will have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indenture (if any) comply with the Indenture; or

(2) the transaction is made in compliance with the covenant described under "*—Limitation on Sales of Assets and Subsidiary Stock*" (it being understood that only such portion of the Net Available Cash as is required to be applied on the date of such transaction in accordance with the terms of the Indenture needs to be applied in accordance therewith at such time).

Notwithstanding the foregoing paragraphs, any Restricted Subsidiary that is a Guarantor may merge with or into or transfer all or part of its properties and assets to another Guarantor or the Issuer. Notwithstanding the foregoing paragraphs (and solely for the avoidance of doubt), any Restricted Subsidiary that is not a Guarantor may (a) merge with or into or transfer all or substantially all of its properties and assets to the Parent, another Restricted Subsidiary, a Guarantor or the Issuer or (b) dissolve, liquidate or wind up its affairs or merge with or into the Parent, the Issuer or another Restricted Subsidiary if such dissolution, liquidation or winding-up or merger is in the best interest of the Parent and is not materially disadvantageous to the holders of the Notes (in the good faith determination of the Parent).

Future Guarantors

The Parent will cause each Restricted Subsidiary (other than a Foreign Subsidiary, the Issuer or a Receivables Entity) created or acquired by the Parent, which, (a) if the Senior Secured Credit Agreement is outstanding, Guarantees the Senior Secured Credit Agreement and (b) if the Senior Secured Credit Agreement is not outstanding, individually or in the aggregate, Incurs Indebtedness (other than Renewable Diesel Joint Venture Indebtedness, Indebtedness owed to the Issuer or another Guarantor, or Indebtedness consisting solely of Guarantees by a domestic Restricted Subsidiary of Indebtedness of a Foreign Subsidiary whose sole assets are the Capital Stock of or other Investments in the Foreign Subsidiary whose Indebtedness is being guaranteed) in excess of $50.0 million, to execute and deliver to the Trustee within 20 Business Days a Note Guarantee pursuant to which such Restricted Subsidiary will unconditionally Guarantee, on a joint and several basis, the full and prompt payment of the principal of, premium, if any, Additional Amounts, if any, and interest on the Notes on a senior basis.

The obligations of each Guarantor will be limited to the maximum amount as will, after giving effect to all other contingent and fixed liabilities of such Guarantor (including, without limitation, any guarantees under the Senior Secured Credit Agreement) and after giving effect to any collections from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under its Note Guarantee or pursuant to its contribution obligations under the Indenture, result in the obligations of such Guarantor under its Note Guarantee not constituting a fraudulent conveyance or fraudulent transfer under applicable law.

Each Note Guarantee of a Restricted Subsidiary that is a Guarantor shall be released in accordance with the provisions of the Indenture described under "*Note Guarantees*."

Limitation on Lines of Business

The Parent will not, and will not permit any Restricted Subsidiary to, engage in any business other than a Related Business.

Payments for Consent

Neither the Parent nor any of its Subsidiaries will, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fees or otherwise, to any holder of any Notes for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes unless such consideration is offered to be paid or is paid to all holders of the Notes that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or amendment.

Events of Default

Each of the following is an Event of Default:

(1) default in any payment of interest or Additional Amounts, if any, on any Note when due, continued for 30 days;

(2) default in the payment of principal of or premium, if any, on any Note when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;

(3) failure by the Issuer or the Parent to comply with their obligations under "*—Certain Covenants—Merger and Consolidation*";

(4) failure by the Issuer or any Guarantor to comply for 60 days after written notice as provided below with any of its obligations described under *"—Certain Covenants*" or any of its other agreements contained in the Indenture (other than a failure by the Issuer or the Parent to comply with its obligations under the covenant described under "*—Certain Covenants—Merger and Consolidation*," which constitutes an Event of Default under clause (3) above);

(5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Parent or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Parent or any of its Restricted Subsidiaries), other than Indebtedness owed to the Parent or a Restricted Subsidiary, whether such Indebtedness or guarantee now exists, or is created after the Issue Date, which default:

(a) is caused by a failure to pay principal of, or premium, if any, on such Indebtedness when due and payable (after giving effect to any grace period provided in such Indebtedness) ("payment default"); or

(b) relates to an obligation other than the obligation to pay principal of, or premium, if any, on such Indebtedness and results in the acceleration of such Indebtedness prior to its maturity (the "cross acceleration provision");

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a payment default (after giving effect to any grace period provided in such Indebtedness) or the maturity of which has been so accelerated, aggregates $100.0 million or more;

(6) certain events of bankruptcy or insolvency of the Issuer, the Parent, a Significant Subsidiary or group of Restricted Subsidiaries of the Parent that, taken together (as of the latest audited consolidated financial statements for the Parent and its Restricted Subsidiaries), would constitute a Significant Subsidiary of the Parent (the "bankruptcy provisions");

(7) failure by the Issuer, the Parent, any Significant Subsidiary or group of Restricted Subsidiaries of the Parent that, taken together (as of the latest audited consolidated financial statements for the Parent and its Restricted Subsidiaries), would constitute a Significant Subsidiary of the Parent to pay final judgments aggregating in excess of $100.0 million (net of any amounts that an insurance company has not denied coverage), which judgments are not paid, discharged or stayed for a period of 60 days (the "judgment default provision");

(8) the Note Guarantee of the Parent ceases to be in full force and effect (except as contemplated by the terms of the Indenture) or is declared null and void in a judicial proceeding or the Parent denies in writing or disaffirms in writing its obligations under the Indenture or its Note Guarantee, other than by reason of the termination of the Indenture or the release of any such Note Guarantee in accordance with the terms of the Indenture; or

(9) any Note Guarantee of a Significant Subsidiary or group of Restricted Subsidiaries of the Parent that, taken together (as of the latest audited consolidated financial statements for the Parent and its Restricted Subsidiaries), would constitute a Significant Subsidiary of the Parent ceases to be in full force and effect (except as contemplated by the terms of the Indenture) or is declared null and void in a judicial proceeding or any Guarantor that is a Significant Subsidiary or group of Guarantors that are Subsidiaries of the Parent and that taken together (as of the latest audited consolidated financial statements of the Parent and its Restricted Subsidiaries) would constitute a Significant Subsidiary of the Parent denies in writing or disaffirms in writing its obligations under the Indenture or its Note Guarantee, other than by reason of the termination of the Indenture or the release of any such Note Guarantee in accordance with the terms of the Indenture.

However, a default under clause (4) of this paragraph will not constitute an Event of Default until the Trustee or the holders of 25% in principal amount of the outstanding Notes notify the Parent of the default and the Parent does not cure such default within the time specified in clause (4) of this paragraph after receipt of such notice. In addition, a default under clause (5) of this paragraph in respect of the Renewable Diesel Joint Venture Indebtedness will not constitute an Event of Default unless and until the Parent or any of its Restricted Subsidiaries fails to make payments in respect of any Guarantee relating to such Indebtedness in accordance with its terms; *provided* that the provisions of this sentence shall not apply to any other Indebtedness of the Parent or its Restricted Subsidiaries as to which a payment default or cross acceleration occurs as a result of a default in respect of the Renewable Diesel Joint Venture Indebtedness.

If an Event of Default (other than an Event of Default described in clause (6) above) occurs and is continuing, the Trustee by notice to the Parent, or the holders of at least 25% in principal amount of the outstanding Notes by notice to the Parent and the Trustee, may, and the Trustee at the request of such holders shall, declare the principal of, premium, if any, Additional Amounts, if any, and accrued and unpaid interest, if any, on all the Notes to be due and payable. Upon such a declaration, such principal, premium, Additional Amounts and accrued and unpaid interest will be due and payable immediately. In the event of a declaration of acceleration of the Notes because an Event of Default described in clause (5) under "*Events of Default*" has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if the default triggering such Event of Default pursuant to clause (5) shall be remedied or cured by the Parent or a Restricted Subsidiary or waived by the holders of the relevant Indebtedness within 30 days after the declaration of acceleration with respect thereto and if (1) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, except nonpayment of principal, premium, Additional Amounts or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived. If an Event of Default described in clause (6) above occurs and is continuing, the principal of, premium, if any, Additional Amounts, if any, and accrued and unpaid interest on all the Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any holders. The holders of a majority in principal amount of the outstanding Notes may waive all past defaults (except with respect to nonpayment of principal, premium, Additional Amounts or interest of any Note held by a non-consenting holder) and rescind any such acceleration with respect to the Notes and its consequences if (1) rescission would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, other than the nonpayment of the principal of, premium, if any, Additional Amounts, if any, and interest on the Notes that have become due solely by such declaration of acceleration, have been cured or waived.

Subject to the provisions of the Indenture relating to the duties of the Trustee, if an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the holders unless such holders have provided the Trustee with security or indemnity acceptable to the Trustee (acting reasonably) against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium, if any, Additional Amounts, if any, or interest when due, no holder may pursue any remedy with respect to the Indenture or the Notes unless:

(1) such holder has previously given the Trustee notice that an Event of Default is continuing;

(2) holders of at least 25% in principal amount of the outstanding Notes have requested the Trustee to pursue the remedy;

(3) such holders have provided the Trustee with security or indemnity acceptable to the Trustee (acting reasonably) against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt of the request and the provision of security or indemnity; and

(5) the holders of a majority in principal amount of the outstanding Notes have not given the Trustee a direction that, in the opinion of the Trustee, is inconsistent with such request within such 60-day period.

Subject to certain restrictions, the holders of a majority in principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Indenture will provide that in the event an Event of Default has occurred and is continuing, the Trustee will be required in the exercise of its powers to use the degree of care that a prudent person would use in the conduct of its own affairs. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other holder or that would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee will be entitled to indemnity or security satisfactory to the Trustee (acting reasonably) against all losses and expenses caused by taking or not taking such action.

The Indenture will provide that if a Default occurs and is continuing and is known to the Trustee, the Trustee must mail to each holder notice of the Default within 90 days after it occurs. Except in the case of a Default in the payment of principal of, premium, if any, Additional Amounts, if any, or interest on any Note, the Trustee may withhold notice if and so long as a committee of trust officers of the Trustee in good faith determines that withholding notice is in the interests of the holders. In addition, the Parent is required to deliver to the Trustee, within 120 days after the end of each fiscal year, a certificate indicating whether the signers thereof know of any Default that occurred during the previous year. The Parent is also required to deliver to the Trustee, within 10 Business Days after receiving written notice or a responsible officer becoming aware thereof, written notice of any events which would constitute certain Defaults, their status and what action the Parent is taking or proposing to take in respect thereof.

Amendments and Waivers

Except as provided in the next two succeeding paragraphs, the Indenture, the Notes and the Note Guarantees may be amended or supplemented with the consent of the holders of a majority in principal amount of the Notes then outstanding (including without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes) and, subject to certain exceptions, any past default or compliance with any provisions may be waived with the consent of the holders of a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes). However, without the consent of each holder of an outstanding Note affected, no amendment, supplement or waiver may, among other things:

(1) reduce the amount of Notes whose holders must consent to an amendment, supplement or waiver;

(2) reduce the stated rate of or extend the stated time for payment of interest on any Note;

(3) reduce the principal of or extend the Stated Maturity of any Note;

(4) reduce the premium payable upon the redemption of any Note or change the time at which any Note may be redeemed as described above under "*—Optional Redemption*," whether through an amendment or waiver of provisions in the covenants, definitions or otherwise;

(5) waive or modify the Issuer's obligation to make an offer to repurchase the Notes, or reduce the premium payable upon the repurchase of any Note or change the time at which any Note may be repurchased as described above under "*—Change of Control*," whether through an amendment or waiver of provisions in the covenants, definitions or otherwise unless such amendment, waiver or modification shall be in effect prior to the occurrence of a Change of Control;

(6) make any Note payable in money other than that stated in the Note;

(7) impair the right of any holder to receive payment of principal, premium, if any, Additional Amounts, if any, and interest on such holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such holder's Notes;

(8) make any change in the amendment provisions which require each holder's consent or in the waiver provisions; or

(9) modify the Note Guarantees in any manner adverse to the holders of the Notes.

Notwithstanding the foregoing, without the consent of any holder, the Issuer, the Guarantors and the Trustee may amend the Indenture, the Notes and the Note Guarantees to:

(1) cure any ambiguity, omission, defect or inconsistency;

(2) provide for the assumption by a successor entity of the obligations of the Issuer or any Guarantor under the Indenture;

(3) provide for uncertificated Notes in addition to or in place of certificated Notes (*provided* that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code, or in a manner such that the uncertificated Notes are described in Section 163(f) (2) (B) of the Code);

(4) provide for the issuance of Additional Notes;

(5) add Guarantees with respect to the Notes or release a Guarantor from its obligations under its Note Guarantee or the Indenture in accordance with the applicable provisions of the Indenture;

(6) secure the Notes or confirm and evidence the release, termination or discharge of any Note Guarantee of or Lien securing the Notes when such release, termination or discharge is permitted by, and made in accordance with, the Indenture;

(7) add to the covenants of the Parent, the Issuer or any Guarantor for the benefit of the holders or surrender any right or power conferred upon the Parent, the Issuer or any Guarantor;

(8) provide for the appointment of a custodian or trustee to hold funds or securities deposited to effect defeasance, legal defeasance or discharge as described under "*—Defeasa*nce" or "*—Satisfaction and Discharge*";

(9) provide additional rights or benefits of the holders of the Notes;

(10) make any change that does not adversely affect, in any material respect, the rights of any holder;

(11) comply with any requirement of the SEC or of the Trust Indenture Act or any rules or regulations thereunder in connection with the qualification of the Indenture under the Trust Indenture Act (it being understood that the Issuer shall not be required to qualify the Indenture under the Trust Indenture Act);

(12) provide for the appointment of a successor trustee; *provided* that the successor trustee is otherwise qualified and eligible to act as such under the terms of the Indenture; or

(13) conform the text of the Indenture, the Notes or the Note Guarantees to any provision of this "Description of the Notes" to the extent that such provision in this "*Description of the Notes*" is intended to be a verbatim recitation of a provision of the Indenture, the Notes or the Note Guarantees.

The consent of the holders is not necessary under the Indenture to approve the particular form of any proposed amendment or supplement. It is sufficient if such consent approves the substance of the proposed amendment or supplement. A consent to any amendment, supplement or waiver under the Indenture by any holder of Notes given in connection with a tender of such holder's Notes will not be rendered invalid by such tender. After an amendment or supplement under the Indenture becomes effective, the Issuer is required to mail to the holders a notice briefly describing such amendment or supplement. However, the failure to give such notice to all the holders, or any defect in the notice will not impair or affect the validity of the amendment or supplement.

Defeasance

The Issuer at any time may terminate all obligations of the Issuer, the Parent and all Restricted Subsidiaries that are Guarantors under the Notes, the Note Guarantees and the Indenture ("legal defeasance"), except for certain obligations, including those respecting the defeasance trust and obligations to register the transfer or exchange of the Notes, to replace mutilated, destroyed, lost or stolen Notes and to maintain a Registrar and Paying Agent in respect of the Notes. If the Issuer exercises its legal defeasance option, the Note Guarantees in effect at such time will terminate.

The Issuer at any time may terminate all obligations of the Issuer, the Parent and all Restricted Subsidiaries that are Guarantors described under "*—Change of Control*" and under the covenants described under "*—Certain Covenants*" (other than "*—Merger and Consolidation*"), the operation of the cross-default upon a payment default and cross acceleration provisions, the bankruptcy provisions with respect to Significant Subsidiaries and the judgment default provision and the Note Guarantee provisions described under "*—Events of Default*" above and the limitations contained in clause (3) under "*—Certain Covenants—Merger and Consolidation*" above ("covenant defeasance"). If the Issuer exercises its covenant defeasance option, the Note Guarantees in effect at such time will terminate.

The Issuer may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If the Issuer exercises its legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default with respect to the Notes. If the Issuer exercises its covenant defeasance option, payment of the Notes may not be accelerated because of an Event of Default specified in clause (4) (but only with respect to covenants that are terminated as a result of such defeasance), (5), (6) (with respect only to Significant Subsidiaries), (7), (8) or (9) under "*—Events of Default*" above or because of the failure to comply with clause (3) of the first paragraph under "*—Certain Covenants—Merger and Consolidation*" above.

In order to exercise either defeasance option, the Issuer must irrevocably deposit in trust (the "defeasance trust") with the Trustee (or if at the time of deposit the Trustee is not permitted by applicable law to hold trust funds or determines in its sole discretion that holding trust funds would be impracticable, and in either case provides written notice to the Issuer and the Parent to that effect, a custodian or trustee designated by the Issuer pursuant to an Officers' Certificate and reasonably acceptable to the Trustee) cash in euro or euro-denominated Government Obligations, or a combination thereof, for the payment of principal, premium, if any, Additional Amounts (but only to the extent such Additional Amounts are attributable to Taxes that are in effect on the date of such deposit), if any, and interest on the Notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of an Opinion of Counsel (subject to customary exceptions and exclusions) to the effect that holders of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred. In the case of legal defeasance only, such Opinion of Counsel must be based on a ruling of the Internal Revenue Service or other change in applicable U.S. federal income tax law.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes issued thereunder, when either:

(1) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Issuer, have been delivered to the Trustee for cancellation; or

(2)(a) all Notes not theretofore delivered to the Trustee for cancellation have become due and payable by reason of the giving of a notice of redemption or otherwise, will become due and payable within one year or may be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer, and the Issuer or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee (or if at the time of deposit the Trustee is not permitted by applicable law to hold trust funds or determines in its sole discretion that holding trust funds would be impracticable, and in either case provides written notice to the Issuer and the Parent to that effect, a custodian or trustee designated by the Issuer pursuant to an Officers' Certificate and reasonably acceptable to the Trustee), as trust funds in trust solely for the benefit of the holders, cash in euro, euro-denominated Government Obligations, or a combination thereof, in such amounts as will be sufficient without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not theretofore delivered to the Trustee for cancellation for principal, premium, if any, Additional Amounts (but only to the extent such Additional Amounts are attributable to Taxes that are in effect on the date of such deposit), if any, and accrued interest to the date of maturity or redemption, as the case may be;

(b) no Default or Event of Default has occurred and is continuing on the date of the deposit or will occur as a result of the deposit (other than a Default or an Event of Default resulting from borrowing of funds to be applied to such deposit and the grant of any Lien securing such borrowing) and the deposit will not result in a breach or violation of, or constitute a default under, any Credit Facility or any other material agreement or instrument to which the Issuer or any Guarantor is a party or by which the Issuer or any Guarantor is bound;

(c) the Issuer has paid or caused to be paid all sums payable by it under the Indenture; and

(d) the Issuer has delivered irrevocable instructions to the Trustee (and, if applicable, such custodian or trustee) to apply the deposited money toward the payment of the Notes at maturity or the redemption date, as the case may be.

In addition, the Parent must deliver an Officers' Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Notices

All notices to holders of the Notes shall be given by first class mail, postage prepaid to their respective addresses as they appear in the registration books of the Registrar provided that, for so long as any Notes are represented by Global Notes, all notices to holders of the Global Notes will be mailed or otherwise delivered to Euroclear and Clearstream. In addition, for so long as any of the Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange shall so require, notices with respect to the Notes will be filed with the Companies Announcement Office of the Irish Stock Exchange.

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, employee, incorporator or stockholder of the Issuer, the Parent or any Guarantor, as such, shall have any liability for any obligations of the Issuer, the Parent or any Guarantor under the Notes, the Indenture or the Note Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the federal securities laws.

Concerning the Trustee

Citibank, N.A., London Branch will be the Trustee under the Indenture and Citibank, N.A., London Branch will be appointed by the Issuer as initial Transfer Agent and Paying Agent with regard to the Notes. Citigroup Global Markets Deutschland AG will be appointed by the Issuer as initial Registrar with regard to the Notes.

Consent to Jurisdiction and Service of Process

The Indenture will provide that the Issuer and each Guarantor will appoint an agent for service of process in any suit, action or proceeding with respect to the Indenture, the Notes and the Note Guarantees brought in any federal or state court located in the Borough of Manhattan in The City of New York and will submit to such jurisdiction.

Governing Law

The Indenture will provide that it, the Notes and the Note Guarantees will be governed by, and construed in accordance with, the laws of the State of New York.

Rules of Construction

For purposes of determining compliance with any U.S. dollar-denominated restriction on the Incurrence of Indebtedness or Liens, the making of any Investment, Permitted Investment or Restricted Payment or Asset Disposition or the entering into any Affiliate Transaction or any other transaction, event or circumstance, or any determination made under any other provision of the Indenture (any of the foregoing, a "subject transaction"), the U.S. dollar-equivalent principal amount of a subject transaction denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date of such subject transaction (which, in the case of revolving credit Indebtedness, shall be deemed to be date first committed, and, in all other cases shall be deemed to be the date Incurred, made or entered into or the date of the occurrence of such transaction, event or circumstance or the applicable date of determination); *provided* that if such Indebtedness is Incurred (and, if applicable, any associated Lien is granted) to refinance or replace other Indebtedness denominated in a foreign currency, and such refinancing or replacement would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing or replacement, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing or replacement Indebtedness (and, if applicable, any associated Lien) does not exceed the principal amount of such Indebtedness being refinanced or replaced. Notwithstanding any other provision of the Indenture, the maximum amount of Indebtedness that the Parent or any Restricted Subsidiary may Incur and the maximum amount of Investments or Restricted Payments that the Parent or any Restricted Subsidiary may make pursuant to any covenant shall not be deemed to be exceeded (and no Default or Event of Default shall be deemed to have occurred) solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

For purposes of determining compliance with any financial ratio in connection with any subject transaction (as defined above), such financial ratio shall only be calculated as of the time of such subject transaction. For purposes of determining the value of any Cash Equivalents in connection with any subject transaction, the value of such Cash Equivalents shall be determined as of the time of such subject transaction.

Certain Definitions

"Acquired Indebtedness" means Indebtedness (i) of a Person existing at the time such Person becomes a Restricted Subsidiary or (ii) assumed in connection with the acquisition of assets from such Person, in each case whether or not Incurred by such Person in connection with, or in anticipation or contemplation of, such Person becoming a Restricted Subsidiary or such acquisition. Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (i) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (ii) of the preceding sentence, on the date of consummation of such acquisition of assets.

"Additional Assets" means:

(1) any property, plant, equipment or other assets (excluding assets that are qualified as current assets under GAAP) to be used by the Parent or a Restricted Subsidiary in a Related Business or capital expenditures relating thereto;

(2) the Capital Stock of a Person that becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Parent or a Restricted Subsidiary; or

(3) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary; *provided, however*, that, in the case of clauses (2) and (3), such Restricted Subsidiary is primarily engaged in a Related Business.

"Affiliate" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Asset Disposition" means any direct or indirect sale, lease (other than an operating lease entered into in the ordinary course of business), transfer, issuance or other disposition, or a series of related sales, leases, transfers, issuances or dispositions that are part of a common plan, of shares of Capital Stock of a Subsidiary (other than directors' qualifying shares), property or other assets (each referred to for the purposes of this definition as a "disposition") by the Parent or any of its Restricted Subsidiaries.

Notwithstanding the preceding, the following items shall not be deemed to be Asset Dispositions:

(1) a disposition of assets by a Restricted Subsidiary to the Parent or by the Parent or a Restricted Subsidiary to a Restricted Subsidiary (other than a Receivables Entity);

(2) the sale or other disposition of cash or Cash Equivalents in the ordinary course of business;

(3) a disposition of inventory (including on an intercompany basis) or vehicles in the ordinary course of business;

(4) a disposition of damaged, obsolete, used, worn-out or surplus assets or property that are no longer used or useful in the conduct of the business of the Parent and its Restricted Subsidiaries or that are economically impracticable to maintain and that are disposed of, in each case, in the ordinary course of business;

(5) the disposition of all or substantially all of the assets of the Parent or a Restricted Subsidiary in a manner permitted pursuant to "*—Certain Covenants—Merger and Consolidation*" or any disposition that constitutes a Change of Control pursuant to the Indenture;

(6) an issuance of Capital Stock by a Restricted Subsidiary to the Parent or to another Restricted Subsidiary that is not a Receivables Entity (and each other equity holder on a pro rata basis);

(7) for purposes of "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*" only, the making of a Permitted Investment or a disposition subject to "*—Certain Covenants—Limitation on Restricted Payments*," including a disposition of property to a joint venture in connection with establishing a joint venture;

(8) an Asset Swap effected in compliance with "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*";

(9) sales of accounts receivable and related assets or an interest therein of the type specified in the definition of "Qualified Receivables Transaction" to a Receivables Entity;

(10) dispositions of assets in a single transaction or series of related transactions with an aggregate fair market value in any fiscal year of less than the greater of (i) $20.0 million and (ii) 0.35% of Consolidated Total Assets (with unused amounts in any fiscal year being carried over to the next succeeding fiscal year subject to a maximum of $40.0 million in such next succeeding fiscal year);

(11) the creation of a Permitted Lien and dispositions in connection with Permitted Liens;

(12) dispositions of Investments or receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(13) the issuance by a Restricted Subsidiary of Preferred Stock that is permitted by the covenant described under the caption "*—Certain Covenants—Limitation on Indebtedness*";

(14) (a) the licensing, sublicensing and cross-licensing of intellectual property or other general intangibles, (b) licenses, sublicenses, leases or subleases of other property in the ordinary course of business and (c) the abandonment of intellectual property which, in the reasonable good faith determination of the Parent, is not material to the business of the Parent and its Restricted Subsidiaries, taken as a whole;

(15) any surrender or waiver of contract rights pursuant to a settlement, release, recovery on or surrender of contract, tort or other claims of any kind;

(16) the unwinding or termination of any Hedging Obligations;

(17) the sale of Permitted Investments (other than sales of Capital Stock of any Restricted Subsidiaries) made by the Parent or any Restricted Subsidiary after the Issue Date, if such Permitted Investments were (a) received in exchange for, or purchased out of the Net Cash Proceeds of the substantially concurrent sale (other than to a Subsidiary of the Parent) of, Capital Stock of the Parent (other than Disqualified Stock) or (b) received in the form of, or were purchased from the proceeds of, a substantially concurrent contribution of cash or such Permitted Investment to the common equity capital of the Parent; *provided* that any such proceeds, Permitted Investments or contributions in clauses (a) and (b) will be excluded from clause (c)(ii) of the first paragraph under "*—Certain Covenants—Limitation on Restricted Payments*";

(18) the sale or other Investment of Capital Stock of, or any Investment in, any Unrestricted Subsidiary;

(19) foreclosure on assets;

(20) dispositions of Investments (a) entered into pursuant to clause (28)(b) of the definition of "Permitted Investments" and (b) in joint ventures (including the Renewable Diesel Joint Venture) permitted under the Indenture to the extent required by, or made pursuant to, buy/sell arrangements between the joint venture parties set forth in the joint venture agreement or similar binding agreements entered into with respect to such Investment in such joint venture;

(21) the expiration of any option agreement with respect to real or personal property;

(22) dispositions of property subject to or resulting from casualty losses and condemnation or similar proceedings (including dispositions in lieu thereof);

(23) dispositions of non-core assets (which may include real property) acquired in an acquisition permitted under the Indenture to the extent such acquisition was consummated within two years of such disposition;

(24) dispositions in connection with any Sale/Leaseback Transaction or similar transaction; *provided* that the fair market value of all property so disposed shall not exceed $30.0 million from and after the Issue Date;

(25) dispositions of residential real property and related assets in the ordinary course of business in connection with relocation activities for directors, officers, employees or consultants of the Parent or any Restricted Subsidiary;

(26) dispositions of property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) the proceeds of such disposition are promptly applied to the purchase price of such replacement property;

(27) dispositions of letters of credit, bankers' acceptances or bank guarantees (or the rights thereunder) to banks or other financial institutions in the ordinary course of business in exchange for cash or other Permitted Investments;

(28) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Parent or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such acquisition; and

(29) dispositions in existence, or made pursuant to binding commitments existing, on the Issue Date.

"Asset Swap" means a concurrent purchase and sale or exchange of Related Business Assets between the Parent or any of its Restricted Subsidiaries and another Person; *provided* that the Parent or such Restricted Subsidiary, as the case may be, receives consideration at least equal to the fair market value (such fair market value to be determined on the date of the Parent or such Restricted Subsidiary contractually agreeing to such transaction) as determined in good faith by the Parent and any cash received must be applied in accordance with "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*."

"Attributable Indebtedness" in respect of a Sale/Leaseback Transaction means, as at the time of determination, the present value (discounted at the interest rate implicit in the transaction, as reasonably determined by the Parent) of the total obligations of the lessee for rental payments during the remaining term of the lease included in such Sale/Leaseback Transaction (including any period for which such lease has been extended), determined in accordance with GAAP; *provided, however*, that if such Sale/Leaseback Transaction results in a Capitalized Lease Obligation, the amount of Indebtedness represented thereby will be determined in accordance with the definition of "Capitalized Lease Obligations."

"Average Life" means, as of the date of determination, with respect to any Indebtedness or Preferred Stock, the quotient obtained by dividing (1) the sum of the products of the numbers of years from the date of determination to the dates of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Preferred Stock multiplied by the amount of such payment by (2) the sum of all such payments.

"Board of Directors" means, as to any Person, the board of directors or managers, as applicable, of such Person (or, if such Person is a partnership, the board of directors or other governing body of the general partner of such Person) or any duly authorized committee thereof.

"Business Day" means each day that is not a Saturday, Sunday or other day on which banking institutions in New York, New York, London, United Kingdom or Amsterdam, The Netherlands are authorized or required by law to close.

"Capital Stock" of any Person means any and all shares, interests, rights to purchase, warrants, options, participation or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock and limited liability or partnership interests (whether general or limited), but excluding any debt securities convertible into such equity.

"Capitalized Lease Obligations" means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes on the balance sheet of such Person in accordance with GAAP, and the amount of Indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined in accordance with GAAP. Notwithstanding the foregoing, Capitalized Lease Obligations shall be excluded for purposes of (i) calculating Consolidated Interest Expense, (ii) calculating the Secured Leverage Ratio, the Leverage Ratio and the Consolidated Coverage Ratio, (iii) determining the amount of Indebtedness under the covenant described under "*Certain Covenants—Limitation on Indebtedness*" and (iv) determining the amount of Permitted Investments (to the extent re-characterized as Capitalized Lease Obligations after such obligation is entered into), in each case, to the extent such Capitalized Lease Obligation would have been characterized as an operating lease in accordance with GAAP on January 2, 2014.

"Cash Equivalents" means:

(1) U.S. dollars, euro, Canadian dollars or the currency of any country having a credit rating of "A" (or the equivalent thereof) or better from either Standard & Poor's Ratings Group, Inc. or Moody's Investors Service, Inc.;

(2) securities issued or directly and fully guaranteed or insured by the United States of America, the European Union or the Government of Canada or any agency or instrumentality of the United States of America, the European Union or the Government of Canada (provided that the full faith and credit of the United States of America, the European Union or the Government of Canada, as applicable, is pledged in support thereof), having maturities of not more than one year from the date of acquisition;

(3) marketable general obligations issued by any state of the United States of America, any member of the European Union or province of Canada or any political subdivision of any such state, member or province or any public instrumentality thereof maturing within one year from the date of acquisition thereof (provided that the full faith and credit of such state, member or province, as applicable, is pledged in support thereof) and, at the time of acquisition, having a credit rating of "A" (or the equivalent thereof) or better from either Standard & Poor's Ratings Group, Inc. or Moody's Investors Service, Inc.;

(4) certificates of deposit, time deposits, Eurodollar time deposits, overnight bank deposits or bankers' acceptances having maturities of not more than one year from the date of acquisition thereof issued by any commercial bank the long-term debt of which is rated at the time of acquisition thereof at least "A" or the equivalent thereof by Standard & Poor's Ratings Group, Inc., or "A" or the equivalent thereof by Moody's Investors Service, Inc., and having combined capital and surplus in excess of $500 million;

(5) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (2), (3) and (4) entered into with any bank meeting the qualifications specified in clause (4) above;

(6) commercial paper rated at the time of acquisition thereof at least "A-1" (or the equivalent thereof) by Standard & Poor's Ratings Group, Inc. or "P-1" (or the equivalent thereof) by Moody's Investors Service, Inc., or carrying an equivalent rating by a nationally recognized rating agency, if both of the two named rating agencies cease publishing ratings of investments, and in any case maturing within one year after the date of acquisition thereof;

(7) interests in any investment company or money market fund which invests 95% or more of its assets in instruments of the type specified in clauses (1) through (6) above;

(8) in the case of any Foreign Subsidiary (which may include investments made indirectly by the Parent or any Restricted Subsidiary that is not a Foreign Subsidiary), investments of the type and maturity described in clauses (1) through (7) above of foreign obligors, which investments or obligors have the ratings described in such clauses or equivalent ratings from comparable foreign rating agencies; and

(9) in the case of the Parent or any Restricted Subsidiary, other currencies, to the extent obtained by the Parent or the applicable Restricted Subsidiary in the ordinary course of operations or for the purpose of consummating transactions otherwise permitted under the Indenture, and other short-term investments utilized by the Parent or such Restricted Subsidiary in the ordinary course of business and in accordance with normal investment practices for cash management in investments substantially similar to the investments described in clauses (1) through (7) above.

"Change of Control" means:

(1) any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that such person or group shall be deemed to have "beneficial ownership" of all shares that any such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Parent (or its successor by merger, consolidation or purchase of all or substantially all of its assets) (for the purposes of this clause, such person or group shall be deemed to beneficially own any Voting Stock of the Parent held by a parent entity, if such person or group "beneficially owns" (as defined above), directly or indirectly, more than 50% of the voting power of the Voting Stock of such parent entity); *provided* that the consummation of any transaction resulting in such person or group beneficially owning more than 50% of total voting power of the Voting Stock of the Parent shall not be deemed to be a Change of Control if (a) the Parent becomes a Wholly-Owned Subsidiary of a holding company with no other material assets or operations, (b) immediately following such transaction, the holders that beneficially own the voting power of the Voting Stock of such holding company are substantially the same as the holders that beneficially owned the voting power of the Parent's Voting Stock immediately prior to such transaction, and (c) (i) such holding company executes and delivers to the Trustee a supplemental indenture, in form satisfactory to the Trustee, pursuant to which such holding company will unconditionally Guarantee, on a joint and several basis, the full and prompt payment of the principal of, premium, if any, Additional Amounts, if any, and interest on the Notes on a senior basis or (ii) such transaction is made in compliance with the first paragraph of the covenant described under "*—Certain Covenants—Merger and Consolidation*" (any such transaction pursuant to this clause (ii), a "Reorganization Transaction"); or

(2) the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Parent and its Restricted Subsidiaries, taken as a whole, to any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act); or

(3) the adoption by the stockholders of the Parent or the Issuer of a plan or proposal for the liquidation or dissolution of the Parent (other than any liquidation or dissolution in connection with a Reorganization Transaction) or the Issuer.

"Clearstream" means Clearstream Banking, *société anonyme*, or any successor securities clearing agency.

"Code" means the Internal Revenue Code of 1986, as amended.

"Common Depositary" means the common depositary for Euroclear and Clearstream with respect to the Notes.

"Commodity Agreement" means any commodity futures contract, commodity swap, commodity option or other similar agreement or arrangement entered into by the Parent or any Restricted Subsidiary designed to protect the Parent or any of its Restricted Subsidiaries against fluctuations in the price of commodities actually used in the ordinary course of business of the Parent and its Restricted Subsidiaries.

"Common Stock" means with respect to any Person, any and all shares, interest or other participations in, and other equivalents (however designated and whether voting or nonvoting) of such Person's common stock whether or not outstanding on the Issue Date, and includes, without limitation, all series and classes of such common stock.

"Consolidated Coverage Ratio" means as of any date of determination, with respect to any Person, the ratio of (x) Consolidated EBITDA of such Person for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which financial statements are in existence to (y) Consolidated Interest Expense for such four fiscal quarters, *provided, however*, that:

(1) if the Parent or any Restricted Subsidiary:

(a) has Incurred any Indebtedness since the beginning of such period that remains outstanding on such date of determination or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio is an Incurrence of Indebtedness, Consolidated EBITDA and Consolidated Interest Expense for such period will be calculated after giving effect on a *pro forma* basis to such Indebtedness as if such Indebtedness had been Incurred on the first day of such period (except that in making such computation, the amount of Indebtedness under any revolving credit facility outstanding on the date of such calculation will be deemed to be (i) the average daily balance of such Indebtedness during such four fiscal quarters or such shorter period for which such facility was outstanding or (ii) if such facility was created after the end of such four fiscal quarters, the average daily balance of such Indebtedness during the period from the date of creation of such facility to the date of such calculation) and the discharge of any other Indebtedness repaid, repurchased, defeased or otherwise discharged with the proceeds of such new Indebtedness as if such discharge had occurred on the first day of such period; or

(b) has repaid, repurchased, defeased or otherwise discharged any Indebtedness since the beginning of the period that is no longer outstanding on such date of determination or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio involves a discharge of Indebtedness (in each case other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and the related commitment terminated), Consolidated EBITDA and Consolidated Interest Expense for such period will be calculated after giving effect on a *pro forma* basis to such discharge of such Indebtedness, including with the proceeds of such new Indebtedness, as if such discharge had occurred on the first day of such period;

(2) if since the beginning of such period the Parent or any Restricted Subsidiary will have made any Asset Disposition or disposed (or discontinued operations) of any company, division, operating unit, segment, business, group of related assets or line of business or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio is such an Asset Disposition:

(a) the Consolidated EBITDA for such period will be reduced by an amount equal to the Consolidated EBITDA (if positive) directly attributable to the assets which are the subject of such disposition for such period or increased by an amount equal to the Consolidated EBITDA (if negative) directly attributable thereto for such period; and

(b) Consolidated Interest Expense for such period will be reduced by an amount equal to the Consolidated Interest Expense directly attributable to any Indebtedness of the Parent or any Restricted Subsidiary repaid, repurchased, defeased or otherwise discharged (including, but not limited to, through the assumption of such Indebtedness by another Person if the Parent and its Restricted Subsidiaries are no longer liable for such Indebtedness after the assumption thereof) with respect to the Parent and its continuing Restricted Subsidiaries in connection with such disposition for such period (or, if the Capital Stock of any Restricted Subsidiary is sold, the Consolidated Interest Expense for such period directly attributable to the Indebtedness of such Restricted Subsidiary to the extent the Parent and its continuing Restricted Subsidiaries are no longer liable for such Indebtedness after such sale);

(3) if since the beginning of such period the Parent or any Restricted Subsidiary (by merger or otherwise) will have made an Investment in any Restricted Subsidiary (or any Person which becomes a Restricted Subsidiary or is merged with or into the Parent) or an acquisition of assets,

including any acquisition of assets occurring in connection with a transaction causing a calculation to be made hereunder, which constitutes all or substantially all of a company, division, operating unit, segment, business, group of related assets or line of business, Consolidated EBITDA and Consolidated Interest Expense for such period will be calculated after giving *pro forma* effect thereto (including the Incurrence of any Indebtedness) as if such Investment or acquisition occurred on the first day of such period; and

(4) if since the beginning of such period any Person (that subsequently became a Restricted Subsidiary or was merged with or into the Parent or any Restricted Subsidiary since the beginning of such period) will have Incurred any Indebtedness or discharged any Indebtedness, made any disposition or any Investment or acquisition of assets that would have required an adjustment pursuant to clause (1), (2) or (3) above if made by the Parent or a Restricted Subsidiary during such period, Consolidated EBITDA and Consolidated Interest Expense for such period will be calculated after giving *pro forma* effect thereto as if such transaction occurred on the first day of such period.

For purposes of this definition, whenever *pro forma* effect is to be given to any calculation under this definition, the *pro forma* calculations will be determined in good faith by a responsible financial or accounting officer of the Parent (including pro forma expense and cost savings). If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest expense on such Indebtedness will be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term in excess of 12 months). If any Indebtedness that is being given *pro forma* effect bears an interest rate at the option of the Parent, the interest rate shall be calculated by applying such optional rate chosen by the Parent.

"Consolidated EBITDA" for any period means, without duplication, the Consolidated Net Income for such period, plus the following to the extent deducted in calculating such Consolidated Net Income:

(1) Consolidated Interest Expense; *plus*

(2) Consolidated Income Taxes; *plus*

(3) consolidated depreciation expense; *plus*

(4) consolidated amortization expense or impairment charges recorded in connection with the application of Financial Accounting Standard No. 142 "Goodwill and Other Intangibles" and Financial Accounting Standard No. 144 "Accounting for the Impairment or Disposal of Long Lived Assets"; *plus*

(5) any non-recurring or extraordinary loss; *plus*

(6) other non-cash charges reducing Consolidated Net Income (excluding any such non-cash charge to the extent it represents an accrual of or reserve for cash charges in any future period or amortization of a prepaid cash expense that was paid in a prior period not included in the calculation); *plus*

(7) the amount of any fee, cost, expense or reserve to the extent actually reimbursed or reimbursable by third parties pursuant to indemnification or reimbursement provisions or similar agreements or insurance; *provided* that, such Person in good faith expects to receive reimbursement for such fee, cost, expense or reserve within the next four fiscal quarters (it being understood that to the extent not actually received within such fiscal quarters, such reimbursement amounts shall be excluded in calculating Consolidated EBITDA for such fiscal quarters); *plus*

(8) the amount of any expense or deduction associated with any Subsidiary of such Person attributable to non-controlling interests or minority interests of third parties; *plus*

(9) the amount of any loss on sales of Receivables and related assets in connection with any Qualified Receivables Transaction; *plus*

(10) any proceeds of business interruption insurance in an amount representing the earnings for the applicable period that such proceeds are intended to replace (whether or not received so long as such Person in good faith expects to receive the same within the next four fiscal quarters (it being understood that to the extent not actually received within such fiscal quarters, such proceeds shall be excluded in calculating Consolidated EBITDA for such fiscal quarters)); *plus*

(11) (i) costs, charges, accruals, reserves or expenses attributable to the undertaking and/or implementation of cost savings, operating expense reductions, product margin synergies and product cost and other synergies and similar initiatives, integration, transition, reconstruction, decommissioning, recommissioning or reconfiguration of fixed assets for alternative uses, facilities opening and pre-opening (including unused warehouse space costs), business optimization and other restructuring costs (including those related to tax restructurings), charges, accruals, reserves, expenses (including inventory optimization programs, software development costs, systems implementation and upgrade expenses and costs related to the closure or consolidation of facilities (including severance, rent termination costs, moving costs and legal costs related thereto) and curtailments and costs related to entry into new markets (including unused warehouse space costs, consulting fees, signing costs, retention or completion bonuses, relocation expenses, severance payments, modifications to pension and post-retirement employee benefit plans, new systems design and implementation costs and project startup costs)) and (ii) expected cost savings, operating expense reductions, other operating improvements, product margin synergies and product cost and other synergies (net of the amount of actual amounts realized) reasonably identifiable and factually supportable (in the good faith determination of such Person) related to (A) the Rothsay Acquisition and the Vion Acquisition and (B) after the Issue Date (or, solely for purposes of the provisions set forth above under "*—Certain Covenants—Limitation on Restricted Payments*," after December 29, 2013), permitted asset sales, acquisitions, Investments, Asset Dispositions, operating improvements, restructurings, cost saving initiatives and other similar initiatives and transactions; *provided* that, with respect to clause (B), such cost savings, operating expense reductions, other operating improvements, product margin synergies and product cost and other synergies are reasonably expected to be realized within 18 months of the event giving rise thereto; *provided further* that the aggregate amount of any increases to Consolidated EBITDA for any applicable period pursuant to clauses (i) and (ii) shall not exceed (x) the amount of any such cost savings, operating expense reductions, other operating improvements, product margin synergies and product cost and other synergies of the type that would be permitted to be included in pro forma financial statements prepared in accordance with Article 11 of Regulation S-X of the Securities Act plus (y) 5% of Consolidated EBITDA for such applicable period; *less*

(12) non-cash items increasing Consolidated Net Income of such Person for such period (excluding any items which represent the reversal of any accrual of, or reserve for, anticipated cash charges made in any prior period that did not increase Consolidated EBITDA in any prior period); *less*

(13) any non-recurring or extraordinary gain.

Notwithstanding the preceding sentence, clauses (2) through (6) relating to amounts of a Restricted Subsidiary of a Person will be added to Consolidated Net Income to compute Consolidated EBITDA of such Person only to the extent (and in the same proportion) that the net income (loss) of such Restricted Subsidiary was included in calculating the Consolidated Net Income of such Person and, to the extent the amounts set forth in clauses (2) through (6) are in excess of those necessary to offset a net loss of such Restricted Subsidiary or if such Restricted Subsidiary has net income for such period included in Consolidated Net Income, only if a corresponding amount would be permitted at the date of determination to be dividended to the Parent by such Restricted Subsidiary without prior approval (that has not been obtained), pursuant to the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to that Restricted Subsidiary or its stockholders.

"Consolidated Income Taxes" means, with respect to any Person for any period, taxes imposed upon such Person or other payments required to be made by such Person by any governmental authority which taxes or other payments are calculated by reference to the income or profits of such Person or such Person and its Restricted Subsidiaries (to the extent such income or profits were included in computing Consolidated Net Income for such period), regardless of whether such taxes or payments are required to be remitted to any governmental authority.

"Consolidated Interest Expense" means, for any period, the total interest expense of the Parent and its consolidated Restricted Subsidiaries, whether paid or accrued, plus, to the extent not included in such interest expense:

(1) interest expense attributable to Capitalized Lease Obligations and the interest portion of rent expense associated with Attributable Indebtedness in respect of the relevant lease giving rise thereto, determined as if such lease were a capitalized lease in accordance with GAAP and the interest component of any deferred payment obligations;

(2) amortization of debt discount and debt issuance cost; *provided, however*, that any amortization of bond premium will be credited to reduce Consolidated Interest Expense unless, pursuant to GAAP, such amortization of bond premium has otherwise reduced Consolidated Interest Expense;

(3) non-cash interest expense;

(4) commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing;

(5) the interest expense on Indebtedness of another Person that is Guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries; *provided* that, with respect to the Renewable Diesel Joint Venture Indebtedness or the Indebtedness of any other joint venture, interest expense pursuant to this clause (5) shall include only interest actually paid by the Parent or any Restricted Subsidiary (including through the exercise of remedies under any Lien permitted in respect thereof);

(6) costs associated with Hedging Obligations (including amortization of fees); *provided*, *however*, that if Hedging Obligations result in net benefits rather than costs, such benefits shall be credited to reduce Consolidated Interest Expense unless, pursuant to GAAP, such net benefits are otherwise reflected in Consolidated Net Income;

(7) the consolidated interest expense of such Person and its Restricted Subsidiaries that was capitalized during such period;

(8) the product of (a) all dividends paid or payable, in cash, Cash Equivalents or Indebtedness or accrued during such period on any series of Disqualified Stock of such Person or on Preferred Stock of its Restricted Subsidiaries that are not Guarantors payable to a party other than the Parent or a Wholly-Owned Subsidiary, times (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined federal, state, provincial and local statutory tax rate of such Person, expressed as a decimal, in each case, on a consolidated basis and in accordance with GAAP;

(9) Receivables Fees; and

(10) the cash contributions to any employee stock ownership plan or similar trust to the extent such contributions are used by such plan or trust to pay interest or fees to any Person (other than the Parent and its Restricted Subsidiaries) in connection with Indebtedness Incurred by such plan or trust.

For the purpose of calculating the Consolidated Coverage Ratio, the calculation of Consolidated Interest Expense shall include all interest expense (including any amounts described in clauses (1) through (10) above) relating to any Indebtedness of the Parent or any Restricted Subsidiary described in the penultimate paragraph of the definition of "Indebtedness."

For purposes of the foregoing, total interest expense will be determined (i) after giving effect to any net payments made or received by the Parent and its Subsidiaries with respect to Interest Rate Agreements and (ii) exclusive of amounts classified as other comprehensive income in the balance sheet of the Parent. Notwithstanding anything to the contrary contained herein, commissions, discounts, yield and other fees and charges Incurred in connection with any transaction pursuant to which the Parent or its Restricted Subsidiaries may sell, convey or otherwise transfer or grant a security interest in any accounts receivable or related assets shall be included in Consolidated Interest Expense.

"Consolidated Net Income" means, for any period, the net income (loss) of the Parent and its consolidated Restricted Subsidiaries determined in accordance with GAAP; *provided, however,* that there will not be included in such Consolidated Net Income on an after tax basis:

(1) any net income (loss) of any Person if such Person is not a Restricted Subsidiary, except that:

(a) subject to the limitations contained in clauses (3), (4) and (5) below, the Parent's equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Parent or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution to a Restricted Subsidiary, to the limitations contained in clause (2) below); and

(b) solely for the purpose of determining the amount available for Restricted Payments under clause (c)(i) of the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*," the Parent's equity in a net loss of any such Person (other than an Unrestricted Subsidiary (except the Renewable Diesel Joint Venture)) for such period will be included in determining such Consolidated Net Income to the extent such loss has been funded with cash (other than with a Permitted Renewable Joint Venture Investment) from the Parent or a Restricted Subsidiary;

(2) any net income (but not loss) of any Restricted Subsidiary (other than the Issuer or a Restricted Subsidiary that is a Guarantor) if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Parent by operation of the terms of such Restricted Subsidiary's charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than any restrictions that have been waived or otherwise released), except that:

(a) subject to the limitations contained in clauses (3), (4) and (5) below, the Parent's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash that could have been distributed by such Restricted Subsidiary during such period to the Parent or another Restricted Subsidiary as a dividend (subject, in the case of a dividend to another Restricted Subsidiary, to the limitation contained in this clause); and

(b) the Parent's equity in a net loss of any such Restricted Subsidiary for such period will be included in determining such Consolidated Net Income;

(3) any gain (loss) realized upon the sale or other disposition of any property, plant or equipment of the Parent or its Restricted Subsidiaries (including pursuant to any Sale/ Leaseback Transaction) which is not sold or otherwise disposed of in the ordinary course of business and any gain (loss) realized upon the sale or other disposition of any Capital Stock of any Person;

(4) extraordinary, nonrecurring, non-operating or noncash gains, charges or losses (including (x) costs of, and payments of, actual or prospective legal settlements, fines, judgments or orders, (y) costs of, and payments of, corporate reorganizations and (z) gains, income, losses, expenses or charges (less all fees and expenses chargeable thereto) attributable to any sales or dispositions of Capital Stock or assets (including asset retirement costs) or returned surplus assets of any employee benefit plan outside of the ordinary course of business);

(5) the cumulative effect of a change in accounting principles;

(6) any after-tax effect of income (loss) from the early extinguishment of Indebtedness or Hedging Obligations or other derivative instruments;

(7) any unrealized net losses, charges or expenses and unrealized net gains in the fair market value of any arrangements under Hedging Obligations;

(8) any unrealized net foreign currency translation gains or losses and unrealized net foreign currency transaction gains or losses (including currency re-measurements of Indebtedness, any unrealized net gains or losses resulting from Currency Agreements and those resulting from intercompany Indebtedness);

(9) any non-cash compensation expense, charge, cost, accrual or reserve, including any such expense, charge, cost, accrual or reserve arising from grants of stock appreciation or similar rights, stock options, restricted stock or other equity incentive programs;

(10) any net gains, income, losses, expenses or charges with respect to (i) disposed, abandoned, closed and discontinued operations (other than assets held for sale) and any accretion or accrual of discounted liabilities and on the disposal of disposed, abandoned, and discontinued operations and (ii) facilities, plants or distribution centers that have been closed during such period;

(11) any fees, expenses and charges (including rationalization, legal, tax and structuring fees, costs and expenses) Incurred in connection with (i) any Investment (other than an Investment among the Parent and its Subsidiaries in the ordinary course of business), (ii) any Asset Disposition outside the ordinary course of business, (iii) the Incurrence or repayment of Indebtedness (other than an Incurrence or repayment of Indebtedness among the Parent and its Subsidiaries in the ordinary course of business), (iv) any issuance of Equity Interests, and (v) any refinancing, amendment or modification of Indebtedness, in each case including (A) any such transaction consummated prior to the Issue Date and any such transaction undertaken but not completed and (B) any charges or non-recurring merger costs Incurred during such period as a result of any such transaction;

(12) effects of adjustments (including the effects of such adjustments pushed down to any Restricted Subsidiary) in the property and equipment, software and other intangible assets, deferred revenue and debt line items in such Person's consolidated financial statements pursuant to GAAP resulting from the application of purchase/acquisition accounting or recapitalization accounting in relation to the Rothsay Acquisition, the Vion Acquisition or any other consummated acquisition or recapitalization or the amortization or write-off of any amounts thereof in accordance with GAAP, net of taxes; and

(13) any goodwill or other intangible asset impairment charge or write-off.

"Consolidated Total Assets" as of any date of determination, means the total amount of assets which would appear on a consolidated balance sheet of the Parent and its Restricted Subsidiaries, determined on a consolidated basis in accordance with GAAP.

"Contingent Obligations" means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that does not constitute Indebtedness (“primary obligations”) of any other Person (the “primary obligor”), including any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds:

(a) for the purchase or payment of any such primary obligation; or

(b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

“Credit Facility” means, with respect to the Parent or any Restricted Subsidiary, one or more debt facilities (which may be outstanding at the same time and including, without limitation, the Senior Secured Credit Agreement) or commercial paper facilities, in each case, with banks or other lenders or investors or indentures or other agreements providing for revolving credit loans, term loans, debt securities, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables) or letters of credit or other Indebtedness, in each case, as amended, restated, amended and restated, supplemented, modified, renewed, refunded, replaced in any manner (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities to investors) in whole or in part from time to time (including successive renewals, extensions, substitutions, refinancings, restructurings, replacements, supplementations or other modifications of the foregoing, including into one or more debt facilities, commercial paper facilities or other debt instruments, indentures or agreements (including by means of sales of debt securities to investors), and whether or not with the original administrative agent and lenders or another administrative agent or agents or other lenders and whether provided under the original Senior Secured Credit Agreement or any other credit or other agreement or indenture and whether any Credit Facility exists at any time).

“Currency Agreement” means in respect of a Person any foreign exchange contract, currency swap agreement, futures contract, option contract or other similar agreement as to which such Person is a party or a beneficiary.

“Default” means any event which is, or after notice or passage of time or both would be, an Event of Default.

“Designated Noncash Consideration” means the fair market value of noncash consideration received by the Parent or one of its Restricted Subsidiaries in connection with an Asset Disposition that is so designated as Designated Noncash Consideration pursuant to an Officers’ Certificate setting forth the basis of such valuation, less the amount of cash or Cash Equivalents received in connection with a subsequent sale, redemption or payment of, on or with respect to such Designated Noncash Consideration.

“Disqualified Stock” means, with respect to any Person, any Capital Stock of such Person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

(1) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise;

(2) is convertible or exchangeable for Indebtedness or Disqualified Stock (excluding Capital Stock which is convertible or exchangeable solely at the option of the Parent or a Restricted Subsidiary, until converted or exchanged); or

(3) is redeemable at the option of the holder of the Capital Stock in whole or in part,

in each case on or prior to the date that is 91 days after the earlier of the date (a) of the Stated Maturity of the Notes or (b) on which there are no Notes outstanding; provided that only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock; *provided*, *further* that any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Parent to repurchase such Capital Stock upon the occurrence of a change of control or asset sale shall not constitute Disqualified Stock if the terms of such Capital Stock (and all such securities into which it is convertible or for which it is redeemable or exchangeable) provide that the Parent may not repurchase or redeem any such Capital Stock (and all such securities into which it is convertible or for which it is redeemable or exchangeable) pursuant to such provision prior to compliance by the Parent with the provisions of the Indenture described under the captions "*—Change of Control*" and "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*" and such repurchase or redemption complies with "*—Certain Covenants—Limitation on Restricted Payments*."

"Dutch Subsidiary" means any Subsidiary incorporated in The Netherlands.

"Equity Offering" means an offering for cash by the Parent of its Common Stock, or options, warrants or rights with respect to its Common Stock, other than (w) public offerings with respect to the Parent's Common Stock, or options, warrants or rights, registered on Form S-4 or S-8, (x) an issuance to any Restricted Subsidiary, (y) any offering in connection with a transaction that constitutes a Change of Control or (z) any offering giving rise to Excluded Contributions.

"euro" and "€" mean the currency introduced at the start of the third stage of European economic and monetary union and as defined in article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended.

"Euroclear" means Euroclear Bank S.A./N.V., or any successor securities clearing agency.

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

"Excluded Contributions" means the Net Cash Proceeds or the fair market value of the assets (as determined conclusively by the Parent) received by the Parent after the Issue Date (or, solely for purposes of the provisions set forth above under "*—Certain Covenants—Limitation on Restricted Payments*," after December 29, 2013) from:

(1) capital contributions to its common equity capital, and

(2) the sale (other than to a Restricted Subsidiary or an employee stock ownership plan, option plan or similar trust to the extent such sale to an employee stock ownership plan or similar trust is financed by loans from or Guaranteed by the Parent or any Restricted Subsidiary unless such loans have been repaid with cash on or prior to the date of determination) of Capital Stock (other than Disqualified Stock) of the Parent,

in each case designated as Excluded Contributions pursuant to an Officer's Certificate on or promptly after the date such capital contributions are made or the date such Capital Stock is sold, as the case may be.

The Parent has not designated any such Net Cash Proceeds or the fair market value of any such assets as Excluded Contributions after December 29, 2013.

"Foreign Subsidiary" means any Restricted Subsidiary that is not organized under the laws of the United States of America or any state thereof or the District of Columbia and any Subsidiary of such Restricted Subsidiary.

"GAAP" means generally accepted accounting principles in the United States of America as in effect as of January 2, 2014, including those set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as approved by a significant segment of the accounting profession, except for any reports or financial statements required to be delivered under the covenant described under "*Certain Covenants—SEC Reports*," which shall be prepared in accordance with GAAP as in effect on the date thereof and as in effect from time to time. All ratios and computations based on GAAP contained in the Indenture will be computed in conformity with GAAP, except that in the event the Parent is acquired in a transaction that is accounted for using purchase accounting, the effects of the application of purchase accounting shall be disregarded in the calculation of such ratios and other computations contained in the Indenture. However, at any time after adoption of IFRS by the Parent for its financial statements and reports for all financial reporting purposes, the Parent may elect to apply IFRS for all purposes of the Indenture, and, upon any such election, references in the Indenture to GAAP shall be construed to mean IFRS as in effect on the date of such election; *provided* that (1) any such election once made shall be irrevocable (and shall only be made once), (2) all financial statements and reports required to be provided after such election pursuant to the Indenture shall be prepared on the basis of IFRS as in effect from time to time, (3) from and after such election, all ratios, computations, calculations and other determinations based on GAAP contained in the Indenture shall be computed in conformity with IFRS with retroactive effect being given thereto assuming that such election had been made on January 2, 2014, (4) such election shall not have the effect of rendering invalid (or causing a Default or an Event of Default as a result of) any transaction made prior to the date of such election pursuant to the covenants described under "*—Certain Covenants*" if such transaction was valid under the Indenture on the date made, Incurred or taken, as the case may be, and (5) all accounting terms and references in the Indenture to accounting standards shall be deemed to be references to the most comparable terms or standards under IFRS. The Parent shall give written notice of any election to the Trustee and the holders of Notes within 5 Business Days of such election.

"Government Obligations" means any security that is (a) a direct obligation of Belgium, France, the Netherlands, Germany or any member state of the European Union from time to time, for the timely payment of which the full faith and credit of such country or member state is pledged, or (b) an obligation of a Person controlled or supervised by and acting as an agency or instrumentality of such country or member state, the timely payment of which is unconditionally guaranteed as a full faith and credit obligation of such country or member state, which, in either case, is not callable or redeemable at the option of the issuer thereof.

"Guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person and any obligation, direct or indirect, contingent or otherwise, of such Person:

(1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, to maintain financial statement conditions or otherwise); or

(2) entered into primarily for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); *provided, however*, that the term "Guarantee" will not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"Guarantor" means (1) the Parent and (2) each Restricted Subsidiary in existence on the Issue Date that provides a Note Guarantee on the Issue Date and any other Restricted Subsidiary that provides a Note Guarantee in accordance with the Indenture; *provided* that upon release or discharge of the Parent or such Restricted Subsidiary from its Note Guarantee in accordance with the Indenture, the Parent or such Restricted Subsidiary, as the case may be, ceases to be a Guarantor.

"Guarantor Pari Passu Indebtedness" means Indebtedness of a Guarantor that ranks equally in right of payment to its Note Guarantee.

"Hedging Obligations" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodity Agreement.

"holder" means a Person in whose name a Note is registered on the Registrar's books, which shall initially be the Common Depositary or its nominee.

"Incur" means issue, create, assume, Guarantee, incur or otherwise become liable for; *provided, however*, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary; and the terms "Incurred" and "Incurrence" have meanings correlative to the foregoing.

"Indebtedness" means, with respect to any Person on any date of determination (without duplication):

(1) the principal of and premium (if any) in respect of indebtedness of such Person for borrowed money;

(2) the principal of and premium (if any) in respect of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) the principal component of all obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments (including reimbursement obligations with respect thereto except to the extent such reimbursement obligation relates to a trade payable and such obligation is satisfied within 30 days of Incurrence);

(4) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property (except trade payables), which purchase price is due more than six months after the date of placing such property in service or taking delivery and title thereto;

(5)(a) Capitalized Lease Obligations of such Person and (b) all Attributable Indebtedness of such Person that appears as a liability on the balance sheet of such Person under GAAP;

(6) the principal component or liquidation preference of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock or, with respect to any Subsidiary that is not a Guarantor, any Preferred Stock (but excluding, in each case, any accrued dividends);

(7) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided, however*, that the amount of such Indebtedness will be the lesser of (a) the fair market value of such asset as determined by such Person in good faith on the date of determination and (b) the amount of such Indebtedness of such other Persons;

(8) the principal component of Indebtedness of other Persons to the extent Guaranteed by such Person;

(9) to the extent not otherwise included in this definition, net obligations of such Person under Hedging Obligations (the amount of any such obligations to be equal at any time to the maximum aggregate amount (giving effect to any netting arrangements) that would be payable by such Person at such time); and

(10) to the extent not otherwise included in this definition, the Receivables Transaction Amount outstanding relating to Qualified Receivables Transaction.

The amount of Indebtedness of any Person at any date will be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of any contingent obligations at such date. Notwithstanding the foregoing, money borrowed and set aside at the time of the Incurrence of any Indebtedness in order to pre-fund the payment of interest on such Indebtedness shall not be deemed to be "Indebtedness"; *provided* that such money is held to secure the payment of such interest. For purposes of determining compliance with any covenant contained in the Indenture (including the computation of the Consolidated Coverage Ratio, the Leverage Ratio and the Secured Leverage Ratio), Indebtedness shall be determined without giving effect to (a) any election under Accounting Standards Codification 825-10-25 (previously referred to as Statement of Financial Accounting Standards 159) (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Parent or any Subsidiary at "fair value," as defined therein, and (b) any treatment of Indebtedness in respect of convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof.

In addition, "Indebtedness" of any Person shall include Indebtedness described in the preceding paragraph that would not appear as a liability on the balance sheet of such Person if:

(1) such Indebtedness is the obligation of a partnership or joint venture that is not a Restricted Subsidiary (a "Joint Venture");

(2) such Person or a Restricted Subsidiary of such Person is a general partner of the Joint Venture (a "General Partner"); and

(3) there is recourse, by contract or operation of law, with respect to the payment of such Indebtedness to property or assets of such Person or a Restricted Subsidiary of such Person; and then such Indebtedness shall be included in an amount not to exceed:

(a) the lesser of (i) the net assets of the General Partner and (ii) the amount of such obligations to the extent that there is recourse, by contract or operation of law, to the property or assets of such Person or a Restricted Subsidiary of such Person; or

(b) if less than the amount determined pursuant to clause (a) immediately above, the actual amount of such Indebtedness that is recourse to such Person or a Restricted Subsidiary of such Person, if the Indebtedness is evidenced by a writing and is for a determinable amount.

The term "Indebtedness" shall not include:

(1) in connection with the purchase by the Parent or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing;

(2) any lease of property which would be considered an operating lease under GAAP;

(3)(a) any contingent obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage taxes and (b) any joint and several tax liabilities arising by operation of consolidated return, fiscal unity or similar provisions of applicable law; or

(4) Contingent Obligations Incurred in the ordinary course of business.

"Interest Rate Agreement" means with respect to any Person any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement as to which such Person is party or a beneficiary.

"Investment" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any advance, loan (other than advances or extensions of credit to customers in the ordinary course of business) or other extensions of credit (including by way of Guarantee or similar arrangement, but excluding any debt or extension of credit represented by a bank deposit other than a time deposit) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such Person and all other items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP; *provided* that none of the following will be deemed to be an Investment:

(1) Hedging Obligations entered into in the ordinary course of business and in compliance with the Indenture;

(2) endorsements of negotiable instruments and documents in the ordinary course of business; and

(3) an acquisition of assets, Capital Stock or other securities by the Parent or a Subsidiary for consideration to the extent such consideration consists of Common Stock of the Parent.

For purposes of "*—Certain Covenants—Limitation on Restricted Payments*" and the definition of "Permitted Investment,"

(1) "Investment" will include the portion (proportionate to the Parent's equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the fair market value of the net assets of such Restricted Subsidiary at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; *provided, however,* that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Parent will be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary in an amount (if positive) equal to (a) the Parent's "Investment" in such Subsidiary at the time of such redesignation less (b) the portion (proportionate to the Parent's equity interest in such Subsidiary) of the fair market value of the net assets (as conclusively determined in good faith by the Parent) of such Subsidiary at the time that such Subsidiary is so re-designated a Restricted Subsidiary;

(2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors of the Parent;

(3) (a) guarantees of obligations not constituting Indebtedness shall not be deemed to be "Investments" and (b) the amount of any Investment shall be deemed to be the initial amount invested, without regard to write-offs or write-downs, but after giving effect to (such effect shall result in the replenishment of any basket) all payments or repayments of, or returns on, such Investment and

(4) "Investment" will include in connection with the sale or other disposition of any Voting Stock of any Restricted Subsidiary where, after giving effect to any such sale or disposition, such entity will no longer be a Subsidiary of the Parent, an amount, calculated on the date of any such sale or disposition, equal to the fair market value (as conclusively determined in good faith by the Parent) of the Capital Stock of such Subsidiary not being sold or disposed of.

"Investment Grade Rating" means a rating equal to or higher than Baa3 (or the equivalent) by Moody's Investors Service, Inc. and BBB- (or the equivalent) by Standard & Poor's Ratings Group, Inc. (or, in each case, if such Rating Agency ceases to rate the Notes for reasons outside the Parent's control, any equivalent investment grade rating by any Rating Agency selected by the Parent as a replacement Rating Agency).

"Issue Date" means the date on which the Notes are originally issued.

"Issuer" means Darling Global Finance B.V. and its successors.

"Leverage Ratio" means, as of any date of determination, the ratio of (1) Total Indebtedness of the Parent and its Restricted Subsidiaries as of the end of the most recent fiscal quarter for which financial statements prepared on a consolidated basis in accordance with GAAP are available (the "balance sheet date") *minus* all obligations, contingent or otherwise, of such Person as an account party in respect of the undrawn face amount of letters or credit, banker's acceptances or similar instruments outstanding as of the balance sheet date to (2) Consolidated EBITDA of the Parent and its Restricted Subsidiaries for the period of the most recent four consecutive fiscal quarters ending on the balance sheet date. The Leverage Ratio shall be adjusted on a *pro forma* basis in a manner consistent with the definition of "Consolidated Coverage Ratio" (including for acquisitions).

"Lien" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof); *provided* that in no event shall an operating lease be deemed to constitute a Lien.

"Net Available Cash" from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

(1) all legal, accounting, investment banking, title and recording tax expenses, commissions and other fees and expenses Incurred, and all Federal, state, provincial, foreign and local taxes required to be paid or accrued as a liability under GAAP (after taking into account any available tax credits or deductions and any tax sharing agreements), as a consequence of such Asset Disposition;

(2) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or which must by its terms, or in order to obtain a necessary consent to such Asset Disposition, or by applicable law be repaid out of the proceeds from such Asset Disposition;

(3) all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures as a result of such Asset Disposition;

(4) the deduction of appropriate amounts to be provided by the seller as a reserve, in accordance with GAAP, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by the Parent or any Restricted Subsidiary after such Asset Disposition; and

(5) any portion of the purchase price from an Asset Disposition placed in escrow (whether as a reserve for adjustment of the purchase price, or for satisfaction of indemnities in respect of such Asset Disposition); *provided, however,* that upon the termination of such escrow, Net Available Cash shall be increased by any portion of funds therein released to the Parent or any Restricted Subsidiary.

"Net Cash Proceeds," with respect to any issuance or sale of Capital Stock, means the cash proceeds of such issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any tax sharing arrangements).

"Non-Guarantor Restricted Subsidiary" means a Restricted Subsidiary (other than the Issuer) that is not a Guarantor.

"Note Guarantee" means, individually, any Guarantee of payment of the Notes by a Guarantor pursuant to the terms of the Indenture and any supplemental indenture thereto, and, collectively, all such Guarantees.

"Obligations" means any principal (including any accretion), interest (including any interest accruing subsequent to the filing of a petition in bankruptcy, reorganization or similar proceeding at the rate provided for in the documentation with respect thereto, whether or not such interest is an allowed claim under applicable state, federal or foreign law), other monetary obligations, penalties, fees, indemnifications, reimbursements (including reimbursement obligations with respect to letters of credit and banker's acceptances), damages and other liabilities, and Guarantees of payment of such principal (including any accretion), interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities, payable under the documentation governing any Indebtedness.

"Officer" means the Chairman of the Board, the Chief Executive Officer, the President, any Executive Vice President, any Vice President, the Treasurer or the Secretary of the Parent or, in the event that the Parent is a partnership or a limited liability company that has no such officers, a person duly authorized under applicable law by the general partner, managers, members or a similar body to act on behalf of the Parent.

"Officers' Certificate" means a certificate signed by two Officers or by an Officer and either an Assistant Treasurer or an Assistant Secretary of the Parent.

"Opinion of Counsel" means a written opinion from legal counsel who is acceptable to the Trustee. Such counsel may be an employee of or counsel to the Parent or the Trustee.

"Parent" means Darling Ingredients Inc. and its successors.

"Pari Passu Indebtedness" means Indebtedness that ranks equally in right of payment to the Notes.

"Permitted Investment" means an Investment by the Parent or any Restricted Subsidiary in:

(1) (a) the Parent or any Restricted Subsidiary (other than a Receivables Entity), and (b) a Subsidiary in connection with (i) reorganizations and related to tax planning and (ii) the consummation of any Restricted Payment or Permitted Investment permitted under the Indenture substantially contemporaneously with the receipt by such Subsidiary of the proceeds of such Investment;

(2) (a) another Person which will, upon the making of such Investment, become a Restricted Subsidiary (other than a Receivables Entity), including in connection with the formation of a Restricted Subsidiary (other than a Receivables Entity) and (b) another Person if as a result of such Investment such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all its assets to, the Parent or a Restricted Subsidiary (other than a Receivables Entity); *provided, however*, that, in each case, such Person's primary business is a Related Business;

(3) cash and Cash Equivalents or Investments that were Cash Equivalents when made;

(4) receivables owing to the Parent or any Restricted Subsidiary created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; *provided, however,* that such trade terms may include such concessionary trade terms as the Parent or any such Restricted Subsidiary deems reasonable under the circumstances;

(5) payroll, travel, entertainment, relocation and similar loans or advances to cover matters that are made in the ordinary course of business;

(6) loans or advances to employees, officers or directors of the Parent or any Restricted Subsidiary of the Parent in the ordinary course of business in an aggregate amount not in excess of $10.0 million outstanding at any one time;

(7) extension of trade credit, loans or advances to customers, clients or suppliers in the ordinary course of business;

(8) Investments received in settlement of debts (including delinquent accounts and disputes) created in the ordinary course of business and owing to the Parent or any Restricted Subsidiary or in satisfaction of judgments or pursuant to any plan of reorganization, workout, recapitalization or similar arrangement, including upon the bankruptcy or insolvency of a debtor or upon foreclosure, deed in lieu of foreclosure or other transfer of title;

(9) Investments made as a result of the receipt of notes and other non-cash consideration from an Asset Disposition that was made pursuant to and in compliance with "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*";

(10) Investments in existence, or made pursuant to binding commitments existing, on the Issue Date and any modification, replacement, renewal or extension thereof (*provided* that the amount of the original Investment is not increased except by the terms of such Investment or as otherwise permitted by the Indenture);

(11) Investments represented by Currency Agreements, Interest Rate Agreements, Commodity Agreements and related Hedging Obligations, which transactions or obligations are Incurred in compliance with "*—Certain Covenants—Limitation on Indebtedness*";

(12) Investments by the Parent or any of its Restricted Subsidiaries, together with all other Investments pursuant to this clause (12), in an aggregate amount at the time of such Investment not to exceed the greater of (x) $125.0 million and (y) 2.2% of Consolidated Total Assets outstanding at any one time;

(13) Guarantees issued in accordance with "*—Certain Covenants—Limitations on Indebtedness*" (including payments thereunder and Investments in respect thereof in lieu of such payments);

(14) Investments by the Parent or a Restricted Subsidiary in a Receivables Entity or any Investment by a Receivables Entity in any other Person, in each case, in connection with a Qualified Receivables Transaction, *provided, however*, that any Investment in any such Person is in the form of a Purchase Money Note, or any equity interest or interests in Receivables and related assets generated by the Parent or a Restricted Subsidiary and transferred to any Person in connection with a Qualified Receivables Transaction or any such Person owning such Receivables;

(15) any Asset Swap made in accordance with "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*";

(16) Investments consisting of the licensing, sublicensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons;

(17) Investments in inventory and goods in the ordinary course of business;

(18) Investments of a Restricted Subsidiary acquired after December 29, 2013 or of an entity merged into, amalgamated with, or consolidated with the Parent or a Restricted Subsidiary after December 29, 2013 in a transaction that is not prohibited by the covenant described under "*—Certain Covenants—Merger and Consolidation*" (or, in the case of a transaction prior to the Issue Date, in a transaction that would not have been prohibited by the covenant described under "*—Certain Covenants—Merger and Consolidation*" had such covenant been in effect on December 29, 2013, mutatis mutandis) to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation and any modification, replacement, renewal or extension of any such Investment so long as no such modification, replacement, renewal or extension increases the amount of such Investment except as otherwise permitted by the Indenture;

(19) any acquisition of assets or Capital Stock solely in exchange for, or out of the Net Cash Proceeds received from, the substantially contemporaneous issuance of Capital Stock (other than Disqualified Stock) of the Parent; *provided* that the amount of any such Net Cash Proceeds that are utilized for any such Investment pursuant to this clause (19) will be excluded from clause (c)(ii) of the first paragraph of the covenant described above under the caption "*—Certain Covenants—Limitation on Restricted Payments*";

(20) Investments made in joint ventures and non-Wholly-Owned Subsidiaries as required by, or made pursuant to, buy/sell arrangements between the joint venture parties set forth in joint venture agreements and similar binding arrangements in the ordinary course of business in an aggregate amount not to exceed the greater of (x) $50.0 million and (y) 0.85% of Consolidated Total Assets;

(21) pledges or deposits permitted under clauses (2), (5), (26) and (28) of the definition of Permitted Liens;

(22) Investments made in connection with the funding of contributions under any non-qualified retirement plan or similar employee compensation plan in an amount not to exceed the amount of compensation expense recognized by the Parent and its Restricted Subsidiaries in connection with such plans;

(23) Investments (a) of up to the greater of (x) $300.0 million and (y) 5.25% of Consolidated Total Assets in joint ventures, including the Renewable Diesel Joint Venture and (b) in respect of the Renewable Diesel Joint Venture or any other joint venture in the form of Guarantees permitted under clause (15) of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" or Liens permitted by clause (24) of the definition of "Permitted Liens";

(24) to the extent constituting an Investment, Liens permitted by the Indenture;

(25) Investments in any Subsidiary or joint venture in connection with intercompany cash management arrangements or related activities arising in the ordinary course of business; *provided* that the cash balances for the purposes of making such advances to Subsidiaries or joint ventures are held by the Parent or a Restricted Subsidiary;

(26) the Parent may serve as an account party under a letter of credit or provide cash collateral to support obligations of Insurance Company of Colorado, Inc. or any other captive insurance company as long as such support is required by, and is in the amount required by, applicable insurance regulations;

(27) Investments (i) constituting deposits, prepayments or other credits to suppliers, (ii) made in connection with obtaining, maintaining or renewing client and customer contracts or (iii) in the form of advances made to distributors, suppliers, licensors and licensees, in each case, in the ordinary course of business; and

(28) (a) any Investment in a Related Business or any Related Business Assets; *provided* that, if after giving *pro forma* effect to any such Investment, the Leverage Ratio would be greater than 3.75 to 1.00, the aggregate fair market value of any such Investment, taken together with all other Investments made pursuant to this clause (28)(a) that are at that time outstanding, shall not exceed the greater of $150.0 million and 2.6% of Consolidated Total Assets, and (b) the purchase, holding or other acquisition of Capital Stock in Persons that after giving effect to any such Investment will not be a Subsidiary of the Parent, so long as (i) no Default exists or would result therefrom at the time such Investment is committed to be made and (ii) the Secured Leverage Ratio would be less than or equal to 2.75 to 1.00 after giving *pro forma* effect to any such Investment.

"Permitted Liens" means, with respect to any Person:

(1) Liens securing Indebtedness and other obligations under any Credit Facility and Hedging Obligations and cash management arrangements with Persons or Affiliates of Persons party to such Credit Facility permitted to be secured by such Liens by such Credit Facility and Liens securing Guarantees of Restricted Subsidiaries of Indebtedness and other obligations under such Credit Facility, in each case permitted to be Incurred under the Indenture under the provisions described in clause (1) of the second paragraph under "*—Certain Covenants—Limitation on Indebtedness*";

(2) (i) pledges or deposits by such Person or Liens arising (A) under workers' compensation laws, health, disability or other employment benefits, unemployment insurance laws, social security or similar legislation or regulations, property, casualty or liability insurance or premiums related thereto, self-insurance obligations or captive insurance subsidiaries or (B) to secure letters of credit, bankers' acceptances, bank guarantees, surety bonds or similar instruments posted to support payment of items set forth in this clause (2)(i), (ii) good faith deposits in connection with (and Liens securing the performance of, or granted in lieu of) bids, tenders, contracts with trade creditors, bids, contracts (other than in respect of debt for borrowed money) or leases to which such Person is a party, (iii) deposits to secure (and Liens securing the performance of, or granted in lieu of) public or statutory obligations of such Person, or (iv) deposits as security for contested taxes or import or customs duties or for the payment of rent, in each case Incurred in the ordinary course of business;

(3) Liens arising or imposed by law, including carriers', warehousemen's, mechanics', materialmen's and repairmen's, landlord's, customs' and revenue authorities' and other like Liens Incurred in the ordinary course of business, or created in order to comply with applicable requirements of law, including any security requested to be created by any creditor of a German Subsidiary in connection with (i) a merger of a German Subsidiary pursuant to Section 22 of the German Reorganization Act (*Umwandlungsgesetz*) and/or (ii) the termination of a domination and profit and loss pooling agreement (*Beherrschungs—und Gewinnnabführungsvertrag*) pursuant to Section 303 of the German Stock Corporation Act (AktG);

(4) Liens for taxes (including VAT), assessments or other governmental charges (a) that are not overdue by more than 30 days or, if overdue by more than 30 days, are being contested in good faith by appropriate proceedings provided appropriate reserves required pursuant to GAAP have been made in respect thereof or (b) with respect to which the failure to make payment is not reasonably expected by the Parent to have a material adverse effect on the financial condition or results of operations of the Parent and its Restricted Subsidiaries, taken as a whole;

(5) Liens, including deposits made in connection therewith, in favor of issuers of surety, customs, stay, appeal or performance bonds or performance and completion guarantees and other

obligations of a like nature or letters of credit, bankers' acceptances, bank guarantees or similar instruments issued pursuant to the request of and for the account of such Person in the ordinary course of its business; provided, however, that such instruments are issued in compliance with the covenant described under the "*Certain Covenants—Limitation on Indebtedness*";

(6) encumbrances, ground leases, easements or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of such Person or to the ownership of its properties which do not in the aggregate materially adversely affect or impair the use of such property in the operation of the business of such Person;

(7) Liens securing (a) Hedging Obligations permitted under the Indenture and (b) Indebtedness of the type described in clause (22) of the second paragraph under "*—Certain Covenants—Limitation on Indebtedness*";

(8) Liens in favor of a commodity, brokerage or security intermediary who holds a commodity, brokerage or, as applicable, a security account on behalf of the Parent or a Restricted Subsidiary provided such Lien encumbers only the related account and the property held therein;

(9) any interest or title of a lessor, sublessor, licensee, sublicense, licensor or sublicensor under any lease or license agreement permitted or not prohibited by the Indenture and leases, licenses, subleases and sublicenses of assets (including, without limitation, real property and intellectual property rights) granted in the ordinary course of business which do not interfere in any material respect with the business of the Parent or any of its Restricted Subsidiaries;

(10) Liens in respect of judgments, awards, attachments and/or decrees and notices of *lis pendens* and associated rights related to litigation being contested that do not constitute an Event of Default under clause (7) of the first paragraph under "*—Events of Default*";

(11) Liens for the purpose of securing Indebtedness represented by Capitalized Lease Obligations, mortgage financings, purchase money obligations or other payments (including the interests of vendors and lessors under conditional sale, title retention agreements and extended title retention agreements (*verlängerter Eigentumsvorbehalt*)) Incurred to finance all or any part of the purchase price or cost of design, construction, lease, installation or improvement of assets or property (other than Capital Stock, except Capital Stock in a Person that becomes a Restricted Subsidiary) acquired, constructed, repaired or improved in the ordinary course of business; *provided* that:

(a) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be Incurred under clause (9) or clause (25) of "*—Certain Covenants—Limitation on Indebtedness*"; and

(b) such Liens are created within 180 days of the acquisition or the completion of the construction or improvement of such assets or property and do not encumber any other assets or property of the Parent or any Restricted Subsidiary other than such assets or property and assets affixed or appurtenant thereto, *provided, further*, that such Liens shall not apply to any other property or asset of the Parent or a Restricted Subsidiary (other than the proceeds and products thereof and accessions thereto, except that individual financings provided by a Person or its Affiliates may be cross collateralized to other financings secured by Liens permitted under the Indenture provided by such Person or its Affiliates);

(12) Liens (a) arising by virtue of any statutory or common law provisions relating to banker's Liens (including Liens of a collection bank arising under Section 4-210 of the Uniform Commercial Code), rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary institution or (b) encumbering reasonable customary initial deposits and margin deposits;

(13) Liens arising from Uniform Commercial Code or PPSA (or similar law of any jurisdiction) financing statement filings regarding leases and consignment or bailee arrangements entered into by the Parent and its Restricted Subsidiaries in the ordinary course of business and Liens securing liabilities in respect of indemnification obligations thereunder as long as each such Lien only encumbers the assets that are the subject of the related lease (or contained in such leasehold) or consignment or bailee;

(14) Liens existing on the Issue Date (other than Liens permitted under clause (1));

(15) Liens on assets or Capital Stock of a Person at the time such Person becomes a Restricted Subsidiary; *provided, however*, that such Liens are not created, Incurred or assumed in connection with, or in contemplation of, such other Person becoming a Restricted Subsidiary; *provided further, however,* that any such Lien may not extend to any other property owned by the Parent or any Restricted Subsidiary (other than the proceeds and products thereof and accessions thereto and after acquired property subjected to a Lien pursuant to the terms existing at the time of such acquisition and except that individual financings provided by a Person or its Affiliates may be cross collateralized to other financings secured by Liens permitted by the Indenture provided by such Person or its Affiliates);

(16) Liens on assets at the time the Parent or a Restricted Subsidiary acquired, constructed, repaired or improved the property, including any acquisition by means of a merger or consolidation with or into the Parent or any Restricted Subsidiary; *provided, however*, that such Liens may not extend to any other property owned by the Parent or any Restricted Subsidiary (other than the proceeds or products thereof and after-acquired property subjected to a Lien pursuant to the terms existing at the time of such acquisition, except that individual financings provided by a Person or its Affiliates may be cross collateralized to other financings secured by Liens permitted by the Indenture provided by such Person or its Affiliates);

(17) Liens securing Indebtedness permitted to be Incurred under clause (3) of "*—Certain Covenants—Limitation on Indebtedness*" or other obligations of a Restricted Subsidiary owing to the Parent or any Restricted Subsidiary;

(18) Liens (a) securing the Notes and the Note Guarantees and (b) on the proceeds of Indebtedness Incurred in connection with the financing of a transaction permitted under the Indenture, which proceeds have been deposited into an escrow account on customary terms to secure such Indebtedness pending the application of such proceeds in connection with the closing of such transaction;

(19) Liens securing Refinancing Indebtedness Incurred to refinance, refund, replace, amend, extend or modify, as a whole or in part, Indebtedness that was previously so secured pursuant to clauses (11), (14), (15), (16), (18)(a) and (19) of this definition, *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property that is the security for a Permitted Lien thereunder (except that individual financings provided by a Person or its Affiliates may be cross collateralized to other financings secured by Liens permitted by the Indenture provided by such Person or its Affiliates);

(20) Liens representing the interest of a purchaser of goods sold by the Parent or any of its Restricted Subsidiaries in the ordinary course of business under conditional sale, title retention, extended title retention (*verlängerter Eigentumsvorbehalt*), consignment, bailee or similar arrangements; *provided* that such Liens arise only under the applicable conditional sale, title retention, consignment or similar arrangements and such Liens only encumber the good so sold hereunder;

(21) Liens in favor of the Issuer or any Guarantor;

(22) Liens under industrial revenue, municipal or similar bonds;

(23) Liens on assets transferred to a Receivables Entity or on assets of a Receivables Entity, in either case Incurred in connection with a Qualified Receivables Transaction;

(24) Liens on (a) the Capital Stock of the Renewable Diesel Joint Venture or any other joint venture consisting of a Permitted Renewable Joint Venture Investment or any other Investment permitted to be made pursuant to the covenant described under "*—Certain Covenants— Limitation on Restricted Payments*" or the definition of "Permitted Investments" in favor of the holder of (x) any Indebtedness of the Renewable Diesel Joint Venture or any other joint venture, (y) any Guarantee of such Indebtedness otherwise permitted under the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" or (z) any Guarantee of the commitment to make an Investment in the Renewable Diesel Joint Venture or any other joint venture which Investment is otherwise permitted to be made under the definition of "Permitted Investments" and the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*" and (b) cash and Cash Equivalents to secure (x) obligations to make an Investment in the Renewable Diesel Joint Venture or any other joint venture permitted under the definition of "Permitted Investments" and the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*" or (y) a letter of credit posted to secure obligations set forth in the foregoing clause (24)(b)(x);

(25) Liens arising as a result of agreements to enter into a Sale/Leaseback Transaction and not securing Indebtedness; *provided*, that such Liens shall not extend beyond the property that is the subject of such Sale/Leaseback Transaction;

(26) (i) Liens (A) on advances of cash or Cash Equivalents in favor of the seller of any property to be acquired in an Investment permitted pursuant to the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*" or the definition of "Permitted Investment," which are applied against the purchase price for such Investment, and (B) consisting of an agreement to dispose of any property in a disposition permitted pursuant to the covenant described under "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*," in each case, solely to the extent such transaction is permitted under the Indenture, and (ii) Liens solely on any cash earnest money deposits made by the Parent or any of its Restricted Subsidiaries in connection with any letter of intent or purchase agreement in respect of any Investment permitted under the Indenture;

(27) Liens securing Indebtedness (other than Subordinated Obligations) in an aggregate principal amount outstanding at any one time not to exceed the greater of (x) $100.0 million and (y) 1.75% of Consolidated Total Assets;

(28) Liens granted in the ordinary course of business to secure (a) (i) liabilities for premiums or reimbursement obligations to insurance carriers or self-insurance obligations and (ii) liabilities in respect of indemnification obligations under leases or other contractual obligations and (b) letters of credit, bank guarantees, banker's acceptances, surety bonds or similar instruments posted to support payment of items set forth in this clause (28); *provided* that such letters of credit, bank guarantees, banker's acceptances, surety bonds or similar instruments are issued in compliance with the Indenture;

(29) Liens (a) arising in connection with pooled deposit or sweep accounts, cash netting, deposit accounts or similar arrangements of the Parent or any Restricted Subsidiary and consisting of the right to apply the funds held therein to satisfy overdraft or similar obligations Incurred in the ordinary course of business of such Person or (b) granted in the ordinary course of business by the Parent or any Restricted Subsidiary to any bank with whom it maintains accounts to the extent required by the relevant bank's (or custodian's or trustee's, as applicable) standard terms and conditions (including, without limitation, any Lien arising by entering into standard banking arrangements (*AGB-Banken* or *AGB-Sparkassen*) in Germany), in each case, which are within the general parameters customary in the banking industry;

(30) Liens that are contractual rights of set-off relating to purchase orders and other similar agreements entered into in the ordinary course of business;

(31) (a) Liens on Capital Stock in joint ventures (including the Renewable Diesel Joint Venture) or Unrestricted Subsidiaries; *provided* such Liens secure Indebtedness of such joint ventures or Unrestricted Subsidiaries, as applicable and (b) and any encumbrance or restriction (including put and call arrangements) in favor of a joint venture party with respect to Capital Stock of, or assets owned by, any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(32) Liens consisting of customary rights of first refusal and tag, drag and similar rights in joint venture agreements and agreements with respect to non-Wholly-Owned Subsidiaries;

(33) Liens on cash, Cash Equivalents or other property arising in connection with the defeasance, discharge or redemption of Indebtedness;

(34) Liens securing Indebtedness of any Non-Guarantor Restricted Subsidiary; *provided* that any such Lien is limited to all or part of the property or assets of such Non-Guarantor Restricted Subsidiary and the Capital Stock of such Non-Guarantor Restricted Subsidiary;

(35) any Lien arising under clause 24 or clause 25 of the general terms and conditions (*algemene bankvoorwaarden*) of any member of the Dutch Bankers' Association (*Nederlandse Vereniging van Banken*) or any similar term applied by a financial institution in the Netherlands pursuant to its general terms and conditions;

(36) any netting or set-off arrangement entered into by any Dutch Subsidiary in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of any Dutch Subsidiary;

(37) Liens on repurchase agreements constituting Cash Equivalents; and

(38) Liens securing Indebtedness (other than Subordinated Obligations); *provided* that at the time of Incurrence and after giving *pro forma* effect to the Incurrence of such Indebtedness and the application of the proceeds therefrom on such date, the Secured Leverage Ratio (calculated assuming all commitments relating to any revolving credit facility have been fully drawn) would not exceed 2.75 to 1.0.

"Permitted Renewable Joint Venture Investments" means, without duplication, (i) any Investment in the Renewable Diesel Joint Venture or any other joint venture made pursuant to clause (23) of the definition of "Permitted Investment" and (ii) the amount of any unreimbursed payments made pursuant to the Guarantee or the exercise of remedies under any Lien, in each case permitted under clause (15) of the second paragraph under "*—Certain Covenants—Limitation on Indebtedness*."

"Person" means any individual, corporation, company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

"PPSA" means the Personal Property Security Act (Ontario), as in effect from time to time.

"Preferred Stock," as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such corporation, over shares of Capital Stock of any other class of such corporation.

"Purchase Money Note" means a promissory note of a Receivables Entity evidencing the deferred purchase price of Receivables (and related assets) and a line of credit, which may be irrevocable, from the Parent or any Restricted Subsidiary in connection with a Qualified Receivables

Transaction with a Receivables Entity, which deferred purchase price or line is repayable from cash available to the Receivables Entity, other than amounts required to be established as reserves pursuant to agreements, amounts paid to investors in respect of interest, principal and other amounts owing to such investors and amounts owing to such investors and amounts paid in connection with the purchase of newly generated Receivables.

"Qualified Receivables Transaction" means any transaction or series of transactions that may be entered into by the Parent or any of its Restricted Subsidiaries pursuant to which the Parent or any of its Restricted Subsidiaries may sell, convey or otherwise transfer to (1) a Receivables Entity (in the case of a transfer by the Parent or any of its Restricted Subsidiaries) and (2) any other Person (in the case of a transfer by a Receivables Entity), or may grant a security interest in, any Receivables (whether now existing or arising in the future) of the Parent or any of its Restricted Subsidiaries, and any assets related thereto including, without limitation, all collateral securing such Receivables, all contracts and all guarantees or other obligations in respect of such accounts receivable, the proceeds of such Receivables and other assets which are customarily transferred, or in respect of which security interests are customarily granted, in connection with asset securitization involving Receivables.

"Rating Agencies" means Standard & Poor's Ratings Group, Inc. and Moody's Investors Service, Inc. or if Standard & Poor's Ratings Group, Inc. or Moody's Investors Service, Inc. or both shall not make a rating on the Notes publicly available, a nationally recognized statistical rating agency or agencies, as the case may be, selected by the Parent (as certified by a resolution of its Board of Directors) which shall be substituted for Standard & Poor's Ratings Group, Inc. or Moody's Investors Service, Inc. or both, as the case may be.

"Receivable" means a right to receive payment arising from a sale or lease of goods or the performance of services by a Person pursuant to an arrangement with another Person pursuant to which such other Person is obligated to pay for goods or services under terms that permit the purchase of such goods and services on credit and shall include, in any event, any items of property that would be classified as an "account," "chattel paper," "payment intangible" or "instrument" under the Uniform Commercial Code as in effect in the State of New York and any "supporting obligations" as so defined.

"Receivables Entity" means a Wholly-Owned Subsidiary (or another Person in which the Parent or any Restricted Subsidiary makes an Investment and to which the Parent or any Restricted Subsidiary transfers Receivables and related assets) which engages in no activities other than in connection with the financing of Receivables and which is designated by the Board of Directors of the Parent (as provided below) as a Receivables Entity:

(1) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which:

(a) is guaranteed by the Parent or any Restricted Subsidiary (excluding guarantees of Obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings);

(b) is recourse to or obligates the Parent or any Restricted Subsidiary in any way other than pursuant to Standard Securitization Undertakings; or

(c) subjects any property or asset of the Parent or any Restricted Subsidiary, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;

(2) with which neither the Parent nor any Restricted Subsidiary has any material contract, agreement, arrangement or understanding (except in connection with a Purchase Money Note or Qualified Receivables Transaction) other than on terms no less favorable to the Parent or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Parent, other than fees payable in the ordinary course of business in connection with servicing Receivables; and

(3) to which neither the Parent nor any Restricted Subsidiary has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results.

Any such designation by the Board of Directors of the Parent shall be evidenced to the Trustee by filing with the Trustee a certified copy of the resolution of the Board of Directors of the Parent giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing conditions.

"Receivables Fees" means any fees or interest paid to purchasers or lenders providing the financing in connection with a Qualified Receivables Transaction, factoring agreement or other similar agreement, including any such amounts paid by discounting the face amount of Receivables or participations therein transferred in connection with a Qualified Receivables Transaction, factoring agreement or other similar arrangement, regardless of whether any such transaction is structured as on-balance sheet or off-balance sheet or through a Restricted Subsidiary or an Unrestricted Subsidiary.

"Receivables Transaction Amount" means the amount of obligations outstanding under the legal documents entered into as part of such Qualified Receivables Transaction on any date of determination that would be characterized as principal if such Qualified Receivables Transaction were structured as a secured lending transaction rather than as a purchase.

"Refinancing Indebtedness" means Indebtedness that is Incurred to refund, refinance, replace, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) (collectively, "refinance," "refinances" and "refinanced" shall each have a correlative meaning) any Indebtedness existing on the Issue Date or Incurred in compliance with the Indenture, including Indebtedness that refinances Refinancing Indebtedness, *provided, however*, that:

(1) (a) if the Stated Maturity of the Indebtedness being refinanced is earlier than the Stated Maturity of the Notes, the Refinancing Indebtedness has a Stated Maturity no earlier than the Stated Maturity of the Indebtedness being refinanced or (b) if the Stated Maturity of the Indebtedness being refinanced is later than the Stated Maturity of the Notes, the Refinancing Indebtedness has a Stated Maturity at least 91 days later than the Stated Maturity of the Notes;

(2) the Refinancing Indebtedness has an Average Life at the time such Refinancing Indebtedness is Incurred that is equal to or greater than the Average Life of the Indebtedness being refinanced;

(3) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being refinanced (plus, without duplication, any additional Indebtedness Incurred to pay interest or premiums required by the instruments governing such existing Indebtedness, reasonable tender premiums and fees Incurred in connection therewith); and

(4) if the Indebtedness being refinanced is subordinated in right of payment to the Notes or a Note Guarantee, such Refinancing Indebtedness is subordinated in right of payment to the Notes or such Note Guarantee on terms at least as favorable to the holders as those contained in the documentation governing the Indebtedness being refinanced.

"Related Business" means any business which is the same as or related, ancillary or complementary to, or a reasonable extension or expansion of, any of the businesses of the Parent and its Restricted Subsidiaries on the Issue Date, including, for the avoidance of doubt, the Renewable Diesel Joint Venture.

"Related Business Assets" means any property, plant, equipment or other assets (excluding assets that are qualified as current assets under GAAP) to be used or useful by the Parent or a Restricted Subsidiary in a Related Business or capital expenditures relating thereto.

"Renewable Diesel Joint Venture" means one or more joint ventures formed with an Affiliate of Valero Energy Corporation in connection with the building and/or operation of one or more renewable diesel facilities in the United States, including any Subsidiary thereof and any Subsidiary that is a holding company through which the Parent holds its interests in such joint ventures and, in the case of an Unrestricted Subsidiary, has no other material assets or operations unrelated to such joint ventures.

"Renewable Diesel Joint Venture Indebtedness" means any Indebtedness specified in clause (15) of the second paragraph of "*—Certain Covenants—Limitation on Indebtedness*"; *provided* that the Renewable Diesel Joint Venture is not a Restricted Subsidiary of the Parent.

"Restricted Investment" means any Investment other than a Permitted Investment.

"Restricted Subsidiary" means any Subsidiary of the Parent other than an Unrestricted Subsidiary.

"Rothsay Acquisition" means the acquisition by the Parent of the Rothsay business pursuant to the Rothsay Acquisition Agreement.

"Rothsay Acquisition Agreement" means the Acquisition Agreement, dated as of August 23, 2013, between Maple Leaf Foods Inc. and the Parent.

"Sale/Leaseback Transaction" means an arrangement relating to property now owned or hereafter acquired whereby the Parent or a Restricted Subsidiary transfers such property to a Person (other than the Parent or any of its Restricted Subsidiaries) and the Parent or a Restricted Subsidiary leases it from such Person.

"SEC" means the United States Securities and Exchange Commission.

"Secured Indebtedness" means Total Indebtedness of the Parent and any of its Restricted Subsidiaries secured by a Lien.

"Secured Leverage Ratio" means, as of any date of determination, the ratio of (1) Secured Indebtedness of the Parent and its Restricted Subsidiaries as of the end of the most recent fiscal quarter for which financial statements prepared on a consolidated basis in accordance with GAAP are available (the "balance sheet date") *minus* all obligations, contingent or otherwise, of such Person as an account party in respect of the undrawn face amount of letters or credit, banker's acceptances or similar instruments outstanding as of the balance sheet date to (2) Consolidated EBITDA of the Parent and its Restricted Subsidiaries for the period of the most recent four consecutive fiscal quarters ending on the balance sheet date. The Secured Leverage Ratio shall be adjusted on a *pro forma* basis in a manner consistent with the definition of "Consolidated Coverage Ratio" (including for acquisitions).

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"Senior Secured Credit Agreement" means the Amended and Restated Credit Agreement, dated as of September 27, 2013, among the Parent, J.P. Morgan Chase Bank, N.A., as Administrative Agent, and the lenders parties thereto from time to time, as the same may be amended, restated, amended and restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time (including increasing the amount loaned thereunder provided that such additional Indebtedness is Incurred in accordance with the covenant described under "*—Certain Covenants—Limitation on Indebtedness*").

"Significant Subsidiary" means any Restricted Subsidiary that would be a "Significant Subsidiary" of the Parent within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC.

"Standard Securitization Undertakings" means representations, warranties, covenants and indemnities entered into by the Parent or any Restricted Subsidiary which are reasonably customary in Qualified Receivables Transactions.

"Stated Maturity" means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision, but shall not include any contingent obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

"Subordinated Obligation" means any Indebtedness of the Parent or any Restricted Subsidiary (whether outstanding on the Issue Date or thereafter Incurred) which is subordinate or junior in right of payment to the Notes or any Note Guarantee pursuant to a written agreement.

"Subsidiary" of any Person means (a) any corporation, association or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total ordinary voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof (or persons performing similar functions) or (b) any partnership, joint venture, limited liability company or similar entity of which more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, is, in the case of clauses (a) and (b), at the time owned or controlled, directly or indirectly, by (1) such Person, (2) such Person and one or more Subsidiaries of such Person or (3) one or more Subsidiaries of such Person. Unless otherwise specified herein, each reference to a Subsidiary will refer to a Subsidiary of the Parent.

"Total Indebtedness" means, at the time of determination, the sum of the following determined for the Parent and the Restricted Subsidiaries on a consolidated basis (without duplication) in accordance with GAAP: (a) all obligations for borrowed money; *plus* (b) all Guarantees of obligations for borrowed money; *plus* (c) all Capitalized Lease Obligations and purchase money indebtedness; *plus* (d) all obligations, contingent or otherwise, of such Person as an account party in respect of the undrawn face amount of letters of credit, banker's acceptances or similar instruments.

"Uniform Commercial Code" means the Uniform Commercial Code, as in effect in the relevant jurisdiction from time to time.

"Unrestricted Subsidiary" means:

(1) any Subsidiary of the Parent (other than the Issuer) that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors of the Parent in the manner provided below; *provided*, that each of the Insurance Company of Colorado, Inc., Darling Green Energy, LLC, Roseller Marine, Ltd. and each of their respective Subsidiaries shall be an Unrestricted Subsidiary of the Parent as of the Issue Date; *provided*, *further*, that if the Renewable Diesel Joint Venture is or becomes a Subsidiary of the Parent, the Renewable Diesel Joint Venture shall be an Unrestricted Subsidiary of the Parent notwithstanding that it fails to satisfy the criteria set forth below; and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Parent may designate any Subsidiary of the Parent (including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger or consolidation or Investment therein, but excluding the Issuer) to be an Unrestricted Subsidiary only if:

(1) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of, or own or hold any Lien on any property of, any other Subsidiary of the Parent which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary;

(2) all the Indebtedness of such Subsidiary and its Subsidiaries shall, at the date of designation, and will at all times thereafter, consist of Indebtedness to which the lender has no recourse to any of the assets of the Parent or any Restricted Subsidiary;

(3) such designation and the Investment of the Parent in such Subsidiary constitutes a Permitted Investment or complies with "*—Certain Covenants—Limitation on Restricted Payments*"; and

(4) such Subsidiary, either alone or in the aggregate with all other Unrestricted Subsidiaries, does not operate, directly or indirectly, all or substantially all of the business of the Parent and its Subsidiaries.

Any such designation by the Board of Directors of the Parent shall be evidenced to the Trustee by filing with the Trustee a resolution of the Board of Directors of the Parent giving effect to such designation and an Officers' Certificate certifying that such designation complies with the foregoing conditions. If, at any time, any Unrestricted Subsidiary (other than the Renewable Diesel Joint Venture, but without limiting the application of the provisions described under the caption "*—Certain Covenants*" to the Renewable Diesel Joint Venture) would fail to meet the foregoing requirements as an Unrestricted Subsidiary, it shall thereafter cease to be an Unrestricted Subsidiary for purposes of the Indenture and any Indebtedness of such Subsidiary shall be deemed to be Incurred as of such date.

The Board of Directors of the Parent may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that immediately after giving effect to such designation:

(1) no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof;

(2) the Parent could Incur at least $1.00 of additional Indebtedness under the first paragraph of the "*—Certain Covenants—Limitation on* Indebtedness" covenant on a *pro forma* basis taking into account such designation or the Consolidated Coverage Ratio for the Parent and its Restricted Subsidiaries would be greater than or equal to such ratio for the Parent and its Restricted Subsidiaries immediately prior to such designation; and

(3) all Liens of such Unrestricted Subsidiary outstanding immediately following such designation as a Restricted Subsidiary would either (a) if Incurred at such time, have been permitted to be Incurred under the "*—Certain Covenants—Limitation on Liens*" covenant, or (b) extend only to the assets or property of such Unrestricted Subsidiary that is being designated to be a Restricted Subsidiary that will become a Guarantor; *provided*, *however*, that, in the case of clause (b), such Liens are not created, Incurred or assumed in connection with, or in contemplation of, such designation.

"Vion Acquisition" means the acquisition by the Parent of the Ingredients business of the VION Group pursuant to the Vion Acquisition Agreement.

"Vion Acquisition Agreement" means the Sale and Purchase Agreement, dated as of October 5, 2013, relating to the Ingredients business of the VION Group between VION Holding N.V. and the Parent.

"Voting Stock" of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled to vote in the election of directors, managers or trustees, as applicable.

"Wholly-Owned Subsidiary" means a Restricted Subsidiary, all of the Capital Stock of which (other than directors' qualifying shares) is owned by the Parent or another Wholly-Owned Subsidiary.

BOOK-ENTRY SETTLEMENT AND CLEARANCE

The Global Notes

The notes will initially be issued in the form of registered notes in global form without interest coupons, as follows:

- notes sold within the United States to qualified institutional buyers pursuant to Rule 144A will initially be represented by one or more global notes in registered form without interest coupons attached (the "144A Global Notes"); and
- notes sold outside the United States pursuant to Regulation S will initially be represented by one or more global notes in registered form without interest coupons attached (the "Regulation S Global Notes" and, together with the 144A Global Notes, the "Global Notes").

The Global Notes will, upon issuance, be deposited with, and registered in the name of a nominee of, the common depositary for the accounts of Euroclear and Clearstream.

Ownership of interests in the Global Notes ("Book-Entry Interests") will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that may hold interests through such participants. Ownership of interests in the Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully in the section entitled "*Notice to Investors*." In addition, transfers of Book-Entry Interests between participants in Euroclear and/or Clearstream will be effected by Euroclear and/or Clearstream pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear and/or Clearstream and its respective participants.

So long as the notes are held in global form, holders of Book-Entry Interests will not be considered the owners or "holders" of Global Notes for any purpose. So long as the notes are held in global form, the common depositary for Euroclear or Clearstream (including its nominee), will be considered the sole holder of Global Notes for all purposes under the indenture that will govern the notes. As such, participants must rely on the procedures of Euroclear or Clearstream, as applicable, and indirect participants must rely on the procedures of Euroclear, Clearstream and the participants through which they own Book-Entry Interests to transfer their interests in or to exercise any rights of holders under the indenture that will govern the notes. Neither we nor the trustee nor any of our respective agents will have any responsibility or be liable for any aspect of the records relating to the Book-Entry Interests. You can find information about certain other restrictions on the transferability of the notes in the section entitled "*Notice to Investors*."

Except as described below, owners of interests in the Global Notes will not have notes registered in their names, will not receive physical delivery of the notes in certificated form and will not be considered the registered owners or holders thereof under the indenture that will govern the notes for any purpose.

The Issuer, the trustee, the registrar, the transfer agent, the paying agent and any of their respective agents have not and will not have any responsibility or liability: (1) for any aspect of the records of Euroclear, supervising or reviewing any of the records of Euroclear, Clearstream or any participant or indirect participant relating to Book-Entry Interests, or for payments made by Euroclear, Clearstream or any participant or indirect participant relating to Book-Entry Interests or (2) for Euroclear, Clearstream or any participant or indirect participant. The notes will be issued in denominations of €100,000 and in integral multiples of €1,000 in excess thereof. We will not impose any fees or other charges in respect of the notes; however, owners of the Book-Entry Interests may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear or Clearstream.

Currency and Payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the notes, will be paid to holders of interests in such notes (the "Euroclear/Clearstream Holders") through Euroclear and Clearstream in euro.

Notwithstanding the payment provisions described above, Euroclear/Clearstream Holders may elect to receive payments in respect of the Global Notes in U.S. dollars.

If so elected, a Euroclear/Clearstream Holder may receive payments of amounts payable in respect of its interest in the Global Notes in U.S. dollars in accordance with Euroclear or Clearstream's customary procedures, which include, among other things, giving to Euroclear or Clearstream, as appropriate, a notice of such holder's election. All costs of conversion resulting from any such election will be borne by such holder.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised us that they will take any action permitted to be taken by a holder of the notes only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there is an event of default under the notes, each of Euroclear and Clearstream reserves the right to exchange the Global Notes for certificated notes, and to distribute such certificated notes to their respective participants, as described in the section entitled "*Notice to Investors*."

Transfers

Transfers between participants in Euroclear and Clearstream will be effected in accordance with Euroclear and Clearstream rules and will be settled in immediately available funds.

The Global Notes will bear a legend to the effect set forth in "*Notice to Investors*." Book-Entry Interests in the Global Notes will be subject to the restrictions on transfer discussed in the section entitled "*Notice to Investors*."

Exchanges Among the Global Notes

Book-Entry Interests in the 144A Global Notes may be transferred to a person who takes delivery in the form of Book-Entry Interests in the Regulation S Global Notes only upon delivery by the transferor of a written certification (in the form provided in the indenture that will govern the notes) to the effect that such transfer is being made in accordance with Regulation S.

Prior to 40 days after the date of initial issuance of the notes, ownership of Book-Entry Interests in Regulation S Global Notes will be limited to persons that have accounts with Euroclear and/or Clearstream or persons who hold interests through Euroclear and/or Clearstream, and any sale or transfer of such interest to U.S. persons shall not be permitted during such period unless such resale or transfer is made pursuant to Rule 144A. Subject to the foregoing, Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of 144A Book-Entry Interests only upon delivery by the transferor of a written certification (in the form provided in the indenture that will govern the notes) to the effect that such transfer is being made to a person who the transferor reasonably believes is a “qualified institutional buyer” within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described in the section entitled “*Notice to Investors*” and in accordance with any applicable securities law of any other jurisdiction.

Book-Entry Procedures for the Global Notes

We have obtained the information in this section concerning Clearstream and Euroclear and their book-entry systems and procedures from sources that we believe to be reliable. We take no responsibility for an accurate portrayal of this information. In addition, the description of the clearing systems in this section reflects our understanding of the rules and procedures of Clearstream and Euroclear as they are currently in effect. Those systems could change their rules and procedures at any time.

We have been advised by Clearstream and Euroclear, respectively, as follows:

Clearstream

Clearstream, has advised that it is incorporated under the laws of Luxembourg and licensed as a bank and professional depositary. Clearstream holds securities for its participating organizations and facilitates the clearance and settlement of securities transactions among its participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Clearstream provides to its participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic markets in several countries. Clearstream has established an electronic bridge with the Euroclear Operator (as defined below) to facilitate the settlement of trades between the nominees of Clearstream and Euroclear. As a registered bank in Luxembourg, Clearstream is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector. Clearstream customers are recognized financial institutions around the world, including initial purchasers, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations and may include the initial purchasers. Indirect access to Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through, or maintain a custodial relationship with, a Clearstream participant, either directly or indirectly.

Distributions with respect to notes held beneficially through Clearstream will be credited to cash accounts of Clearstream participants in accordance with its rules and procedures.

Euroclear

Euroclear has advised that it was created in 1968 to hold securities for its participants and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear includes various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. Euroclear is operated by Euroclear Bank S.A./N.V. (the “Euroclear Operator”). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator. Euroclear participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the initial purchasers. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related operating procedures of Euroclear, and applicable Belgian law (collectively, the "Terms and Conditions"). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear participants and has no records of or relationship with persons holding through Euroclear participants.

Distributions with respect to the notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear participants in accordance with the Terms and Conditions.

Euroclear and Clearstream Arrangements

So long as Euroclear or Clearstream or their nominee or their common depositary is the registered holder of the global notes, Euroclear, Clearstream or such nominee, as the case may be, will be considered the sole owner or holder of the notes represented by such global notes for all purposes under the indenture that will govern the notes and the notes. Payments of principal, interest and additional amounts, if any, in respect of the global notes will be made to Euroclear, Clearstream, such nominee or such common depositary, as the case may be, as registered holder thereof. None of us, the trustee, any initial purchaser and any affiliate of any of the above or any person by whom any of the above is controlled (as such term is defined in the Securities Act) will have any responsibility or liability for any records relating to or payments made on account of, beneficial ownership interests in the global notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Distributions of principal, premium, if any, and interest with respect to the global notes will be credited in euros to the extent received by Euroclear or Clearstream from the paying agent to the cash accounts of Euroclear or Clearstream customers in accordance with the relevant system's rules and procedures.

Due to the fact that Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in the global notes to pledge such interest to persons or entities that do not participate in the relevant clearing system, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

Initial Settlement

We understand that investors that hold their notes through Clearstream or Euroclear accounts will follow the settlement procedures that are applicable to conventional eurobonds in registered form. Subject to applicable procedures of Clearstream and Euroclear, notes will be credited to the securities custody accounts of Clearstream and Euroclear participants on the business day following the settlement date, for the value on the settlement date.

Secondary Market Trading

Due to the fact that the purchaser determines the place of delivery, it is important to establish at the time of trading of any notes where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

We understand that secondary market trading between Clearstream and/or Euroclear participants will occur in the ordinary way following the applicable rules and operating procedures of Clearstream and Euroclear. Secondary market trading will be settled using procedures applicable to conventional eurobonds in global registered form.

You should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the notes through Clearstream and Euroclear on days when those systems are open for business. Those systems may not be open for business on days when banks, brokers and other institutions are open for business in the United States.

In addition, because of time-zone differences, there may be problems with completing transactions involving Clearstream and Euroclear on the same business day as in the United States. U.S. investors who wish to transfer their interests in the notes, or to make or receive a payment or delivery of the notes, on a particular day, may find that the transactions will not be performed until the next business day in Luxembourg or Brussels, depending on whether Clearstream or Euroclear is used.

Clearstream or Euroclear will credit payments to the cash accounts of Clearstream customers or Euroclear participants, as applicable, in accordance with the relevant system's rules and procedures, to the extent received by its depositary. Clearstream or the Euroclear Operator, as the case may be, will take any other action permitted to be taken by a holder under the indenture that will govern the notes on behalf of a Clearstream customer or Euroclear participant only in accordance with its relevant rules and procedures.

Clearstream and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of the notes among participants of Clearstream and Euroclear. However, they are under no obligation to perform or continue to perform those procedures, and they may discontinue those procedures at any time.

Global Clearance and Settlement under the Book-Entry System

The notes represented by the Global Notes are expected to be listed on the Official List and admitted for trading on the Global Exchange Market of the Irish Stock Exchange. We expect that secondary trading in any certificated notes will also be settled in immediately available funds. We expect that the notes will be accepted for clearance through the facilities of Euroclear or Clearstream. Transfers of Book-Entry Interests in the Global Notes between participants in Euroclear or Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures. The following description of the operations and procedures of Euroclear and Clearstream is provided solely as a matter of convenience.

Although Euroclear and Clearstream currently follow the procedures described herein in order to facilitate transfers of interests in the Global Notes among participants in Euroclear or Clearstream, as the case may be, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of the Issuer, any guarantor, the trustee or the paying agent will have any responsibility for the performance by Euroclear or Clearstream or their respective participants or indirect participants, of their respective obligations under the rules and procedures governing their operations.

Certificated Notes

Under the terms of the indenture that will govern the notes, owners of Book-Entry Interests will receive certificated notes only in the following circumstances:

(1) Euroclear and/or Clearstream, as applicable, notifies us at any time that it is unwilling or unable to continue as depositary for the Global Notes and a successor depositary is not appointed within 90 days;

(2) we, at our option, notify the trustee that we elect to cause the issuance of certificated notes; or

(3) certain other events provided in the indenture that will govern the notes occur.

Euroclear has advised us that upon request by an owner of a Book-Entry Interest described in the immediately preceding clause (3), its current procedure is to request that certificated notes be issued to all owners of Book-Entry Interests and not only to the owner who made the initial request.

In any such events described in clauses (1) or (2), the registrar will issue certificated notes, registered in the name or names and issued in any approved denominations, requested by or on behalf of Euroclear and/or Clearstream, as applicable (in accordance with their respective customary procedures and certain certification requirements and based upon directions received from participants reflecting the beneficial ownership of the Book-Entry Interests). The certificated notes will bear a restrictive legend with respect to certain transfer restrictions, unless that legend is not required by the indenture that will govern the notes or by applicable law.

TAXATION

Material United States Federal Income Tax Considerations

The following summarizes certain material United States federal income tax consequences expected to result from the purchase at the issue price (the first price at which a substantial amount of notes is sold to purchasers other than bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement underwriters or wholesalers), ownership and disposition of notes by holders acquiring notes at original issue for cash. This summary is limited to consequences relevant to a U.S. Holder (as defined below), except for discussions on FATCA (as defined below).

This discussion is based on:

- the Internal Revenue Code of 1986, as amended (the "Code");
- current, temporary and proposed Treasury regulations promulgated under the Code;
- the legislative history of the Code;
- current administrative interpretations and practices of the IRS; and
- court decisions,

all as of the date of these Listing Particulars. In addition, the administrative interpretations and practices of the IRS include its practices and policies as expressed in private letter rulings that are not binding on the IRS, except with respect to the particular taxpayers who requested and received those rulings. Future legislation, Treasury regulations, administrative interpretations and practices and/or court decisions may adversely affect the tax considerations contained in this discussion. Any change could apply retroactively to transactions preceding the date of the change. The tax considerations contained in this discussion may be challenged by the IRS, and we have not requested, and do not plan to request, any rulings from the IRS concerning the notes.

The tax treatment of a holder of notes may vary depending upon a holder's particular situation. Certain holders (including, but not limited to, certain financial institutions, insurance companies, broker-dealers, partnerships and other pass-thru entities, persons who mark-to-market the notes, tax-exempt organizations, regulated investment companies, real estate investment trusts, U.S. Holders (as defined below) whose functional currency for tax purposes is not the U.S. dollar, expatriates and persons holding notes as part of a "straddle," "hedge" or "conversion transaction") may be subject to special rules not discussed below. This discussion is limited to holders who will hold the notes as "capital assets" (generally, property held for investment) within the meaning of Section 1221 of the Code.

As used herein, the term "U.S. Holder" means a beneficial owner of a note that is for United States federal income tax purposes (1) a citizen or resident of the United States, (2) a corporation, including for this purpose an entity treated as a corporation for United States federal income tax purposes, created or organized in or under the laws of the United States or of any political subdivision thereof, (3) an estate the income of which is subject to United States federal income tax regardless of its source, or (4) a trust, if both (a) a court within the United States is able to exercise primary supervision over the administration of the trust and (b) one or more United States persons have the authority to control all substantial decisions of the trust. Notwithstanding the preceding sentence, to the extent provided in Treasury regulations, certain trusts that are beneficial owners of notes and in existence on August 20, 1996, and treated as United States persons prior to such date, that have in effect a valid election to be treated as United States persons also will be U.S. Holders.

If a partnership (including for this purpose any entity treated as a partnership for United States federal income tax purposes) holds a note, the treatment of a partner in the partnership will generally depend on the status of the partner and activities of the partnership. A holder that is a partnership and partners in such partnership should consult their tax advisors regarding the United States federal income tax consequences of purchasing, owning and disposing of the notes.

This discussion does not contain a detailed description of all United States Federal income tax consequences to you in light of your particular circumstances and does not address the Medicare contribution tax on net investment income or the effects of any state, local or non-United States tax laws.

YOU SHOULD CONSULT YOUR TAX ADVISOR AS TO THE PARTICULAR TAX CONSEQUENCES OF YOUR PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES.

U.S. Holders

Interest. Stated interest on a note will be included in the income of a U.S. Holder as ordinary income at the time such interest is received or accrued, in accordance with the U.S. Holder's regular method of tax accounting.

U.S. Holders that use the cash receipts and disbursements method of accounting for tax purposes must recognize income equal to the U.S. dollar value of the euro received as a payment of interest (which includes proceeds in euro from a sale, exchange, or other disposition of the notes to the extent attributable to accrued but unpaid interest), determined by translating the euro amount into U.S. dollars at the spot rate in effect on the date of receipt, regardless of whether the euro received is actually converted into U.S. dollars. U.S. Holders that use an accrual method of accounting for tax purposes may determine the amount of income recognized with respect to the euro received on each interest payment date by using one of two methods. Under the first method, the amount of income accrued is determined by translating the euro amount into U.S. dollars at the average exchange rate in effect during the accrual period (or, if the accrual period spans two taxable years, at the exchange rate for the partial period within the taxable year). Alternatively, such U.S. Holders may elect to determine the amount of income accrued on the basis of the spot rate in effect on the last day of the accrual period (or the last day of the taxable year in the case of an accrual period that straddles the U.S. Holder's taxable year) (and may use the spot rate on the date the interest payment is received if that date is within five days of the end of the accrual period). U.S. Holders that make this election must apply it consistently to all debt instruments from year to year and cannot change the election without the consent of the IRS. Accrual method U.S. Holders will recognize foreign currency gain or loss on the receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a note) if the spot rate of exchange on the date the payment is received differs from the rate applicable to a previous accrual of that interest income. Such foreign currency gain or loss generally will be treated as ordinary income or loss, but generally will not be treated as an adjustment to interest income received on the notes. A U.S. Holder will have a tax basis in euro received as interest equal to the U.S. dollar value of such euro.

Sale, Exchange, Redemption or Retirement of the Notes. Upon the disposition of a note by sale, exchange, redemption or retirement, a U.S. Holder generally will recognize gain or loss equal to the difference between (i) the sum of all cash plus the fair market value of all other property received on such disposition (other than amounts attributable to accrued but unpaid interest, which amounts would be treated as ordinary interest income to the extent not previously so treated) and (ii) the U.S. Holder's adjusted tax basis in such note. A U.S. Holder's adjusted tax basis in a note generally will equal the cost of the note to the U.S. Holder based on the spot exchange rate on the settlement date of the initial purchase, decreased by the amount of any payments (other than payments of stated interest) on the note (converted using the same exchange rate).

A U.S. Holder that uses the cash receipts and disbursements method of accounting determines the amount realized in U.S. dollars by using the relevant spot exchange rate on the settlement date of the disposition of a note, provided that the notes are traded on an established securities market. A U.S. Holder that uses an accrual method of accounting may elect such treatment for all purchases and sales for foreign currency of stock or securities traded on an established securities market (which election cannot be changed without the consent of the IRS). Absent such an election, the amount realized by an accrual method U.S. Holder in U.S. dollars is the U.S. dollar value of the euro received, determined at the spot rate on the trade date of the sale, exchange or retirement of the note. Gain or loss realized upon the taxable disposition of a note that is attributable to fluctuations in currency exchange rates will be ordinary income or loss and such income or loss will not be treated as interest income or expense. The gain or loss of a U.S. Holder attributable to fluctuations in currency exchange rates will be the difference between (i) the U.S. dollar value of the U.S. Holder's purchase price for the note, determined using the spot rate on the date the note is disposed of (or the settlement date, if the notes are traded on an established securities market and the U.S. Holder is either a cash basis taxpayer or an electing accrual basis taxpayer), and (ii) the U.S. dollar value of the purchase price for the note, determined using the spot rate on the date the U.S. Holder acquired the note. The foreign currency gain or loss will be recognized only to the extent of the total gain or loss realized by the U.S. Holder on the disposition of the note.

Gain or loss recognized on the sale, exchange, retirement, or other taxable disposition of a note (except gain or loss attributable to foreign currency gains or losses) generally will constitute capital gain or loss and will be long-term capital gain or loss if the U.S. Holder has held the note for more than one year. The deductibility of capital losses is subject to limitations.

A U.S. Holder that purchases notes with previously owned euro will generally recognize gain or loss equal to the difference, if any, between such U.S. Holder's basis in the euro and the U.S. dollar fair market value of the notes on the date of purchase. A U.S. Holder will have a tax basis in euro received on the sale, exchange or retirement of a note equal to the U.S. dollar value of such euro, determined at the time of such sale, exchange or retirement. Any gain or loss realized by a U.S. Holder on a sale or other disposition of euro will be ordinary income or loss.

Backup Withholding and Information Reporting. A U.S. Holder of a note may be subject, under certain circumstances, to information reporting and backup withholding with respect to payments of interest on, and gross proceeds from a sale, exchange, redemption, retirement or other disposition of, a note. These backup withholding rules apply if the U.S. Holder, among other things:

- fails to furnish a social security number or other taxpayer identification number ("TIN") certified under penalties of perjury within a reasonable time after the request therefor;
- furnishes an incorrect TIN;
- is notified it is subject to backup withholding because such holder previously failed to properly report interest or dividends;
- under certain circumstances, fails to provide a certified statement, signed under penalties of perjury, that the TIN furnished is the correct number and that such U.S. Holder is not subject to backup withholding; or
- otherwise fails to comply with applicable requirements of the backup withholding rules.

A U.S. Holder of a note that does not provide his, her or its correct TIN may be subject to penalties imposed by the IRS. Certain persons are exempt from backup withholding, including corporations and tax-exempt entities, provided their exemption is properly established. U.S. Holders of notes should consult their tax advisors as to their qualifications for exemption from withholding and the procedure for obtaining such exemption. U.S. Holders that are not corporations or tax-exempt organizations generally will be subject to information reporting requirements.

Backup withholding is not an additional tax. Any amount paid as backup withholding is creditable against the U.S. Holder's federal income tax liability, provided the requisite information is timely provided to the IRS.

FATCA

Sections 1471 through 1474 of the Code, ("FATCA") impose a reporting regime and potentially a 30% withholding tax with respect to certain payments to any foreign financial institution ("FFI") or non-financial foreign entity (each as defined by FATCA) that (i) does not provide to the IRS (or other applicable authority pursuant to an intergovernmental agreement) certain information in respect of its account holders or (ii) is not otherwise exempt from FATCA. While we do not believe the Issuer is an FFI, if it is treated as an FFI, it may be required to withhold on foreign passthru payments (a term not yet defined by FATCA) made to (i) any FFI that is not a participating FFI or otherwise exempt from FATCA or (ii) an investor that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "U.S. account" (as defined by FATCA) of the Issuer, or is otherwise exempt from FATCA. This withholding would apply to any foreign passthru payments made on or after the later of January 1, 2017 or the date the U.S. Treasury regulations defining foreign passthru payments are finalized. Debt obligations giving rise to foreign passthru payments will generally not be subject to withholding tax under FATCA if such obligations are issued on or prior to the date which is six months after the publication of final U.S. Treasury regulations defining the term foreign passthru payment. Accordingly, even if the Issuer is treated as an FFI, FATCA may apply to payments on the notes only if there is a significant modification of the notes for U.S. federal income tax purposes after the expiration of this grandfathering period.

THE PRECEDING DISCUSSION OF CERTAIN UNITED STATES FEDERAL TAX CONSIDERATIONS RELATING TO THE ACQUISITION, OWNERSHIP AND DISPOSITION OF THE NOTES IS FOR GENERAL INFORMATION ONLY AND IS NOT TAX ADVICE. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT HIS, HER OR ITS OWN TAX ADVISOR AS TO PARTICULAR TAX CONSEQUENCES TO IT OF PURCHASING, HOLDING AND DISPOSING OF NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF ANY U.S. FEDERAL INCOME, MEDICARE, ESTATE AND GIFT TAX LAWS OR FOREIGN TAX LAWS, AND OF ANY PROPOSED CHANGES IN APPLICABLE LAW.

Material Dutch Tax Considerations

The following summary of certain Dutch taxation matters is based on the laws and practice in force as of the date of these Listing Particulars and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of notes, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules.

For the purpose of the paragraph "—*Taxes on Income and Capital Gains*" below it is assumed that a holder of notes, being an individual or a non-resident entity, does not have nor will have a substantial interest (*aanmerkelijk belang*), or a deemed substantial interest, in the Issuer.

Generally speaking, an individual has a substantial interest in a company if (a) such individual, either alone or together with his partner, directly or indirectly has, or is deemed to have or (b) certain relatives of such individual or his partner directly or indirectly have or are deemed to have (i) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5 per cent or more of either the total issued and outstanding capital of such company or the issued and outstanding capital of any class of shares of such company, or (ii) the ownership of, or certain rights over, profit participating certificates (*winstbewijzen*) that relate to 5 per cent or more of either the annual profit or the liquidation proceeds of such company

Generally speaking, a non-resident entity has a substantial interest in a company if such entity, directly or indirectly has (i) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5 per cent or more of either the total issued and outstanding capital of such company or the issued and outstanding capital of any class of shares of such company, or (ii) the ownership of, or certain rights over, profit participating certificates (winstbewijzen) that relate to 5 per cent or more of either the annual profit or the liquidation proceeds of such company. An entity has a deemed substantial interest in a company if such entity has disposed of or is deemed to have disposed of all or part of a substantial interest on a non-recognition basis.

For the purpose of this summary, the term "entity" means a corporation as well as any other person that is taxable as a corporation for Dutch corporate tax purposes.

Where this summary refers to a holder of notes, an individual holding notes or an entity holding notes, such reference is restricted to an individual or entity holding legal title to as well as an economic interest in such notes or otherwise being regarded as owning notes for Dutch tax purposes. It is noted that for purposes of Dutch income, corporate, gift and inheritance tax, assets legally owned by a third party such as a trustee, foundation or similar entity, may be treated as assets owned by the (deemed) settlor, grantor or similar originator or the beneficiaries in proportion to their interest in such arrangement.

Where the summary refers to "The Netherlands" or "Dutch" it refers only to the European part of the Kingdom of The Netherlands.

Investors should consult their professional advisers on the tax consequences of their acquiring, holding and disposing of notes.

Withholding Tax

All payments made by the Issuer of interest and principal under the notes can be made free of withholding or deduction of any taxes of whatever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein.

Taxes On Income And Capital Gains

Residents

Resident entities. An entity holding notes which is, or is deemed to be, resident in The Netherlands for corporate tax purposes and which is not tax exempt, will generally be subject to corporate tax in respect of income or a capital gain derived from the notes at the prevailing statutory rates. The 2015 Dutch corporate tax rate is 25%, with a rate of 20% for the first € 200,000 of the taxable amount.

Resident individuals. An individual holding notes who is, or is deemed to be, resident in The Netherlands for income tax purposes will be subject to income tax in respect of income or a capital gain derived from the notes at rates up to 52 per cent if:

(i) the income or capital gain is attributable to an enterprise from which the holder derives profits (other than as a shareholder); or

(ii) the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor (ii) applies, an individual holding notes will be subject to income tax on the basis of a deemed return, regardless of any actual income or capital gain derived from the notes. The deemed return amounts 4% of the value of the individual's net assets as at the beginning of the relevant fiscal year (including the notes). Subject to application of certain allowances, the deemed return will be taxed at a rate of 30 per cent.

Non-residents

A holder of notes which is not, and is not deemed to be, resident in The Netherlands for the relevant tax purposes will not be subject to taxation on income or a capital gain derived from the notes unless:

(i) the income or capital gain is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) taxable in The Netherlands and the holder of notes derives profits from such enterprise (other than by way of notes); or

(ii) the holder is an individual and the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in The Netherlands as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

Gift And Inheritance Taxes

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of notes by way of gift by, or on the death of, a holder of notes, unless:

(i) such holder is, or is deemed to be, resident in The Netherlands for the purpose of the relevant provisions; or

(ii) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions.

Value Added Tax

There is no Dutch value added tax payable by a holder of notes in respect of payments in consideration for the issue of the notes or in respect of the payment of interest or principal under the notes, or the transfer of notes.

Other Taxes and Duties

There is no Dutch registration tax, stamp duty or any other similar tax or duty payable in The Netherlands by a holder of notes in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgement in the courts of The Netherlands) of the notes or the performance of the Issuer's obligations under the notes.

Residence

A holder of notes will not be and will not be deemed to be resident in The Netherlands for tax purposes and, subject to the exceptions set out above, will not otherwise become subject to Dutch taxation, by reason only of acquiring, holding or disposing of notes or the execution, performance, delivery and/or enforcement of notes.

European Union Directive on Taxation of Savings Income

Under Council Directive 2003/48/EC on the taxation of savings income (the "EU Savings Directive"), each E.U. Member State is required to provide to the tax authorities of another E.U. Member State details of payments of interest or other similar income made by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other E.U. Member State; however, for a transitional period, Austria may instead apply a withholding system in relation to such payments, deducting tax at a rate of 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-E.U. countries to the exchange of information relating to such payments.

A number of non-E.U. countries, and certain dependent or associated territories of certain E.U. Member States, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in an E.U. Member State. In addition, the E.U. Member States have entered into reciprocal provision of information arrangements or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in an E.U. Member State to, or collected by such a person for, an individual resident in one of those territories.

On 24 March 2014, the Council of the European Union adopted a directive amending the EU Savings Directive (the "Amending Directive"), amending and broadening the scope of the requirements described above. The Amending Directive requires E.U. Member States to apply these new requirements from January 1, 2017, and if they were to take effect, the changes would expand the range of payments covered by the EU Savings Directive, in particular to include additional types of income payable on securities. The Amending Directive would also expand the circumstances in which payments that indirectly benefit an individual resident in an E.U. Member State must be reported or be subject to withholding. This approach would apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the E.U.

However, the European Commission has proposed the repeal of the EU Savings Directive from 1 January 2017, in the case of Austria and from 1 January 2016, in the case of all other E.U. Member States (subject to on-going requirements to fulfill administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates and to certain other transitional provisions in the case of Austria). This is to prevent overlap between the EU Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on administrative cooperation in the field of taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, E.U. Member States will not be required to apply the new requirements of the Amending Directive.

Under, and subject to terms and conditions of, the paying agency agreement, the Issuer will ensure that it maintains a Paying Agent in an E.U. Member State that is not obliged to withhold or deduct tax pursuant to a directive or regulation of the European Union relating to the taxation of interest income or an inter-governmental agreement on its taxation in which the Netherlands or the European Union is involved or any provision implementing or complying with or introduced in order to conform to such directive, regulation or agreement.

CERTAIN ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase of the notes by employee benefit plans or other plans or arrangements that are subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA") or Section 4975 of the Code or entities whose underlying assets are considered to include "plan assets" of any such plan or arrangement, and government plans or other arrangements that are subject to any federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, "Similar Laws") (each, a "Plan").

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Part 4 of Title I of ERISA or Section 4975 of the Code (an "ERISA Plan") and prohibit certain transactions involving the assets of an ERISA Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such an ERISA Plan or the management or disposition of the assets of such an ERISA Plan, or who renders investment advice for a fee or other compensation to such an ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan.

In considering an investment in the notes of a portion of the assets of any Plan, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to a fiduciary's duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws.

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons who are "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of Section 4975 of the Code, unless a statutory, class or individual exemption applies. A party in interest or disqualified person who engages in a nonexempt prohibited transaction may be subject to excise taxes, penalties or liabilities under ERISA and Section 4975 of the Code, and the transaction may be subject to rescission. In addition, a fiduciary of an ERISA Plan that causes such plan to engage in a transaction that the fiduciary knows or should have known is a non-exempt prohibited transaction may be subject to liability under ERISA. The acquisition and/or holding of the notes by an ERISA Plan with respect to which we, the subsidiary guarantors or the initial purchasers are considered parties in interest or a disqualified persons might constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, the United States Department of Labor has issued prohibited transaction class exemptions ("PTCEs") that may apply to the acquisition and holding of the notes. These class exemptions include, without limitation, PTCE 84-14, respecting transactions determined by independent qualified professional asset managers, PTCE 90-1, respecting insurance company pooled separate accounts, PTCE 91-38, respecting bank collective investment funds, PTCE 95-60, respecting life insurance company general accounts and PTCE 96-23, respecting transactions determined by in-house asset managers. In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide relief from the prohibited transaction provisions of ERISA and Section 4975 of the Code for certain transactions, provided that neither the issuer of the securities nor any of its affiliates (directly or indirectly) has or exercises any discretionary authority or control or renders any investment advice with respect to the assets of any

ERISA Plan involved in the transaction and provided further that the ERISA Plan receives no less, nor pays any more, than adequate consideration in connection with the transaction. There can be no assurance that all of the conditions of any such exemptions will be satisfied.

Because of the foregoing, the notes should not be purchased or held by any person investing "plan assets" of any ERISA Plan unless such purchase and holding will not constitute a non-exempt prohibited transaction under ERISA or Section 4975 of the Code, or by any other benefit plan or arrangement subject to Similar Laws if it would result in any violation of any applicable Similar Laws.

Representation

Accordingly, by acceptance of any notes, each purchaser or transferee will be deemed to have represented and warranted that either (1) it is not, and is not acting on behalf of, and no portion of the assets used by such purchaser to acquire and hold the notes (or any interest therein) constitutes assets of any ERISA Plan or other benefit plan or arrangement subject to Similar Laws or (2) the purchase, holding and subsequent disposition of the notes or any interest therein by such purchaser or transferee will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or violation under any applicable Similar Laws.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering purchasing the notes (and holding the notes) on behalf of, or with the assets of, any ERISA Plan or other benefit plan or arrangement subject to Similar Laws, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such transactions and whether an exemption would be applicable to the purchase and holding of the notes.

PLAN OF DISTRIBUTION

Subject to the terms and conditions contained in the purchase agreement among the Issuer, the guarantors and Goldman Sachs International and J.P. Morgan Securities plc for themselves and on behalf of the several other initial purchasers, the Issuer has agreed to sell to the initial purchasers, and the initial purchasers have agreed to purchase from the Issuer, the entire principal amount of the notes.

The obligations of the initial purchasers under the purchase agreement, including their agreement to purchase notes from the Issuer, are several and not joint. The purchase agreement provides that the initial purchasers will purchase all of the notes being sold pursuant to the purchase agreement if any of them are purchased.

The initial purchasers initially propose to offer the notes for resale at the issue price that appears on the cover page of these Listing Particulars. After the initial offering, the initial purchasers may change the offering price and any other selling terms. The initial purchasers may offer and sell notes through certain of their affiliates.

In the purchase agreement, the Issuer, Darling Ingredients and the subsidiary guarantors have agreed that:

- During the period from May 29, 2015 through and including the date that is 90 days after May 29, 2015, they will not offer, sell, contract to sell or otherwise dispose of any debt securities (other than the notes) issued or guaranteed by the Issuer, Darling Ingredients or any subsidiary guarantor and having a tenor of more than one year, in each case without the prior consent of Goldman Sachs International and J.P. Morgan Securities plc.
- They will indemnify the initial purchasers against certain liabilities, including liabilities under the Securities Act, or contribute to payments that the initial purchasers may be required to make in respect of those liabilities.

The notes have not been registered under the Securities Act or the securities laws of any other jurisdiction. In the purchase agreement, each initial purchaser has agreed that:

- The notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from the registration requirements of the Securities Act or in transactions not subject to those registration requirements.
- During the initial distribution of the notes, it will offer or sell notes only to qualified institutional buyers in compliance with Rule 144A and outside the United States in compliance with Regulation S.

In addition, until 40 days following the commencement of this offering, an offer or sale of notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act unless the dealer makes the offer or sale in compliance with Rule 144A or another exemption from registration under the Securities Act.

Each initial purchaser:

- may only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the United Kingdom Financial Services and Markets Act 2000 (the “UKFSMA”)) received by it in connection with the issue or sale of the notes in circumstances in which Section 21(1) of the UKFSMA does not apply to the Issuer, Darling Ingredients or the subsidiary guarantors; and
- is required to comply with all applicable provisions of the UKFSMA with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom.

The notes (including rights representing an interest in each global note that represents the notes) may not be offered or sold to individuals or legal entities in The Netherlands other than to qualified investors as defined in The Netherlands Financial Supervision Act (*Wet op het financieel toezicht*).

The notes are a new issue of securities, and there is currently no established trading market for the notes. In addition, the notes are subject to certain restrictions on resale and transfer as described under the section entitled "*Notice to Investors*." We do not intend to apply for the notes to be listed on any securities exchange or to arrange for the notes to be quoted on any quotation system. The initial purchasers have advised us that they intend to make a market in the notes, but they are not obligated to do so. The initial purchasers may discontinue any market making in the notes at any time in their sole discretion. Accordingly, we cannot assure you that a liquid trading market will develop for the notes, that you will be able to sell your notes at a particular time or that the prices that you receive when you sell will be favorable.

You should be aware that the laws and practices of certain countries require investors to pay stamp taxes and other charges in connection with purchases of securities.

In connection with the offering of the notes, the initial purchasers may engage in overallotment, stabilizing transactions and syndicate covering transactions. Overallotment involves sales in excess of the offering size, which creates a short position for the initial purchasers. Stabilizing transactions involve bids to purchase the notes in the open market for the purpose of pegging, fixing or maintaining the price of the notes. Syndicate covering transactions involve purchases of the notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions and syndicate covering transactions may have the effect of preventing or retarding a decline in the market price of the notes or cause the price of the notes to be higher than it would otherwise be in the absence of those transactions. If the initial purchasers engage in stabilizing or syndicate covering transactions, they may discontinue them at any time.

The initial purchasers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the initial purchasers and their affiliates have engaged, and may in the future engage, in investment banking, commercial banking and other financial advisory and commercial dealings with us and our affiliates. In particular, JPMorgan Chase Bank, N.A., an affiliate of J.P. Morgan Securities plc, acts as administrative agent under our Senior Secured Credit Facilities. Affiliates of certain of the initial purchasers are lenders under the Senior Secured Facilities. We intend to use the net proceeds from this offering to refinance the outstanding borrowings under the Euro Term Loan B of the Senior Secured Facilities and to pay fees and expenses related thereto, and to use any remaining proceeds for general corporate purposes. As a result, affiliates of the initial purchasers that are lenders under the term loan B facility will receive a portion of the net proceeds of this offering. The initial purchasers and their affiliates may hold positions in the 5.375% Notes.

In the ordinary course of their various business activities, the initial purchasers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the issuer. The initial purchasers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

LEGAL MATTERS

Sidley Austin LLP, New York, New York will pass upon the validity of the notes with respect to matters of U.S. federal and New York state law on behalf of us and Clifford Chance LLP, Amsterdam, The Netherlands, will pass upon the validity of the notes with respect to matters of Dutch law on behalf of us. The validity of the notes will be passed upon for the initial purchasers by Simpson Thacher & Bartlett LLP, New York, New York, with respect to matters of U.S. federal and New York state law, and by NautaDutilh New York P.C., New York, New York, with respect to matters of Dutch law.

INDEPENDENT AUDITORS

The consolidated financial statements of Darling Ingredients Inc. and its subsidiaries as of January 3, 2015 and December 28, 2013 and for each of the fiscal years in the three-year period ended January 3, 2015, included and incorporated by reference in these Listing Particulars, and the effectiveness of internal control over financial reporting as of January 3, 2015, have been audited by KPMG LLP, independent registered public accounting firm and member of the American Institute of Certified Public Accountants (AICPA), as stated in their reports appearing and incorporated by reference herein. The audit report on the consolidated financial statements refers to a change in the date of the Company's annual assessment of goodwill and indefinite lived intangible assets impairment in 2014. The audit report on the effectiveness of internal control over financial reporting contains an explanatory paragraph stating that during 2014 the Company acquired VION Ingredients and management excluded from its assessment of the effectiveness of the Company's internal control over financial reporting as of January 3, 2015, VION Ingredients' internal control over financial reporting associated with total assets of $2,849 million and total revenues of $2,065 million included in the consolidated financial statements of Darling Ingredients Inc. and subsidiaries as of and for the year ended January 3, 2015. The audit of internal control over financial reporting of the Company also excluded an evaluation of the internal control over financial reporting of VION Ingredients.

WHERE YOU CAN FIND MORE INFORMATION

Darling Ingredients files annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy materials filed with the SEC at the SEC's public reference room, at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of its public reference room. Darling Ingredients' SEC filings are available to the public on the SEC's Internet site at www.sec.gov. Darling Ingredients' SEC filings can also be found on Darling's website at www.darlingii.com. However, the information contained on Darling's website does not constitute part of these Listing Particulars and is not incorporated by reference herein. In addition, you can inspect reports and other information filed by Darling Ingredients at the office of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

DOCUMENTS INCORPORATED BY REFERENCE

These Listing Particulars "incorporate by reference" certain information that Darling Ingredients files with the SEC under the Exchange Act. This means we are disclosing important information to you by referring you to these filings. The information incorporated by reference in these Listing Particulars constitutes a part of these Listing Particulars.

We incorporate by reference into these Listing Particulars the following documents filed by Darling Ingredients with the SEC (other than, in each case, any portion of those documents deemed to have been furnished and not filed in accordance with SEC rules):

- Darling Ingredients' Annual Report on Form 10-K for the fiscal year ended January 3, 2015 filed on March 4, 2015;
- Darling Ingredients' Quarterly Report on Form 10-Q for the fiscal quarter ended on April 4, 2015, filed on May 14, 2015;
- Darling Ingredients' Current Reports on Form 8-K, dated as of February 23, 2015, February 27, 2015, March 23, 2015, April 9, 2015, May 12, 2015 (Item 5.07) and May 13, 2015 (Items 1.01 and 9.01); and
- Selected portions of Darling Ingredients' Definitive Proxy Statement on Schedule 14A filed on March 31, 2015 that are incorporated by reference into Part III of the Annual Report on Form 10-K for the fiscal year ended January 3, 2015.

These Listing Particulars may contain information that updates, modifies or is contrary to information in one or more of the documents incorporated by reference in these Listing Particulars. You should rely only on the information incorporated by reference or provided in these Listing Particulars and any related pricing term sheet. We have not authorized anyone else to provide you with different information. You should not assume that the information in these Listing Particulars is accurate as of any date other than the date of these Listing Particulars or the date of the documents incorporated by reference in these Listing Particulars. Our business, financial condition and results of operations and prospects may have changed since those dates.

We will provide without charge to each person, including any beneficial owner of notes, to whom these Listing Particulars are delivered, upon his or her written or oral request, a copy of any or all documents referred to above that have been or are deemed incorporated by reference in these Listing Particulars, excluding exhibits to those documents unless they are specifically incorporated by reference into those documents. Requests for those documents should be directed to us, either in writing or by telephone, as follows:

Darling Ingredients Inc.
251 O'Connor Ridge Blvd.
Suite 300
Irving, Texas 75038
Telephone: (972) 717-0300
Fax: (972) 717-1588
Attn: Investor Relations

Any statement made in these Listing Particulars concerning the contents of any contract, agreement or other document is only a summary of the actual document. You may obtain a copy of any document summarized in these Listing Particulars at no cost by writing to or telephoning us at the address and telephone number given above. Each statement regarding a contract, agreement or other document is qualified in its entirety by reference to the actual document. Except for the specific incorporated documents listed above, no information available on or through our website shall be deemed to be incorporated in these Listing Particulars.

LIMITATIONS ON THE VALIDITY AND ENFORCEABILITY OF THE NOTES

The Netherlands

Insolvency Proceedings

The Issuer is incorporated in The Netherlands. Provided that the center of main interest under the European Council Regulation (EC) no. 1346/2000 of May 29, 2000 on insolvency proceedings (the "Insolvency Regulation") is deemed to be located in The Netherlands, proceedings by or against the Issuer may very well be based on Dutch insolvency laws.

Dutch insolvency law differs significantly from insolvency proceedings in the United States and may make it more difficult for holders of notes to recover the amount they may expect to recover in liquidation or bankruptcy proceedings in the United States.

There are two primary insolvency regimes under Dutch law. The first, moratorium of payments (*surseance van betaling*), is intended to facilitate the reorganization of a debtor's indebtedness and enable the debtor to continue as a going concern. The second, bankruptcy (*faillissement*), is primarily designed to liquidate and distribute the proceeds of the assets of a debtor to its creditors. Both insolvency regimes are set forth in the Dutch Bankruptcy Act. A general description of the principles of both insolvency regimes is set out below.

An application for a moratorium of payments can only be made by the debtor itself. Once the request for a moratorium of payments is filed the court will immediately (*dadelijk*) grant a provisional moratorium. A court hearing of amongst others creditors is required to decide on the definitive moratorium. If a draft composition (*ontwerp akkoord*) is filed simultaneously with the application for moratorium of payments, the court can order that the composition will be processed before a decision about a definitive moratorium. If the composition is accepted by the creditors and subsequently irrevocably confirmed by the court (*gehomologeerd*), the provisional moratorium ends. The definitive moratorium will generally be granted unless a qualified minority (more than one-quarter in amount of claims held by creditors represented at the creditors' meeting or more than one-third in number of creditors represented at such creditors' meeting) of the unsecured non-preferential creditors withholds its consent. The moratorium of payments is only effective with regard to unsecured non-preferential creditors. Unlike Chapter 11 proceedings under U.S. bankruptcy law, during which both secured and unsecured creditors are generally barred from seeking to recover on their claims during a moratorium of payments, under Dutch law, secured and preferential creditors (including, among other parties, tax and social security authorities) may enforce their rights against assets of the company in moratorium of payments to satisfy their claims as if there were no moratorium of payments. A recovery under Dutch law could, therefore, involve a sale of assets that does not reflect the going concern value of the debtor. However, the court may order a "cooling down period" for a maximum period of four months during which enforcement actions by secured or preferential creditors are barred. In a moratorium of payments, whether definitive or temporary, a composition (*akkoord*) may be offered to creditors. A composition will be binding on all unsecured and non-preferential creditors if it is (i) approved by a simple majority of the meeting of the recognized and of the admitted creditors representing at least 50% of the amount of the recognized and of the admitted claims, and (ii) subsequently irrevocably ratified (*gehomologeerd*) by the court. Even if the composition is not accepted by the creditors, the composition may still be accepted by the District Court or, if appointed, the supervisory judge if (i) three-fourths of the admitted and recognized ordinary creditors present at the creditor's meeting voted in favor of the composition and (ii) the non-acceptance of the composition during the creditor's meeting is the consequence of a vote against the composition by one or more creditors who, taking into consideration all relevant circumstances, in particular the percentage that such creditor(s) would receive in case of a bankruptcy of the debtor, could not have come to the decision to vote against the composition if such creditor would have acted reasonably. Consequently, Dutch insolvency laws could preclude or inhibit the ability of the holders of notes to effect a restructuring and could reduce the recovery of a holder of notes in Dutch moratorium of payments proceedings. Interest payments that fall due after the date on which a moratorium of payments is granted cannot be claimed in a composition.

Under Dutch bankruptcy proceedings, the assets of a debtor are generally liquidated and the proceeds distributed to the debtor's creditors in accordance with the respective rank and priority of their claims. As in moratorium of payments proceedings, the court may order a "cooling down period" for a maximum of four months during which enforcement actions by secured or preferential creditors are barred unless such creditors have obtained leave for enforcement from the supervisory judge. Note that any applicable cooling down period does not bar creditors of the bankrupt estate (*boedelschuldeisers*) to take enforcement actions against the bankrupt estate if and when a claim of such creditor has become due and payable. The claim of a creditor may be limited depending on the date the claim becomes due and payable in accordance with its terms. Generally, claims of the holders of notes that were not due and payable by their terms on the date of the bankruptcy of the Issuer will be accelerated and become due and payable as of that date. Each of these claims will have to be submitted to the receiver to be verified by the receiver in accordance with the applicable provisions of the Dutch Bankruptcy Act or a collective settlement agreement (if any) within the meaning of the Dutch Act on Collective Settlement of Mass Claims. "Verification" under Dutch law means that the receiver takes a preliminary decision on the value of the claim and whether and to what extent it will be admitted in the bankruptcy proceedings. The valuation of claims that otherwise would not have been payable at the time of the bankruptcy proceedings but only would have been payable on a date one year after the date of bankruptcy may be based on a net present value analysis or collective settlement agreement (if any). Interest payments that fall due after the date of the bankruptcy cannot be verified. The existence, value and ranking of any claims submitted by the holders of the notes may be challenged in the Dutch bankruptcy proceedings. Generally, in a creditors' meeting (*verificatie vergadering*), the receiver, the insolvent debtor and all verified creditors may dispute the verification of claims of other creditors. In order to qualify for a distribution in the liquidation, creditors whose claims or value thereof are disputed in the creditors meeting by others than the debtor may be referred to separate court proceedings (*renvooi procedure*). These renvooi procedures could cause holders of notes to recover less than the percentage they would receive if their claim was fully acknowledged or less than they could recover in a U.S. liquidation. Such renvooi procedures or proceeding for granting a collective settlement agreement binding effect could also cause payments to the holders of notes to be delayed compared with holders of undisputed claims or where no such collective settlement agreement has been concluded. Further, and unless in certain cases if the receiver in bankruptcy concluded a collective settlement agreement in a bankruptcy, a composition may be offered to creditors, which shall be binding on unsecured non-preferential creditors if (i) it is approved by a simple majority of the meeting of unsecured non-preferential creditors with admitted and provisionally admitted claims, representing at least 50% of the total amount of the admitted and provisionally admitted unsecured non preferential claims, and (ii) subsequently irrevocably ratified (*gehomologeerd*) by the court. Even if the composition is not accepted by the creditors, the composition may still be accepted by the District Court or, if appointed, the supervisory judge if (i) three-fourths of the admitted and (provisional) recognized ordinary creditors present at the creditor's meeting voted in favor of the composition and (ii) the non-acceptance of the composition during the creditor's meeting is the consequence of a vote against the composition of one or more creditors that, taking into consideration all relevant circumstances, in particular the percentage that such creditor(s) would receive in case of a bankruptcy of the debtor, could not have come to the decision to vote against the composition if such creditor would have acted reasonably. The Dutch Bankruptcy Act does not in itself recognize the concept of classes of creditors. Remaining amounts, if any, after satisfaction of the creditors of the bankruptcy estate, secured and the preferential creditors, are distributed among the unsecured non-preferential creditors, which will be satisfied on a pro rata basis. Contractual subordination may to a certain extent be given effect in Dutch insolvency proceedings. The actual effect depends largely on the way such subordination is construed.

Set-off is allowed prior to the bankruptcy, although a set-off prior to bankruptcy may be subject to clawback in the case of fraudulent conveyance or bad faith in obtaining the claim used for set-off. Also, payments made prior to the bankruptcy order may be avoided in Dutch insolvency proceedings. Voluntary (*onverplichte*) payments made by the debtor can be avoided if the debtor knew or should have known at the moment of payment that the creditors would be prejudiced. In case of bankruptcy, knowledge exists where the parties could foresee the bankruptcy of the debtor with a reasonable amount of probability. Even payments made that were due and payable can be avoided if (i) the payee (*hij die betaling ontving*) knew that the application for bankruptcy of the debtor was filed at the moment of payment or (ii) the debtor and the payee engaged in this payment in a conspiracy in order to prejudice other creditors.

Under Dutch law, as soon as a debtor is declared bankrupt, all pending executions of judgments against such debtor, as well as all attachments on the debtor's assets (other than with respect to secured creditors and certain other creditors), will be terminated by operation of law. The opening of bankruptcy proceedings and the granting of suspension of payments will have retroactive effect until 0:00h of the day that the debtor is declared bankrupt or suspension of payments is (provisionally) granted, respectively. Simultaneously with the opening of the bankruptcy, a Dutch receiver will be appointed. The proceeds resulting from the liquidation of the bankrupt estate may not be sufficient to satisfy unsecured creditors. Litigation pending on the date of the bankruptcy order is automatically stayed.

Limitations on Validity and Enforceability of the Obligations of the Issuer under the Notes

Whether or not the Issuer is insolvent in The Netherlands, pursuant to Dutch law, the obligations of the Issuer under the notes may be affected by the standards of reasonableness and fairness (*redelijkheid en billijkheid*), force majeure (*niet-toerekenbare tekortkoming*) and unforeseen circumstances (*onvoorziene omstandigheden*).

Other general defenses include claims that the notes should be avoided on grounds of abuse of circumstances (*misbruik van omstandigheden*), deceit (*bedrog*), intimidation (*bedreiging*) or mistake (*dwaling*), the right to set off (*verrekening*) and the right to suspend performance (*opschortingsrecht*) or dissolve (*ontbinding*) a contract if the other party is in default in respect of its obligations.

The validity and enforceability of the obligations of the Issuer under the notes may be successfully contested by it (or its administrator (*bewindvoerder*) in suspension of payments or its bankruptcy trustee (*curator*) in bankruptcy) on the basis of an ultra vires claim, which will be successful if both (i) the obligations of the company do not fall within the scope of the objects clause as set out in the company's articles of association (*doeloverschrijding*) and (ii) the company's counterparty knew or ought to have known (without inquiry) of this fact. In determining whether a transaction is in furtherance of the objects and purposes of a Dutch company, a court will consider (i) the text of the objects clause in the company's articles of association and (ii) all relevant circumstances including whether the issuing of the notes is in the company's corporate interests (*vennootschappelijk belang*) and to its benefit and whether the company's subsistence is jeopardized by the issuing of the notes. The mere fact that a certain legal act (*rechtshandeling*) is explicitly reflected in a Dutch company's objects clause may not be conclusive evidence that such legal act is not ultra vires.

Enforceability of Civil Liabilities and Judgments Pursuant Thereto

The ability of holders of notes in certain countries other than The Netherlands to bring an action against the Issuer may be limited under applicable law. Certain of the Issuer's directors named in these Listing Particulars are residents of, in which case most of their assets are located in, jurisdictions outside the United States. Substantially all of the Issuer's assets are also located outside the United

States. As a result, it may be difficult for you to serve process on the Issuer or these persons within the United States or to enforce against the Issuer or these persons in courts in the United States, judgments of these courts predicated upon the civil liability provisions of U.S. securities laws. In addition, it is not clear whether a Dutch court would impose civil liability on the Issuer or its directors in an original action based solely upon the federal securities laws of the United States brought in a court of competent jurisdiction in The Netherlands.

The United States and The Netherlands do not have a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Consequently, a final and enforceable judgment for payment given by any court in the United States would not be enforceable in The Netherlands. In order to obtain a judgment which is enforceable in The Netherlands, the claim must be re-litigated before a competent Netherlands court. A Netherlands court will, under current practice, generally grant the same judgment without re-litigation on the merits, provided that:

- the foreign court rendering the judgment had jurisdiction over the subject matter of the litigation on internationally acceptable grounds (for example, if the parties have agreed, in a written contract, to submit their disputes to the foreign court);
- the foreign court has conducted the proceedings in accordance with generally accepted principles of fair trial (e.g. after proper service of process, giving the defendant sufficient time to prepare for the litigation);
- the foreign judgment is not in conflict with Dutch public policy (we are not aware of any reasons why in general enforcement of payment obligations under a foreign law agreement would be in conflict with current Dutch public policy);
- the foreign judgment is not in conflict with a decision rendered by a Dutch court between the same parties, or with an earlier judgment rendered by a foreign court in proceedings involving the same cause of action and between the same parties, provided that the earlier decision can be recognized in The Netherlands; and
- the foreign decision is—according to the law of its country of origin—formally capable of being enforced (e.g., is readily enforceable, has not been annulled in appeal or its enforceability has not been subject to a certain time frame).

Awards of punitive damages in actions brought in the United States or elsewhere may be unenforceable in The Netherlands. Furthermore, it may be difficult for noteholders to enforce judgments of U.S. courts predicated upon the civil liability provisions of the U.S. federal securities laws outside the United States. Finally, it is doubtful whether a Netherlands court would accept jurisdiction and impose civil liability in an action commenced in The Netherlands and predicated solely upon U.S. federal securities laws.

In the event a third party is liable to a Dutch company, only the company itself can bring a civil action against that party. The individual shareholders do not have the right to bring an action on behalf of the company. Only in the event that the cause for the liability of a third party to the company also constitutes a tortious act directly against a shareholder does that shareholder have an individual right of action against such third party in its own name. The Dutch Civil Code does provide for the possibility to initiate such actions collectively. A foundation or an association whose objective is to protect the rights of a group of persons having similar interests can institute a collective action. The collective action itself cannot result in an order for payment of monetary damages but may only result in a declaratory judgment (*verklaring voor recht*). In order to obtain compensation for damages, the foundation or association and the defendant may reach—often on the basis of such declaratory judgment—a settlement. A Dutch court may declare the settlement agreement binding upon all the injured parties with an opt-out choice for an individual injured party. An individual injured party may also itself institute a civil claim for damages.

LISTING AND GENERAL INFORMATION

Listing

Application has been made to the Irish Stock Exchange for the notes to be admitted to the Official List and for trading on the Global Exchange Market in accordance with the rules of that exchange. Prior to the listing, a legal notice relating to the issuance of the notes and our certified organizational documents will be deposited with the listing agent in Ireland, where such documents may be examined and copies obtained free of charge. The Issuer estimates that the total expenses related to admission to trading will amount to less than €10,000. For so long as the notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, any announcement regarding the addition of one or more new subsidiary guarantors and all notices to holders of the notes, including any notice of any additional redemption, change of control or any change in the rate of interest payable on the notes will be filed with the Companies Announcement Office of the Irish Stock Exchange.

We have obtained all necessary consents, approvals and authorizations (if any) in connection with the issuance and performance of our obligations in respect of the notes.

Save as disclosed in these Listing Particulars, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which we are aware) in the 12 months preceding the date of these Listing Particulars which may have or have in such period had a significant effect upon the financial position or profitability of us.

Except as disclosed herein, there has been no material adverse change in our prospects since January 3, 2015.

Except as disclosed herein, there has been no significant change in our financial or trading position since April 4, 2015.

For the life of the Listing Particulars, copies of the following documents may be inspected (in physical form) and obtained at either the Issuer's registered office or its principal place of business during normal business hours on any weekday (other than a holiday or other day on which such office would customarily be closed):

- the organizational documents of the Issuer;
- Darling's most recent audited consolidated financial statements and subsequent interim consolidated financial statements for the two most recent fiscal years, in each case published by Darling; and
- the indenture that will govern the notes (which includes the form of the notes and sets forth the terms of the guarantees of the notes).

The Issuer has appointed Arthur Cox Listing Services Limited as Irish listing agent, Citibank, N.A., London Branch, as principal paying agent and transfer agent and Citigroup Global Markets Deutschland AG, as registrar. We reserve the right to change these appointments and, for so long as the notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, we will file a notice of any change of Paying Agent, Registrar or Transfer Agent with the Companies Announcement Office of the Irish Stock Exchange.

Application may be made to the Irish Stock Exchange to have the notes removed from listing on the Official List of the Irish Stock Exchange for trading on the Global Exchange Market, including if necessary to avoid any new withholding taxes in connection with the listing.

So long as the notes are listed on the Official List of the Irish Stock Exchange for trading on the Global Exchange Market, the notes will be freely transferable and negotiable in accordance with the rules of the Irish Stock Exchange.

Clearing Information

The notes sold pursuant to Regulation S and the notes sold pursuant to Rule 144A have been accepted for clearance through the facilities of Euroclear and Clearstream. The common code number and ISIN for the notes sold pursuant to Regulation S under the Securities Act will be 124098475 and XS1240984754, respectively.

The common code number and ISIN for the notes sold pursuant to Rule 144A under the Securities Act are 124098645 and XS1240986452, respectively.

The Issuer

The Issuer was incorporated under the laws of The Netherlands on May 13, 2015 as a Dutch private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*). The Issuer is registered with the trade register of the chambers of commerce under the number 59238666. The Issuer's registered office is located at N.C.B.-weg 10, 5681 RH Best, The Netherlands, and its telephone number is +31 499 364 801.

The Guarantors

The guarantors are listed below as follows:

- Darling Ingredients Inc. is a corporation organized under the laws of Delaware. It is registered under IRS Employer Identification Number 36-2495346 and the address of its registered office is 251 O'Connor Ridge Blvd. Ste 300, Irving, Texas 75038.
- Craig Protein Division, Inc. is a corporation organized under the laws of the Georgia (United States). It is registered under IRS Employer Identification Number 58-1184115 and the address of its registered office is 251 O'Connor Ridge Blvd. Ste 300, Irving, Texas 75038.
- Darling AWS LLC is a limited liability company organized under the laws of Delaware. It is registered under IRS Employer Identification Number 80-0945703 and the address of its registered office is 251 O'Connor Ridge Blvd. Ste 300, Irving, Texas 75038.
- Darling Global Holdings Inc. is a corporation organized under the laws of Delaware. It is registered under IRS Employer Identification Number 46-3678708 and the address of its registered office is 251 O'Connor Ridge Blvd. Ste 300, Irving, Texas 75038.
- Darling National LLC is a limited liability company organized under the laws of Delaware. It is registered under IRS Employer Identification Number 16-1744509 and the address of its registered office is 251 O'Connor Ridge Blvd. Ste 300, Irving, Texas 75038.
- Darling Northstar LLC is a limited liability company organized under the laws of Delaware. It is registered under IRS Employer Identification Number 46-368-6178 and the address of its registered office is 251 O'Connor Ridge Blvd. Ste 300, Irving, Texas 75038.
- EV Acquisition, Inc. is a corporation organized under the laws of Arkansas. It is registered under IRS Employer Identification Number 20-2053162 and the address of its registered office is 251 O'Connor Ridge Blvd. Ste 300, Irving, Texas 75038.

- Griffin Industries LLC is a limited liability company organized under the laws of Kentucky. It is registered under IRS Employer Identification Number 61-0563460 and the address of its registered office is 251 O'Connor Ridge Blvd. Ste 300, Irving, Texas 75038.
- Rousselot Inc. is a corporation organized under the laws of Delaware. It is registered under IRS Employer Identification Number 20-4554170 and the address of its registered office is 251 O'Connor Ridge Blvd. Ste 300, Irving, Texas 75038.
- Rousselot Dubuque Inc. is a corporation organized under the laws of Delaware. It is registered under IRS Employer Identification Number 75-3029395 and the address of its registered office is 251 O'Connor Ridge Blvd. Ste 300, Irving, Texas 75038.
- Rousselot Peabody Inc. is a corporation organized under the laws of Massachusetts. It is registered under IRS Employer Identification Number 04-1272190 and the address of its registered office is 251 O'Connor Ridge Blvd. Ste 300, Irving, Texas 75038.
- Sonac USA LLC is a limited liability company organized under the laws of Delaware. It is registered under IRS Employer Identification Number 27-1709469 and the address of its registered office is 251 O'Connor Ridge Blvd. Ste 300, Irving, Texas 75038.
- Terra Holding Company is a corporation organized under the laws of Delaware. It is registered under IRS Employer Identification Number 73-1624492 and the address of its registered office is 251 O'Connor Ridge Blvd. Ste 300, Irving, Texas 75038.
- Terra Renewal Services, Inc. is a corporation organized under the laws of Arkansas. It is registered under IRS Employer Identification Number 71-0774612 and the address of its registered office is 251 O'Connor Ridge Blvd. Ste 300, Irving, Texas 75038.

Directory

The registered address of the Trustee is as follows:

Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf, London E14 5LB
United Kingdom

The registered address of the Paying Agent is as follows:

Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf, London E14 5LB
United Kingdom

The registered address of the Registrar is as follows:

Citigroup Global Markets Deutschland AG
Reuterweg 16
60323 Frankfurt
Germany

The registered address of Sidley Austin LLP, special U.S. counsel to Darling, is as follows:

Sidley Austin LLP
787 Seventh Avenue
New York, New York 10019
United States

The registered address of Clifford Chance LLP, special Netherlands counsel to Darling, is as follows:

Clifford Chance LLP
Droogbak 1a
1013 GE
Amsterdam
The Netherlands

The registered address of KPMG LLP, auditor to Darling, is as follows:

KPMG LLP
717 North Harwood Street, Suite 2100
Dallas, Texas 75201
United States

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INDEX TO FINANCIAL STATEMENTS

DARLING INGREDIENTS INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
April 4, 2015 and January 3, 2015
(in thousands, except share data)

	April 4, 2015 (unaudited)	January 3, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	$ 112,131	$ 108,784
Restricted cash	353	343
Accounts receivable, net	376,968	409,779
Inventories	398,179	401,613
Prepaid expenses	54,848	44,629
Income taxes refundable	25,531	22,140
Other current assets	30,642	21,324
Deferred income taxes	45,139	45,001
Total current assets	1,043,791	1,053,613
Property, plant and equipment, less accumulated depreciation of $540,327 at April 4, 2015 and $525,699 at January 3, 2015	1,507,625	1,574,116
Intangible assets, less accumulated amortization of $198,281 at April 4, 2015 and $184,909 at January 3, 2015	869,800	932,413
Goodwill	1,255,105	1,320,419
Investment in unconsolidated subsidiaries	198,639	202,712
Other assets	67,023	71,009
Deferred income taxes	15,832	16,431
	$4,957,815	$5,170,713
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 81,195	$ 54,401
Accounts payable, principally trade	161,853	168,518
Income taxes payable	6,138	4,363
Accrued expenses	224,845	256,119
Deferred income taxes	1,540	642
Total current liabilities	475,571	484,043
Long-term debt, net of current portion	2,009,535	2,098,039
Other non-current liabilities	112,354	114,700
Deferred income taxes	402,414	422,797
Total liabilities	2,999,874	3,119,579
Commitments and contingencies		
Stockholders' equity:		
Common stock, $0.01 par value; 250,000,000 shares authorized; 166,999,637 and 166,213,793 shares issued at April 4, 2015 and at January 3, 2015, respectively	1,670	1,662
Additional paid-in capital	1,481,590	1,479,637
Treasury stock, at cost; 1,779,614 and 1,501,130 shares at April 4, 2015 and at January 3, 2015, respectively	(27,638)	(23,207)
Accumulated other comprehensive loss	(274,895)	(177,060)
Retained earnings	672,067	671,958
Total Darling's stockholders' equity	1,852,794	1,952,990
Noncontrolling interests	105,147	98,144
Total stockholders' equity	$1,957,941	$2,051,134
	$4,957,815	$5,170,713

The accompanying notes are an integral part of these consolidated financial statements.

DARLING INGREDIENTS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
Three months ended April 4, 2015 and March 29, 2014
(in thousands, except per share data)
(unaudited)

	Three Months Ended	
	April 4, 2015	March 29, 2014
Net sales	$874,694	$946,292
Costs and expenses:		
Cost of sales and operating expenses	684,521	775,206
Selling, general and administrative expenses	86,631	90,033
Acquisition and integration costs	5,319	15,948
Depreciation and amortization	66,398	65,669
Total costs and expenses	842,869	946,856
Operating income/(loss)	31,825	(564)
Other expense:		
Interest expense	(23,109)	(58,857)
Foreign currency gain/(loss)	(2,460)	(13,814)
Other income/(expense), net	(509)	(1,138)
Total other expense	(26,078)	(73,809)
Equity in net income/(loss) of unconsolidated subsidiaries	(1,808)	5,077
Income/(loss) before income taxes	3,939	(69,296)
Income tax expense/(benefit)	2,115	(18,290)
Net income/(loss)	1,824	(51,006)
Net (income)/loss attributable to noncontrolling interests	(1,715)	(1,797)
Net income/(loss) attributable to Darling	$ 109	$ (52,803)
Basic income/(loss) per share	$ —	$ (0.32)
Diluted income/(loss) per share	$ —	$ (0.32)

The accompanying notes are an integral part of these consolidated financial statements.

DARLING INGREDIENTS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)
Three months ended April 4, 2015 and March 29, 2014
(in thousands)
(unaudited)

	Three Months Ended	
	April 4, 2015	March 29, 2014
Net income/(loss)	$ 1,824	$(51,006)
Other comprehensive income/(loss), net of tax:		
Foreign currency translation	(98,642)	20,615
Pension adjustments	769	320
Natural gas swap derivative adjustments	—	(113)
Corn option derivative adjustments	38	(1,598)
Total other comprehensive income/(loss), net of tax	(97,835)	19,224
Total comprehensive income/(loss)	$ (96,011)	$(31,782)
Comprehensive income/(loss) attributable to noncontrolling interests	7,042	868
Comprehensive income/(loss) attributable to Darling	$(103,053)	$(32,650)

The accompanying notes are an integral part of these consolidated financial statements.

DARLING INGREDIENTS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
Three months ended April 4, 2015 and March 29, 2014
(in thousands)
(unaudited)

	April 4, 2015	March 29, 2014
Cash flows from operating activities:		
Net income/(loss)	$ 1,824	$ (51,006)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	66,398	65,669
Loss/(gain) on disposal of property, plant, equipment and other assets	47	(916)
Gain on insurance proceeds from insurance settlements	(341)	—
Deferred taxes	503	(9,499)
Increase/(decrease) in long-term pension liability	261	(688)
Stock-based compensation expense	1,282	8,459
Write-off deferred loan costs	—	4,330
Deferred loan cost amortization	2,409	2,452
Equity in net (income)/loss of unconsolidated subsidiaries	1,808	(5,077)
Changes in operating assets and liabilities, net of effects from acquisitions:		
Accounts receivable	12,269	7,018
Income taxes refundable/payable	(1,857)	(11,739)
Inventories and prepaid expenses	(26,511)	16,700
Accounts payable and accrued expenses	(19,985)	(63,824)
Other	21,133	7,617
Net cash provided/(used) by operating activities	59,240	(30,504)
Cash flows from investing activities:		
Capital expenditures	(50,838)	(51,360)
Acquisitions, net of cash acquired	—	(2,081,690)
Gross proceeds from disposal of property, plant and equipment and other assets	534	1,324
Proceeds from insurance settlement	341	—
Payments related to routes and other intangibles	(753)	(6,812)
Net cash used by investing activities	(50,716)	(2,138,538)
Cash flows from financing activities:		
Proceeds from long-term debt	5,943	1,797,509
Payments on long-term debt	(13,602)	(263,971)
Borrowings from revolving credit facility	27,428	223,310
Payments on revolving credit facility	(37,943)	(273,474)
Net cash overdraft financing	31,162	—
Deferred loan costs	—	(38,786)
Issuance of common stock	81	2,504
Minimum withholding taxes paid on stock awards	(4,469)	(4,709)
Excess tax benefits from stock-based compensation	(35)	960
Distributions to noncontrolling interests	(38)	—
Net cash provided by financing activities	8,527	1,443,343
Effect of exchange rate changes on cash	(13,704)	(1,736)
Net increase/(decrease) in cash and cash equivalents	3,347	(727,435)
Cash and cash equivalents at beginning of period	108,784	870,857
Cash and cash equivalents at end of period	$112,131	$ 143,422
Supplemental disclosure of cash flow information:		
Accrued capital expenditures	$ 2,164	$ 1,437
Cash paid during the period for:		
Interest, net of capitalized interest	$ 26,118	$ 35,472
Income taxes, net of refunds	$ 5,149	$ 5,466

The accompanying notes are an integral part of these consolidated financial statements.

Notes to Consolidated Financial Statements
April 4, 2015
(unaudited)

(1) General

Darling Ingredients Inc., a Delaware corporation ("Darling", and together with its subsidiaries, the "Company"), is a global developer and producer of sustainable natural ingredients from edible and inedible bio-nutrients, creating a wide range of ingredients and customized specialty solutions for customers in the pharmaceutical, food, pet food, feed, technical, fuel, bioenergy and fertilizer industries. As further discussed in Note 3, on January 7, 2014, the Company acquired the VION Ingredients business division ("VION Ingredients") of VION Holding, N.V., a Dutch limited liability company ("VION"), by purchasing all of the shares of VION Ingredients International (Holding) B.V., and VION Ingredients Germany GmbH, and 60% of Best Hides GmbH (collectively, the "VION Companies"), pursuant to a Sale and Purchase Agreement dated October 5, 2013, as amended, between Darling and VION (the "VION Acquisition"). The VION Ingredients business is now conducted under the name Darling Ingredients International. The Company's business is conducted through a global network of over 200 locations across five continents. Effective December 29, 2013, the Company's business operations were reorganized into three new segments, Feed Ingredients, Food Ingredients and Fuel Ingredients, in order to better align its business with the underlying markets and customers that the Company serves. See Note 13 to the consolidated financial statements.

The accompanying consolidated financial statements for the three month periods ended April 4, 2015 and March 29, 2014, have been prepared by the Company in accordance with generally accepted accounting principles in the United States ("GAAP") without audit, pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). The information furnished herein reflects all adjustments (consisting only of normal recurring accruals) that are, in the opinion of management, necessary to present a fair statement of the financial position and operating results of the Company as of and for the respective periods. However, these operating results are not necessarily indicative of the results expected for a full fiscal year. Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with GAAP have been omitted pursuant to such rules and regulations. However, management of the Company believes, to the best of their knowledge, that the disclosures herein are adequate to make the information presented not misleading. The accompanying consolidated financial statements should be read in conjunction with the audited consolidated financial statements contained in the Company's Form 10-K for the fiscal year ended January 3, 2015.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The consolidated financial statements include the accounts of Darling and its consolidated subsidiaries. Noncontrolling interests represents the outstanding ownership interest in the Company's consolidated subsidiaries that are not owned by the Company. In the accompanying Consolidated Statements of Operations, the noncontrolling interest in net income (loss) of the consolidated subsidiaries is shown as an allocation of the Company's net income and is presented separately as "Net income/(loss) attributable to noncontrolling interests". In the Company's Consolidated Balance Sheets, noncontrolling interests represents the ownership interests in the Company consolidated subsidiaries' net assets held by parties other than the Company. These ownership interests are presented separately as "Noncontrolling interests" within "Stockholders' Equity." All significant intercompany balances and transactions have been eliminated in consolidation.

(b) Fiscal Periods

The Company has a 52 / 53 week fiscal year ending on the Saturday nearest December 31. Fiscal periods for the consolidated financial statements included herein are as of April 4, 2015, and include the 13 weeks ended April 4, 2015, and the 13 weeks ended March 29, 2014.

(c) Revenue Recognition

The Company recognizes revenue on sales when products are shipped and the customer takes ownership and assumes risk of loss. Certain customers may be required to prepay prior to shipment in order to maintain payment protection related to certain foreign and domestic sales. These amounts are recorded as unearned revenue and recognized when the products have shipped and the customer takes ownership and assumes risk of loss. The Company has formula arrangements with certain suppliers whereby the charge or credit for raw materials is tied to published finished product commodity prices after deducting a fixed processing fee incorporated into the formula and is recorded as a cost of sale by line of business. The Company recognizes service revenue in the fiscal month the service occurs.

(d) Long-Lived Assets

Property, Plant and Equipment

Property, plant and equipment are recorded at cost. Depreciation is computed by the straight-line method over the estimated useful lives of assets: 1) Buildings and improvements, 15 to 30 years; 2) Machinery and equipment, 3 to 10 years; 3) Vehicles, 3 to 8 years; and 4) Aircraft, 7 to 10 years.

Maintenance and repairs are charged to expense as incurred and expenditures for major renewals and improvements are capitalized.

Intangible Assets

Intangible assets with indefinite lives, and therefore, not subject to amortization, consist of trade names acquired in the acquisition of Griffin Industries Inc. on December 17, 2010 (which was subsequently converted to a limited liability company) and its subsidiaries (“Griffin”) and trade names acquired in the VION Acquisition. In the first quarter of fiscal 2015, the Company has determined that due to a global re-branding strategy, the Griffin Industries trade name in the amount of approximately $65.1 million has been determined to have a limited useful life and therefore the Company has started to amortize the Griffin Industries name over a useful life of 10 years. Intangible assets subject to amortization consist of: 1) collection routes which are made up of groups of suppliers of raw materials in similar geographic areas from which the Company derives collection fees and a dependable source of raw materials for processing into finished products; 2) permits that represent licensing of operating plants that have been acquired, giving those plants the ability to operate; 3) non-compete agreements that represent contractual arrangements with former competitors whose businesses were acquired; 4) trade names; and 5) royalty, consulting, land use rights and leasehold agreements. Amortization expense is calculated using the straight-line method over the estimated useful lives of the assets ranging from: 5 to 21 years for collection routes; 10 to 20 years for permits; 3 to 7 years for non-compete covenants; and 4 to 15 years for trade names. Royalty, consulting, land use rights and leasehold agreements are amortized over the term of the agreement.

(e) Foreign Currency Translation and Remeasurement

Foreign currency translation is included as a component of accumulated other comprehensive income and reflects the adjustments resulting from translating the foreign currency denominated financial statements of foreign subsidiaries into U.S. dollars. The functional currency of the Company’s foreign subsidiaries is the currency of the primary economic environment in which the entity operates, which is generally the local currency of the country. Accordingly, assets and liabilities of the foreign subsidiaries are translated to U.S. dollars at fiscal period end exchange rates, including intercompany foreign currency transactions that are of long-term investment nature. Income and expense items are translated at average exchange rates occurring during the period. Changes in exchange rates that affect cash flows and the related receivables or payables are recognized as transaction gains and losses in determining net income. The Company incurred net foreign currency translation losses of approximately $98.6 million and translation gains of approximately $20.6 million for the three months ended April 4, 2015 and March 29, 2014, respectively. In addition, the Company incurred foreign currency losses in the statement of operations of approximately $2.5 million and $13.8 million in the three months ended April 4, 2015 and March 29, 2014, with $12.6 million representing a loss on a hedge transaction during the first quarter of fiscal 2014.

(f) Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

(g) Earnings Per Share

Basic income/(loss) per common share is computed by dividing net income attributable to Darling by the weighted average number of common shares including non-vested and restricted shares outstanding during the period. Diluted income/(loss) per common share is computed by dividing net income attributable to Darling by the weighted average number of common shares outstanding during the period increased by dilutive common equivalent shares determined using the treasury stock method.

	Net Income per Common Share (in thousands, except per share data) Three Months Ended					
	April 4, 2015			March 29, 2014		
	Income	Shares	Per Share	Income	Shares	Per Share
Basic:						
Net Income attributable to Darling	$109	164,882	$—	$(52,803)	164,386	$(0.32)
Diluted:						
Effect of dilutive securities:						
Add: Option shares in the money and dilutive effect of non-vested stock awards		419			—	
Less: Pro forma treasury shares		(155)			—	
Diluted:						
Net income attributable to Darling	$109	165,146	$—	$(52,803)	164,386	$(0.32)

For the three months ended April 4, 2015 and March 29, 2014, respectively, 524,483 and 942,956 outstanding stock options were excluded from diluted income/(loss) per common share as the effect was antidilutive. For the three months ended April 4, 2015 and March 29, 2014, respectively, 519,262 and 856,568 shares of non-vested stock and stock equivalents were excluded from diluted income/(loss) per common share as the effect was antidilutive.

(3) Acquisitions

On January 7, 2014, the Company acquired the VION Ingredients business division from VION by purchasing shares of the VION Companies as described in Note 1, pursuant to a Sale and Purchase Agreement dated October 5, 2013, as amended, between Darling and VION. The VION Ingredients business is now conducted under the name Darling Ingredients International. Darling Ingredients International is a worldwide leader in the development and production of specialty ingredients from animal by-products for applications in pharmaceuticals, food, pet food, feed, fuel, bioenergy and fertilizer. Darling Ingredients International operates a global network of 68 production facilities across five continents covering all aspects of animal by-product processing through six brands: Rendac (bioenergy), Sonac (bone products, proteins, fats, edible fats and plasma products), Ecoson (bioenergy), Rousselot (gelatin and collagen hydrolysates), CTH (natural casings) and Best Hides (hides and skins). Darling Ingredients International's specialized portfolio of over 400 products covers all animal origin raw material types and thereby offers a comprehensive, single source solution for suppliers. Darling Ingredients International's business has leading positions across Europe with operations in the Netherlands, Belgium, Germany, Poland and Italy under the Rendac and Sonac brand names. Value-added products include edible fats, blood plasma powder, hemoglobin, bone products, protein meals and fats. Rousselot is a global leading market provider of gelatin for the pharmaceutical, food and technical industries with operations in Europe, the United States, South America and China. CTH is a market leader in natural casings for the sausage industry with operations in Europe, China and the United States. The purchase of the VION Companies allows the Company to have a global reach. The purchase price for the transaction was approximately €1.6 billion in cash (approximately $2.2 billion at the exchange rate of €1.00 : USD$1.3605). The purchase price was financed through (i) borrowings under the Company's senior secured revolving credit facility and term loan facilities; (ii) proceeds from the Company's $874.0 million public common stock offering in the fourth quarter of fiscal 2013; and (iii) proceeds from the private offering of $500.0 million aggregate principal amount of the Company's 5.375% Senior Notes due 2022, that closed on January 2, 2014.

The Company notes the acquisition discussed below is not considered related business and therefore pro forma results of operations for this acquisition have not been presented because the effect is not deemed material to revenues and net income of the Company for any fiscal period presented.

On October 1, 2014, the Company acquired substantially all of the assets of Custom Blenders Arkansas, LLC, an Indiana limited liability company, Custom Blenders Georgia, LLC, a Georgia limited liability company, Custom Blenders Indiana, Inc., an Indiana corporation, and Custom Blenders Texas, LLC, an Indiana limited liability company (collectively "Custom Blenders"), one of the leading bakery residuals recyclers in the United States. The acquisition includes Custom Blenders' operations in Indiana, Georgia, Texas, and Arkansas. The acquisition will provide significant synergies to the Company's suppliers and customers in the Feed Ingredients segment. The Company paid approximately $18.8 million in cash for assets consisting of property, plant and equipment of approximately $3.2 million, intangible assets of approximately $8.6 million, goodwill of approximately $5.4 million and inventory of approximately $1.6 million. The identifiable intangibles have a weighted average life of 14 years.

(4) Inventories

A summary of inventories follows (in thousands):

	April 4, 2015	January 3, 2015
Finished product	$255,038	$255,130
Work in process	95,663	98,936
Supplies and other	47,478	47,547
	$398,179	$401,613

(5) Investment in Unconsolidated Subsidiaries

The Company announced on January 21, 2011 that a wholly-owned subsidiary of Darling entered into a limited liability company agreement with a wholly-owned subsidiary of Valero Energy Corporation ("Valero") to form Diamond Green Diesel Holdings LLC (the "DGD Joint Venture"). The DGD Joint Venture is owned 50% / 50% with Valero and was formed to design, engineer, construct and operate a renewable diesel plant (the "DGD Facility"), which is capable of processing approximately 11,000 barrels per day of input feedstock to produce renewable diesel fuel and certain other co-products, and is located adjacent to Valero's refinery in Norco, Louisiana. The DGD Joint Venture reached mechanical completion and began the production of renewable diesel in late June 2013.

On May 31, 2011, the DGD Joint Venture and Diamond Green Diesel LLC, a wholly-owned subsidiary of the DGD Joint Venture ("Opco"), entered into (i) a facility agreement (the "Facility Agreement") with Diamond Alternative Energy, LLC, a wholly-owned subsidiary of Valero (the "Lender"), and (ii) a loan agreement (the "Loan Agreement") with the Lender, which provided the DGD Joint Venture with a 14 year multiple advance term loan facility of approximately $221.3 million (the "JV Loan") to support the design, engineering and construction of the DGD Facility, which is now in production. The Facility Agreement and the Loan Agreement prohibit the Lender from assigning all or any portion of the Facility Agreement or the Loan Agreement to unaffiliated third parties. Opco has also pledged substantially all of its assets to the Lender, and the DGD Joint Venture has pledged all of Opco's equity interests to the Lender, until the JV Loan has been paid in full and the JV Loan has terminated in accordance with its terms.

In addition to the DGD Joint Venture, the Company has investments in other unconsolidated subsidiaries that were acquired in the VION Acquisition that are insignificant to the Company. Selected financial information for the Company's DGD Joint Venture is as follows (in thousands):

(in thousands)	**March 31, 2015**	**December 31, 2014**
Assets:		
Total current assets	$213,811	$216,991
Property, plant and equipment, net	364,598	373,117
Other assets	1,546	2,092
Total assets	$579,955	$592,200
Liabilities and members' equity:		
Total current portion of long term debt	$ 60,289	$ 57,514
Total other current liabilities	17,765	21,313
Total long term debt	148,242	155,273
Total other long term liabilities	350	339
Total members' equity	353,309	357,761
Total liabilities and member's equity	$579,955	$592,200

(in thousands)	**Three Months Ended March 31, 2015**	**Three Months Ended March 31, 2014**
Revenues:		
Operating revenues	$116,728	$119,657
Expenses:		
Total costs and expenses	117,044	105,901
Operating income/(loss)	(316)	13,756
Other income	20	18
Interest and debt expense, net	(4,156)	(4,426)
Net income/(loss)	$ (4,452)	$ 9,348

As of April 4, 2015 under the equity method of accounting, the Company has an investment in the DGD Joint Venture of approximately $176.7 million on the consolidated balance sheet and has recorded approximately $2.2 million in equity net loss and $4.7 million in equity net income in the unconsolidated subsidiary for the three months ended April 4, 2015 and March 29, 2014, respectively. In addition, subsequent to April 4, 2015, the Company received a $25.0 million dividend distribution from the DGD Joint Venture.

(6) Debt

Debt consists of the following (in thousands):

	April 4, 2015	January 3, 2015
Amended Credit Agreement:		
Revolving Credit Facility ($32.7 million and $36.9 million denominated in CAD at April 4, 2015 and January 3, 2015, respectively and $10.9 million denominated in Euro at April 4, 2015)	$ 88,604	$ 101,863
Term Loan A ($112.2 million and $122.2 million denominated in CAD at April 4, 2015 and January 3, 2015, respectively)	299,620	312,161
Term Loan B ($551.1 million and $610.2 million denominated in Euro at April 4, 2015 and January 3, 2015, respectively)	1,145,098	1,205,669
5.375% Senior Notes due 2022	500,000	500,000
Other Notes and Obligations	57,408	32,747
	2,090,730	2,152,440
Less Current Maturities	81,195	54,401
	$2,009,535	$2,098,039

As of April 4, 2015, the Company had outstanding debt under a term loan facility and revolving credit facility denominated in Canadian dollars of CAD$140.6 million and CAD$41.0 million, respectively. See below for discussion relating to the Company's debt agreements. In addition, as of April 4, 2015, the Company had capital lease obligations denominated in Canadian dollars included in debt. The current and long-term capital lease obligation was approximately CAD$2.4 million and CAD$4.3 million, respectively.

As of April 4, 2015, the Company had outstanding debt under a term loan facility and revolving credit facility denominated in euros of €504.9 million and €10.0 million, respectively. See below for discussion relating to the Company's debt agreements. In addition, at April 4, 2015, the Company had capital lease obligations denominated in euros included in debt. The current and long-term capital lease obligation was approximately €0.3 million and €0.9 million, respectively.

Senior Secured Credit Facilities. On January 6, 2014, Darling, Darling International Canada Inc. ("Darling Canada") and Darling International NL Holdings B.V. ("Darling NL") entered into a Second Amended and Restated Credit Agreement (the "Amended Credit Agreement"), restating its then existing Amended and Restated Credit Agreement dated September 27, 2013 (the "Former Credit Agreement"), with the lenders from time to time party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other agents from time to time party thereto.

The Amended Credit Agreement provides for senior secured credit facilities in the aggregate principal amount of $2.65 billion comprised of (i) the Company's $350.0 million term loan A facility, (ii) the Company's $1.3 billion term loan B facility and (iii) the Company's $1.0 billion five -year revolving loan facility (approximately $250.0 million of which is available for a letter of credit sub-facility and $50.0 million of which is available for a swingline sub-facility) (collectively, the "Senior Secured

Credit Facilities"). The Amended Credit Agreement also permits Darling and the other borrowers thereunder to incur ancillary facilities provided by any revolving lender party to the Senior Secured Credit Facilities (with certain restrictions). Up to $350.0 million of the revolving loan facility is available to be borrowed by Darling in U.S. dollars, Canadian dollars, euros and other currencies to be agreed and available to each applicable lender, to be borrowed by Darling Canada in Canadian dollars and to be borrowed by Darling NL, Darling Ingredients International Holding B.V. ("Darling BV") and CTH Germany GmbH ("CTH") in U.S. dollars, euros and other currencies to be agreed and available to each applicable lender. On January 6, 2014, $600.0 million of the term loan B facility was borrowed in U.S. dollars by Darling and the euro equivalent of $700.0 million of the term loan B facility was borrowed in euros by Darling NL. The proceeds of the term loan B facility and a portion of the revolving loan facility were used by Darling to pay a portion of the consideration for the VION Acquisition. The revolving loan facility will also be used for working capital needs, general corporate purposes and other purposes not prohibited by the Amended Credit Agreement.

As of April 4, 2015, the Company has borrowed all $350.0 million of the term loan A facility which, when repaid, cannot be reborrowed. The term loan A facility is repayable in quarterly installments as follows: for the first eight quarters following January 6, 2014, 1.25% of the original principal amount of the term loan A facility, for the ninth through sixteenth quarters following January 6, 2014, 1.875% of the original principal amount of the term loan A facility, and for each quarterly installment after such sixteenth installment until September 27, 2018, 3.75% of the original principal amount of the term loan A facility. The term loan A facility will mature on September 27, 2018.

As of April 4, 2015, the Company has borrowed all $1.3 billion under the terms of the term loan B facility, which when repaid, cannot be reborrowed. The term loan B facility is repayable in quarterly installments of 0.25% of the aggregate principal amount of the relevant term loan B facility on the last day of each March, June, September and December of each year commencing on the last day of each month falling on or after the last day of the first full quarter following January 6, 2014 and continuing until the last day of each quarter period ending immediately prior to January 7, 2021; and one final installment in the amount of the relevant term loan B facility then outstanding, due on January 7, 2021. The term loan B facility will mature on January 7, 2021.

The interest rate applicable to any borrowings under the term loan A facility and the revolving loan facility will equal either LIBOR/euro interbank offered rate/CDOR plus 2.50% per annum or base rate/Canadian prime rate plus 1.50% per annum, subject to certain step-downs based on the Company's total leverage ratio. The interest rate applicable to any borrowings under the term loan B facility will equal (a) for U.S. dollar term loans, either the base rate plus 1.50% or LIBOR plus 2.50%, and (b) for euro term loans, the euro interbank offered rate plus 2.75%, in each case subject to a step-down based on Darling's total leverage ratio. For term loan B loans, the LIBOR rate shall not be less than 0.75%.

As of April 4, 2015, the Company had $187.5 million outstanding under the term loan A facility and $45.0 million outstanding under the revolver at LIBOR plus a margin of 2.50% per annum for a total of 2.6875% per annum. The Company had $594.0 million outstanding under the term loan B facility at LIBOR plus a margin of 2.50% per annum for a total of 3.25% per annum. The Company had CAD$140.6 million outstanding under the term loan A facility and CAD$41.0 million outstanding under the revolver at CDOR plus a margin of 2.5% per annum for a total of 3.5823% per annum. The Company had €504.9 million outstanding under the term loan B facility at LIBOR plus a margin of 2.75% per annum for a total of 3.5% per annum. The Company had €10.0 million outstanding under the revolver at LIBOR plus a margin of 2.50% per annum for a total of 2.489% per annum. As of April 4, 2015, the Company had revolver availability of $879.4 million under the Credit Agreement taking into account amounts borrowed and letters of credit issued of $32.0 million.

The Amended Credit Agreement contains various customary representations and warranties by the Company, which include customary use of materiality, material adverse effect and knowledge qualifiers. The Amended Credit Agreement also contains (a) certain affirmative covenants that impose certain reporting and/or performance obligations on Darling and its subsidiaries, (b) certain negative covenants that generally prohibit, subject to various exceptions, Darling and its restricted subsidiaries from taking certain actions, including, without limitation, incurring indebtedness, making investments, incurring liens, paying dividends and engaging in mergers and consolidations, sale and leasebacks and asset dispositions, (c) financial covenants, which include a maximum total leverage ratio, a maximum secured leverage ratio and a minimum interest coverage ratio and (d) customary events of default (including a change of control) for financings of this type. Obligations under the Senior Secured Credit Facilities may be declared due and payable upon the occurrence and during the continuance of customary events of default. Effective May 13, 2015, Darling and the other borrowers party to the Amended Credit Agreement entered into the First Amendment to the Second Amended and Restated Credit Agreement (the "First Amendment") with the administrative agent and certain of the lenders. The First Amendment removes the previously existing requirement under the Amended Credit Agreement that the maximum total leverage ratio under one of the financial covenants must continue to step down over the life of the Senior Secured Credit Facilities. After giving effect to the First Amendment, the maximum total leverage ratio shall remain 5.0 to 1.0 for the duration of the loans under the Amended Credit Agreement.

Pursuant to the Second Amended and Restated Security Agreement, dated as of January 6, 2014 (the "Security Agreement"), by and among Darling, its domestic subsidiaries signatory thereto and any other domestic subsidiary who may become a party thereto and JPMorgan Chase Bank, N.A., as administrative agent, the Senior Secured Credit Facilities are secured, subject to certain carveouts and exceptions, by a first priority lien on substantially all of the assets of Darling and such domestic subsidiaries. The obligations of Darling Canada, Darling NL, Darling BV, CTH and any other foreign borrower under the Senior Secured Credit Facilities are also secured by a first priority lien on certain assets of certain of Darling's foreign subsidiaries organized in Canada, Belgium, Germany, the Netherlands and Brazil, subject to certain carveouts and exceptions.

Pursuant to the Second Amended and Restated Guaranty Agreement, dated as of January 6, 2014 (the "Guaranty Agreement"), (a) the obligations of Darling under the Senior Secured Credit Facilities are guaranteed by certain of Darling's wholly-owned domestic subsidiaries and (b) the obligations of Darling Canada, Darling NL, Darling BV, CTH and any other foreign borrower under the Senior Secured Credit Facilities are guaranteed by Darling and certain of its domestic and foreign wholly-owned subsidiaries, in each case subject to certain carveouts and exceptions (collectively, the "Credit Agreement Guarantors").

Senior Notes due 2022. On December 18, 2013, Darling Escrow Corporation ("Darling Escrow Sub"), a Delaware corporation and wholly-owned subsidiary of Darling, entered into a purchase agreement (the "Original Purchase Agreement") with the initial purchasers party thereto (the "Initial Purchasers"), for the sale of $500.0 million aggregate principal amount of its 5.375% Notes due 2022 (the "5.375% Private Notes"). On January 2, 2014, the 5.375% Notes, which were offered in a private offering in connection with the VION Acquisition, were issued pursuant to a 5.375% Notes Indenture, dated as of January 2, 2014 (the "Original Indenture"), among Darling Escrow Sub, the Subsidiary Guarantors (as defined in the Original Indenture) party thereto from time to time and U.S. Bank National Association, as trustee (the "Trustee"), with the gross proceeds from the offering of the 5.375% Private Notes and certain additional amounts deposited into an escrow account pending the satisfaction of certain conditions, including the completion of the VION Acquisition, which occurred on January 7, 2014.

On January 8, 2014 (the "Notes Closing Date"), Darling Escrow Sub merged (the "Notes Merger") with and into Darling (with Darling as the survivor of the Notes Merger), pursuant to an Agreement and Plan of Merger, dated January 8, 2014, between Darling Escrow Sub and Darling.

In connection with the completion of the Notes Merger, pursuant to the provisions of the Original Indenture and the Original Purchase Agreement, Darling Escrow Sub, Darling and certain of Darling's subsidiaries: Craig Protein Division, Inc. ("Craig Protein"), Darling AWS LLC, Darling National LLC ("Darling National"), Darling Northstar LLC, Darling Global Holdings Inc., EV Acquisition, Inc., Griffin Industries LLC ("Griffin"), Terra Holding Company and TRS (such subsidiaries and together with any other Darling subsidiaries that guarantee the 5.375% Notes, the "Notes Guarantors") entered into a supplemental indenture with the Trustee (the "Supplemental Indenture," and together with the Original Indenture, the "Indenture"), pursuant to which, upon effectiveness of the Notes Merger, Darling assumed all the obligations of Darling Escrow Sub under the 5.375% Private Notes and the Indenture and the Notes Guarantors guaranteed the 5.375% Private Notes and agreed to be bound by the terms of the Indenture applicable to subsidiary guarantors of the 5.375% Private Notes. In addition, in accordance with the provisions of the Original Purchase Agreement, upon the completion of the Notes Merger, Darling and the Notes Guarantors became parties to the Original Purchase Agreement, by entering into a Joinder to the Purchase Agreement, dated as of the Notes Closing Date (together with the Original Purchase Agreement, the "Purchase Agreement"), with the Initial Purchasers. Upon satisfaction of the escrow release conditions on the Closing Date, the proceeds from the offering of the 5.375% Private Notes were released from the escrow account in accordance with Darling's written instructions. Darling used a portion of the proceeds from the offering of the 5.375% Private Notes to pay the Initial Purchasers' commission related to the offering of the 5.375% Private Notes and certain fees and expenses (including bank fees and expenses) related to the financing of the VION Acquisition and for purposes of satisfying, discharging and redeeming its 8.5% Notes due 2018 discussed below.

Darling used the remaining proceeds of the 5.375% Private Notes to pay certain other fees and expenses related to the completion of the VION Acquisition and its related financings, to repay a portion of the borrowings under its revolving credit facility used to fund a portion of the consideration for the VION Acquisition and for general corporate purposes.

The Purchase Agreement contains customary representations, warranties and agreements by Darling and the Notes Guarantors. In addition, Darling and the Notes Guarantors have agreed to indemnify the Initial Purchasers against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the "Securities Act"), or to contribute to payments the Initial Purchasers may be required to make because of any of those liabilities.

In connection with the assumption of the 5.375% Private Notes by Darling and the guarantee of the 5.375% Private Notes by the Notes Guarantors, on the Notes Closing Date, Darling and the Notes Guarantors became parties to, and Darling assumed all of Darling Escrow Sub's obligations under, a registration rights agreement, dated as of January 2, 2014 (the "Registration Rights Agreement"). In satisfaction of Darling's obligations under the Registration Rights Agreement, Darling and the Notes Guarantors completed a registered exchange offer for the 5.375% Private Notes under the Securities Act during the third quarter of 2014. The terms of the notes issued in exchange for the 5.375% Private Notes and guaranteed by the Notes Guarantors (the "5.375% Public Notes" and together with the 5.375% Private Notes, the "5.375% Notes") are substantially identical in all material respects to the 5.375% Private Notes, except that transfer restrictions, registration rights and additional interest provisions relating to the 5.375% Private Notes do not apply to the 5.375% Public Notes.

The 5.375% Notes will mature on January 15, 2022. Darling will pay interest on the 5.375% Notes on January 15 and July 15 of each year, commencing on July 15, 2014. Interest on the 5.375% Notes will accrue at a rate of 5.375% per annum and be payable in cash. Other than for extraordinary events such as change of control and defined assets sales, the Company is not required to make mandatory redemption or sinking fund payments on the 5.375% Notes.

The 5.375% Notes are currently guaranteed on an unsecured senior basis by the Notes Guarantors, which constitute all of Darling's existing restricted subsidiaries that are Credit Agreement

Guarantors (other than Darling's foreign subsidiaries). Under the Indenture, each restricted subsidiary of Darling (other than Darling's foreign subsidiaries and certain of Darling's subsidiaries that engage solely in the financing of receivables and are so designated by Darling) is required to guarantee the 5.375% Notes (a) if the Amended Credit Agreement is outstanding and such restricted subsidiary guarantees the Amended Credit Agreement and (b) if the Amended Credit Agreement is not outstanding, if such restricted subsidiary incurs or guarantees certain indebtedness in excess of $50.0 million.

The 5.375% Notes and the guarantees thereof rank equally in right of payment to any existing and future senior debt of Darling and the Notes Guarantors, including debt that is secured by the collateral for the Amended Credit Agreement. The 5.375% Notes and the guarantees thereof will be effectively junior to existing and future debt of Darling and the Notes Guarantors that is secured by assets that do not constitute collateral for the Amended Credit Agreement, to the extent of the value of the assets securing such debt. The 5.375% Notes and the guarantees thereof will be structurally subordinated to all of the existing and future liabilities (including trade payables) of each of the subsidiaries of Darling that do not guarantee the 5.375% Notes.

Darling may at any time and from time to time purchase the 5.375% Notes in the open market or otherwise. Darling may redeem some or all of the 5.375% Notes at any time prior to January 15, 2017, at a redemption price equal to 100% of the principal amount of the 5.375% Notes redeemed, plus accrued and unpaid interest to the redemption date and an Applicable Premium as specified in the Indenture.

On and after January 15, 2017, Darling may redeem all or, from time to time, a part of the 5.375% Notes (including any additional 5.375% Notes), upon not less than 30 nor more than 60 days' notice at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest on the 5.375% Notes, if any, to, but excluding, the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the twelve-month period beginning on January 15 of the years indicated below:

Year	Percentage
2017	104.031%
2018	102.688%
2019	101.344%
2020 and thereafter	100.000%

In addition, prior to January 15, 2017, Darling may on one or more occasions redeem up to 40% of the original principal amount of the 5.375% Notes (calculated after giving effect to the issuance of any additional 5.375% Notes) with the net cash proceeds of one or more equity offerings at a redemption price equal to 105.375% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date); provided that at least 50% of the original principal amount of the 5.375% Notes (calculated after giving effect to the issuance of any additional 5.375% Notes) remains outstanding after each such redemption; provided further that the redemption occurs within 90 days after the closing of such equity offering.

The Indenture contains covenants limiting Darling's ability and the ability of its restricted subsidiaries to, among other things: incur additional indebtedness or issue preferred stock; pay dividends on or make other distributions or repurchases of Darling's capital stock or make other restricted payments; create restrictions on the payment of dividends or other amounts from Darling's restricted subsidiaries to Darling or Darling's other restricted subsidiaries; make loans or investments; enter into certain transactions with affiliates; create liens; designate Darling's subsidiaries as unrestricted subsidiaries; and sell certain assets or merge with or into other companies or otherwise dispose of all or substantially all of Darling's assets.

The Indenture also provides for customary events of default, including, without limitation, payment defaults, covenant defaults, cross acceleration defaults to certain other indebtedness in excess of specified amounts, certain events of bankruptcy and insolvency and judgment defaults in excess of specified amounts. If any such event of default occurs and is continuing under the Indenture, the Trustee or the holders of at least 25% in principal amount of the total outstanding 5.375% Notes may declare the principal, premium, if any, interest and any other monetary obligations on all the then outstanding 5.375% Notes issued under the Indenture to be due and payable immediately.

As of April 4, 2015, the Company believes it is in compliance with all of the financial covenants under the Amended Credit Agreement, as well as all of the other covenants contained in the Amended Credit Agreement and the Indenture.

(7) Income Taxes

The Company has provided income taxes for the three month periods ended April 4, 2015 and March 29, 2014, based on its estimate of the effective tax rate for the entire 2015 and 2014 fiscal years. For fiscal 2015, the Company's effective tax rate is significantly affected by Subpart F income and entities that are subject to income tax at various tax rates in their countries of operation that differ from the U.S. statutory tax rate.

The Company accounts for income taxes using the asset and liability method. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company expects to indefinitely reinvest the earnings of its foreign subsidiaries outside of the United States and has generally not provided deferred income taxes on the accumulated earnings of its foreign subsidiaries.

The Company periodically assesses whether it is more likely than not that it will generate sufficient taxable income to realize its deferred income tax assets. In making this determination, the Company considers all available positive and negative evidence and makes certain assumptions. The Company considers, among other things, its deferred tax liabilities, the overall business environment, its historical earnings and losses, current industry trends and its outlook for future years. Certain VION Companies acquired as part of the VION Acquisition have deferred tax assets for tax loss carryforwards, and the Company has recorded valuation allowances in respect to those losses to the extent it has been determined that it is not more likely than not that the deferred tax assets will be realized.

Unrecognized tax benefits represent the difference between tax positions taken or expected to be taken in a tax return and the benefits recognized for financial statement purposes. As of April 4, 2015, the Company had $5.7 million of gross unrecognized tax benefits and $2.2 million of related accrued interest and penalties. An indemnity receivable of $5.9 million has been recorded for the uncertain tax positions related to the VION Acquisition. It is reasonably possible within the next twelve months that the Company's gross unrecognized tax benefits may decrease by up to $1.7 million, excluding interest and penalties, primarily due to potential settlements and expiration of certain statutes of limitations.

The Company's major taxing jurisdictions include the United States (federal and state), Canada, the Netherlands, Belgium, Brazil, Germany, France and China. The Company is subject to regular examination by various tax authorities and although the final outcome of these examinations is not yet determinable, the Company does not anticipate that any of the examinations will have a significant impact on the Company's results of operations or financial position. The statute of limitations for the Company's major tax jurisdictions is open for varying periods, but is generally closed through the 2005 tax year.

(8) Other Comprehensive Income

The Company follows Financial Accounting Standards Board ("FASB") authoritative guidance for reporting and presentation of comprehensive income or loss and its components. Other comprehensive income (loss) is derived from adjustments that reflect pension adjustments, natural gas derivative adjustments, corn option adjustments and interest rate swap derivative adjustments. The components of other comprehensive income (loss) and the related tax impacts for the three months ended April 4, 2015 and March 29, 2014 are as follows (in thousands):

	Three Months Ended					
	Before-Tax Amount		Tax (Expense) or Benefit		Net-of-Tax Amount	
	April 4, 2015	March 29, 2014	April 4, 2015	March 29, 2014	April 4, 2015	March 29, 2014
Defined benefit pension plans						
Amortization of prior service cost	$ (20)	$ 4	$ 10	$ (2)	$ (10)	$ 2
Amortization of actuarial loss	1,285	519	(506)	(201)	779	318
Total defined benefit pension plans	1,265	523	(496)	(203)	769	320
Natural gas swap derivatives						
Loss/(gain) reclassified to net income	—	(357)	—	139	—	(218)
Gain/(loss) activity recognized in other comprehensive income (loss)	—	172	—	(67)	—	105
Total natural gas swap derivatives	—	(185)	—	72	—	(113)
Corn option derivatives						
Loss/(gain) reclassified to net income	(234)	(1,292)	91	501	(143)	(791)
Gain/(loss) activity recognized in other comprehensive income (loss)	296	(1,319)	(115)	512	181	(807)
Total corn option derivatives	62	(2,611)	(24)	1,013	38	(1,598)
Foreign currency translation	(98,642)	20,615	—	—	(98,642)	20,615
Other comprehensive income (loss)	$(97,315)	$18,342	$(520)	$ 882	$(97,835)	$19,224

The following table presents the amounts reclassified out of each component of other comprehensive income (loss), net of tax for the three months ended April 4, 2015 and March 29, 2014 as follows (in thousands):

	Three Months Ended		
	April 4, 2015	March 29, 2014	Statement of Operations Classification
Derivative instruments			
Natural gas swap derivatives	$ —	$ 357	Cost of sales and operating expenses
Corn option derivatives	234	1,292	Cost of sales and operating expenses
	234	1,649	Total before tax
	(91)	(640)	Income taxes
	143	1,009	Net of tax
Defined benefit pension plans			
Amortization of prior service cost	$ 20	$ (4)	(a)
Amortization of actuarial loss	(1,285)	(519)	(a)
	(1,265)	(523)	Total before tax
	496	203	Income taxes
	(769)	(320)	Net of tax
Total reclassifications	$ (626)	$ 689	Net of tax

(a) These items are included in the computation of net periodic pension cost. See Note 9 Employee Benefit Plans for additional information.

The following table presents changes in each component of accumulated comprehensive income (loss) as of April 4, 2015 as follows (in thousands):

	Three Months Ended April 4, 2015			
	Foreign Currency Translation	Derivative Instruments	Defined Benefit Pension Plans	Total
Accumulated Other Comprehensive Income (loss) January 3, 2015, net of tax	$(140,386)	$ 76	$(36,750)	$(177,060)
Other comprehensive gain before reclassifications	(98,642)	181	—	(98,461)
Amounts reclassified from accumulated other comprehensive income (loss)	—	(143)	769	626
Net current-period other comprehensive income	(98,642)	38	769	(97,835)
Accumulated Other Comprehensive Income (loss) April 4, 2015, net of tax	(239,028)	$ 114	$(35,981)	$(274,895)

(9) Employee Benefit Plans

The Company has retirement and pension plans covering a substantial number of its domestic and foreign employees. Most retirement benefits are provided by the Company under separate final-pay noncontributory and contributory defined benefit and defined contribution plans for all salaried and hourly employees (excluding those covered by union-sponsored plans) who meet service and age requirements. Although various defined benefit formulas exist for employees, generally these are based on length of service and earnings patterns during employment. Effective January 1, 2012, the

Company's Board of Directors authorized the Company to proceed with the restructuring of its domestic retirement benefit program to include the closing of Darling's salaried and hourly defined benefit plans to new participants as well as the freezing of service and wage accruals thereunder effective December 31, 2011 (a curtailment of these plans for financial reporting purposes) and the enhancing of benefits under the Company's domestic defined contribution plans. The Company-sponsored domestic hourly union plan has not been curtailed; however, several locations of the Company-sponsored domestic hourly union plan have been curtailed as a result of collective bargaining renewals for those sites.

Net pension cost for the three months ended April 4, 2015 and March 29, 2014 includes the following components (in thousands):

	Pension Benefits Three Months Ended	
	April 4, 2015	March 29, 2014
Service cost	$ 1,678	$ 1,490
Interest cost	2,647	3,347
Expected return on plan assets	(3,065)	(3,608)
Amortization of prior service cost	(20)	4
Amortization of net loss	1,285	520
Net pension cost	$ 2,525	$ 1,753

The Company's funding policy for employee benefit pension plans is to contribute annually not less than the minimum amount required nor more than the maximum amount that can be deducted for federal and foreign income tax purposes. Contributions are intended to provide not only for benefits attributed to service to date, but also for those expected to be earned in the future. Based on actuarial estimates at April 4, 2015, the Company expects to contribute approximately $7.5 million to its pension plans to meet funding requirements during the next twelve months. Additionally, the Company has made tax deductible discretionary and required contributions to its pension plans for the three months ended April 4, 2015 and March 29, 2014 of approximately $1.6 million and $5.2 million, respectively.

The Company participates in various multiemployer pension plans which provide defined benefits to certain employees covered by labor contracts. These plans are not administered by the Company and contributions are determined in accordance with provisions of negotiated labor contracts to meet their pension benefit obligations to their participants. The Company's contributions to each individual multiemployer plan represent less than 5% of the total contributions to each such plan. Based on the most currently available information, the Company has determined that, if a withdrawal were to occur, withdrawal liabilities on two of the plans in which the Company currently participates could be material to the Company, with one of these material plans certified as critical or red zone. With respect to the other multiemployer pension plans in which the Company participates and which are not individually significant, four plans have certified as critical or red zone, two plans have certified as endangered or yellow zone and one plan has certified as seriously endangerd or orange zone as defined by the Pension Protection Act of 2006.

In June 2009, the Company received a notice of a mass withdrawal termination and a notice of initial withdrawal liability from a multiemployer plan in which it participated. The Company had anticipated this event and as a result had accrued approximately $3.2 million as of January 3, 2009 based on the most recent information that was probable and estimable for this plan. The plan had given a notice of redetermination liability in December 2009. In fiscal 2010, the Company received further third party information confirming the future payout related to this multiemployer plan. As a result, the Company reduced its liability to approximately $1.2 million. In fiscal 2010, another under-funded multiemployer plan in which the Company participates gave notification of partial withdrawal liability. As of April 4, 2015, the Company has an accrued liability of approximately $0.8 million representing the present value of scheduled withdrawal liability payments under this multiemployer plan. While the Company has no ability to calculate a possible current liability for under-funded multiemployer plans that could terminate or could require additional funding under the Pension Protection Act of 2006, the amounts could be material.

(10) Derivatives

The Company's operations are exposed to market risks relating to commodity prices that affect the Company's cost of raw materials, finished product prices and energy costs and the risk of changes in interest rates and foreign currency exchange rates.

The Company makes limited use of derivative instruments to manage cash flow risks related to natural gas usage, diesel fuel usage, inventory, forecasted sales and foreign currency exchange rates. The Company does not use derivative instruments for trading purposes. Natural gas swaps and options are entered into with the intent of managing the overall cost of natural gas usage by reducing the potential impact of seasonal weather demands on natural gas that increases natural gas prices. Heating oil swaps and options are entered into with the intent of managing the overall cost of diesel fuel usage by reducing the potential impact of seasonal weather demands on diesel fuel that increases diesel fuel prices. Corn options and future contracts are entered into with the intent of managing U.S. forecasted sales of bakery by-products ("BBP") by reducing the impact of changing prices. Foreign currency forward contracts are entered into to mitigate the foreign exchange rate risk for transactions designated in a currency other than the local functional currency. At April 4, 2015, the Company had corn option contracts outstanding that qualified and were designated for hedge accounting as well as heating oil swap contracts, corn option and forward contracts and foreign currency forward contracts that did not qualify and were not designated for hedge accounting.

Entities are required to report all derivative instruments in the statement of financial position at fair value. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and, if so, on the reason for holding the instrument. If certain conditions are met, entities may elect to designate a derivative instrument as a hedge of exposures to changes in fair value, cash flows or foreign currencies. If the hedged exposure is a cash flow exposure, the effective portion of the gain or loss on the derivative instrument is reported initially as a component of other comprehensive income (outside of earnings) and is subsequently reclassified into earnings when the forecasted transaction affects earnings. Any amounts excluded from the assessment of hedge effectiveness, as well as the ineffective portion of the gain or loss are reported in earnings immediately. If the derivative instrument is not designated as a hedge, the gain or loss is recognized in earnings in the period of change.

Cash Flow Hedges

In fiscal 2014, the Company entered into corn option contracts that are considered cash flow hedges. Under the terms of the corn option contracts, the Company hedged a portion of its U.S. forecasted sales of BBP through the second quarter of fiscal 2015. As of April 4, 2015, some of the contracts have settled while the remaining contract positions and activity are disclosed below. From time to time, the Company may enter into corn option contracts in the future.

As of April 4, 2015, the Company had the following outstanding forward contract amounts that were entered into to hedge the future payments of intercompany note transactions, foreign currency transactions in currencies other than the functional currency and forecasted transactions in currencies other than the functional currency. All of these transactions are currently not designated for hedge accounting. (in thousands):

Functional Currency Type	Amount	Contract Currency Type	Amount
Brazilian real	16,355	Euro	4,800
Brazilian real	36,824	U.S. dollar	12,250
Euro	263,454	U.S. dollar	299,964
Euro	21,885	Polish zloty	90,000
Euro	5,505	Japanese yen	727,609
Euro	35,028	Chinese renminbi	238,577
Euro	25,145	Australian dollar	35,850
Euro	3,364	British pound	2,443
Polish zloty	21,095	Euro	5,064
British pound	109	Euro	150
British pound	116	U.S. dollar	177

The Company estimates the amount that will be reclassified from accumulated other comprehensive gain at April 4, 2015 into earnings over the next 12 months will be approximately $0.2 million. As of April 4, 2015, no amounts have been reclassified into earnings as a result of the discontinuance of cash flow hedges.

The following table presents the fair value of the Company's derivative instruments under FASB authoritative guidance as of April 4, 2015 and January 3, 2015 (in thousands):

		Asset Derivatives Fair Value	
Derivatives Designated as Hedges	**Balance Sheet Location**	**April 4, 2015**	**January 3, 2015**
Corn options	Other current assets	$ 203	$ 247
Total asset derivatives designated as hedges		$ 203	$ 247
Derivatives Not Designated as Hedges			
Foreign currency contracts	Other current assets	$10,738	$11,559
Heating oil swaps and options	Other current assets	290	353
Corn options and futures	Other current assets	156	69
Total asset derivatives not designated as hedges		$11,184	$11,981
Total asset derivatives		$11,387	$12,228

Derivatives Designated as Hedges	Balance Sheet Location	Liability Derivatives Fair Value April 4, 2015	January 3, 2015
Corn options	Accrued expenses	$ —	$ —
Total liability derivatives designated as hedges		$ —	$ —
Derivatives Not Designated as Hedges			
Foreign currency contracts	Accrued expenses	$2,014	$2,019
Heating oil swaps and options	Accrued expenses	812	993
Corn options and futures	Accrued expenses	23	3
Total liability derivatives not designated as hedges		$2,849	$3,015
Total liability derivatives		$2,849	$3,015

The effect of the Company's derivative instruments on the consolidated financial statements as of and for the three months ended April 4, 2015 and March 29, 2014 is as follows (in thousands):

Derivatives Designated as Cash Flow Hedges	Gain or (Loss) Recognized in Other Comprehensive Income ("OCI") on Derivatives (Effective Portion)(a)		Gain or (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)(b)		Gain or (Loss) Recognized in Income on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing)(c)	
	2015	2014	2015	2014	2015	2014
Corn options	$296	$(1,319)	$234	$1,292	$55	$376
Natural gas swaps	—	172	—	357	—	1
Total	$296	$(1,147)	$234	$1,649	$55	$377

(a) Amount recognized in accumulated OCI (effective portion) is reported as accumulated other comprehensive income/(loss) of approximately $0.3 million and approximately $1.1 million recorded net of taxes of approximately $0.1 million and $0.4 million as of April 4, 2015 and March 29, 2014, respectively.

(b) Gains and (losses) reclassified from accumulated OCI into income (effective portion) for corn options and natural gas swaps are included in cost of sales, respectively, in the Company's consolidated statements of operations.

(c) Gains and (losses) recognized in income on derivatives (ineffective portion) for corn options and natural gas swaps is included in other income/ (expense), net in the Company's consolidated statements of operations.

At April 4, 2015, the Company had forward purchase agreements in place for purchases of approximately $2.7 million of natural gas and diesel fuel. These forward purchase agreements have no net settlement provisions and the Company intends to take physical delivery of the underlying product. Accordingly, the forward purchase agreements are not subject to the requirements of fair value accounting because they qualify and the Company has elected to account for these as normal purchases as defined in the FASB authoritative guidance.

(11) Fair Value Measurements

FASB authoritative guidance defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The following table presents the Company's financial instruments that are measured at fair value on a recurring and nonrecurring basis as of April 4, 2015 and are categorized using the fair value hierarchy under FASB authoritative guidance. The fair value hierarchy has three levels based on the reliability of the inputs used to determine the fair value.

		Fair Value Measurements at April 4, 2015 Using		
(In thousands of dollars)	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Derivative instruments	$ 11,387	$—	$ 11,387	$—
Total Assets	$ 11,387	$—	$ 11,387	$—
Liabilities:				
Derivative instruments	$ 2,849	$—	$ 2,849	$—
Senior notes	505,000	—	505,000	—
Term loan A	301,118	—	301,118	—
Term loan B	1,145,258	—	1,145,258	—
Revolver debt	87,275	—	87,275	—
Total Liabilities	$2,041,500	$—	$2,041,500	$—

Derivative assets consist of the Company's heating oil swap and option contracts, corn option and future contracts and foreign currency contracts, which represents the difference between observable market rates of commonly quoted intervals for similar assets and liabilities in active markets and the fixed swap rate considering the instruments term, notional amount and credit risk. See Note 10 (Derivatives) for breakdown by instrument type.

Derivative liabilities consist of the Company's heating oil swap and option contracts, corn option and future contracts and foreign currency contracts, which represents the difference between observable market rates of commonly quoted intervals for similar assets and liabilities in active markets and the fixed swap rate considering the instruments term, notional amount and credit risk. See Note 10 (Derivatives) for breakdown by instrument type.

The carrying amount of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximates fair value due to the short maturity of these instruments and as such have been excluded from the table above. The carrying amount for the Company's other debt is not deemed to be significantly different than the fair value and all other instruments have been recorded at fair value.

The fair value of the senior notes, term loan A, term loan B and revolver debt is based on market quotation from a third-party bank.

(12) Contingencies

The Company is a party to several lawsuits, claims and loss contingencies arising in the ordinary course of its business, including assertions by certain regulatory and governmental agencies related to permitting requirements and air, wastewater and storm water discharges from the Company's processing facilities.

The Company's workers compensation, auto and general liability policies contain significant deductibles or self-insured retentions. The Company estimates and accrues its expected ultimate claim costs related to accidents occurring during each fiscal year and carries this accrual as a reserve until these claims are paid by the Company.

As a result of the matters discussed above, the Company has established loss reserves for insurance, environmental, litigation and tax matters. At April 4, 2015 and January 3, 2015, the reserves for insurance, environmental and litigation contingencies reflected on the balance sheet in accrued expenses and other non-current liabilities were approximately $58.1 million and $54.9 million, respectively. The Company has insurance recovery receivables of approximately $11.4 million as of April 4, 2015 and January 3, 2015, related to these liabilities. The Company's management believes these reserves for contingencies are reasonable and sufficient based upon present governmental regulations and information currently available to management; however, there can be no assurance that final costs related to these matters will not exceed current estimates. The Company believes that the likelihood is remote that any additional liability from these lawsuits and claims that may not be covered by insurance would have a material effect on the Company's financial position, results of operations or cash flows.

Lower Passaic River Area. In December 2009, the Company, along with numerous other entities, received notice from the United States Environmental Protection Agency ("EPA") that the Company (as successor-in-interest to Standard Tallow Company) is considered a potentially responsible party with respect to alleged contamination in the lower Passaic River area which is part of the Diamond Alkali Superfund Site located in Newark, New Jersey. The Company's designation as a potentially responsible party is based upon the operation of a former plant site located in Newark, New Jersey by Standard Tallow Company, an entity that the Company acquired in 1996. In the letter, EPA requested that the Company join a group of other parties in funding a remedial investigation and feasibility study at the site. As of the date of this report, the Company has not agreed to participate in the funding group. The Company's ultimate liability for investigatory costs, remedial costs and/or natural resource damages in connection with the lower Passaic River area cannot be determined at this time; however, as of the date of this report, there is nothing that leads the Company to believe that this matter will have a material effect on the Company's financial position, results of operations or cash flows.

Fresno Facility Permit Issue. The Company has been named as a defendant and a real party in interest in a lawsuit filed on April 9, 2012 in the Superior Court of the State of California, Fresno County, styled *Concerned Citizens of West Fresno vs. Darling International Inc.* The complaint, as subsequently amended, alleges that the Company's Fresno facility is operating without a proper use permit and seeks, among other things, injunctive relief. The complaint had at one time also alleged that the Company's Fresno facility constitutes a continuing private and public nuisance, but the plaintiff has since amended the complaint to drop these allegations. The City of Fresno was also named as a defendant in the original complaint but has since had a judgment entered in its favor and is no longer a defendant in the lawsuit; however, in December 2013 the City of Fresno filed a motion to intervene as a plaintiff in this matter. The Superior Court heard the motion on February 4, 2014, and entered an order on February 18, 2014 denying the motion. Rendering operations have been conducted on the site since 1955, and the Company believes that it possesses all of the required federal, state and local permits to continue to operate the facility in the manner currently conducted and that its operations do not constitute a private or public nuisance. Accordingly, the Company intends to defend itself vigorously in this matter. Discovery has begun and this matter was scheduled for trial in July 2014; however, the parties have agreed to stay the litigation while they participate in a mediation process. While management cannot predict the ultimate outcome of this matter, management does not believe the outcome will have a material effect on the Company's financial condition, results of operations or cash flows.

(13) Business Segments

Effective December 29, 2013, the Company's business operations were reorganized into three industry segments: Feed Ingredients, Food Ingredients and Fuel Ingredients, in order to better align its business with the underlying markets and customers that the Company serves. All historical periods have been recast for the changes to the segment reporting structure. The Company sells its products domestically and internationally. The measure of segment profit (loss) includes all revenues, operating expenses (excluding certain amortization of intangibles), and selling, general and administrative expenses incurred at all operating locations and excludes general corporate expenses.

Included in corporate activities are general corporate expenses and the amortization of certain intangibles. Assets of corporate activities include cash, unallocated prepaid expenses, deferred tax assets, prepaid pension, and miscellaneous other assets.

Feed Ingredients

Feed Ingredients consists principally of (i) the Company's U.S. ingredients business, including the Company's used cooking oil, trap grease and food residuals collection businesses, the Rothsay ingredients business, and the ingredients and specialty products businesses conducted by Darling Ingredients International under the Sonac name (proteins, fats, and plasma products) and (ii) the Company's bakery residuals business. Feed Ingredients operations process animal by-products and used cooking oil into fats, protein and hides.

Food Ingredients

Food Ingredients consists principally of (i) the gelatin and collagen hydrolysates business conducted by Darling Ingredients International under the Rousselot name, (ii) the natural casings and meat-by-products business conducted by Darling Ingredients International under the CTH name and (iii) certain specialty products businesses conducted by Darling Ingredients International under the Sonac name.

Fuel Ingredients

The Company's Fuel Ingredients segment consists of (i) the Company's biofuel business conducted under the Dar Pro® and Rothsay names (ii) the bioenergy business conducted by Darling Ingredients International under the Ecoson and Rendac names and (iii) the Company's investment in the DGD Joint Venture.

Business Segments (in thousands):

	Feed Ingredients	Food Ingredients	Fuel Ingredients	Corporate	Total
Three Months Ended April 4, 2015					
Net Sales	$ 547,498	$ 270,157	$ 57,039	$ —	$ 874,694
Cost of sales and operating expenses	424,006	216,637	43,874	4	684,521
Gross Margin	123,492	53,520	13,165	(4)	190,173
Selling, general and administrative expense	48,023	25,476	4,040	9,092	86,631
Acquisition costs	—	—	—	5,319	5,319
Depreciation and amortization	40,055	17,197	6,631	2,515	66,398
Segment operating income/ (loss)	35,414	10,847	2,494	(16,930)	31,825
Equity in net income of unconsolidated subsidiaries	417	—	(2,225)	—	(1,808)
Segment income	35,831	10,847	269	(16,930)	30,017
Total other expense					(26,078)
Income before income taxes					$ 3,939
Segment assets at April 4, 2015	$2,585,660	$1,592,387	$634,331	$145,437	$4,957,815

	Feed Ingredients	Food Ingredients	Fuel Ingredients	Corporate	Total
Three Months Ended March 29, 2014					
Net Sales	$ 586,107	$ 293,462	$ 66,723	$ —	$ 946,292
Cost of sales and operating expenses	458,450	264,101	52,669	(14)	775,206
Gross Margin	127,657	29,361	14,054	14	171,086
Selling, general and administrative expense	51,565	24,062	4,332	10,074	90,033
Acquisition costs	—	—	—	15,948	15,948
Depreciation and amortization	38,559	17,441	7,377	2,292	65,669
Segment operating income/ (loss)	37,533	(12,142)	2,345	(28,300)	(564)
Equity in net income of unconsolidated subsidiaries	403	—	4,674	—	5,077
Segment income	37,936	(12,142)	7,019	(28,300)	4,513
Total other expense					(73,809)
Income before income taxes					$ (69,296)
Segment assets at January 3, 2015	$2,667,369	$1,734,387	$693,921	$ 75,036	$5,170,713

(14) Related Party Transactions

Lease Agreements

Darling, through its wholly-owned subsidiary Griffin Industries, leases two real properties located in Butler, Kentucky and real properties located in each of Jackson, Mississippi and Henderson, Kentucky from Martom Properties, LLC, an entity owned in part by Martin W. Griffin, the Company's former Executive Vice President—Chief Operations Officer, North America. Each of these leases was entered into as of December 17, 2010. The lease term for each of the Butler properties and the Jackson property is thirty years, and the Company has the right to renew such leases for two additional terms of ten years each. The annual rental payment for each of the Butler properties is $30,000 for the first five years of the lease term and is increased by the increase in the consumer price index every five years thereafter. The annual rental payment for the Jackson property is $221,715 for the first five years of the lease term and is increased by the increase in the consumer price index every five years thereafter. The lease term for the Henderson property is ten years, and the Company has the right to renew such lease for four additional terms of five years each. The annual rental payment for the Henderson property is $60,000 for the first five years of the lease term and is increased by the increase in the consumer price index every five years thereafter. Under the terms of each lease, the Company has a right of first offer and right of first refusal for each of the properties.

Raw Material Agreement

The Company entered into a Raw Material Agreement with the DGD Joint Venture in May 2011 pursuant to which the Company will offer to supply certain animal fats and used cooking oil at market prices, up to the DGD Joint Venture's full operational requirement of feedstock, but the DGD Joint Venture is not obligated to purchase the raw material offered by the Company. Additionally, the Company may offer other feedstocks to the DGD Joint Venture, such as inedible corn oil, purchased on a resale basis. For the three months ended April 4, 2015 and March 29, 2014, the Company has recorded sales to the DGD Joint Venture of approximately $38.6 million and $41.6 million, respectively. At April 4, 2015 and January 3, 2015, the Company has $5.0 million and $6.1 million in outstanding receivables due from the DGD Joint Venture, respectively. In addition, the Company has eliminated approximately $6.2 million of additional sales for the three months ended April 4, 2015 to defer the Company's portion of profit of approximately $1.6 million on those sales relating to inventory assets still remaining on the DGD Joint Venture's balance sheet at April 4, 2015.

Revolving Loan Agreement

On February 23, 2015, Darling through its wholly owned subsidiary Darling Green Energy LLC, ("Darling Green") and a third party Diamond Alternative Energy, LLC ("Diamond Alternative" and together with Darling Green, the "DGD Lenders") entered into a revolving loan agreement (the "DGD Loan Agreement") with the DGD Joint Venture Opco. The DGD Lenders have committed to make loans available to Opco in the total amount of $10.0 million with each lender committed to $5.0 million of the total commitment. Any borrowings by Opco under the DGD Loan Agreement are at the applicable annum rate equal to the sum of (a) the LIBO Rate (meaning Reuters BBA Libor Rates Page 3750) on such day plus (b) 2.50%. The DGD Loan Agreement matures on December 31, 2015, unless extended by agreement of the parties. During the first quarter of fiscal 2015, Opco borrowed and repaid $3.5 million plus an insignificant amount of interest to Darling Green. As of April 4, 2015, no amounts are owed to Darling Green under the DGD Loan Agreement.

(15) New Accounting Pronouncements

In April 2015, the FASB issued Accounting Standards Update ("ASU") No. 2015-04, Practical Expedient for the Measurement Date of an Employer's Defined Benefit Obligation and Plan Assets. The ASU amends ASC Topic 715, *Compensation-Retirement Benefits.* The new standard permits a reporting entity with a fiscal year-end that does not coincide with a month-end to measure defined benefit plan assets and obligations using the month-end that is closest to the entity's fiscal year-end and apply that expedient consistently from year to year. The practical expedient should be applied consistently to all plans if an entity has more than one plan. This ASU is effective for public entities for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those years. The Company is currently evaluating the impact of this standard.

In April 2015, the FASB issued ASU No. 2015-03, Simplifying the Presentation of Debt Issuance Costs. The ASU amends ASC (Subtopic 835-30), *Interest—Imputation of Interest.* The new standard requires debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying value of the debt liability, which is similar to the presentation of debt discounts or premiums. The costs will continue to be amortized to interest expense using the effective interest method. The ASU is effective for public entities for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. The Company is currently evaluating the impact of this standard.

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), which will supersede nearly all existing revenue recognition guidance under GAAP. The new ASU introduces a new five-step revenue recognition model in which an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In addition, this ASU requires disclosures sufficient to enable the users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers, including qualitative and quantitative disclosures about contracts with customers, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. This ASU allows for either full retrospective or modified retrospective adoption and will become effective for the Company for the annual reporting period beginning after December 15, 2016, with early adoption not permitted. The Company is currently evaluating the impact of this standard.

(16) Guarantor Financial Information

The Company's 5.375% Notes (see Note 6) are guaranteed on an unsecured basis by the following Notes Guarantors, each of which is a 100% directly or indirectly owned subsidiary of Darling and which constitute all of Darling's existing restricted subsidiaries that are Credit Agreement Guarantors (other than Darling's foreign subsidiaries): Darling National, Griffin and its subsidiary Craig Protein, Darling AWS LLC, Terra Holding Company, Darling Global Holdings Inc., Darling Northstar LLC, TRS, EV Acquisition, Inc., Rousselot Inc., Rousselot Dubuque Inc., Sonac USA LLC and Rousselot Peabody Inc. The Notes Guarantors fully and unconditionally guaranteed the 5.375% Notes on a joint and several basis. The following financial statements present condensed consolidating financial data for (i) Darling, the "Issuer" of the 5.375% Notes, (ii) the combined Notes Guarantors, (iii) the combined other subsidiaries of the Company that did not guarantee the 5.375% Notes (the "Non-guarantors"), and (iv) eliminations necessary to arrive at the Company's consolidated financial statements, which include condensed consolidated balance sheets as of April 4, 2015 and January 3, 2015, and the condensed consolidating statements of operations, the condensed consolidating statements of comprehensive income and the condensed consolidating statements of cash flows for the three ended April 4, 2015 and March 29, 2014.

CONDENSED CONSOLIDATING BALANCE SHEET
As of April 4, 2015
(in thousands)

	Issuer	Guarantors	Non-guarantors	Eliminations	Consolidated
ASSETS					
Cash and cash equivalents	$ 2,372	$ 4,838	$ 104,921	$ —	$ 112,131
Restricted cash	103	—	250	—	353
Accounts receivable	27,773	635,317	270,699	(556,821)	376,968
Inventories	11,822	110,901	275,456	—	398,179
Income taxes refundable	21,857	—	3,674	—	25,531
Prepaid expenses	12,111	5,233	37,504	—	54,848
Other current assets	1,617	25	34,113	(5,113)	30,642
Deferred income taxes	42,321	—	2,818	—	45,139
Total current assets	119,976	756,314	729,435	(561,934)	1,043,791
Investment in subsidiaries	3,891,931	1,126,082	836,638	(5,854,651)	—
Property, plant and equipment, net	210,924	453,591	843,110	—	1,507,625
Intangible assets, net	20,871	356,216	492,713	—	869,800
Goodwill	21,860	549,950	683,295	—	1,255,105
Investment in unconsolidated subsidiaries	—	—	198,639	—	198,639
Other assets	54,247	524,869	323,099	(835,192)	67,023
Deferred taxes	—	—	15,832	—	15,832
	$4,319,809	$3,767,022	$4,122,761	$(7,251,777)	$4,957,815
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current portion of long-term debt	$ 17,267	$ 35	$ 69,006	$ (5,113)	$ 81,195
Accounts payable	593,373	16,248	97,126	(544,894)	161,853
Income taxes payable	115	373	5,650	—	6,138
Accrued expenses	62,859	30,026	143,886	(11,926)	224,845
Deferred income taxes	—	—	1,540	—	1,540
Total current liabilities	$ 673,614	$ 46,682	$ 317,208	$ (561,933)	$ 475,571
Long-term debt, net of current portion	1,309,306	—	1,535,421	(835,192)	2,009,535
Other noncurrent liabilities	56,171	2,046	54,137	—	112,354
Deferred income taxes	180,479	—	221,935	—	402,414
Total liabilities	2,219,570	48,728	2,128,701	(1,397,125)	2,999,874
Total stockholders' equity	2,100,239	3,718,294	1,994,060	(5,854,652)	1,957,941
	$4,319,809	$3,767,022	$4,122,761	$(7,251,777)	$4,957,815

CONDENSED CONSOLIDATING BALANCE SHEET
As of January 3, 2015
(in thousands)

	Issuer	Guarantors	Non-guarantors	Eliminations	Consolidated
ASSETS					
Cash and cash equivalents	$ 10,447	$ 14,460	$ 83,877	$ —	$ 108,784
Restricted cash	103	—	240	—	343
Accounts receivable	30,237	604,486	320,040	(544,984)	409,779
Inventories	19,762	93,253	288,598	—	401,613
Income taxes refundable	18,647	—	3,493	—	22,140
Prepaid expenses	11,513	1,792	31,324	—	44,629
Other current assets	1,894	14	206,338	(186,922)	21,324
Deferred income taxes	42,497	—	2,504	—	45,001
Total current assets	135,100	714,005	936,414	(731,906)	1,053,613
Investment in subsidiaries	3,874,466	1,096,541	837,605	(5,808,612)	—
Property, plant and equipment, net	205,895	445,301	922,920	—	1,574,116
Intangible assets, net	21,903	366,315	544,195	—	932,413
Goodwill	21,860	549,950	748,609	—	1,320,419
Investment in unconsolidated subsidiary	—	—	202,712	—	202,712
Other assets	56,404	575,656	538,460	(1,099,511)	71,009
Deferred income taxes	—	—	16,431	—	16,431
	$4,315,628	$3,747,768	$4,747,346	$(7,640,029)	$5,170,713
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current portion of long-term debt	$ 16,017	$ 55	$ 225,252	$ (186,923)	$ 54,401
Accounts payable	540,784	11,349	127,994	(511,609)	168,518
Income taxes payable	—	—	4,363	—	4,363
Accrued expenses	88,840	34,842	165,812	(33,375)	256,119
Deferred income taxes	—	—	642	—	642
Total current liabilities	645,641	46,246	524,063	(731,907)	484,043
Long-term debt, net of current portion	1,334,556	—	1,862,994	(1,099,511)	2,098,039
Other noncurrent liabilities	56,849	1,979	55,872	—	114,700
Deferred income taxes	176,745	—	246,052	—	422,797
Total liabilities	2,213,791	48,225	2,688,981	(1,831,418)	3,119,579
Total stockholders' equity	2,101,837	3,699,543	2,058,365	(5,808,611)	2,051,134
	$4,315,628	$3,747,768	$4,747,346	$(7,640,029)	$5,170,713

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
For the three months ended April 4, 2015
(in thousands)

	Issuer	Guarantors	Non-guarantors	Eliminations	Consolidated
Net sales	$125,794	$358,707	$448,843	$(58,650)	$874,694
Cost and expenses:					
Cost of sales and operating expenses	103,616	284,503	355,052	(58,650)	684,521
Selling, general and administrative expenses	33,130	14,868	38,633	—	86,631
Acquisition and integration costs	1,973	—	3,346	—	5,319
Depreciation and amortization	8,171	23,599	34,628	—	66,398
Total costs and expenses	146,890	322,970	431,659	(58,650)	842,869
Operating income	(21,096)	35,737	17,184	—	31,825
Interest expense	(15,160)	4,848	(12,797)	—	(23,109)
Foreign currency gains/(losses)	(11)	(304)	(2,145)	—	(2,460)
Other, net	(1,181)	211	461	—	(509)
Equity in net income/(loss) of unconsolidated subsidiaries	—	—	(1,808)	—	(1,808)
Earnings in investments in subsidiaries	17,449	—	—	(17,449)	—
Income/(loss) before taxes	(19,999)	40,492	895	(17,449)	3,939
Income taxes (benefit)	(20,108)	21,742	481	—	2,115
Net (income)/loss attributable to noncontrolling interests	—	—	(1,715)	—	(1,715)
Net income/(loss) attributable to Darling	$ 109	$ 18,750	$ (1,301)	$(17,449)	$ 109

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
For the three months ended March 29, 2014
(in thousands)

	Issuer	Guarantors	Non-guarantors	Eliminations	Consolidated
Net sales	$154,437	$402,988	$481,409	$(92,542)	$946,292
Cost and expenses:					
Cost of sales and operating expenses	118,176	326,889	422,683	(92,542)	775,206
Selling, general and administrative expenses	37,552	13,876	38,605	—	90,033
Acquisition and integration costs	14,381	—	1,567	—	15,948
Depreciation and amortization	7,518	19,511	38,640	—	65,669
Total costs and expenses	177,627	360,276	501,495	(92,542)	946,856
Operating income	(23,190)	42,712	(20,086)	—	(564)
Interest expense	(50,301)	5,225	(13,781)	—	(58,857)
Foreign currency gains/(losses)	(12,228)	(92)	(1,494)	—	(13,814)
Other, net	(1,453)	(797)	1,112	—	(1,138)
Equity in net income of unconsolidated subsidiaries	—	—	5,077	—	5,077
Earnings in investments in subsidiaries	11,361	—	—	(11,361)	—
Income/(loss) before taxes	(75,811)	47,048	(29,172)	(11,361)	(69,296)
Income taxes (benefit)	(23,008)	12,418	(7,700)	—	(18,290)
Net (income)/loss attributable to noncontrolling interests	—	—	(1,797)	—	(1,797)
Net income/(loss) attributable to Darling	$ (52,803)	$ 34,630	$ (23,269)	$(11,361)	$ (52,803)

CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)
For the three months ended April 4, 2015
(in thousands)

	Issuer	Guarantors	Non-guarantors	Eliminations	Consolidated
Net income/(loss)	$1,824	$18,750	$ (1,301)	$(17,449)	$ 1,824
Other comprehensive income/(loss), net of tax:					
Foreign currency translation	—	—	(98,642)	—	(98,642)
Pension adjustments	729	—	40	—	769
Natural gas swap derivative adjustments	—	—	—	—	—
Corn option derivative adjustments	38	—	—	—	38
Total other comprehensive income, net of tax	767	—	(98,602)	—	(97,835)
Total comprehensive income/(loss)	2,591	18,750	(99,903)	(17,449)	(96,011)
Total comprehensive income attributable to noncontrolling interest	—	—	7,042	—	7,042
Total comprehensive income/(loss) attributable to Darling	$2,591	$18,750	$(106,945)	$(17,449)	$(103,053)

CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)
For the three months ended March 29, 2014
(in thousands)

	Issuer	Guarantors	Non-guarantors	Eliminations	Consolidated
Net income/(loss)	$(51,006)	$34,630	$(23,269)	$(11,361)	$(51,006)
Other comprehensive income/(loss), net of tax:					
Foreign currency translation	—	—	20,615	—	20,615
Pension adjustments	320	—	—	—	320
Natural gas swap derivative adjustments	(113)	—	—	—	(113)
Corn option derivative adjustments	(1,598)	—	—	—	(1,598)
Total other comprehensive income, net of tax	(1,391)	—	20,615	—	19,224
Total comprehensive income/(loss)	(52,397)	34,630	(2,654)	(11,361)	(31,782)
Total comprehensive income attributable to noncontrolling interest	—	—	868	—	868
Total comprehensive income/(loss) attributable to Darling	$(52,397)	$34,630	$ (3,522)	$(11,361)	$(32,650)

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS
For the three months ended April 4, 2015
(in thousands)

	Issuer	Guarantors	Non-guarantors	Eliminations	Consolidated
Cash flows from operating activities:					
Net income/(loss)	$ 1,824	$ 18,750	$ (1,301)	$(17,449)	$ 1,824
Earnings in investments in subsidiaries	(17,449)	—	—	17,449	—
Other operating cash flows	48,023	(30,966)	40,359	—	57,416
Net cash provided by operating activities	32,398	(12,216)	39,058	—	59,240
Cash flows from investing activities:					
Capital expenditures	(12,243)	(19,393)	(19,202)	—	(50,838)
Acquisitions	—	—	—	—	—
Investment in subsidiaries and affiliates	(20)	(29,541)	29,541	20	—
Note receivable from affiliates	—	51,019	(51,019)	—	—
Gross proceeds from sale of property, plant and equipment and other assets	142	259	133	—	534
Proceeds from insurance settlements	71	270	—	—	341
Payments related to routes and other intangibles	—	—	(753)	—	(753)
Net cash used in investing activities	(12,050)	2,614	(41,300)	20	(50,716)
Cash flows from financing activities:					
Proceeds for long-term debt	—	—	5,943	—	5,943
Payments on long-term debt	(4,000)	(20)	(9,582)	—	(13,602)
Borrowings from revolving facilities	5,000	—	22,428	—	27,428
Payments on revolving facilities	(25,000)	—	(12,943)	—	(37,943)
Net cash overdraft financing	—	—	31,162	—	31,162
Deferred loan costs	—	—	—	—	—
Issuances of common stock	81	—	—	—	81
Contributions from parent	—	—	20	(20)	—
Minimum withholding taxes paid on stock awards	(4,469)	—	—	—	(4,469)
Excess tax benefits from stock-based compensation	(35)	—	—	—	(35)
Distributions to noncontrolling interests	—	—	(38)	—	(38)
Net cash used in financing activities	(28,423)	(20)	36,990	(20)	8,527
Effect of exchange rate changes on cash	—	—	(13,704)	—	(13,704)
Net increase/(decrease) in cash and cash equivalents	(8,075)	(9,622)	21,044	—	3,347
Cash and cash equivalents at beginning of year	10,447	14,460	83,877	—	108,784
Cash and cash equivalents at end of year	$ 2,372	$ 4,838	$104,921	$ —	$112,131

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS
For the three months ended March 29, 2014
(in thousands)

	Issuer	Guarantors	Non-guarantors	Eliminations	Consolidated
Cash flows from operating activities:					
Net income/(loss)	$ (51,006)	$ 34,630	$ (23,269)	$ (11,361)	$ (51,006)
Earnings in investments in subsidiaries	(11,361)	—	—	11,361	—
Other operating cash flows	35,205	(11,156)	(3,547)	—	20,502
Net cash provided by operating activities	(27,162)	23,474	(26,816)	—	(30,504)
Cash flows from investing activities:					
Capital expenditures	(14,754)	(16,332)	(20,274)	—	(51,360)
Acquisitions	—	(645)	(2,081,045)	—	(2,081,690)
Investment in subsidiaries and affiliates	(1,483,007)	(2,217,686)	(7,688,504)	11,389,197	—
Note receivable from affiliates	—	(204,074)	204,074	—	—
Gross proceeds from sale of property, plant and equipment and other assets	298	857	169	—	1,324
Proceeds from insurance settlements	—	—	—	—	—
Payments related to routes and other intangibles	(6,812)	—	—	—	(6,812)
Net cash used in investing activities	(1,504,275)	(2,437,880)	(9,585,580)	11,389,197	(2,138,538)
Cash flows from financing activities:					
Proceeds for long-term debt	1,100,000	—	697,509	—	1,797,509
Payments on long-term debt	(250,000)	(22)	(13,949)	—	(263,971)
Borrowings from revolving credit facility	122,445	—	100,865	—	223,310
Payments on revolving credit facility	(207,445)	—	(66,029)	—	(273,474)
Deferred loan costs	(35,292)	—	(3,494)	—	(38,786)
Issuances of common stock	2,504	—	—	—	2,504
Contributions from parent	—	2,421,762	8,967,435	(11,389,197)	—
Minimum withholding taxes paid on stock awards	(4,709)	—	—	—	(4,709)
Excess tax benefits from stock-based compensation	960	—	—	—	960
Net cash used in financing activities	728,463	2,421,740	9,682,337	(11,389,197)	1,443,343
Effect of exchange rate changes on cash	—	—	(1,736)	—	(1,736)
Net increase/(decrease) in cash and cash equivalents	(802,974)	7,334	68,205	—	(727,435)
Cash and cash equivalents at beginning of year	857,267	6,117	7,473	—	870,857
Cash and cash equivalents at end of year	$ 54,293	$ 13,451	$ 75,678	$ —	$ 143,422

DARLING INGREDIENTS INC. AND SUBSIDIARIES

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Darling Ingredients Inc.:

We have audited the accompanying consolidated balance sheets of Darling Ingredients Inc. and subsidiaries (Company) as of January 3, 2015 and December 28, 2013, and the related consolidated statements of operations, comprehensive income/ (loss), stockholders' equity, and cash flows for each of the years in the three-year period ended January 3, 2015. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Darling Ingredients Inc. and subsidiaries as of January 3, 2015 and December 28, 2014, and the results of their operations and their cash flows for each of the years in the three-year period ended January 3, 2015, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 1 to the consolidated financial statements, the Company has elected to change the date of the Company's annual assessments of goodwill and indefinite lived intangible assets impairment in 2014.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Darling Ingredients Inc.'s internal control over financial reporting as of January 3, 2015, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 4, 2015 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

Dallas, Texas
March 4, 2015

DARLING INGREDIENTS INC. AND SUBSIDIARIES

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Darling Ingredients Inc.:

We have audited Darling Ingredients Inc.'s (Company) internal control over financial reporting as of January 3, 2015, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Darling Ingredients Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting (Item 9A). Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Darling Ingredients Inc. maintained, in all material respects, effective internal control over financial reporting as of January 3, 2015, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

During 2014, the Company acquired VION Ingredients and management excluded from its assessment of the effectiveness of Company's internal control over financial reporting as of January 3, 2015, VION Ingredients' internal control over financial reporting associated with total assets of $2,849 million and total revenues of $2,065 million included in the consolidated financial statements of Darling Ingredients Inc. and subsidiaries as of and for the year ended January 3, 2015. Our audit of internal control over financial reporting of the Company also excluded an evaluation of the internal control over financial reporting of VION Ingredients.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Darling Ingredients Inc. and subsidiaries as of January 3, 2015 and December 28, 2013, and the related consolidated statements of operations, comprehensive income / (loss), stockholders' equity, and cash flows for each of the years in the three-year period ended January 3, 2015, and our report dated March 4, 2015 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

Dallas, Texas
March 4, 2015

DARLING INGREDIENTS INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
January 3, 2015 and December 28, 2013
(in thousands, except share and per share data)

	January 3, 2015	December 28, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	$ 108,784	$ 870,857
Restricted cash	343	354
Accounts receivable, less allowance for bad debts of $10,835 at January 3, 2015 and $2,241 at December 28, 2013	409,779	112,844
Inventories	401,613	65,133
Prepaid expenses	44,629	14,223
Income taxes refundable	22,140	14,512
Other current assets	21,324	32,290
Deferred income taxes	45,001	17,289
Total current assets	1,053,613	1,127,502
Property, plant and equipment, net	1,574,116	666,573
Intangible assets, less accumulated amortization of $184,909 at January 3, 2015 and $105,070 at December 28, 2013	932,413	588,664
Goodwill	1,320,419	701,637
Investment in unconsolidated subsidiaries	202,712	115,114
Other assets	71,009	44,643
Deferred income taxes	16,431	—
	$5,170,713	$3,244,133
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 54,401	$ 19,888
Accounts payable, principally trade	168,518	43,742
Income taxes payable	4,363	—
Accrued expenses	256,119	113,174
Deferred income taxes	642	—
Total current liabilities	484,043	176,804
Long-term debt, net of current portion	2,098,039	866,947
Other noncurrent liabilities	114,700	40,671
Deferred income taxes	422,797	138,759
Total liabilities	3,119,579	1,223,181
Commitments and contingencies		
Stockholders' equity:		
Common stock, $.01 par value; 250,000,000 shares authorized, 166,213,793 and 165,261,003 shares issued at January 3, 2015 and December 28, 2013, respectively	1,662	1,653
Additional paid-in capital	1,479,637	1,454,250
Treasury stock, at cost; 1,501,130 and 993,578 shares at January 3, 2015 and December 28, 2013, respectively	(23,207)	(13,271)
Accumulated other comprehensive loss	(177,060)	(29,423)
Retained earnings	671,958	607,743
Total Darling's stockholders' equity	1,952,990	2,020,952
Noncontrolling interests	98,144	—
Total stockholders' equity	2,051,134	2,020,952
	$5,170,713	$3,244,133

The accompanying notes are an integral part of these consolidated financial statements.

DARLING INGREDIENTS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
Three years ended January 3, 2015
(in thousands, except per share data)

	January 3, 2015	December 28, 2013	December 29, 2012
Net sales	$3,956,443	$1,802,268	$1,772,552
Costs and expenses:			
Cost of sales and operating expenses	3,123,171	1,339,819	1,303,727
Selling, general and administrative expenses	374,580	170,825	151,713
Depreciation and amortization	269,517	98,787	85,371
Acquisition and integration costs	24,667	23,271	—
Total costs and expenses	3,791,935	1,632,702	1,540,811
Operating income	164,508	169,566	231,741
Other expense:			
Interest expense	(135,416)	(38,108)	(24,054)
Foreign currency gains/(losses)	(13,548)	28,107	—
Other income/(expense), net	299	(3,547)	1,760
Total other expense	(148,665)	(13,548)	(22,294)
Equity in net income/(loss) of unconsolidated subsidiaries	65,609	7,660	(2,662)
Income from operations before income taxes	81,452	163,678	206,785
Income taxes	13,141	54,711	76,015
Net income	68,311	108,967	130,770
Net (income)/loss attributable to noncontrolling interests	(4,096)	—	—
Net income attributable to Darling	$ 64,215	$ 108,967	$ 130,770
Net income per share:			
Basic	$ 0.39	$ 0.91	$ 1.11
Diluted	$ 0.39	$ 0.91	$ 1.11

The accompanying notes are an integral part of these consolidated financial statements.

DARLING INGREDIENTS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)
Three years ended January 3, 2015
(in thousands)

	January 3, 2015	December 28, 2013	December 29, 2012
Net income	$ 68,311	$108,967	$130,770
Other comprehensive income/(loss), net of tax:			
Foreign currency translation	(125,884)	(14,502)	—
Pension adjustments	(20,381)	15,140	(1,169)
Natural gas swap derivative adjustments	(113)	127	391
Corn option derivative adjustments	(1,259)	1,141	194
Interest rate swap derivative adjustments	—	—	159
Total other comprehensive income/(loss), net of tax	(147,637)	1,906	(425)
Total comprehensive income/(loss)	(79,326)	110,873	130,345
Comprehensive income attributable to noncontrolling interests	6,200	—	—
Comprehensive income/(loss) attributable to Darling	$ (73,126)	$110,873	$130,345

The accompanying notes are an integral part of these consolidated financial statements.

DARLING INGREDIENTS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Three years ended January 3, 2015
(in thousands, except share data)

	Common Stock								
	Number of Outstanding Shares	$.01 par Value	Additional Paid-In Capital	Treasury Stock	Accumulated Other Comprehensive Loss	Retained Earnings	Stockholders' equity attributable to Darling	Non-controlling Interest	Total Stockholders' Equity
Balances at December 31, 2011	117,048,438	$1,176	$ 587,685	$ (5,588)	$ (30,904)	$368,006	$ 920,375	$ —	$ 920,375
Net income	—	—	—	—	—	130,770	130,770	—	130,770
Pension liability adjustments, net of tax	—	—	—	—	(1,169)	—	(1,169)	—	(1,169)
Interest rate swap derivative adjustment, net of tax	—	—	—	—	159	—	159	—	159
Natural gas swap derivative adjustment, net of tax	—	—	—	—	391	—	391	—	391
Corn option derivative adjustment, net of tax	—	—	—	—	194	—	194	—	194
Issuance of non-vested stock	486,697	5	6,808	—	—	—	6,813	—	6,813
Stock-based compensation	—	—	3,727	—	—	—	3,727	—	3,727
Tax benefits associated with stock-based compensation	—	—	2,652	—	—	—	2,652	—	2,652
Treasury stock	(264,275)	—	—	(4,445)	—	—	(4,445)	—	(4,445)
Issuance of common stock	544,131	5	2,964	—	—	—	2,969	—	2,969
Balances at December 29, 2012	117,814,991	$1,186	$ 603,836	$(10,033)	$ (31,329)	$498,776	$1,062,436	$ —	$1,062,436
Net income	—	—	—	—	—	108,967	108,967	—	108,967
Pension liability adjustments, net of tax	—	—	—	—	15,140	—	15,140	—	15,140
Natural gas swap derivative adjustment, net of tax	—	—	—	—	127	—	127	—	127
Corn option derivative adjustment, net of tax	—	—	—	—	1,141	—	1,141	—	1,141
Foreign currency translation adjustments	—	—	—	—	(14,502)	—	(14,502)	—	(14,502)
Issuance of non-vested stock	387,681	4	6,535	—	—	—	6,539	—	6,539
Stock-based compensation	—	—	50	—	—	—	50	—	50
Tax benefits associated with stock-based compensation	—	—	1,138	—	—	—	1,138	—	1,138
Treasury stock	(185,919)	—	—	(3,238)	—	—	(3,238)	—	(3,238)
Issuance of common stock	46,250,672	463	842,691	—	—	—	843,154	—	843,154
Balances at December 28, 2013	164,267,425	$1,653	$1,454,250	$(13,271)	$ (29,423)	$607,743	$2,020,952	$ —	$2,020,952
Acquisition of noncontrolling interests	—	—	—	—	—	—	—	90,919	90,919
Net income	—	—	—	—	—	64,215	64,215	4,096	68,311
Distribution of noncontrolling interest earnings	—	—	—	—	—	—	—	(4,272)	(4,272)
Additions to noncontrolling interests	—	—	—	—	—	—	—	1,201	1,201
Pension liability adjustments, net of tax	—	—	—	—	(20,381)	—	(20,381)	—	(20,381)
Natural gas swap derivative adjustment, net of tax	—	—	—	—	(113)	—	(113)	—	(113)
Corn option derivative adjustment, net of tax	—	—	—	—	(1,259)	—	(1,259)	—	(1,259)
Foreign currency translation adjustments	—	—	—	—	(125,884)	—	(125,884)	6,200	(119,684)
Issuance of non-vested stock	209,827	2	4,369	—	—	—	4,371	—	4,371
Stock-based compensation	—	—	9,993	—	—	—	9,993	—	9,993
Tax benefits associated with stock-based compensation	—	—	2,420	—	—	—	2,420	—	2,420
Treasury stock	(507,552)	—	—	(9,936)	—	—	(9,936)	—	(9,936)
Issuance of common stock	742,963	7	8,605	—	—	—	8,612	—	8,612
Balances at January 3, 2015	164,712,663	$1,662	$1,479,637	$(23,207)	$(177,060)	$671,958	$1,952,990	$98,144	$2,051,134

The accompanying notes are an integral part of these consolidated financial statements.

DARLING INGREDIENTS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
Three years ended January 3, 2015
(in thousands)

	January 3, 2015	December 28, 2013	December 29, 2012
Cash flows from operating activities:			
Net income	$ 68,311	$ 108,967	$ 130,770
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	269,517	98,787	85,371
Deferred income taxes	(21,216)	24,593	10,338
Loss/(gain) on sale of assets	(2,437)	(1,245)	1,099
Gain on insurance proceeds from insurance settlement	(1,550)	(1,981)	(4,272)
Increase/(decrease) in long-term pension liability	9,593	(9,010)	2,790
Stock-based compensation expense	20,807	9,433	8,904
Write-off deferred loan costs	4,330	—	725
Deferred loan cost amortization	9,949	3,451	3,042
Equity in net (income)/loss of unconsolidated subsidiary	(65,609)	(7,660)	2,662
Unrealized gain on foreign currency hedge	—	(27,516)	—
Changes in operating assets and liabilities, net of effects from acquisitions:			
Accounts receivable	982	4,424	(2,324)
Income taxes refundable	(22,451)	(15,316)	17,845
Inventories and prepaid expenses	(11,194)	2,059	(15,168)
Accounts payable and accrued expenses	(31,223)	8,521	3,923
Other	47,363	13,214	3,832
Net cash provided by operating activities	275,172	210,721	249,537
Cash flows from investing activities:			
Capital expenditures	(228,918)	(118,307)	(115,413)
Acquisitions, net of cash acquired	(2,094,400)	(734,075)	(3,000)
Investment in unconsolidated subsidiary	—	(44,959)	(43,424)
Gross proceeds from sale of property, plant and equipment and other assets	9,262	2,358	3,870
Proceeds from insurance settlement	1,550	1,981	4,272
Payments related to routes and other intangibles	(11,288)	(2,423)	(137)
Net cash used in investing activities	(2,323,794)	(895,425)	(153,832)
Cash flows from financing activities:			
Proceeds from long-term debt	1,842,184	344,704	—
Payments on long-term debt	(333,762)	(580)	(30,032)
Borrowings from revolving credit facility	170,143	293,235	—
Payments on revolving credit facility	(351,589)	(5,000)	—
Net cash overdraft financing	4,077	—	—
Deferred loan costs	(45,223)	(13,320)	—
Issuance of common stock	416	840,558	72
Minimum withholding taxes paid on stock awards	(10,026)	(3,289)	(4,084)
Excess tax benefits from stock-based compensation	2,420	1,138	2,652
Addition of noncontrolling interest	1,201	—	—
Distributions to noncontrolling interests	(4,272)	—	—
Net cash provided/(used) in financing activities	1,275,569	1,457,446	(31,392)
Effect of exchange rate changes on cash flows	10,980	(5,134)	—
Net increase/(decrease) in cash and cash equivalents	(762,073)	767,608	64,313
Cash and cash equivalents at beginning of year	870,857	103,249	38,936
Cash and cash equivalents at end of year	$ 108,784	$ 870,857	$ 103,249
Supplemental disclosure of cash flow information:			
Accrued capital expenditures	$ 1,340	$ 1,163	$ —
Cash paid during the year for:			
Interest, net of capitalized interest	$ 104,834	$ 21,554	$ 20,181
Income taxes, net of refunds	$ 28,315	$ 31,405	$ 43,491
Non-cash financing activities			
Debt issued for service contract assets	$ —	$ —	$ 226

The accompanying notes are an integral part of these consolidated financial statements.

Note 1. General

(a) Nature of Operations

On May 6, 2014, the stockholders of Darling International Inc. approved changing the name of the company from Darling International Inc. to Darling Ingredients Inc. The change became effective on May 6, 2014. Darling Ingredients Inc., a Delaware corporation (“Darling”, and together with its subsidiaries, the “Company”), is a global developer and producer of sustainable natural ingredients from edible and inedible bio-nutrients, creating a wide range of ingredients and customized specialty solutions for customers in the pharmaceutical, food, pet food, feed, technical, fuel, bioenergy and fertilizer industries. As further discussed in Note 2, on January 7, 2014, the Company acquired the VION Ingredients business division (“VION Ingredients”) of VION Holding, N.V., a Dutch limited liability company (“VION”), by purchasing all of the shares of VION Ingredients International (Holding) B.V., and VION Ingredients Germany GmbH, and 60% of Best Hides GmbH (collectively, the “VION Companies”), pursuant to a Sale and Purchase Agreement dated October 5, 2013, as amended, between Darling and VION (the “VION Acquisition”). The VION Ingredients business is now conducted under the name Darling Ingredients International. In addition, on October 28, 2013, Darling completed the acquisition of substantially all of the assets of Rothsay (“Rothsay”), a division of Maple Leaf Foods, Inc. (“MFI”), a Canadian corporation, pursuant to an Acquisition Agreement between MFI and Darling dated August 23, 2013 (the “Rothsay Acquisition”). The Company’s business is now conducted through a global network of over 200 locations across five continents. Effective December 29, 2013, the Company’s business operations were reorganized into three new segments, Feed Ingredients, Food Ingredients and Fuel Ingredients, in order to better align its business with the underlying markets and customers that the Company serves. All historical periods have been recast to reflect the changes to the segment reporting structure. Comparative segment revenues and related financial information are presented in Note 20 to the consolidated financial statements.

(b) Summary of Significant Accounting Policies

(1) Basis of Presentation

The consolidated financial statements include the accounts of Darling and its consolidated subsidiaries. Noncontrolling interests represents the outstanding ownership interest in the Company’s consolidated subsidiaries that are not owned by the Company. In the accompanying Consolidated Statements of Operations, the noncontrolling interest in net income/(loss) of the consolidated subsidiaries is shown as an allocation of the Company’s net income and is presented separately as “Net income/(loss) attributable to noncontrolling interests”. In the Company’s Consolidated Balance Sheets, noncontrolling interests represents the ownership interests in the Company consolidated subsidairies’ net assets held by parties other than the Company. These ownership interests are presented separately as “Noncontrolling interests” within “Stockholders’ Equity.” All significant intercompany balances and transactions have been eliminated in consolidation.

(2) Fiscal Year

The Company has a 52 / 53 week fiscal year ending on the Saturday nearest December 31. Fiscal years for the consolidated financial statements included herein are for the 53 weeks ended January 3, 2015, the 52 weeks ended December 28, 2013, and the 52 weeks ended December 29, 2012.

(3) Cash and Cash Equivalents

The Company considers all short-term highly liquid instruments, with an original maturity of three months or less, to be cash equivalents.

(4) Accounts Receivable and Allowance for Doubtful Accounts

The Company maintains allowances for doubtful accounts for estimated losses resulting from customers' non-payment of trade accounts receivable owed to the Company. These trade receivables arise in the ordinary course of business from sales of raw material, finished product or services to the Company's customers. The estimate of allowance for doubtful accounts is based upon the Company's bad debt experience, prevailing market conditions, and aging of trade accounts receivable, among other factors. If the financial condition of the Company's customers deteriorates, resulting in the customers' inability to pay the Company's receivables as they come due, additional allowances for doubtful accounts may be required.

(5) Inventories

Inventories are stated at the lower of cost or market. Cost is primarily determined using the first-in, first-out (FIFO) method for the Feed Ingredients and Fuel Ingredients segments. In the Food Ingredients segment cost is primarily determined based on the weighted average cost.

(6) Long Lived Assets

Property, Plant and Equipment

Property, plant and equipment are recorded at cost. Depreciation is computed by the straight-line method over the estimated useful lives of assets: 1) Buildings and improvements, 15 to 30 years; 2) Machinery and equipment, 3 to 10 years; 3) Vehicles, 3 to 8 years; and 4) Aircraft, 7 to 10 years.

Maintenance and repairs are charged to expense as incurred and expenditures for major renewals and improvements are capitalized.

Intangible Assets

Intangible assets with indefinite lives, and therefore, not subject to amortization, consist of trade names acquired in the acquisition of Griffin Industries Inc. on December 17, 2010 (which was subsequently converted to a limited liability company) and its subsidiaries ("Griffin") and trade names acquired in the VION Acquisition. Intangible assets subject to amortization consist of: 1) collection routes which are made up of groups of suppliers of raw materials in similar geographic areas from which the Company derives collection fees and a dependable source of raw materials for processing into finished products; 2) permits that represent licensing of operating plants that have been acquired, giving those plants the ability to operate; 3) non-compete agreements that represent contractual arrangements with former competitors whose businesses were acquired; 4) trade names; and 5) royalty, consulting, land use rights and leasehold agreements. Amortization expense is calculated using the straight-line method over the estimated useful lives of the assets ranging from: 5 to 21 years for collection routes; 10 to 20 years for permits; 3 to 7 years for non-compete covenants; and 4 to 15 years for trade names. Royalty, consulting, land use rights and leasehold agreements are amortized over the term of the agreement.

(7) Impairment of Long-Lived Assets and Long-Lived Assets to Be Disposed of

The Company reviews the carrying value of long-lived assets for impairment when events or changes in circumstances indicate that the carrying amount of an asset, or related asset group, may not be recoverable from estimated future undiscounted cash flows. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset or asset group to estimated undiscounted future cash flows expected to be generated by the asset or asset group. If the carrying amount of the asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount for which the carrying amount of the asset exceeds the fair value of the asset. In fiscal 2014, 2013 and 2012 no such events occurred requiring that the Company perform testing of its long-lived assets for impairment.

(8) Goodwill

During the fourth quarter of fiscal 2014, the Company elected to change the date of the Company's annual assessments of goodwill and indefinite lived intangible assets impairment from the end of the Company's fiscal year to the end of October. This is a change in method of applying an accounting principal, which management believes is a preferable alternative as the new date of the assessment is more closely aligned with Company's strategic planning process. The change in assessment date did not delay, accelerate or avoid a potential impairment charge in 2014. The Company performed the annual goodwill and indefinite-lived intangible assets impairment assessments at October 25, 2014 and concluded that the Company's goodwill for all reporting units and all recorded indefinite-lived intangible assets were not impaired as of that date. Goodwill and indefinite lived assets are tested annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. The Company follows a two-step process for testing impairment. First, the fair value of each reporting unit is compared to its carrying value to determine whether an indication of impairment exists. If impairment is indicated, then the fair value of the reporting unit's goodwill is determined by allocating the unit's fair value of its assets and liabilities (including any unrecognized intangible assets) as if the reporting unit had been acquired in a business combination. The amount of impairment for goodwill is measured as the excess of its carrying value over its implied fair value.

In fiscal 2014, 2013 and 2012, the fair values of the Company's reporting units containing goodwill exceeded the related carrying values. Goodwill was approximately $1,320.4 million and $701.6 million at January 3, 2015 and December 28, 2013, respectively. See Note 6 for further information on the Company's goodwill.

(9) Environmental Expenditures

Environmental expenditures incurred to mitigate or prevent environmental impacts that have yet to occur and that otherwise may result from future operations are capitalized. Expenditures that relate to an existing condition caused by past operations and that do not contribute to current or future revenues are expensed or charged against established environmental reserves. Reserves are established when environmental impacts have been identified which are probable to require mitigation and/or remediation and the costs are reasonably estimable.

(10) Income Taxes

The Company accounts for income taxes using the asset and liability method. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company periodically assesses whether it is more likely than not that it will generate sufficient taxable income to realize its deferred income tax assets. In making this determination, the Company considers all available positive and negative evidence and makes certain assumptions. The Company considers, among other things, its deferred tax liabilities, the overall business environment, its historical earnings and losses, current industry trends and its outlook for taxable income in future years.

The Company recognizes tax benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained upon examination by the relevant taxing authority. Adjustments are made to the reserves for uncertain tax positions when facts and circumstances change or additional information is available. Judgment is required to assess the impact of ongoing audits conducted by tax authorities in determining the Company's consolidated income tax provision. The Company recognizes accrued interest and penalties on tax related matters as a component of income tax expense.

(11) Earnings per Share

Basic income per common share is computed by dividing net income by the weighted average number of common shares including non-vested and restricted shares with participation rights outstanding during the period. Diluted income per common share is computed by dividing net income by the weighted average number of common shares outstanding during the period increased by dilutive common equivalent shares determined using the treasury stock method. As a result of the use of the weighted average number of shares outstanding during fiscal 2013, the full effect of the issuance of 46,000,000 shares during the fourth quarter of fiscal 2013 as discussed in Note 13, is not included in the below earnings per share calculations for fiscal 2013.

	Net Income per Common Share (in thousands)								
	January 3, 2015			December 28, 2013			December 29, 2012		
	Income	Shares	Per-Share	Income	Shares	Per-Share	Income	Shares	Per-Share
Basic:									
Net income attributable to Darling	$64,215	164,627	$0.39	$108,967	119,526	$0.91	$130,770	117,592	$1.11
Diluted:									
Effect of dilutive securities									
Add: Option shares in the money and dilutive effect of nonvested stock	—	806	—	—	848	—	—	806	—
Less: Pro-forma treasury shares	—	(374)	—	—	(450)	—	—	(309)	—
Diluted:									
Net income attributable to Darling	$64,215	165,059	$0.39	$108,967	119,924	$0.91	$130,770	118,089	$1.11

For fiscal 2014, 2013 and 2012, respectively, 319,240, 135,733 and 207,890 outstanding stock options were excluded from diluted income per common share as the effect was antidilutive. For fiscal 2014, 2013 and 2012, respectively, 751,444, 57,257 and 105,486 non-vested stock were excluded from diluted income per common share as the effect was antidilutive.

(12) Stock Based Compensation

The Company recognizes compensation expense in an amount equal to the fair value of the share-based payments (e.g., stock options and non-vested and restricted stock) granted to employees and non-employee directors or by incurring liabilities to an employee or other supplier (a) in amounts based, at least in part, on the price of the entity's shares or other equity instruments, or (b) that require or may require settlement by issuing the entity's equity shares or other equity instruments.

Total stock-based compensation recognized in the statement of operations for the years ended January 3, 2015, December 28, 2013 and December 29, 2012 was approximately $20.9 million, $9.4 million and $8.9 million, respectively, which is included in selling, general and administrative expenses, and the related income tax benefit recognized was approximately $5.9 million, $3.7 million and $3.5 million, respectively. See Note 14 for further information on the Company's stock-based compensation plans.

The benefits of tax deductions in excess of recognized compensation expense are reported as a financing cash flow. For the year ended January 3, 2015, December 28, 2013 and December 29, 2012 the Company recognized $2.4 million, $1.1 million and $2.7 million as an increase in financing cash flows related to such deductions.

(13) Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

If it is at least reasonably possible that the estimate of the effect on the financial statements of a condition, situation, or set of circumstances that exist at the date of the financial statements will change in the near term due to one or more future confirming events, and the effect of the change would be material to the financial statements, the Company will disclose the nature of the uncertainty and include an indication that it is at least reasonably possible that a change in the estimate will occur in the near term. If the estimate involves certain loss contingencies, the disclosure will also include an estimate of the probable loss or range of loss or state that an estimate cannot be made.

(14) Financial Instruments

The carrying amount of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximates fair value due to the short maturity of these instruments. The Company's 5.375% Senior Notes due 2022, term loans and revolver borrowings outstanding at January 3, 2015, as described in Note 10 have a fair value based on market valuation from a third-party bank. The carrying amount for the Company's other debt is not deemed to be significantly different than the carrying value. See Note 17 for financial instruments' fair values.

(15) Derivative Instruments

The Company makes limited use of derivative instruments to manage cash flow risks related to interest expense, natural gas usage, diesel fuel usage, inventory, forecasted sales and foreign currency exchange rates. The Company does not use derivative instruments for trading purposes. Interest rate swaps are entered into with the intent of managing overall borrowing costs by reducing the potential impact of increases in interest rates on floating-rate long-term debt. Natural gas swaps and options are entered into with the intent of managing the overall cost of natural gas usage by reducing the potential impact of seasonal weather demands on natural gas that increases natural gas prices. Heating oil swaps and options are entered into with the intent of managing the overall cost of diesel fuel usage by reducing the potential impact of seasonal weather demands on diesel fuel that increases diesel fuel prices. Corn options and future contracts are entered into with the intent of managing forecasted sales of BBP by reducing the impact of changing prices. Foreign currency forward contracts are entered into to mitigate the foreign exchange rate risk for transactions designated in a currency other than the local functional currency.

Entities are required to report all derivative instruments in the statement of financial position at fair value. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and, if so, on the reason for holding the instrument. If certain conditions are met, entities may elect to designate a derivative instrument as a hedge of exposures to changes in fair value, cash flows or foreign currencies. If the hedged exposure is a cash flow exposure, the effective portion of the gain or loss on the derivative instrument is reported initially as a component of other comprehensive income (outside of earnings) and is subsequently reclassified into earnings when the forecasted transaction affects earnings. Any amounts excluded from the assessment of hedge effectiveness as well as the ineffective portion of the gain or loss is reported in earnings immediately. If the derivative instrument is not designated as a hedge, the gain or loss is recognized in earnings in the period of change. Hedge accounting treatment ceases if or when the hedge transaction is no longer probable of occurring or the hedge relationship correlation no longer qualifies for hedge accounting.

At January 3, 2015, the Company had corn options outstanding that qualified and were designated for hedge accounting as well as heating oil swaps and options, corn options and foreign currency forward contracts that did not qualify and were not designated for hedge accounting.

(16) Revenue Recognition

The Company recognizes revenue on sales when products are shipped and the customer takes ownership and assumes risk of loss. Certain customers may be required to prepay prior to shipment in order to maintain payment protection against certain foreign and domestic sales. These amounts are recorded as unearned revenue and revenue is recognized when the products have shipped and the customer takes ownership and assumes risk of loss. The Company has formula arrangements with certain suppliers whereby the charge or credit for raw materials is tied to published finished product commodity prices after deducting a fixed processing fee incorporated into the formula and is recorded as a cost of sale by line of business. The Company recognizes revenue related to grease trap servicing and industrial residual removal in the fiscal month the trap service or industrial residual removal occurs.

(17) Related Party Transactions

The Company announced on January 21, 2011 that a wholly-owned subsidiary of Darling entered into a limited liability company agreement with a wholly-owned subsidiary of Valero Energy Corporation

("Valero") to form Diamond Green Diesel Holdings LLC (the "DGD Joint Venture"). The Company has related party sale transactions with the DGD Joint Venture. Additionally, Darling through its wholly-owned subsidiary Griffin Industry LLC ("Griffin"), leases two real properties located in Butler, Kentucky and real properties located in each of Jackson, Mississippi and Henderson, Kentucky from Martom Properties, LLC, an entity owned in part by Martin W. Griffin, the Company's Executive Vice President—Chief Operations Officer, North America. See Note 9 and Note 22 for further information on the Company's related party transactions.

(18) Foreign Currency Translation and Remeasurement

Foreign currency translation is included as a component of accumulated other comprehensive income and reflects the adjustments resulting from translating the foreign currency denominated financial statements of foreign subsidiaries into U.S. dollars. The functional currency of the Company's foreign subsidiaries is the currency of the primary economic environment in which the entity operates, which is generally the local currency of the country. Accordingly, assets and liabilities of the foreign subsidiaries are translated to U.S. dollars at fiscal year end exchange rates, including intercompany foreign currency transactions that are of long-term investment nature. Income and expense items are translated at average exchange rates occurring during the period. Changes in exchange rates that affect cash flows and the related receivables or payables are recognized as transaction gains and losses in determining net income. The Company incurred net foreign currency translation losses of approximately $125.9 million and $14.5 million in fiscal year 2014 and fiscal 2013, respectively and no currency translation in fiscal year 2012. The large increase in translation losses on the balance sheet has occurred primarily as a result of the strengthening of the U.S. dollar when compared to the Company's largest foreign currencies, the euro and Canadian dollar. In addition, the Company incurred foreign currency gains/(losses) in the statement of operations of approximately $(13.5) million and $28.1 million in fiscal 2014 and fiscal 2013, respectively, with $12.6 million loss being recorded in fiscal 2014 upon settlement of foreign exchange contracts that did not qualify for hedge accounting to mitigate the foreign exchange rate risk of the acquisition price of the VION Acquisition and $27.5 million gain being recorded in fiscal 2013 representing the unrealized gain on the foreign exchange rate risk of the acquisition price on the foreign exchange contracts of the VION Acquisition that was recorded as an other current asset on the balance sheet at December 28, 2013.

(19) Reclassification

Certain prior year amounts have been reclassified to conform to the current year presentation.

(20) Subsequent Events

The Company evaluates subsequent events from the end of the most recent fiscal year through the date the consolidated financial statements are issued.

Note 2. Acquisitions

On January 7, 2014, the Company acquired the VION Ingredients business division from VION by purchasing shares of the VION Companies as described in Note 1, pursuant to a Sale and Purchase Agreement dated October 5, 2013, as amended, between Darling and VION. The VION Ingredients business is now conducted under the name Darling Ingredients International. Darling Ingredients

Int7ernational is a worldwide leader in the development and production of specialty ingredients from animal by-products for applications in pharmaceuticals, food, pet food, feed, fuel, bioenergy and fertilizer. Darling Ingredients International operates a global network of 68 production facilities across five continents covering all aspects of animal by-product processing through six brands: Rendac (bioenergy), Sonac (bone products, proteins, fats, edible fats and plasma products), Ecoson (bioenergy), Rousselot (gelatin and collagen hydrolysates), CTH (natural casings) and Best Hides (hides and skins). Darling Ingredients International's specialized portfolio of over 400 products covers all animal origin raw material types and thereby offers a comprehensive, single source solution for suppliers. Darling Ingredients International's business has leading positions across Europe with operations in the Netherlands, Belgium, Germany, Poland and Italy under the Rendac and Sonac brand names. Value-added products include edible fats, blood plasma powder, hemoglobin, bone products, protein meals and fats. Rousselot is a global leading market provider of gelatin for the pharmaceutical, food and technical industries with operations in Europe, the United States, South America and China. CTH is a market leader in natural casings for the sausage industry with operations in Europe, China and the United States. The purchase of the VION Companies allows the Company to have a global reach. The purchase price for the transaction was approximately €1.6 billion in cash (approximately $2.2 billion at the exchange rate of € 1.00 : USD$1.3605). The purchase price was financed through (i) borrowings under the Company's senior secured revolving credit facility and term loan facilities; (ii) proceeds from the Company's $874.0 million public common stock offering in the fourth quarter of fiscal 2013; and (iii) proceeds from the private offering of $500.0 million aggregate principal amount of the Company's 5.375% Senior Notes due 2022, that closed on January 2, 2014.

The following table summarizes the fair value of the assets acquired and liabilities assumed in the VION Acquisition as of January 7, 2014 (in thousands):

Accounts receivable	$ 337,278
Inventory	375,306
Prepaid expense	23,135
Other current assets	3,525
Deferred tax assets	48,639
Property plant and equipment	981,009
Identifiable intangibles	464,193
Goodwill	702,672
Investment in unconsolidated subsidiaries	27,069
Other long term assets	1,101
Accounts payable	(210,477)
Current portion of long-term debt	(26,347)
Accrued expenses	(149,345)
Deferred tax liability	(350,003)
Long Term debt obligations	(4,109)
Other noncurrent liabilities	(57,721)
Noncontrolling interests	(90,919)
Purchase price, net of cash acquired of $91.2 million	$2,075,006

During the fourth quarter of fiscal 2014, the Company completed the purchase accounting for the VION Acquisition. Subsequent to the preliminary purchase price allocation in the first quarter of fiscal 2014, the Company made adjustments to the provisional amounts to increase working capital of approximately $84.0 million, decrease property, plant and equipment of approximately $27.3 million, decrease identifiable intangibles of $17.6 million, decrease goodwill of approximately $72.1 million and increase other of approximately $27.0 million. The impact of these adjustments during the measurement period did not have a material impact to earnings for fiscal 2014 or any quarterly period during the year.

Goodwill of approximately $223.2 million was assigned to the Feed Ingredients segment, approximately $375.6 million was assigned to the Food Ingredients segment and approximately $103.8 million was assigned to the Fuel Ingredients segment, respectively. Of the VION Acquisition goodwill, approximately 33% is expected to be deductible for tax purposes. Identifiable intangibles include trademarks and trade names with indefinite lives of approximately $32.0 million and definite lived intangible assets including routes of approximately $190.2 million with a weighted average useful life of 10 years, $225.6 million in permits with a weighted average useful life of 15 years and patents and other intangibles of approximately $16.5 million with a weighted average useful life of 25 years. The VION Acquisition is a taxable stock sale and as a result there were deferred taxes that were created.

The amount of revenue and income/loss from the VION Acquisition included in the Company's consolidated statement of operations for the year ended January 3, 2015 were $2.1 billion and a income of approximately $19.6 million, respectively.

On October 28, 2013, Darling completed the acquisition of substantially all of the assets of Rothsay for approximately CAD $640.2 million (approximately USD$612.6 million at the exchange rate of CAD$1.00 :USD$0.9569) comprised of cash of CAD$644.5 million less a contingent receivable of approximately CAD$4.3 million due to over payment for working capital, which was returned by MFI in fiscal 2014. The cash portion of the Rothsay Acquisition was funded through a combination of borrowings under Darling's senior secured revolving credit facility and term loan facility. Rothsay has a network of five rendering plants in Manitoba, Ontario and Nova Scotia and a biodiesel operation in Quebec, Canada. The Rothsay Acquisition not only adds significant scale by expanding the Company's geographic footprint into Canada, but also provides the Company with an opportunity for synergies through transferring best practices between Rothsay and the Company's existing operations and improving efficiencies.

The following table summarizes the fair value of the assets acquired and liabilities assumed in the Rothsay Acquisition as of October 28, 2013 (in thousands):

Accounts receivable	$ 13,220
Inventory	5,479
Other current assets	312
Property, plant and equipment	138,175
Identifiable intangibles	240,386
Goodwill	262,797
Accounts payable	(12,159)
Accrued expenses	(5,701)
Deferred tax liability	(15,031)
Capital lease obligations	(10,741)
Other non-current liabilities	(4,102)
Purchase price, net of cash acquired	$612,635

During the fourth quarter of fiscal 2014, the Company completed the purchase accounting for the Rothsay Acquisition. In the Rothsay Acquisition, goodwill of approximately $224.6 million was assigned to the Feed Ingredients segment and approximately $38.2 million was assigned to the Fuel Ingredients segment. Approximately 75% of the goodwill recorded in the Rothsay Acquisition is expected to be deductible for tax purposes. Identifiable intangibles include definite lived intangible assets including routes of approximately $172.6 million with a weighted average useful life of 21 years, $55.6 million in permits with a weighted average useful life of 13 years, trade names of approximately $9.0 million with a weighted average useful life of 4 years and $3.2 million in non-compete with a weighted average useful life of 7 years.

The amount of Rothsay's revenue and ncome/loss included in the Company's consolidated statement of operations for the year ended January 3, 2015 were $207.0 million and income of approximately $15.9 million, which includes certain integration costs allocated to the business, respectively.

The Company also incurred selling and general administrative expenses as part of the VION Acquisition and the Rothsay Acquisition for consulting and legal expenses and integration expenses in the amount of approximately $24.4 million and $22.2 million during fiscal 2014 and fiscal 2013, respectively.

As a result of the Rothsay Acquisition and the VION Acquisition, effective October 28, 2013 and January 7, 2014, respectively, the Company began including the operations of the Rothsay Acquisition and the VION Acquisition into the Company's consolidated financial statements. The following table presents selected pro forma information, for comparative purposes, assuming the Rothsay Acquisition and the VION Acquisition had occurred on December 30, 2012 for the periods presented (unaudited) (in thousands, except per share data):

	December 28, 2013
Net sales	$4,178,258
Income from continuing operations	259,765
Net income attributable to Darling	169,101
Earnings per share	
Basic	$ 1.03
Diluted	$ 1.02

The selected unaudited pro forma information is not necessarily indicative of the consolidated results of operations for future periods or the results of operations that would have been realized had the VION Acquisition and the Rothsay Acquisition actually occurred on December 30, 2012 and excludes certain nonrecurring transactions directly related to the acquisitions.

The Company also incurred selling and general administrative expenses as part of the Rothsay Acquisition for consulting and legal expenses in the amount of approximately $10.8 million. Additionally, approximately $14.4 million was capitalized as deferred loan costs, which are included in other assets on the Company's consolidated balance sheets in fiscal 2013.

The Company notes the acquisitions discussed below are not considered related businesses, therefore are not required to be treated as a single business combination. Pro forma results of operations for these acquisitions have not been presented because the effect of each acquisition individually or in the aggregate is not deemed material to revenues and net income of the Company for any fiscal period presented.

On October 1, 2014, the Company acquired substantially all of the assets of Custom Blenders Arkansas, LLC, an Indiana limited liability company, Custom Blenders Georgia, LLC, a Georgia limited liability company, Custom Blenders Indiana, Inc., an Indiana corporation, and Custom Blenders Texas, LLC, an Indiana limited liability company (collectively "Custom Blenders"), one of the leading bakery residuals recyclers in the United States. The acquisition includes Custom Blenders' operations in Indiana, Georgia, Texas, and Arkansas. The acquisition will provide significant synergies to the Company's suppliers and customers in the Feed Ingredients segment. The Company paid approximately $18.8 million in cash for assets consisting of property, plant and equipment of approximately $3.2 million, intangible assets of approximately $8.6 million, goodwill of approximately $5.4 million and inventory of approximately $1.6 million. The identifiable intangibles have a weighted average life of 14 years.

On August 26, 2013, a wholly-owned subsidiary of Darling, Darling AWS LLC, a Delaware limited liability company, acquired all of the shares of Terra Holding Company, a Delaware corporation, and its wholly owned subsidiaries, Terra Renewal Services, Inc., an Arkansas corporation ("TRS"), and EV Acquisition, Inc., an Arkansas corporation (the "Terra Transaction"). The Terra Transaction will increase the Company's rendering portfolio by adding to the Company's existing rendering segments grease collection businesses and adds an industrial residuals business as a new line of service for the Company's rendering raw material suppliers within the Feed Ingredients segment.

Effective August 26, 2013, the Company began including the operations acquired in the Terra Transaction into the Company's consolidated financial statements. The Company paid approximately $122.1 million in cash for assets and assumed liabilities consisting of property, plant and equipment of $27.7 million, intangible assets of $46.2 million, goodwill of $61.1 million, deferred tax liability of $19.5 million and working capital of $6.6 million on the closing date. The goodwill from the Terra Transaction was assigned to the Feed Ingredients segment and is not deductible for tax purposes, though TRS has approximately $5.2 million of goodwill deductible for tax purposes related to prior acquisitions. The identifiable intangibles have a weighted average life of 12 years.

On June 8, 2012, the Company completed its acquisition of substantially all of the assets of RVO BioPur, LLC ("BioPur") for approximately $3.0 million including property plant and equipment of $0.6 million and intangible assets of $2.4 million. Headquartered in Waterbury, Connecticut, BioPur provides used cooking oil collection and grease trap services to restaurants and food service establishments in the New England area of the Company's existing East coast operations. The identifiable intangibles have a weighted average life of 9 years.

Note 3. Inventories

A summary of inventories follows (in thousands):

	January 3, 2015	December 28, 2013
Finished product	$255,130	$57,681
Work in process	98,936	—
Supplies and other	47,547	7,452
	$401,613	$65,133

Following the VION Acquisition, the Company began to carry larger amounts of inventories as compared to historical periods due to the VION Acquisition. Additionally, certain products acquired in the VION Acquisition, primarily in the gelatin and casing businesses traditionally have required longer processing periods to produce the end product and thus have greater available inventory than Darling's historical products require. The Company's work in process inventory represents inventory in the Food Ingredients segment that is in various stages of processing.

Note 4. Property, Plant And Equipment

A summary of property, plant and equipment follows (in thousands):

	January 3, 2015	December 28, 2013
Land	$ 166,669	$ 67,375
Buildings and improvements	443,081	163,523
Machinery and equipment	1,110,598	526,641
Vehicles	170,597	136,649
Aircraft	13,223	18,465
Construction in process	195,647	135,234
	2,099,815	1,047,887
Accumulated depreciation	(525,699)	(381,314)
	$1,574,116	$ 666,573

Note 5. Intangible Assets

The gross carrying amount of intangible assets not subject to amortization and intangible assets subject to amortization is as follows (in thousands):

	January 3, 2015	December 28, 2013
Indefinite Lived Intangible Assets		
Trade names	$ 120,330	$ 92,002
	120,330	92,002
Finite Lived Intangible Assets:		
Routes	437,816	259,326
Permits	523,398	321,763
Non-compete agreements	7,583	7,218
Trade names	11,983	12,698
Royalty, consulting, land use rights and leasehold	16,212	727
	996,992	601,732
Accumulated Amortization:		
Routes	(75,308)	(38,231)
Permits	(101,010)	(63,145)
Non-compete agreements	(3,595)	(2,352)
Trade names	(3,420)	(724)
Royalty, consulting, land use rights and leasehold	(1,576)	(618)
	(184,909)	(105,070)
Total Intangible assets, less accumulated amortization	$ 932,413	$ 588,664

Gross intangible routes, permits, trade names, non-compete agreements and other intangibles increased in fiscal 2014 mainly due to the VION Acquisition and increased in fiscal 2013 mainly due to the Rothsay Acquisition and Terra Transaction. Amortization expense for the three years ended January 3, 2015, December 28, 2013 and December 29, 2012, was approximately $83.6 million, $32.1 million and $28.1 million, respectively. Amortization expense for the next five fiscal years is estimated to be $80.4 million, $75.0 million, $73.6 million, $71.0 million and $69.8 million.

Note 6. Goodwill

Changes in the carrying amount of goodwill (in thousands):

	Feed Ingredients	Food Ingredients	Fuel Ingredients	Total
Balance at December 29, 2012				
Goodwill	$396,807	$ —	$ 476	$ 397,283
Accumulated impairment losses	(15,914)	—	—	(15,914)
	380,893	—	476	381,369
Goodwill acquired during year	288,471	—	38,198	326,669
Foreign currency translation	(5,467)	—	(934)	(6,401)
Balance at December 28, 2013				
Goodwill	679,811	—	37,740	717,551
Accumulated impairment losses	(15,914)	—	—	(15,914)
	663,897	—	37,740	701,637
Goodwill acquired during year	225,889	375,633	103,806	705,328
Foreign currency translation	(42,192)	(29,480)	(14,874)	(86,546)
Balance at January 3, 2015				
Goodwill	863,508	346,153	126,672	1,336,333
Accumulated impairment losses	(15,914)	—	—	(15,914)
	$847,594	$346,153	$126,672	$1,320,419

Certain of the Company's rendering facilities are highly dependent on one or few suppliers. It is reasonably possible that certain of those suppliers could cease their operations or choose a competitor's services, which could have a significant impact on these facilities.

The process of evaluating goodwill for impairment involves the determination of the fair value of the Company's reporting units. In fiscal 2014, fiscal 2013 and fiscal 2012, the fair values of the Company's reporting units containing goodwill exceeded the related carrying value pursuant to a quantitative assessment completed as of October 25, 2014.

Note 7. Investment In Unconsolidated Subsidiaries

The Company announced on January 21, 2011 that a wholly-owned subsidiary of Darling entered into a limited liability company agreement with Valero to form the DGD Joint Venture. The DGD Joint Venture is owned 50% / 50% with Valero and was formed to design, engineer, construct and operate a renewable diesel plant (the "DGD Facility"), which is capable of producing approximately 11,000 barrels per day of input feedstock to produce renewable diesel fuel and certain other co-products, and is located adjacent to Valero's refinery in Norco, Louisiana. The DGD Joint Venture reached mechanical completion and began the production of renewable diesel in late June 2013. On August 3, 2014, the facility shutdown as a result of a fire incident. The facility resumed operations on September 18, 2014. The DGD Joint Venture anticipates that the fire incident will be covered under its property and casualty insurance policies and the financial exposure is limited to the deductible. The DGD Joint Venture does not expect to file a business interruption claim.

On May 31, 2011, the DGD Joint Venture and Diamond Green Diesel LLC, a wholly-owned subsidiary of the DGD Joint Venture ("Opco"), entered into (i) a facility agreement (the "Facility Agreement") with Diamond Alternative Energy, LLC, a wholly-owned subsidiary of Valero (the "Lender"), and (ii) a loan agreement (the "Loan Agreement") with the Lender, which will provide the DGD Joint Venture with a 14 year multiple advance term loan facility of approximately $221.3 million (the "JV Loan") to support the design, engineering and construction of the DGD Facility, which is now in production. The Facility Agreement and the Loan Agreement prohibit the Lender from assigning all or any portion of the Facility Agreement or the Loan Agreement to unaffiliated third parties. Opco has also pledged substantially all of its assets to the Lender, and the DGD Joint Venture has pledged all of Opco's equity interests to the Lender, until the JV Loan has been paid in full and the JV Loan has terminated in accordance with its terms.

Based on the sponsor support agreements executed in connection with the Facility Agreement and the Loan Agreement relating to the DGD Joint Venture with Valero, the Company has contributed a total of approximately $111.7 million for the construction of the DGD Facility including the Company's portion of cost overruns and working capital funding.

In addition to the DGD Joint Venture, the Company has investments in other unconsolidated subsidiaries that were acquired in the VION Acquisition that are insignificant to the Company. Selected financial information for the Company's DGD Joint Venture is as follows:

(in thousands)	December 31, 2014	December 31, 2013
Assets:		
Total current assets	$216,991	$106,332
Property, plant and equipment, net	373,117	382,011
Other assets	2,092	92
Total assets	$592,200	$488,435
Liabilities and members' equity:		
Total current portion of long term debt	$ 57,514	$ 8,511
Total other current liabilities	21,313	36,702
Total long term debt	155,273	212,787
Total other long term liabilities	339	207
Total members' equity	357,761	230,228
Total liabilities and member's equity	$592,200	$488,435

(in thousands)	Year Ended December 31, 2014	2013	2012
Revenues:			
Operating revenues	$487,834	$213,552	$ —
Expenses:			
Total costs and expenses	342,743	189,216	5,324
Operating income	145,091	24,336	(5,324)
Other income	82	33	—
Interest and debt expense, net	(17,640)	(9,049)	—
Net income/(loss)	$127,533	$ 15,320	$(5,324)

As of January 3, 2015, under the equity method of accounting, the Company has an investment in the DGD Joint Venture of approximately $178.9 million on the consolidated balance sheet and has recorded approximately $63.8 million and $7.7 million in equity net income and $2.7 million in equity net losses in the unconsolidated subsidiary for the years ended January 3, 2015, December 28, 2013 and December 29, 2012, respectively. Biodiesel blenders registered with the Internal Revenue Service were eligible for a tax incentive in the amount of $1.00 per gallon of renewable diesel blended with petroleum diesel to produce a mixture containing 0.1% diesel fuel. As a blender, the DGD Joint Venture has recorded approximately $126.0 million and approximately $50.4 million in blender credits, for its fiscal years ended December 31, 2014 and December 31, 2013 respectively. These blenders credits were recorded by the DGD Joint Venture as a reduction of total costs and expenses in the above table. In fiscal 2014, the DGD Joint Venture booked all blenders tax credits in the fourth quarter.

Note 8. Accrued Expenses

Accrued expenses consist of the following (in thousands):

	January 3, 2015	December 28, 2013
Compensation and benefits	$ 92,863	$ 38,902
Utilities and sewage	18,441	6,802
Accrued income, ad valorem, and franchise taxes	15,615	3,651
Reserve for self insurance, litigation, environmental and tax matters (Note 19)	10,041	7,878
Medical claims liability	5,229	5,960
Accrued operating expenses	55,877	9,512
Accrued acquisition costs	—	4,306
Accrued financing fees	—	18,592
Accrued interest payable	13,869	—
Other accrued expense	44,184	17,571
	$256,119	$113,174

Note 9. Leases

The Company leases 16 processing plants and storage locations, land surrounding certain processing plants, three office locations under operating leases and a portion of its transportation equipment under operating and capital leases. Leases are noncancellable and expire at various times through the year 2040. Minimum rental commitments under noncancellable leases as of January 3, 2015, are as follows (in thousands):

Period Ending Fiscal	Operating Leases	Capital Leases
2015	$ 32,280	$2,873
2016	28,840	2,290
2017	25,701	1,871
2018	23,353	1,049
2019	18,861	311
Thereafter	29,039	166
	$158,074	$8,560
Less amounts representing interest		(666)
Capital lease obligations included in current and long-term debt		$7,894

Darling through its wholly-owned subsidiary Griffin, leases two real properties located in Butler, Kentucky and real properties located in each of Jackson, Mississippi and Henderson, Kentucky from Martom Properties, LLC, an entity owned in part by Martin W. Griffin, the Company's Executive Vice President—Chief Operations Officer, North America. See Note 22 for further information on the Company's related party lease transactions.

Rent expense was approximately $29.6 million, $14.4 million and $12.6 million, for the fiscal years ended January 3, 2015, December 28, 2013 and December 29, 2012, respectively.

The Company's capital lease assets are included in property, plant and equipment and the capital lease obligations are included in the Company's current and long-term debt obligations on the consolidated balance sheet.

Note 10. Debt

Debt consists of the following (in thousands):

	January 3, 2015	December 28, 2013
Credit Agreement and Former Credit Agreement:		
Revolving Credit Facility ($36.9 million and $46.7 million denominated in CAD at January 3, 2015 and December 28, 2013, respectively)	$ 101,863	$286,676
Term Loan A ($122.2 million and $140.0 million denominated in CAD at January 3, 2015 and December 28, 2013, respectively)	312,161	340,030
Term Loan B ($610.2 million denominated in EURO at January 3, 2015)	1,205,669	—
5.375% Senior Notes due 2022	500,000	—
8.5% Senior Notes due 2018	—	250,000
Other Notes and Obligations	32,747	10,129
	2,152,440	886,835
Less Current Maturities	54,401	19,888
	$2,098,039	$866,947

At January 3, 2015, the Company had outstanding debt under a term loan facility and revolving facility denominated in Canadian dollars of CAD$142.5 million and CAD$43.0 million, respectively. See below for discussion relating to the Company's debt agreements. In addition, at January 3, 2015, the Company had capital lease obligations denominated in Canadian dollars. The current capital lease obligation and long-term capital lease obligation in Canadian dollars was approximately CAD$2.5 million and CAD$4.9 million, respectively.

At January 3, 2015, the Company had outstanding debt under a term loan facility denominated in euros of €506.2 million. See below for discussion relating to the Company's debt agreements. In addition, at January 3, 2015, the Company had capital lease obligations denominated in euros. The current capital lease obligation and long-term capital lease obligation in euros was approximately €0.3 million and €0.9 million, respectively.

Senior Secured Credit Facilities. On January 6, 2014, Darling, Darling International Canada Inc. ("Darling Canada") and Darling International NL Holdings B.V. ("Darling NL") entered into a Second Amended and Restated Credit Agreement (the "Amended Credit Agreement"), restating its then existing Amended and Restated Credit Agreement dated September 27, 2013 (the "Former Credit Agreement"), with the lenders from time to time party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other agents from time to time party thereto.

The Amended Credit Agreement provides for senior secured credit facilities in the aggregate principal amount of $2.65 billion comprised of (i) the Company's $350.0 million term loan A facility (ii) the Company's $1.3 billion term loan B facility and (iii) the Company's $1.0 billion five -year revolving loan facility (approximately $250.0 million of which will be available for a letter of credit sub-facility and $50.0 million of which will be available for a swingline sub-facility) (collectively, the "Senior Secured Credit Facilities"). The Amended Credit Agreement also permits Darling and the other borrowers thereunder to incur ancillary facilities provided by any revolving lender party to the Senior Secured Credit Facilities (with certain restrictions). Up to $350.0 million of the revolving loan facility is available to be borrowed by Darling in U.S. dollars, Canadian dollars, euros and other currencies to be agreed and available to each applicable lender, to be borrowed by Darling Canada in Canadian dollars and to be borrowed by Darling NL, Darling Ingredients International Holding B.V. ("Darling BV") and CTH Germany GmbH ("CTH") in U.S. dollars, euros and other currencies to be agreed and available to each applicable lender. On January 6, 2014, $600.0 million of the term loan B facility was borrowed in U.S. dollars by Darling and the euro equivalent of $700.0 million of the term loan B facility was borrowed in euros by Darling NL. The proceeds of the term loan B facility and a portion of the revolving loan facility were used by Darling to pay a portion of the consideration for the VION Acquisition. The revolving loan facility will also be used for working capital needs, general corporate purposes and other purposes not prohibited by the Amended Credit Agreement.

As of January 3, 2015, The Company has borrowed all $350.0 million of the term loan A facility which, when repaid, cannot be reborrowed. The term loan A facility is repayable in quarterly installments as follows: for the first eight quarters following January 6, 2014, 1.25% of the original principal amount of the term loan A facility, for the ninth through sixteenth quarters following January 6, 2014, 1.875% of the original principal amount of the term loan A facility, and for each quarterly installment after such sixteenth installment until September 27, 2018, 3.75% of the original principal amount of the term loan A facility. The term loan A facility will mature on September 27, 2018.

As of January 3, 2015, the Company has borrowed all $1.3 billion under the terms of the term loan B facility, which when repaid, cannot be reborrowed. The term loan B facility is repayable in quarterly installments of 0.25% of the aggregate principal amount of the relevant term loan B facility on the last day of each March, June, September and December of each year commencing on the last day of each month falling on or after the last day of the first full quarter following January 6, 2014 and continuing until the last day of each quarter period ending immediately prior to January 7, 2021; and one final installment in the amount of the relevant term loan B facility then outstanding, due on January 7, 2021. The term loan B facility will mature on January 7, 2021.

The interest rate applicable to any borrowings under the term loan A facility and the revolving loan facility will equal either LIBOR/euro interbank offered rate/CDOR plus 2.50% per annum or base rate/ Canadian prime rate plus 1.50% per annum, subject to certain step-downs based on the Company's total leverage ratio. The interest rate applicable to any borrowings under the term loan B facility will equal (a) for U.S. dollar term loans, either the base rate plus 1.50% or LIBOR plus 2.50%, and (b) for euro term loans, the euro interbank offered rate plus 2.75%, in each case subject to a step-down based on Darling's total leverage ratio. For term loan B loans, the LIBOR rate shall not be less than 0.75%.

At January 3, 2015, the Company had $190.0 million outstanding under the term loan A facility and $65.0 million under the revolver at LIBOR plus a margin of 2.50% per annum for a total of 2.6875% per annum. The Company had $595.5 million outstanding under the term loan B facility at LIBOR plus a margin of 2.50% per annum for a total of 3.25% per annum. The Company had CAD$142.5 million outstanding under the term loan A Facility and CAD$43.0 million outstanding under the revolver at CDOR plus a margin of 2.50% per annum for a total of 3.8960% per annum. The Company had €506.2 million outstanding under the term loan B facility at LIBOR plus a margin of 2.75% per annum for a total of 3.50% per annum. As of January 3, 2015, the Company had availability of $865.9 million under the Amended Credit Agreement taking into account amounts borrowed and letters of credit issued of $32.2 million. The Company also has foreign bank guarantees that are not part of the Company's Amended Credit Agreement in the amount of approximately $11.2 million at January 3, 2015. In addition, the Company has capitalized approximately $39.6 million of deferred loan costs in fiscal year 2014.

The Amended Credit Agreement contains various customary representations and warranties by the Company, which include customary use of materiality, material adverse effect and knowledge qualifiers. The Amended Credit Agreement also contains (a) certain affirmative covenants that impose certain reporting and/or performance obligations on Darling and its subsidiaries, (b) certain negative covenants that generally prohibit, subject to various exceptions, Darling and its restricted subsidiaries from taking certain actions, including, without limitation, incurring indebtedness, making investments, incurring liens, paying dividends and engaging in mergers and consolidations, sale and leasebacks and asset dispositions, (c) financial covenants, which include a maximum total leverage ratio, a maximum secured leverage ratio and a minimum interest coverage ratio and (d) customary events of default (including a change of control) for financings of this type. Obligations under the Senior Secured Credit Facilities may be declared due and payable upon the occurrence and during the continuance of customary events of default.

Pursuant to the Second Amended and Restated Security Agreement, dated as of January 6, 2014 (the “Security Agreement”), by and among Darling, its domestic subsidiaries signatory thereto and any other domestic subsidiary who may become a party thereto and JPMorgan Chase Bank, N.A., as administrative agent, the Senior Secured Credit Facilities are secured, subject to certain carveouts and exceptions, by a first priority lien on substantially all of the assets of Darling and such domestic subsidiaries. The obligations of Darling Canada, Darling NL, Darling BV, CTH and any other foreign borrower under the Senior Secured Credit Facilities are also secured by a first priority lien on certain assets of certain of Darling’s foreign subsidiaries organized in Canada, Belgium, Germany, the Netherlands and Brazil, subject to certain carveouts and exceptions.

Pursuant to the Second Amended and Restated Guaranty Agreement, dated as of January 6, 2014 (the “Guaranty Agreement”), (a) the obligations of Darling under the Senior Secured Credit Facilities are guaranteed by certain of Darling’s wholly-owned domestic subsidiaries and (b) the obligations of Darling Canada, Darling NL, Darling BV, CTH and any other foreign borrower under the Senior Secured Credit Facilities are guaranteed by Darling and certain of its domestic and foreign wholly-owned subsidiaries, in each case subject to certain carveouts and exceptions (collectively, the “Credit Agreement Guarantors”).

Senior Notes due 2022. On December 18, 2013, Darling Escrow Corporation (“Darling Escrow Sub”), a Delaware corporation and wholly-owned subsidiary of Darling, entered into a purchase agreement (the “Original Purchase Agreement”) with the initial purchasers party thereto (the “Initial Purchasers”), for the sale of $500.0 million aggregate principal amount of its 5.375% Notes due 2022.(the “ 5.375% Private Notes”). On January 2, 2014, the 5.375% Notes, which were offered in a private offering in connection with the VION Acquisition, were issued pursuant to a 5.375% Notes Indenture, dated as of January 2, 2014 (the “Original Indenture”), among Darling Escrow Sub, the Subsidiary Guarantors (as defined in the Original Indenture) party thereto from time to time and U.S. Bank National Association, as trustee (the “Trustee”), with the gross proceeds from the offering of the 5.375% Notes and certain additional amounts deposited in an escrow account pending the satisfaction of certain conditions, including the completion of the VION Acquisition, which occurred on January 7, 2014.

On January 8, 2014 (the “Notes Closing Date”), Darling Escrow Sub merged (the “Notes Merger”) with and into Darling (with Darling as the survivor of the Notes Merger), pursuant to an Agreement and Plan of Merger, dated January 8, 2014, between Darling Escrow Sub and Darling.

In connection with the completion of the Notes Merger, pursuant to the provisions of the Original Indenture and the Original Purchase Agreement, Darling Escrow Sub, Darling and certain of Darling's subsidiaries: Craig Protein Division, Inc. ("Craig Protein"), Darling AWS LLC, Darling National LLC ("Darling National"), Darling Northstar LLC, Darling Global Holdings Inc., EV Acquisition, Inc., Griffin Industries LLC ("Griffin"), Terra Holding Company and TRS (such subsidiaries and together with any other Darling Subsidiaries that guarantee the 5.375% Notes, the "Notes Guarantors") entered into a supplemental indenture with the Trustee (the "Supplemental Indenture," and together with the Original Indenture, the "Indenture"), pursuant to which, upon effectiveness of the Notes Merger, Darling assumed all the obligations of Darling Escrow Sub under the 5.375% Private Notes and the Indenture and the Notes Guarantors guaranteed the 5.375% Private Notes and agreed to be bound by the terms of the Indenture applicable to subsidiary guarantors of the 5.375% Private Notes. In addition, in accordance with the provisions of the Original Purchase Agreement, upon the completion of the Notes Merger, Darling and the Notes Guarantors became parties to the Original Purchase Agreement, by entering into a Joinder to the Purchase Agreement, dated as of the Notes Closing Date (together with the Original Purchase Agreement, the "Purchase Agreement"), with the Initial Purchasers. Upon satisfaction of the escrow release conditions on the Closing Date, the proceeds from the offering of the 5.375% Private Notes were released from the escrow account in accordance with Darling's written instructions. Darling used a portion of the proceeds from the offering of the 5.375% Private Notes to pay the Initial Purchasers' commission related to the offering of the 5.375% Private Notes and certain fees and expenses (including bank fees and expenses) related to the financing of the VION Acquisition and for purposes of satisfying, discharging and redeeming its 8.5% Notes due 2018 described below.

Darling used the remaining proceeds of the 5.375% Private Notes to pay certain other fees and expenses related to the completion of the VION Acquisition and its related financings, to repay a portion of the borrowings under its revolving credit facility used to fund a portion of the consideration for the VION Acquisition and for general corporate purposes.

The Purchase Agreement contains customary representations, warranties and agreements by Darling and the Notes Guarantors. In addition, Darling and the Notes Guarantors have agreed to indemnify the Initial Purchasers against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the "Securities Act"), or to contribute to payments the Initial Purchasers may be required to make because of any of those liabilities.

In connection with the assumption of the 5.375% Private Notes by Darling and the guarantee of the 5.375% Private Notes by the Notes Guarantors, on the Notes Closing Date, Darling and the Notes Guarantors became parties to, and Darling assumed all of Darling Escrow Sub's obligations under, a registration rights agreement, dated as of January 2, 2014 (the "Registration Rights Agreement"). In satisfaction of Darling's obligations under the Registration Rights Agreement, Darling and the Notes Guarantors completed a registered exchange offer for the 5.375% Private Notes under the Securities Act during the third quarter of 2014. The terms of the notes issued in exchange for the 5.375% Private Notes and guaranteed by the Notes Guarantors (the "5.375% Public Notes" and together with the 5.375% Private Notes, the "5.375% Notes") are substantially identical in all material respects to the 5.375% Private Notes, except that transfer restrictions, registration rights and additional interest provisions relating to the 5.375% Private Notes do not apply to the 5.375% Public Notes.

The 5.375% Notes will mature on January 15, 2022. Darling will pay interest on the 5.375% Notes on January 15 and July 15 of each year, commencing on July 15, 2014. Interest on the 5.375% Notes will accrue at a rate of 5.375% per annum and be payable in cash. Other than for extraordinary events such as change of control and defined assets sales, the Company is not required to make mandatory redemption or sinking fund payments on the 5.375% Notes.

The 5.375% Notes are currently guaranteed on an unsecured senior basis by the Notes Guarantors, which constitute all of Darling's existing restricted subsidiaries that are Credit Agreement Guarantors (other than Darling's foreign subsidiaries). Under the Indenture, each restricted subsidiary of Darling (other than Darling's foreign subsidiaries and certain of Darling's subsidiaries that engage solely in the financing of receivables and are so designated by Darling) is required to guarantee the 5.375% Notes (a) if the Amended Credit Agreement is outstanding and such restricted subsidiary guarantees the Amended Credit Agreement and (b) if the Amended Credit Agreement is not outstanding, if such restricted subsidiary incurs or guarantees certain indebtedness in excess of $50.0 million.

The 5.375% Notes and the guarantees thereof rank equally in right of payment to any existing and future senior debt of Darling and the Notes Guarantors, including debt that is secured by the collateral for the Amended Credit Agreement. The 5.375% Notes and the guarantees thereof will be effectively junior to existing and future debt of Darling and the Notes Guarantors that is secured by assets that do not constitute collateral for the Amended Credit Agreement, to the extent of the value of the assets securing such debt. The 5.375% Notes and the guarantees thereof will be structurally subordinated to all of the existing and future liabilities (including trade payables) of each of the subsidiaries of Darling that do not guarantee the 5.375% Notes.

Darling may at any time and from time to time purchase the 5.375% Notes in the open market or otherwise. Darling may redeem some or all of the 5.375% Notes at any time prior to January 15, 2017, at a redemption price equal to 100% of the principal amount of the 5.375% Notes redeemed, plus accrued and unpaid interest to the redemption date and an Applicable Premium as specified in the Indenture.

On and after January 15, 2017, Darling may redeem all or, from time to time, a part of the 5.375% Notes (including any additional Notes), upon not less than 30 nor more than 60 days' notice at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest on the 5.375% Notes, if any, to, but excluding, the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the twelve-month period beginning on January 15 of the years indicated below:

Year	Percentage
2017	104.031%
2018	102.688%
2019	101.344%
2020 and thereafter	100.000%

In addition, prior to January 15, 2017, Darling may on one or more occasions redeem up to 40% of the original principal amount of the 5.375% Notes (calculated after giving effect to the issuance of any additional 5.375% Notes) with the net cash proceeds of one or more equity offerings at a redemption price equal to 105.375% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date); provided that at least 50% of the original principal amount of the 5.375% Notes (calculated after giving effect to the issuance of any additional 5.375% Notes) remains outstanding after each such redemption; provided further that the redemption occurs within 90 days after the closing of such equity offering.

The Indenture contains covenants limiting Darling's ability and the ability of its restricted subsidiaries to, among other things: incur additional indebtedness or issue preferred stock; pay dividends on or make other distributions or repurchases of Darling's capital stock or make other restricted payments; create restrictions on the payment of dividends or other amounts from Darling's restricted subsidiaries to Darling or Darling's other restricted subsidiaries; make loans or investments; enter into certain transactions with affiliates; create liens; designate Darling's subsidiaries as unrestricted subsidiaries; and sell certain assets or merge with or into other companies or otherwise dispose of all or substantially all of Darling's assets.

The Indenture also provides for customary events of default, including, without limitation, payment defaults, covenant defaults, cross acceleration defaults to certain other indebtedness in excess of specified amounts, certain events of bankruptcy and insolvency and judgment defaults in excess of specified amounts. If any such event of default occurs and is continuing under the Indenture, the Trustee or the holders of at least 25% in principal amount of the total outstanding 5.375% Notes may declare the principal, premium, if any, interest and any other monetary obligations on all the then outstanding 5.375% Notes issued under the Indenture to be due and payable immediately.

Senior Notes due 2018. On December 17, 2010, Darling issued $250.0 million aggregate principal amount of its 8.5% Senior Notes due 2018 (the "8.5% Notes") under an indenture with U.S. Bank National Association, as trustee. On February 7, 2014, the Company completed the redemption of the 8.5% Notes for $280.4 million, which included a redemption premium of approximately $27.3 million and accrued and unpaid interest of approximately $3.1 million.

The Amended Credit Agreement, 5.375% Notes and the 8.5% Notes consisted of the following elements at January 3, 2015 and December 28, 2013, respectively (in thousands):

	January 3, 2015	December 28, 2013
Senior Notes:		
5.375% Notes due 2022	$ 500,000	$ —
8.5% Notes due 2018	$ —	$ 250,000
Amended Credit Agreement:		
Term Loan A	$ 312,161	$ 340,030
Term Loan B	$1,205,669	$ —
Revolving Credit Facility:		
Maximum availability	$1,000,000	$1,000,000
Borrowings outstanding	101,863	286,676
Letters of credit issued	32,198	32,662
Availability	$ 865,939	$ 680,662

The Company's financial covenants under the Amended Credit Agreement were first effective for fiscal quarter ended June 28, 2014, which is the first full fiscal quarter after January 6, 2014. As of January 3, 2015, the Company believes it is in compliance with all of the financial covenants under the Amended Credit Agreement, as well as all of the other covenants contained in the Amended Credit Agreement and the Indenture.

Maturities of long-term debt at January 3, 2015 follow (in thousands):

	Contractual Debt Payment
2015	$ 54,401
2016	39,288
2017	29,678
2018	367,876
2019	12,624
thereafter	1,648,573
	$2,152,440

Bridge Facility. During 2013, the Company entered into a Bridge Facility (the "Bridge Facility") commitment with the parties to the Senior Secured Facilities in the aggregate principal amount not to exceed $1.3 billion. The proceeds of the Bridge Facility if drawn were to be used to finance the VION Acquisition. The Bridge Facility was available to ensure that the VION Acquisition would close if either or both of certain contemplated unsecured financing and the contemplated issuance of the Company's stock did not occur prior to the closing of the VION Acquisition. The Company accrued a commitment fee of approximately $13.0 million for the Bridge Facility. The Company recorded the commitment fee as interest expense in December 2013 when it was determined that the Bridge Facility would not be utilized.

Note 11. Other Noncurrent Liabilities

Other noncurrent liabilities consist of the following (in thousands):

	January 3, 2015	December 28, 2013
Accrued pension liability (Note 15)	$ 65,929	$11,097
Reserve for self insurance, litigation, environmental and tax matters (Note 19)	44,832	27,603
Other	3,939	1,971
	$114,700	$40,671

Note 12. Income Taxes

U.S. and foreign income from operations before income taxes are as follows (in thousands):

	January 3, 2015	December 28, 2013	December 29, 2012
United States	$58,972	$174,470	$206,785
Foreign	22,480	(10,792)	—
Income from operations before income taxes	$81,452	$163,678	$206,785

Income tax expense attributable to income from continuing operations before income taxes consists of the following (in thousands):

	January 3, 2015	December 28, 2013	December 29, 2012
Current:			
Federal	$ 1,134	$ 8,109	$54,982
State	(884)	7,213	10,368
Foreign	24,770	482	58
Total current	25,020	15,804	65,408
Deferred:			
Federal	886	40,396	10,015
State	1,235	505	592
Foreign	(14,000)	(1,994)	—
Total deferred	(11,879)	38,907	10,607
	$ 13,141	$54,711	$76,015

Income tax expense for the years ended January 3, 2015, December 28, 2013 and December 29, 2012, differed from the amount computed by applying the statutory U.S. federal income tax rate to income from continuing operations before income taxes as a result of the following (in thousands):

	January 3, 2015	December 28, 2013	December 29, 2012
Computed “expected” tax expense	$ 28,508	$57,287	$72,375
State income taxes, net of federal benefit	228	5,017	7,124
Section 199 qualified domestic production deduction	—	(619)	(4,830)
Change in valuation allowance	5,420	507	254
Non-deductible compensation expenses	1,622	106	253
Deferred tax on unremitted foreign earnings	1,956	—	—
Sub-Part F income	3,786	—	—
Foreign rate differential	(9,754)	694	—
Biofuel tax incentives	(22,546)	(9,342)	—
Non-deductible transaction costs	4,107	996	—
Other, net	(186)	65	839
	$ 13,141	$54,711	$76,015

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at January 3, 2015 and December 28, 2013 are presented below (in thousands):

	January 3, 2015	December 28, 2013
Deferred tax assets:		
Loss contingency reserves	$ 11,500	$ 10,756
Employee benefits	11,866	9,749
Pension liability	20,106	4,183
Intangible assets amortization, including taxable goodwill	3,300	7,040
Net operating losses	75,920	4,732
Inventory	7,965	2,120
Other	11,130	7,186
Total gross deferred tax assets	141,787	45,766
Less valuation allowance	(18,037)	(871)
Net deferred tax assets	123,750	44,895
Deferred tax liabilities:		
Intangible assets amortization, including taxable goodwill	(189,877)	(63,779)
Property, plant and equipment depreciation	(203,602)	(67,535)
Investment in DGD Joint Venture	(41,040)	(31,842)
Tax on unremitted foreign earnings	(47,870)	—
Other	(3,368)	(3,209)
Total gross deferred tax liabilities	(485,757)	(166,365)
Net deferred tax liability	$(362,007)	$(121,470)
Amounts reported on Consolidated Balance Sheets:		
Current deferred tax asset	$ 45,001	$ 17,289
Current deferred tax liability	(642)	—
Non-current deferred tax asset	16,431	—
Non-current deferred tax liability	(422,797)	(138,759)
Net deferred tax liability	$(362,007)	$(121,470)

At January 3, 2015 and December 28, 2013, the Company had net deferred tax liabilities of approximately $362.0 million and $121.5 million, respectively. The increase in the deferred tax liability is principally due to deferred tax liabilities resulting from the carryover basis in the VION Acquisition, which was a stock acquisition.

At January 3, 2015, the Company had net operating loss carryforwards for federal income tax purposes of approximately $82.4 million, which begin to expire in 2019. As a result of the change in ownership which occurred pursuant to the May 2002 recapitalization, utilization of approximately $4.9 million of the federal net operating loss carryforwards is limited to approximately $0.7 million per year for the remaining life of the net operating losses. The Company had approximately $48.5 million of net operating loss carryforwards for state income tax purposes, which begin to expire in 2015. Also at January 3, 2015, the Company had U.S. foreign tax credit carryforwards of approximately $0.9 million and state tax credit carryforwards of approximately $0.8 million. The Company had foreign net operating loss carryforwards of about $153.2 million, $55.1 million of which expire in 2015 through 2033 and $98.1 million of which can be carried forward indefinitely. As of January 3, 2015, the Company had a valuation allowance of $1.7 million due to uncertainties in respect to its ability to utilize its U.S. foreign tax credit carryforwards and U.S. state tax credit carryforwards before they expire. The Company also had a valuation allowance of $16.3 million due to uncertainties in its ability to utilize foreign net operating loss carryforwards and other foreign deferred tax assets.

At January 3, 2015, the Company had unrecognized tax benefits of approximately $8.1 million. During the year, the Company's unrecognized tax benefits increased by $7.4 million primarily related to recording unrecognized tax benefits from the VION Acquisition and the TRS Transaction in purchase accounting. An indemnity receivable of $6.5 million has also been recorded in respect to the VION Acquisition. There was no material income statement activity in fiscal 2014 in respect to unrecognized tax benefits. All of the unrecognized tax benefits would favorably impact the Company's effective tax rate if recognized. The Company believes it is reasonably possible that unrecognized tax benefits could change by $2.2 million in the next twelve months. The possible change in unrecognized tax benefits relates to the expiration of certain statutes of limitation and the possible settlement of an ongoing income tax audit. The Company recognizes accrued interest and penalties, as appropriate, related to unrecognized tax benefits as a component of income tax expense. As of January 3, 2015, interest and penalties related to unrecognized tax benefits were $2.5 million. These interest and penalties related to the unrecognized tax benefits from the Vion Acquisition and were primarily recorded in purchase accounting.

A reconciliation of the beginning and ending amounts of unrecognized tax benefits is as follows (in thousands):

	January 3, 2015	December 28, 2013
Balance at beginning of Year	$ 652	$ —
Change in tax positions related to current year	—	652
Change in tax positions related to prior years	7,935	—
Expiration of the Statute of Limitations	(457)	—
Balance at end of year	$8,130	$652

In fiscal 2014, the Company's major taxing jurisdictions are U.S. (federal and state), Belgium, Brazil, Canada, China, France, Germany and the Netherlands. The Company is subject to regular examination by various tax authorities and although the final outcome of these examinations is not yet determinable, the Company does not anticipate that any of the examinations will have a significant impact on the Company's results of operations or financial position. The statute of limitations for the Company's major jurisdictions is open for varying periods, but is generally closed through the 2005 tax year.

Prior to fiscal 2014, the Company did not have significant operations outside of the U.S. During fiscal 2013, the Company began operations in Canada through the Rothsay Acquisition. During fiscal 2014, the Company began operations in the other major taxing jurisdictions through the VION Acquisition. The Company expects to indefinitely reinvest the earnings of its foreign subsidiaries outside the U.S. and has generally not provided deferred income taxes on the accumulated earnings of its foreign subsidiaries. At January 3, 2015, the amount of foreign subsidiary earnings indefinitely reinvested outside of the U.S. for which no deferred incomes taxes have been provided is not significant.

Note 13. Stockholders' Equity and Stock-based Compensation

On November 26, 2013 a special meeting of the stockholders was held and a proposal to approve an amendment to Darling's restated certificate of incorporation, as amended, to increase the total number of authorized shares of common stock, par value $0.01, from 150,000,000 to 250,000,000 was approved.

On December 18, 2013, the Company offered and closed on the sale of 46,000,000 shares of its common stock at a price to the public of $19.00 per share, pursuant to an underwriting agreement dated December 12, 2013. The Company used the net proceeds of approximately $840.5 million to pay for a portion of the VION Acquisition, which closed on January 7, 2014.

On May 8, 2012, the shareholders approved the Company's 2012 Omnibus Incentive Plan (the "2012 Omnibus Plan"). The 2012 Omnibus Plan replaced the Company's 2004 Omnibus Incentive Plan (the "2004 Omnibus Plan") for future grants. Under the 2012 Omnibus Plan, the Company is allowed to grant stock options, stock appreciation rights, non-vested and restricted stock (including performance stock), restricted stock units (including performance units), other stock-based awards, non-employee director awards, dividend equivalents and cash-based awards. There are up to 11,066,544 common shares available under the 2012 Omnibus Plan which may be granted to participants in any plan year (as such term is defined in the 2012 Omnibus Plan). Some of those shares are subject to outstanding awards as detailed in the tables below. To the extent these outstanding awards are forfeited or expire without exercise, the shares will be returned to and available for future grants under the 2012 Omnibus Plan. The 2012 Omnibus Plan's purpose is to attract, retain and motivate employees, directors and third party service providers of the Company and to encourage them to have a financial interest in the Company. The 2012 Omnibus Plan is administered by the Compensation Committee (the "Committee") of the Board of Directors. The Committee has the authority to select plan participants, grant awards, and determine the terms and conditions of such awards as provided in the 2012 Omnibus Plan. The Committee has adopted an executive compensation program that includes a long-term incentive component (the "LTIP") for the Company's key employees, as a subplan under the terms of the 2012 Omnibus Plan. The principal purpose of the LTIP is to encourage the Company's executives to enhance the value of the Company and, hence, the price of the Company's stock and the stockholders' return. In addition, the LTIP is designed to create retention incentives for the individual and to provide an opportunity for increased equity ownership by executives. The Committee awarded dollar value performance based restricted stock and stock option opportunities under the LTIP in each of fiscal 2014, 2013 and 2012 to certain of the Company's key employees, including the Chief Executive Officer and other executive officers. The restricted stock and stock options underlying the LTIP are issued only if a predetermined financial objective is met by the Company. The Company met the financial objective for fiscal 2013 and fiscal 2012 and those shares and options were issued in accordance with the terms of the LTIP. See "Fiscal 2012 Long-Term Incentive Opportunity Awards" below for a discussion of the fiscal 2014 LTIP award opportunities. The Company's stock options granted under the 2012 Omnibus Plan generally terminate 10 years after date of grant. At January 3, 2015, the number of common shares available for issuance under the 2012 Omnibus Plan was 8,829,322.

The following is a summary of stock-based compensation granted during the years ended January 3, 2015, December 28, 2013 and December 29, 2012.

Nonqualified Stock Options. On March 6, 2012, the Company's board of directors granted 135,733 nonqualified stock options in the aggregate under the Company's LTIP to certain of the

Company's employees. The exercise price for the March 6, 2012 stock options was $16.98 per share (fair market value at the close of the trading day immediately preceding the grant date). All of these awards vest 25 percent upon grant and 25 percent on each of the first three anniversary dates of the grant thereafter. On March 5, 2013, the Company's board of directors granted 195,634 nonqualified stock options in the aggregate under the Company's LTIP to certain of the Company's employees. The exercise price for the March 5, 2013 stock options was $16.53 per share (fair market value at the close of the trading day immediately preceding the grant date). All of these awards vest 25 percent upon grant and 25 percent on each of the first three anniversary dates of the grant thereafter. On March 4, 2014, the Company's board of directors granted 163,078 nonqualified stock options in the aggregate under the Company's LTIP to certain of the Company's employees. The exercise price for the March 4, 2014 stock options was $19.94 per share (fair market value at the close of the trading day immediately preceding the grant date). All of these awards vest 25 percent upon grant and 25 percent on each of the first three anniversary dates of the grant thereafter.

Incentive Stock Options. For fiscal 2014, 2013 and 2012 none of the options issued were incentive stock options.

A summary of all stock option activity as of January 3, 2015 and changes during the year ended is presented below.

	Number of shares	Weighted-avg. exercise price per share	Weighted-avg. remaining contractual life
Options outstanding at December 28, 2013	906,251	$ 9.97	
Granted	163,078	19.94	
Exercised	(343,550)	6.18	
Forfeited	(29,603)	16.89	
Expired	—	—	
Options outstanding at January 3, 2015	696,176	$13.88	6.2 years
Options exercisable at January 3, 2015	528,009	$12.50	5.5 years

The fair value of each stock option grant under the Company's stock option plan was estimated on the date of grant using the Black Scholes option-pricing model with the following weighted average assumptions and results for fiscal 2014, 2013 and 2012.

Weighted Average	2014	2013	2012
Expected dividend yield	0.0%	0.0%	0.0%
Risk-free interest rate	1.77%	1.01%	1.14%
Expected term	5.75 years	5.75 years	5.75 years
Expected volatility	43.7%	59.8%	62.0%
Fair value of options granted	$8.93	$9.04	$9.16

The expected lives for options granted during fiscal 2014, 2013 and 2012 were computed using the simplified method.

At January 3, 2015, $15.9 million of total future equity-based compensation expense (determined using the Black-Scholes option pricing model and Monte Carlo model for non-vested stock grants with performance based incentives) related to outstanding non-vested options and stock awards is expected to be recognized over a weighted average period of 1.8 years.

For the year ended January 3, 2015, the amount of cash received from the exercise of options was approximately $0.4 million and the related tax benefits were approximately $2.4 million. For the year ended December 28, 2013 and December 29, 2012, the amount of cash received from the exercise of options was insignificant and approximately $0.1 million, respectively, and the related tax benefits were approximately $0.7 million and $2.7 million, respectively. The total intrinsic value of options exercised for the years ended January 3, 2015, December 28, 2013 and December 29, 2012 was approximately $4.5 million, $0.2 million and $3.3 million, respectively. The fair value of shares vested for the years ended January 3, 2015, December 28, 2013 and December 29, 2012 was approximately $19.6 million, $8.2 million and $8.1 million, respectively. At January 3, 2015, the aggregate intrinsic value of options outstanding was approximately $3.3 million and the aggregate intrinsic value of options exercisable was approximately $3.1 million.

Non-Vested Stock, Restricted Stock Unit and Performance Share Unit Awards. On March 6, 2012, the Company's board of directors granted 375,041 shares of stock under the 2004 Omnibus Plan, 300,041 shares of which were under the Company's LTIP and 75,000 shares of which were granted as discretionary grants to other employees not part of the Company's LTIP. At the March 6, 2012 grant date 93,761 shares vested immediately and the remaining stock awards vest over the next three anniversary dates of the grants in equal installments. On May 8, 2012, the Company's board of directors granted 5,000 shares of stock under the 2004 Omnibus Plan to a newly employed officer of the Company. At the May 8, 2012 grant date 1,250 shares vested immediately and the remaining shares vest over the next three anniversary dates of the grant in equal installments. On September 1, 2012, the Company's board of directors granted 50,000 shares of stock under the 2012 Omnibus Plan to the Company's new Chief Financial Officer. At the September 1, 2012 grant date 25,000 shares vested immediately and the remaining shares vest over the next three anniversary dates of the grant in equal installments. On March 5, 2013, the Company's board of directors granted 495,575 shares of stock under the 2012 Omnibus Plan, 449,575 shares of which were under the Company's LTIP and 46,000 shares of which were granted as a discretionary grants to other employees not part of the Company's LTIP. At the March 5, 2013 grant date 123,894 shares vested immediately and the remaining stock awards vest over the next three anniversary dates of the grants in equal installments. On August 5, 2013 the Company's board of directors granted 24,000 shares to one of the Company's officers. At the August 5, 2013 grant date 8,000 shares vested immediately and the remaining shares vest over the next two anniversary dates of the grant in equal installments provided that certain performance measures are achieved. On March 4, 2014, the Company's board of directors granted 424,158 shares of stock under the 2012 Omnibus Plan, 377,658 shares of which were under the Company's LTIP and 46,500 shares of which were granted as a discretionary grants to other employees not part of the Company's LTIP. At the March 4, 2014 grant date 106,042 shares vested immediately and the remaining stock awards vest over the next three anniversary dates of the grants in equal installments. On May 6, 2014, the Company's board of directors granted 3,000 shares of stock under the 2012 Omnibus Plan to a newly employed officer of the Company. At the May 6, 2014 grant date 750 shares vested immediately and the remaining shares vest over the next three anniversary dates of the grant in equal installments. On June 4, 2014, the Company's board of directors granted 7,500 shares of stock under the 2012 Omnibus Plan to a newly hired key employee of the Company. At the June 4, 2014 grant date 1,875 shares vested immediately and the remaining shares vest over the next three anniversary dates of the grant in equal installments. On September 8, 2014, the Company's board of directors granted 4,000 shares of stock under the 2012 Omnibus Plan to a key employee of the Company. At the September 8, 2014 grant date 1,000 shares vested immediately and the remaining shares vest over the next three anniversary dates of the grant in equal installments.

On June 3, 2014, the Company granted 5,500 non-vested restricted stock units under the Company's 2012 Omnibus Plan to key foreign-based employees of the Company with each restricted stock unit equivalent to one share of common stock. At the June 3, 2014 grant date, 1,375 of the restricted stock units vested immediately and stock was issued, with the remaining restricted stock units vesting over the next three years in equal installments on March 4 of fiscal years 2015, 2016 and 2017, respectively. On June 19, 2014, the Company granted 17,500 non-vested restricted stock units under the Company's 2012 Omnibus Plan to key foreign-based employees of the Company, with each restricted stock unit equivalent to one share of common stock. At the June 19, 2014 grant date, 4,375 of the restricted stock units vested immediately and stock was issued, with the remaining restricted stock units vesting over the next three years in equal installments on March 4 of 2015, 2016 and 2017, respectively.

In connection with the closing of the VION Acquisition, in January 2014, the Company made awards of Performance Share Units (PSUs) and common stock under the Company's 2012 Omnibus Incentive Plan to certain of the Company's executives selected by the Committee. The awards covered an aggregate of 975,000 shares of the Company's common stock. For North American-based executives, each award was in the form of PSUs for a specified number of shares of common stock of the Company. For European-based executives, each award was in the form of a combination of fully vested shares (representing 25% of the total award given to the European-based executives), and PSUs for a specified number of shares common stock of the Company (representing the other 75% of the award). On January 7, 2014, the Company issued 118,750 fully vested shares that were granted to the European-based executives. Performance Units will vest in three equal installments on the first, second and third anniversaries of the closing of the VION Acquisition based on attainment of specified levels of adjusted EBITDA for the Company and/or Darling Ingredients International for fiscal years 2014, 2015 and 2016, respectively. If the target level of adjusted EBITDA for the fiscal year for both the Company and/or Darling Ingredients International is not achieved (subject to a near miss provision contained in the award agreements that provides for a portion of the shares to be paid out under certain circumstances), the installment for the related vesting date will be forfeited. Generally, an award recipient must remain employed with the Company and its subsidiaries through each vesting date to become vested in the award on that vesting date, subject to the performance requirements described above. If an award recipient terminates employment before a vesting date for any reason other than death or disability, any unvested portion of the award will be forfeited. In case of termination of employment due to death or disability, a prorated portion (based upon the award recipient's actual period of service prior to the vesting date) of the award will vest on each vesting date based on actual performance results.

On November 11, 2010, the Committee approved a 2010 Special Incentive Program (the "2010 Special Incentive Program") for certain key employees of the Company pursuant to the Company's 2004 Omnibus Plan, conditioned upon the closing of the Griffin merger. Under the 2010 Special Incentive Program, certain key employees (the "Participating Employees") upon successful completion of the Griffin merger became eligible to receive a total of 640,000. As of January 3, 2015 all shares granted have been issued except for 6,667 shares that have been forfeited.

A summary of the Company's non-vested stock, restricted stock unit and performance share unit awards as of January 3, 2015, and changes during the year ended is as follows:

	Non-Vested Shares	Weighted Average Grant Date Fair Value
Stock awards outstanding December 28, 2013	821,207	$14.93
Shares granted	1,436,658	20.73
Shares vested	(861,772)	16.43
Shares forfeited	(138,920)	19.90
Stock awards outstanding January 3, 2015	1,257,173	$19.98

Nonemployee Director Restricted Stock and Restricted Stock Unit Awards. On February 24, 2011, the Company's Board of Directors approved an Amended and Restated Non-Employee Director Restricted Stock Award Plan (the "Director Restricted Stock Plan") pursuant to and in accordance with the 2004 Omnibus Plan in order to attract and retain highly qualified persons to serve as non-employee directors and to more closely align such directors' interests with the interests of the stockholders of the Company by providing a portion of their compensation in the form of Company common stock. Under the Director Restricted Stock Plan, $60,000 in restricted Company common stock was awarded to each non-employee director on the fourth business day after the Company released its earnings for its prior completed fiscal year (the "Date of Award"). The amount of restricted stock to be issued was calculated using the closing price of the Company's common stock on the third business day after the Company released its earnings. The restricted stock was subject to a right of repurchase at $0.01 per share upon termination of the holder as a member of the Company's board of directors for cause and was not transferable. These restrictions lapse with respect to 100% of the restricted stock upon the earliest to occur of (i) ten years after the date of award, (ii) a Change of Control (as defined in the 2004 Omnibus Plan), and (iii) termination of the non-employee director's service with the Company, other than for "cause" (as defined in the Director Restricted Stock Plan). On March 5, 2013, the Company issued 21,780 shares of restricted stock in the aggregate to its non-employee directors under the Director Restricted Stock Plan. On March 6, 2012, the Company issued 21,204 shares of restricted stock in the aggregate to its non-employee directors under the Director Restricted Stock Plan.

Beginning in fiscal 2014, the Board discontinued grants to non-employee directors under the Director Restricted Stock Plan described above, and in lieu thereof, as an additional element of annual non-employee director compensation, pursuant to the 2012 Omnibus Plan, each non-employee director now receives $90,000 of restricted stock units immediately following the Company's annual meeting of stockholders at which such directors are elected. The number of restricted stock units to be issued is calculated using the closing price of the Company's stock on the date of its annual meeting. The award vests (and is no longer subject to forfeiture) on the first to occur of (i) the first anniversary of the grant date, (ii) the date of the annual shareholders meeting next following the grant date, (iii) the grantee's separation from service as a result of death or disability, or (iv) a change of control. The award will become "payable" in shares of the Company's stock in a single lump sum payment as soon as possible following a grantee's separation from service, subject to a grantee's right to elect a deferral under certain circumstances. If a grantee ceases to be a director for any reason other than death or disability prior to vesting, the grantee will receive a prorated amount of the award up to the date of separation. Accordingly, under this program, on May 6, 2014 the Company granted 22,680 restricted stock units in the aggregate to its non-employee directors, and on September 25, 2014 the Company issued 2,998 restricted stock units, representing a prorated amount of the annual grant, to a newly appointed director.

A summary of the Company's non-employee director restricted stock awards as of January 3, 2015, and changes during the year ended is as follows:

	Restricted Shares	Weighted Average Grant Date Fair Value
Stock awards outstanding December 28, 2013	130,238	$10.75
Restricted shares granted	25,678	19.67
Restricted shares where the restriction lapsed	—	—
Restricted shares forfeited	—	—
Stock awards outstanding January 3, 2015	155,916	$12.22

Fiscal 2014 Long-Term Incentive Opportunity Awards. The Committee awarded dollar value performance based restricted stock and stock option opportunities under the LTIP for fiscal 2014 to certain of the Company's key employees, including the Chief Executive Officer, the Chief Operating Officer and certain of its Executive Vice Presidents (the "2014 Restricted Stock and Option Awards"). The restricted stock and stock options underlying the 2014 Restricted Stock and Option Awards are issued only if a predetermined financial objective is met by the Company. The Company met the financial objective for fiscal 2014. Accordingly, in accordance with the terms of the 2014 Restricted Stock and Option Awards, it is anticipated that the earned amount of restricted stock and stock options will be granted and issued to the recipients on the fourth business day after the Company releases its annual financial results for fiscal 2014. The amount of restricted stock and stock options to be issued to the Company's senior management was predetermined using a discounted per share price. The "Discounted Per Share Price" is derived by discounting the closing market price of the Company's common stock as of the last trading day of the immediately preceding fiscal year to account for forfeiture of the restricted stock based on, among other things, the probability of the failure of the restricted stock to be granted and the failure of the Company to meet the required performance measures. The stock options will have an exercise price equal to the fair market value of the Company's common stock on the third business day after the Company releases its annual financial results.

The above 2014 Restricted Stock and Option Awards were deemed equity classified in fiscal 2014 as the shares are known, but have not yet been granted. In addition, a portion of the fiscal 2014 LTIP stock awards are treated as a liability until the grant date when the number of shares to be issued is known, and then it becomes equity classified. At January 3, 2015, the Company recorded a liability of approximately $0.4 million on the balance sheet for the long-term incentive opportunities.

Note 14. Comprehensive Income

The Company follows FASB authoritative guidance for reporting and presentation of comprehensive income or loss and its components. Other comprehensive income (loss) is derived from adjustments that reflect pension adjustments, natural gas derivative adjustments, corn option adjustments, foreign currency translation adjustments and interest rate swap derivative adjustments.

The components of other comprehensive income (loss) and the related tax impacts for the years ended January 3, 2015, December 28, 2013 and December 29, 2012 are as follows (in thousands):

	Before-Tax Amount	Tax (Expense) or Benefit	Net-of-Tax Amount
Year Ended December 29, 2012			
Defined Benefit Pension Plans			
Actuarial (loss)/gain recognized	$ (6,768)	$ 2,623	$ (4,145)
Amortization of actuarial loss	4,756	(1,844)	2,912
Actuarial prior service cost recognized	—	—	—
Amortization of prior service costs	103	(39)	64
Total defined benefit pension plans	(1,909)	740	(1,169)
Natural gas swap derivatives			
Loss/(gain) reclassified to net income	1,267	(491)	776
Gain/(loss) recognized in other comprehensive income (loss)	(628)	243	(385)
Total natural gas derivatives	639	(248)	391
Corn option derivatives			
Gain/(loss) recognized in other comprehensive income (loss)	317	(123)	194
Total corn options	317	(123)	194
Interest swap derivatives			
Loss reclassified to net income	260	(101)	159
Other comprehensive income/(loss)	$ (693)	$ 268	$ (425)
Year Ended December 28, 2013			
Defined Benefit Pension Plans			
Actuarial (loss)/gain recognized	$ 18,773	$ (6,904)	$ 11,869
Amortization of actuarial loss	5,202	(2,018)	3,184
Amortization of prior service costs	142	(55)	87
Total defined benefit pension plans	24,117	(8,977)	15,140
Natural gas swap derivatives			
Loss/(gain) reclassified to net income	(41)	16	(25)
Gain/(loss) recognized in other comprehensive income (loss)	248	(96)	152
Total natural gas derivatives	207	(80)	127
Corn option derivatives			
Loss/(gain) reclassified to net income	(5,486)	2,129	(3,357)
Gain/(Loss) recognized in other comprehensive income	7,350	(2,852)	4,498
Total corn options	1,864	(723)	1,141
Foreign currency translation	(14,502)	—	(14,502)
Other comprehensive income/(loss)	$ 11,686	$ (9,780)	$ 1,906
Year Ended January 3, 2015			
Defined Benefit Pension Plans			
Actuarial (loss)/gain recognized	$ (34,547)	$12,001	$ (22,546)
Amortization of actuarial loss	2,078	(806)	1,272
Actuarial prior service cost recognized	1,140	(261)	879
Amortization of prior service costs	23	(9)	14
Total defined benefit pension plans	(31,306)	10,925	(20,381)
Natural gas swap derivatives			
Loss/(gain) reclassified to net income	(196)	76	(120)
Gain/(loss) recognized in other comprehensive income (loss)	11	(4)	7
Total natural gas derivatives	(185)	72	(113)
Corn option derivatives			
Loss/(gain) reclassified to net income	(3,868)	1,501	(2,367)
Gain/(Loss) recognized in other comprehensive income	1,812	(704)	1,108
Total corn options	(2,056)	797	(1,259)
Foreign currency translation	(125,884)	—	(125,884)
Other comprehensive income/(loss)	$(159,431)	$11,794	$(147,637)

	Fiscal Year Ended January 3, 2015	December 28, 2013	December 29, 2012	Statement of Operations Classification
Derivative instruments				
Natural gas swap derivatives	$ 196	$ 41	$(1,267)	Cost of sales and operating expenses
Corn option derivatives	3,868	5,486	—	Cost of sales and operating expenses
Interest rate swap derivatives	—	—	(260)	Interest expense
	4,064	5,527	(1,527)	Total before tax
	(1,577)	(2,145)	592	Income taxes
	2,487	3,382	(935)	Net of tax
Defined benefit pension plans				
Amortization of prior service cost	$ (23)	$ (142)	$ (103)	(a)
Amortization of actuarial loss	(2,078)	(5,202)	(4,756)	(a)
	(2,101)	(5,344)	(4,859)	Total before tax
	815	2,073	1,883	Income taxes
	(1,286)	(3,271)	(2,976)	Net of tax
Total reclassifications	$ 1,201	$ 111	$(3,911)	Net of tax

(a) These items are included in the computation of net periodic pension cost. See Note 15 Employee Benefit Plans for additional information.

The following table presents changes in each component of accumulated comprehensive income (loss) as of January 3, 2015 as follows (in thousands):

	Fiscal Year Ended January 3, 2015			
	Foreign Currency Translation	Derivative Instruments	Defined Benefit Pension Plans	Total
Accumulated Other Comprehensive Income/(loss) December 28, 2013, net of tax	$ (14,502)	$ 1,448	$(16,369)	$ (29,423)
Other comprehensive gain before reclassifications	(125,884)	1,115	(21,667)	(146,436)
Amounts reclassified from accumulated other comprehensive income/(loss)	—	(2,487)	1,286	(1,201)
Net current-period other comprehensive income	(125,884)	(1,372)	(20,381)	(147,637)
Accumulated Other Comprehensive Income/(loss) January 3, 2015, net of tax	$(140,386)	$ 76	$(36,750)	$(177,060)

Note 15. Employee Benefit Plans

The Company has retirement and pension plans covering a substantial number of its domestic and foreign employees. Most retirement benefits are provided by the Company under separate final-pay noncontributory and contributory defined benefit and defined contribution plans for all salaried and hourly employees (excluding those covered by union-sponsored plans) who meet service and age requirements. Although various defined benefit formulas exist for employees, generally these are based on length of service and earnings patterns during employment. Effective January 1, 2012, the Company's Board of Directors authorized the Company to proceed with the restructuring of its domestic retirement benefit program to include the closing of Darling's domestic salaried and hourly defined benefit plans to new participants as well as the freezing of service and wage accruals thereunder effective December 31, 2011 (a curtailment of these plans for financial reporting purposes) and the enhancing of benefits under the Company's domestic defined contribution plans. The Company-sponsored domestic hourly union plan has not been curtailed; however, several locations of the Company-sponsored domestic hourly union plan have been curtailed as a result of collective bargaining renewals for those sites.

As a result of the Rothsay Acquisition, certain employees of MFI became employees of the Company. Pursuant to the terms of the Acquisition Agreement between MFI and Darling dated August 23, 2013, the pension benefits of these employees in respect to service prior to October 28, 2013 remain the responsibility of MFI. Benefits and rights accruing to these employees on and after October 28, 2013 (including earning increases on benefits accrued for non-Quebec employees prior to October 28, 2013) are the responsibility of the Company.

Additionally, as a result of the VION Acquisition, employees of VION Ingredients became employees of Darling Ingredients International. Pursuant to the terms of the Sale and Purchase Agreement dated October 3, 2013, as amended, between Darling and VION, Darling assumed approximately $28.9 million of unfunded pension and insignificant postretirement benefit plan obligations.

The Company maintains defined contribution plans both domestically and at its foreign entities. The Company's matching portion and annual employer contributions to the Company's domestic defined contribution plans for fiscal 2014, 2013 and 2012 were approximately $9.2 million, $8.2 million and $7.2 million, respectively. The Company's matching portion and annual employer contributions to the Company's foreign defined contribution plans for fiscal 2014 and 2013 were approximately $3.5 million and $0.1 million, respectively.

The Company recognizes the over-funded or under-funded status of the Company's defined benefit post-retirement plans as an asset or liability in the Company's balance sheet, with changes in the funded status recognized through comprehensive income in the year in which they occur.

The following table sets forth the plans' funded status for the Company's domestic and foreign defined benefit plans and amounts recognized in the Company's consolidated balance sheets based on the measurement date (January 3, 2015 and December 28, 2013) (in thousands):

	January 3, 2015	December 28, 2013
Change in projected benefit obligation:		
Projected benefit obligation at beginning of period	$129,966	$137,797
Acquisitions	199,996	4,102
Service cost	5,208	507
Interest cost	13,214	5,307
Employee contributions	1,946	20
Plan amendments	(1,371)	—
Actuarial loss	88,592	(12,904)
Benefits paid	(13,045)	(4,761)
Other	(29,364)	(102)
Projected benefit obligation at end of period	395,142	129,966
Change in plan assets:		
Fair value of plan assets at beginning of period	118,898	106,519
Acquisitions	171,117	—
Actual return on plan assets	67,090	13,147
Employer contributions	7,061	3,973
Employee contributions	1,946	20
Benefits paid	(13,045)	(4,761)
Other	(24,847)	—
Fair value of plan assets at end of period	328,220	118,898
Funded status	(66,922)	(11,068)
Net amount recognized	$ (66,922)	$ (11,068)
Amounts recognized in the consolidated balance sheets consist of:		
Noncurrent assets	$ —	$ 29
Current liability	(993)	—
Noncurrent liability	(65,929)	(11,097)
Net amount recognized	$ (66,922)	$ (11,068)
Amounts recognized in accumulated other comprehensive loss consist of:		
Net actuarial loss	$ 59,207	$ 26,738
Prior service cost/(credit)	(1,131)	32
Net amount recognized (a)	$ 58,076	$ 26,770

(a) Amounts do not include deferred taxes of $21.3 million and $10.4 million at January 3, 2015 and December 28, 2013, respectively.

The amounts included in “Other” in the above table reflect the impact of foreign exchange translation for plans in Argentina, Brazil, Belgium, Canada, France, Germany, Japan, Netherlands and United Kingdom. The Company’s domestic pension plan benefits comprise approximately 37% and 97% of the projected benefit obligation for fiscal 2014 and fiscal 2013, respectively. Additionally, the Company has made required and tax deductible discretionary contributions to its domestic pension plans in fiscal 2014 and fiscal 2013 of approximately $0.3 million and approximately $4.0 million, respectively. The Company made required and tax deductible discretionary contributions to its foreign pension plans in fiscal 2014 of approximately $6.8 million. In fiscal 2013 no contributions were made to the foreign plans.

	January 3, 2015	December 28, 2013
Projected benefit obligation	$395,142	$129,966
Accumulated benefit obligation	376,043	125,939
Fair value of plan assets	328,220	118,898

Net pension cost includes the following components (in thousands):

	January 3, 2015	December 28, 2013	December 29, 2012
Service cost	$ 5,208	$ 507	$ 326
Interest cost	13,214	5,307	5,451
Expected return on plan assets	(14,439)	(7,277)	(6,709)
Net amortization and deferral	2,094	5,261	4,845
Curtailment	7	83	14
Net pension cost	$ 6,084	$ 3,881	$ 3,927

Amounts recognized in accumulated other comprehensive income (loss) for the year ended (in thousands):

	2014	2013
Actuarial (loss)/gain recognized:		
Reclassification adjustments	$ 1,272	$ 3,184
Actuarial (loss)/gain recognized during the period	(22,546)	11,869
Prior service (cost) credit recognized:		
Reclassification adjustments	14	87
Prior service cost arising during the period	879	—
	$(20,381)	$15,140

The estimated amount that will be amortized from accumulated other comprehensive loss into net periodic pension cost in fiscal 2015 is as follows (in thousands):

	2015
Net actuarial loss	$5,142
Prior service cost	(81)
	$5,061

Weighted average assumptions used to determine benefit obligations were:

	January 3, 2015	December 28, 2013	December 29, 2012
Discount rate	2.79%	4.66%	3.90%
Rate of compensation increase	1.82%	3.00%	—%

Weighted average assumptions used to determine net periodic benefit cost for the employee benefit pension plans were:

	January 3, 2015	December 28, 2013	December 29, 2012
Discount rate	4.15%	3.96%	4.50%
Rate of increase in future compensation levels	1.70%	—%	—%
Expected long-term rate of return on assets	5.06%	7.35%	7.35%

Consideration was made to the long-term time horizon for the (U.S. and Canada's) plans' benefit obligations as well as the related asset class mix in determining the expected long-term rate of return. Historical returns are also considered, over the long-term time horizon, in determining the expected return. Considering the overall asset mix of approximately 60% equity and 40% fixed income with equity exposure on a declining trend since the implementation of the glide path for two of the U.S. plans the Company believes it is reasonable to expect a long-term rate of return of 7.1% for the (U.S. and Canada's) plans' investments as a whole. The remaining foreign plans' assets are principally invested under insurance contracts arrangements which have weighted average expected long-term rate of returns of 3.8%.

The investment objectives have been established in conjunction with a comprehensive review of the current and projected financial requirements. The primary investment objectives are: 1) to have the ability to pay all benefit and expense obligations when due; 2) to maximize investment returns within reasonable and prudent levels of risk in order to minimize contributions; and 3) to maintain flexibility in determining the future level of contributions.

Investment results are the most critical element in achieving funding objectives; however, contributions are used as a supplemental source of funding as deemed appropriate.

The investment guidelines are based upon an investment horizon of greater than ten years; therefore, interim fluctuations are viewed with this perspective. The strategic asset allocation is based on this long-term perspective and the plans' funded status. However, because the participants' average age is somewhat older than the typical average plan age, consideration is given to retaining some short-term liquidity. Analysis of the cash flow projections of the plans indicates that benefit payments will continue to exceed contributions. The results of a thorough asset-liability study completed during 2012 established a dynamic asset allocation glide path (the "Glide Path") by which the U.S. plans' asset allocations are determined. The Glide Path designates intervals based on funded status which contain a corresponding allocation to equities/real assets and fixed income. As the U.S. plans' funded status improves, the allocations become more conservative, and the opposite is true when the funded status declines.

Fixed Income	35% - 80%
Equities	20% - 65%

The equity allocation is invested in stocks traded on one of the U.S. stock exchanges or in foreign companies whose stock is traded outside the U.S. and/or companies that conduct the major portion of their business outside the U.S. Securities convertible into such stocks, convertible bonds and preferred stock, may also be purchased. The portfolio may invest in American Depository Receipts ("ADR"). The majority of the equities are invested in mutual funds that are well-diversified amount growth and value stocks, as well as large, mid, and small cap assets. This mix is balanced based on the understanding that large cap stocks are historically less volatile than small cap stocks: however, smaller cap stocks have historically outperformed larger cap stocks. The emerging markets portion of the equity allocation is held below 10% due to greater volatility in the asset class. Risk adjusted returns are the primary driver of allocation choices within these asset classes. The portfolio is well-diversified in terms of companies, industries and countries.

The diversified asset portion of the allocation will invest in securities with a goal to out pace inflation and preserve their value. The securities in this allocation may consist of inflation-indexed bonds, securities of real estate companies, commodity index-linked notes, fixed-income securities, securities of natural resource companies, master limited partnerships, publicly-listed infrastructure companies, and floating rate debt.

All investment objectives are expected to be achieved over a market cycle anticipated to be a period of five to seven years. Reallocations are performed on a monthly basis to retain target allocation ranges. On a quarterly basis the plans' funded status will be recalculated to determine which Glide Path interval allocation is appropriate.

The following table presents fair value measurements for the Company's defined benefit plans' assets as categorized using the fair value hierarchy under FASB authoritative guidance (in thousands):

(In thousands of dollars)	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Balances as December 28, 2013				
Fixed Income:				
Long Term	$ 60,654	$22,906	$37,748	$ —
Short Term	771	—	771	—
Equity Securities:				
Domestic equities	40,028	38,137	1,891	—
International equities	17,445	16,465	980	—
Totals	$118,898	77,508	$41,390	$ —
Balances as January 3, 2015				
Fixed Income:				
Long Term	$ 71,820	$23,619	$48,201	$ —
Short Term	1,419	—	1,419	—
Equity Securities:				
Domestic equities	41,813	35,946	5,867	—
International equities	18,259	16,953	1,306	—
Insurance contracts	194,909	—	—	194,909
Totals	$328,220	$76,518	$56,793	$194,909

The majority of the U.S. and Canada plan pension assets are invested in mutual funds; however, some assets are invested in pooled separate accounts ("PSA") which have similar mutual fund counterparts. PSA accounts are generally used to access lower fund management expenses when compared to their mutual fund counterparts. The mutual funds are generally invested in institutional shares, retirement shares, or A-shares with no loads. The fair value of each mutual fund and PSA is based on the market value of the underlying investments. The majority of the foreign pension assets are held under insurance contracts where the investment risk for the accumulated benefit obligation rests with the insurer, which the Company has no specific detailed asset information.

Contributions

The Company's funding policy for employee benefit pension plans is to contribute annually not less than the minimum amount required nor more than the maximum amount that can be deducted for federal income tax purposes. Contributions are intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future.

Based on current actuarial estimates, the Company expects to make payments of approximately $6.5 million to meet funding requirements for its domestic and foreign pension plans in fiscal 2015.

Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid (in thousands):

Year Ending	Pension Benefits
2015	$13,344
2016	14,379
2017	13,942
2018	14,466
2019	15,748
Years 2020—2024	87,338

Multiemployer Pension Plans

The Company participates in various multiemployer pension plans which provide defined benefits to certain employees covered by labor contracts in the United States. These plans are not administered by the Company and contributions are determined in accordance with provisions of negotiated labor contracts to meet their pension benefit obligations to their participants. The Financial Accounting Standards Board ("FASB") issued guidance requiring companies to provide additional disclosures related to individually significant multiemployer pension plans. The Company's contributions to each individual multiemployer plan represent less than 5% of the total contributions to each such plan. Based on the most currently available information, the Company has determined that, if a withdrawal were to occur, withdrawal liabilities on two of the plans in which the Company currently participates could be material to the Company. The following table provides more detail on these significant multiemployer plans (contributions in thousands):

Pension Fund	EIN Pension Plan Number	Pension Protection Act Zone Status 2014	Pension Protection Act Zone Status 2013	FIP/RP Status Pending/ Implemented	Contributions 2014	Contributions 2013	Contributions 2012	Expiration Date of Collective Bargaining Agreement
Western Conference of Teamsters Pension Plan	91-6145047/ 001	Green	Green	No	$1,384	$1,254	$1,371	January 2017(b)
Central States, Southeast and Southwest Areas Pension Plan (a)	36-6044243 / 001	Red	Red	Yes	876	782	746	May 2016(c)
All other multiemployer plans					1,042	1,113	1,083	
				Total Company Contributions	$3,302	$3,149	$3,200	

(a) In July 2005 this plan received a 10 year extension from the IRS for amortizing unfunded liabilities.

(b) The Company has several plants that participate in the Western Conference of Teamsters Pension Plan under collective bargaining agreements that require minimum funding contributions. Certain of these agreements have expired and are being renegotiated with others having expiration dates through January 1, 2017.

(c) The Company has several processing plants that participate in the Central States, Southeast and Southwest Areas Pension Plan under collective bargaining agreements that require minimum funding contributions. Certain of these agreements have expired and are being renegotiated with others having expiration dates through May 1, 2016.

With respect to the other multiemployer pension plans in which the Company participates and which are not individually significant, four plans have certified as critical or red zone, two plan have certified as endangered or yellow zone and one plan has certified as seriously endangered or orange zone, as defined by the Pension Protection Act of 2006. The Company's portion of contributions to all plans amounted to $3.3 million, $3.1 million and $3.2 million for the years ended January 3, 2015, December 28, 2013 and December 29, 2012, respectively.

In June 2009, the Company received a notice of a mass withdrawal termination and a notice of initial withdrawal liability from a multiemployer plan in which it participated. The Company had anticipated this event and as a result had accrued approximately $3.2 million as of January 3, 2009 based on the most recent information that was probable and estimable for this plan. The plan had given a notice of redetermination liability in December 2009. In fiscal 2010, the Company received further third party information confirming the future payout related to this multiemployer plan. As a result, the Company reduced its liability to approximately $1.2 million. In fiscal 2010, another underfunded multiemployer plan in which the Company participates gave notification of partial withdrawal liability. As of January 3, 2015, the Company has an accrued liability of approximately $0.8 million representing the present value of scheduled withdrawal liability payments under this multiemployer plan. While the Company has no ability to calculate a possible current liability for under-funded multiemployer plans that could terminate or could require additional funding under the Pension Protection Act of 2006, the amounts could be material.

Note 16. Derivatives

The Company's operations are exposed to market risks relating to commodity prices that affect the Company's cost of raw materials, finished product prices and energy costs and the risk of changes in interest rates and foreign currency exchange rates.

The Company makes limited use of derivative instruments to manage cash flow risks related to interest expense, natural gas usage, diesel fuel usage, inventory, forecasted sales and foreign currency exchange rates. The Company does not use derivative instruments for trading purposes. Interest rate swaps are entered into with the intent of managing overall borrowing costs by reducing the potential impact of increases in interest rates on floating-rate long-term debt. Natural gas swaps and options are entered into with the intent of managing the overall cost of natural gas usage by reducing the potential impact of seasonal weather demands on natural gas that increases natural gas prices. Heating oil swaps and options are entered into with the intent of managing the overall cost of diesel fuel usage by reducing the potential impact of seasonal weather demands on diesel fuel that increases diesel fuel prices. Corn options and future contracts are entered into with the intent of managing forecasted sales of BBP by reducing the impact of changing prices. Foreign currency forward contracts are entered into to mitigate the foreign exchange rate risk for transactions designated in a currency other than the local functional currency. At January 3, 2015, the Company had corn options outstanding that qualified and were designated for hedge accounting as well as heating oil swaps and options, corn options and foreign currency forward contracts that did not qualify and were not designated for hedge accounting.

Entities are required to report all derivative instruments in the statement of financial position at fair value. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and, if so, on the reason for holding the instrument. If certain conditions are met, entities may elect to designate a derivative instrument as a hedge of exposures to changes in fair value, cash flows or foreign currencies. If the hedged exposure is a cash flow exposure, the effective portion of the gain or loss on the derivative instrument is reported initially as a component of other comprehensive income (outside of earnings) and is subsequently reclassified into earnings when the forecasted transaction affects earnings. Any amounts excluded from the assessment of hedge effectiveness as well as the ineffective portion of the gain or loss are reported in earnings immediately. If the derivative instrument is not designated as a hedge, the gain or loss is recognized in earnings in the period of change.

In November 2013, the Company entered into foreign currency exchange forward contracts that did not qualify for hedge accounting to mitigate the foreign exchange rate risk of the expected acquisition price of the VION Acquisition. Under the terms of the exchange contracts, the Company exchanged U.S. dollars for €1.0 billion at a fixed weighted average price of approximately 1.346 with a maturity date of early January 2014. The foreign currency contract was not designated for hedge accounting. In the fourth quarter of fiscal 2013 the Company recorded an unrealized gain of $27.5 million and upon settlement of the exchange contracts recorded a loss in the first quarter of fiscal 2014 of $12.6 million.

Cash Flow Hedges

In fiscal 2013 and fiscal 2014, the Company has entered into natural gas swap contracts that are considered cash flow hedges. Under the terms of the natural gas swap contracts the Company fixed the expected purchase cost of a portion of its plants expected natural gas usage in fiscal 2015. As of January 3, 2015, all of the fiscal 2013 contracts and fiscal 2014 contracts have expired and settled according to the contracts with activity disclosed below.

In fiscal 2013 and fiscal 2014, the Company entered into corn option contracts that are considered cash flow hedges. Under the terms of the corn option contracts the Company hedged a portion of it's forecasted sales of BBP into the second quarter of fiscal 2015. As of January 3, 2015, all fiscal 2013 contracts and some of the fiscal 2014 contracts have settled while the remaining contract positions and activity are disclosed below. From time to time, the Company may enter into corn option contracts in the future.

As of January 3, 2015, the Company had the following outstanding forward contract amounts that were entered into to hedge the future payments of intercompany note transactions, foreign currency transactions in currencies other than the functional currency and forecasted transactions in currencies other than the functional currency. All of these transactions are currently not designated for hedge accounting. (in thousands):

Functional Currency		Contract Currency	
Type	Amount	Type	Amount
Brazilian real	11,721	Euro	3,650
Brazilian real	18,877	U.S. Dollar	7,400
Euro	289,385	U.S. Dollar	359,631
Euro	8,348	Polish zloty	35,000
Euro	3,429	Japanese yen	488,926
Euro	31,600	Chinese renminbi	242,054
Euro	21,146	Australian dollar	31,350
Euro	1,842	British pound	1,448
Polish zloty	11,544	Euro	2,741

The Company estimates the amount that will be reclassified from accumulated other comprehensive gain at January 3, 2015 into earnings over the next 12 months will be approximately $0.1 million. As of January 3, 2015, no amounts have been reclassified into earnings as a result of the discontinuance of cash flow hedges.

The following table presents the fair value of the Company's derivative instruments as of January 3, 2015 and December 28, 2013 (in thousands):

Derivatives Designated as Hedges	Balance Sheet Location	Asset Derivatives Fair Value January 3, 2015	Asset Derivatives Fair Value December 28, 2013
Natural gas swaps	Other current assets	$ —	$ 120
Corn options	Other current assets	247	2,349
Total derivatives designated as hedges		$ 247	$ 2,469
Derivatives not Designated as Hedges			
Foreign currency contracts	Other current assets	$11,559	$27,516
Corn options and futures	Other current assets	69	—
Heating oil swaps	Other current assets	353	43
Total derivatives not designated as hedges		$11,981	$27,559
Total asset derivatives		$12,228	$30,028

Derivatives Designated as Hedges	Balance Sheet Location	Liability Derivatives Fair Value January 3, 2015	Liability Derivatives Fair Value December 28, 2013
Corn options	Accrued expenses	$ —	$ 1
Total derivatives designated as hedges		$ —	$ 1
Derivatives not Designated as Hedges			
Foreign currency contracts	Accrued Expenses	$2,019	$—
Corn options and futures	Accrued Expenses	3	—
Heating oil swaps	Accrued Expenses	993	2
Total derivatives not designated as hedges		$3,015	$ 2
Total liability derivatives		$3,015	$ 3

The effect of the Company's derivative instruments on the consolidated financial statements for the fiscal years ended January 3, 2015 and December 28, 2013 are as follows (in thousands):

Derivatives Designated as Cash Flow Hedges	Gain or (Loss) Recognized in OCI on Derivatives (Effective Portion)(a)		Gain or (Loss) Reclassified From Accumulated OCI into Income (Effective Portion)(b)		Gain or (Loss) Recognized in Income On Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing)(c)	
	2014	2013	2014	2013	2014	2013
Corn options	$1,812	$7,350	$3,868	$5,486	$92	$274
Natural gas swaps	11	248	196	41	(1)	(4)
Total	$1,823	$7,598	$4,064	$5,527	$91	$270

(a) Amount recognized in accumulated OCI (effective portion) is reported as accumulated other comprehensive gain of approximately $1.8 million and approximately $7.6 million recorded net of taxes of approximately $0.7 million and approximately $2.9 million for the year ended January 3, 2015 and December 28, 2013, respectively.

(b) Gains and (losses) reclassified from accumulated OCI into income (effective portion) for interest rate swaps and natural gas swaps is included in interest expense and cost of sales, respectively, in the Company's consolidated statements of operations.

(c) Gains and (losses) recognized in income on derivatives (ineffective portion) for interest rate swaps and natural gas swaps is included in other income/(expense), net in the Company's consolidated statements of operations.

At January 3, 2015, the Company had forward purchase agreements in place for purchases of approximately $4.2 million of natural gas and diesel fuel. These forward purchase agreements have no net settlement provisions and the Company intends to take physical delivery. Accordingly, the forward purchase agreements are not subject to the requirements of fair value accounting because they qualify as normal purchases as defined.

Note 17. Fair Value Measurement

FASB authoritative guidance which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements including guidance related to nonrecurring measurements of nonfinancial assets and liabilities.

The following table presents the Company's financial instruments that are measured at fair value on a recurring and nonrecurring basis as of January 3, 2015 and are categorized using the fair value hierarchy under FASB authoritative guidance. The fair value hierarchy has three levels based on the reliability of the inputs used to determine the fair value.

		Fair Value Measurements at January 3, 2015 Using		
(In thousands of dollars)	**Total**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets				
Derivative assets	$ 12,228	$—	$ 12,228	$—
Total Assets	12,228	—	12,228	—
Liabilities				
Derivative liabilities	3,015	—	3,015	—
Senior Notes	493,750	—	493,750	—
Term Loan A	310,600	—	310,600	—
Term Loan B	1,198,546	—	1,198,546	—
Revolver	100,335	—	100,335	—
Total Liabilities	$2,106,246	$—	$2,106,246	$—

Derivative assets consist of the Company's heating oil option contracts, corn option contracts and foreign currency contracts, which represents the difference between the observable market rates of commonly quoted intervals for similar assets and liabilities in active markets and the fixed swap and option rate considering the instruments term, notional amount and credit risk. See Note 16 Derivatives for breakdown by instrument type.

Derivative liabilities consist of the Company's heating oil swap contracts and corn option contracts, which represent the difference between the observable market rates of commonly quoted intervals for similar assets and liabilities in active markets and the fixed swap rate considering the instrument's term, notional amount and credit risk. See Note 16 Derivatives for breakdown by instrument type.

The carrying amount of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximates fair value due to the short maturity of these instruments and as such have been excluded from the table above. The carrying amount for the Company's other debt is not deemed to be significantly different than the fair value and all other instruments have been recorded at fair value.

The fair value of the senior notes, term loan A, term loan B and revolver debt is based on market quotation from a third-party bank.

Note 18. Concentration of Credit Risk

Concentration of credit risk is limited due to the Company's diversified customer base and the fact that the Company sells commodities. No single customer accounted for more than 10% of the Company's net sales in fiscal years 2014, 2013 and 2012.

Note 19. Contingencies

The Company is a party to several lawsuits, claims and loss contingencies arising in the ordinary course of its business, including assertions by certain regulatory and governmental agencies related to permitting requirements and air, wastewater and storm water discharges from the Company's processing facilities.

The Company's workers compensation, auto and general liability policies contain significant deductibles or self-insured retentions. The Company estimates and accrues its expected ultimate claim costs related to accidents occurring during each fiscal year and carries this accrual as a reserve until these claims are paid by the Company.

As a result of the matters discussed above, the Company has established loss reserves for insurance, environmental and litigation matters. At January 3, 2015 and December 28, 2013, the reserves for insurance, environmental and litigation contingencies reflected on the balance sheet in accrued expenses and other non-current liabilities were approximately $54.9 million and $35.5 million, respectively. The Company has insurance recovery receivables of approximately $11.4 million and $8.8 million, as of January 3, 2015 and December 28, 2013, respectively, related to these liabilities. The Company's management believes these reserves for contingencies are reasonable and sufficient based upon present governmental regulations and information currently available to management; however, there can be no assurance that final costs related to these matters will not exceed current estimates. The Company believes that the likelihood is remote that any additional liability from these lawsuits and claims that may not be covered by insurance would have a material effect on the financial position, results of operations or cash flows.

Lower Passaic River Area. In December 2009, the Company, along with numerous other entities, received notice from the United States Environmental Protection Agency ("EPA") that the Company (as successor-in-interest to Standard Tallow Company) is considered a potentially responsible party with respect to alleged contamination in the lower Passaic River area which is part of the Diamond Alkali Superfund Site located in Newark, New Jersey. The Company's designation as a potentially responsible party is based upon the operation of a former plant site located in Newark, New Jersey by Standard Tallow Company, an entity that the Company acquired in 1996. In the letter, EPA requested that the Company join a group of other parties in funding a remedial investigation and feasibility study at the site. As of the date of this report, the Company has not agreed to participate in the funding group. The Company's ultimate liability for investigatory costs, remedial costs and/or natural resource damages in connection with the lower Passaic River area cannot be determined at this time; however, as of the date of this report, there is nothing that leads the Company to believe that this matter will have a material effect on the Company's financial position, results of operations or cash flows.

Fresno Facility Permit Issue. The Company has been named as a defendant and a real party in interest in a lawsuit filed on April 9, 2012 in the Superior Court of the State of California, Fresno County, styled *Concerned Citizens of West Fresno vs. Darling International Inc.* The complaint, as subsequently amended, alleges that the Company's Fresno facility is operating without a proper use permit and seeks, among other things, injunctive relief. The complaint had at one time also alleged that the Company's Fresno facility constitutes a continuing private and public nuisance, but the plaintiff has since amended the complaint to drop these allegations. The City of Fresno was also named as a defendant in the original complaint but has since had a judgment entered in its favor and is no longer a defendant in the lawsuit; however, in December 2013 the City of Fresno filed a motion to intervene as a plaintiff in this matter. The Superior Court heard the motion on February 4, 2014, and entered an order on February 18, 2014 denying the motion. Rendering operations have been conducted on the site since 1955, and the Company believes that it possesses all of the required federal, state and local permits to continue to operate the facility in the manner currently conducted and that its operations do not constitute a private or public nuisance. Accordingly, the Company intends to defend itself vigorously in this matter. Discovery has begun and this matter was scheduled for trial in July 2014; however, the parties have agreed to stay the litigation while they participate in a mediation process. While management cannot predict the ultimate outcome of this matter, management does not believe the outcome will have a material effect on the Company's financial condition, results of operations or cash flows.

Note 20. Business Segments

Effective December 29, 2013, the Company's business operations were reorganized into three industry segments: Feed Ingredients, Food Ingredients and Fuel Ingredients, in order to better align its business with the underlying markets and customers that the Company serves. All historical periods have been recast for the changes to the segment reporting structure. The Company sells its products domestically and internationally. The measure of segment profit (loss) includes all revenues, operating expenses (excluding certain amortization of intangibles), and selling, general and administrative expenses incurred at all operating locations and excludes general corporate expenses.

Included in corporate activities are general corporate expenses and the amortization of intangibles. Assets of corporate activities include cash, unallocated prepaid expenses, deferred tax assets, prepaid pension, and miscellaneous other assets.

Feed Ingredients

Feed Ingredients consists principally of (i) the Company's U.S. ingredients business, including the Company's used cooking oil, trap grease and food residuals collection businesses, the Rothsay ingredients business, and the ingredients and specialty products businesses conducted by Darling Ingredients International under the Sonac name (proteins, fats, technical fats and blood plasma products) and (ii) the Company's bakery residuals business. Feed Ingredients operations process animal by-products and used cooking oil into fats, protein and hides.

Food Ingredients

Food Ingredients consists principally of (i) the gelatin and hydrolyzed collagen business conducted by Darling Ingredients International under the Rousselot name, (ii) the natural casings and meat-by-products business conducted by Darling Ingredients International under the CTH name and (iii) certain specialty products businesses conducted by Darling Ingredients International under the Sonac name.

Fuel Ingredients

The Company's Fuel Ingredients segment consists of (i) the Company's biofuel business conducted under the Dar Pro® and Rothsay names (ii) the bioenergy business conducted by Darling Ingredients International under the Ecoson and Rendac names and (iii) the Company's investment in the DGD Joint Venture.

Business Segments (in thousands):

	Feed Ingredients	Food Ingredients	Fuel Ingredients	Corporate	Total
Fiscal Year Ended January 3, 2015					
Net Sales	$2,421,462	$1,248,352	$286,629	$ —	$3,956,443
Cost of sales and operating expenses	1,864,835	1,029,488	228,848	—	3,123,171
Gross Margin	556,627	218,864	57,781	—	833,272
Selling, general and administrative expense	205,484	118,716	8,596	41,784	374,580
Acquisition costs	—	—	—	24,667	24,667
Depreciation and amortization	158,871	73,274	27,898	9,474	269,517
Segment operating income/(loss)	192,272	26,874	21,287	(75,925)	164,508
Equity in net income of unconsolidated subsidiaries	1,842	—	63,767	—	65,609
Segment income	194,114	26,874	85,054	(75,925)	230,117
Total other expense					(148,665)
Income before income taxes					$ 81,452
Segment assets at January 3, 2015	$2,667,369	$1,734,387	$693,921	$ 75,036	$5,170,713

	Feed Ingredients	Food Ingredients	Fuel Ingredients	Corporate	Total
Fiscal Year Ended December 28, 2013					
Net Sales	$1,788,563	$—	$ 13,705	$ —	$1,802,268
Cost of sales and operating expenses	1,329,057	—	10,762	—	1,339,819
Gross Margin	459,506	—	2,943	—	462,449
Selling, general and administrative expense	149,160	—	928	20,737	170,825
Acquisition costs	—	—	—	23,271	23,271
Depreciation and amortization	93,120	—	368	5,299	98,787
Segment operating income/(loss)	217,226	—	1,647	(49,307)	169,566
Equity in net income of unconsolidated subsidiaries	—	—	7,660	—	7,660
Segment income	217,226	—	9,307	(49,307)	177,226
Total other expense					(13,548)
Income before income taxes					$ 163,678
Segment assets at December 28, 2013	$1,986,564	$—	$179,722	$1,077,847	$3,244,133

	Feed Ingredients	Food Ingredients	Fuel Ingredients	Corporate	Total
Fiscal Year Ended December 29, 2012					
Net Sales	$1,766,611	$—	$ 5,941	$ —	$1,772,552
Cost of sales and operating expenses	1,299,255	—	4,472	—	1,303,727
Gross Margin	467,356	—	1,469	—	468,825
Selling, general and administrative expense	123,483	—	326	27,904	151,713
Acquisition costs	—	—	—	—	—
Depreciation and amortization	81,122	—	122	4,127	85,371
Segment operating income/(loss)	262,751	—	1,021	(32,031)	231,741
Equity in net income of unconsolidated subsidiaries	—	—	(2,662)	—	(2,662)
Segment income	262,751	—	(1,641)	(32,031)	229,079
Total other expense					(22,294)
Income before income taxes					$ 206,785

Business Segment Property, Plant and Equipment (in thousands):

	January 3, 2015	December 28, 2013	December 29, 2012
Depreciation and amortization:			
Feed Ingredients	$158,871	$ 93,120	$ 81,122
Food Ingredients	73,274	—	—
Fuel Ingredients	27,898	368	122
Corporate Activities	9,474	5,299	4,127
Total	$269,517	$ 98,787	$ 85,371
Capital expenditures:			
Feed Ingredients	$135,923	$ 84,616	$ 84,344
Food Ingredients	61,657	—	—
Fuel Ingredients	21,392	162	66
Corporate Activities	9,946	33,529	31,003
Total (a)	$228,918	$118,307	$115,413

(a) Excludes the capital assets acquired as part of the acquisition of assets related to VION Acquisition and Custom Blenders acquisition in fiscal 2014 of approximately $984.2 million, the Terra Transaction and the Rothsay Acquisition in fiscal 2013 of approximately $167.0 million and the BioPur acquisition in fiscal 2012 of approximately $0.6 million.

Geographic Area Net Trade Revenues (in thousands):

	January 3, 2015	December 28, 2013	December 29, 2012
North America	$2,131,978	$1,802,268	$1,772,552
Europe	1,438,320	—	—
China	229,876	—	—
South America	73,241	—	—
Other	83,028	—	—
Total	$3,956,443	$1,802,268	$1,772,552

The Company attributes revenues from external customers to individual foreign countries based on the origin of the Company's shipments.

Prior to fiscal 2014, the Company did not have operations outside of North America. During fiscal 2014, the Company acquired operations in Europe, China, South America and other countries of the world. Long-lived assets related to the Company's operations in North America, Europe, China, South American and other were as follows (in thousands):

	FY 2014 Long-Lived Assets
North America	$2,422,050
Europe	1,407,402
China	186,994
South America	93,264
Other	7,390
Total	$4,117,100

Note 21. Quarterly Financial Data (Unaudited and in Thousands Except Per Share Amounts):

	Year Ended January 3, 2015			
	First Quarter (a), (b)	Second Quarter (a), (b)	Third Quarter (a), (b)	Fourth Quarter (b)
Net sales	$946,292	$1,031,283	$978,665	$1,000,203
Operating income	(564)	75,485	49,925	39,662
Income from operations before income taxes	(69,296)	50,078	27,090	73,580
Net income	(51,006)	34,575	15,954	68,788
Net (income)/loss attributable to minority interests	(1,797)	(1,818)	(1,636)	1,155
Net income/(loss) attributable to Darling	(52,803)	32,757	14,318	69,943
Basic earnings per share	(0.32)	0.20	0.09	0.42
Diluted earnings per share	(0.32)	0.20	0.09	0.42

(a) Includes sales deductions reclassified from net sales to cost of sales in the amount of approximately $14.9 million in the first quarter of fiscal 2014, approximately $24.3 million in the second quarter of fiscal 2014 and approximately $22.9 million in the third quarter of fiscal 2014 to conform to the fiscal year ended January 3, 2015 presentation.

(b) Included in net income are $15.9 million in acquisition and integration costs in the first quarter of fiscal 2014, $4.2 million in acquisition and integration costs in the second quarter of fiscal 2014, $2.2 million in acquisition and integration costs in the third quarter of fiscal 2014 and $2.4 million in the fourth quarter of fiscal 2014 primarily relating to the VION Acquisition and Rothsay Acquisition. Included in net income in the first quarter of fiscal 2014 is approximately $12.6 million of loss on a foreign currency forward contract, approximately $27.3 million redemption premium to payoff the 8.5% Senior Notes due 2018 early and approximately $44.8 million of costs related to the VION Acquisition inventory step-up in value. In addition, included in net income are approximately $5.0 million in the second quarter of fiscal 2014 related to the VION Acquisition inventory step-up in value. Additionally, included in the net income for the fourth quarter of fiscal 2014 were the Company's portion of all tax credits recorded by the DGD Joint Venture and the Company's other processing facilities, which amounted to approximately $67.4 million.

	Year Ended December 28, 2013			
	First Quarter (c)	Second Quarter (c), (d)	Third Quarter (c), (d)	Fourth Quarter (c), (d)
Net sales	$465,657	$443,542	$445,130	$447,939
Operating income	58,576	50,802	41,652	18,536
Income from operations before income taxes	52,823	42,753	45,024	23,078
Net income	32,405	26,418	27,651	22,493
Basic earnings per share	0.27	0.22	0.23	0.18
Diluted earnings per share	0.27	0.22	0.23	0.18

(c) Includes sales deductions reclassified from net sales to cost of sales in the amount of approximately $20.2 million in the first quarter of fiscal 2013, approximately $19.9 million in the second quarter of fiscal 2013, approximately $19.3 million in the third quarter of fiscal 2013 and $19.2 million in the fourth quarter of fiscal 2013 to conform to the fiscal year 2014 presentation.

(d) Included in net income are $0.8 million in transaction costs in the second quarter of fiscal 2013, $8.3 million in transaction costs in the third quarter of fiscal 2013 and $14.2 million in the fourth quarter of fiscal 2013 relating to the Terra Transaction, Rothsay Acquisition and the VION Acquisition. In addition, the fourth quarter of fiscal 2013 includes approximately $27.5 million of an unrealized gain on a foreign currency forward contract.

Note 22. Related Party Transactions

Lease Agreements

Darling through its wholly-owned subsidiary Griffin, leases two real properties located in Butler, Kentucky and real properties located in each of Jackson, Mississippi and Henderson, Kentucky from Martom Properties, LLC, an entity owned in part by Martin W. Griffin, the Company's Executive Vice President—Chief Operations Officer, North America. The lease term for each of the Butler properties and the Jackson property is thirty years, and the Company has the right to renew such leases for two additional terms of ten years each. The annual rental payment for each of the Butler properties is $30,000 for the first five years of the lease term and is increased by the increase in the consumer price index every five years thereafter. The annual rental payment for the Jackson property is $221,715 for the first five years of the lease term and is increased by the increase in the consumer price index every five years thereafter. The lease term for the Henderson property is ten years, and the Company has the right to renew such lease for four additional terms of five years each. The annual rental payment for the Henderson property is $60,000 for the first five years of the lease term and is increased by the increase in the consumer price index every five years thereafter. Under the terms of each lease, the Company has a right of first offer and right of first refusal for each of the properties.

Raw Material Agreement

The Company has entered into a Raw Material Agreement with the DGD Joint Venture pursuant to which the Company will offer to supply certain animal fats and used cooking oil at market prices, up to the DGD Joint Venture's full operational requirement of feedstock, but the DGD Joint Venture is not obligated to purchase the raw material offered by the Company. Additionally, the Company may offer other feedstocks to the DGD Joint Venture, such as inedible corn oil, purchased on a resale basis. For the years ended January 3, 2015, December 28, 2013 and December 29, 2012, the Company has recorded sales to the DGD Joint Venture of approximately $159.8 million, $83.8 million and $0.3 million, respectively. At January 3, 2015 and December 28, 2013, the Company has approximately $6.1 million and $14.6 million in outstanding receivables due from the DGD Joint Venture, respectively. In addition, the Company has eliminated additional sales of approximately $5.1 million and $3.7 million for the year ended January 3, 2015 and December 28, 2013, respectively to the DGD Joint Venture to defer the Company's portion of profit on those sales relating to inventory assets still remaining on the DGD Joint Venture's balance sheet at January 3, 2015 and December 28, 2013 of approximately $1.3 million and $0.6 million, respectively.

Note 23. New Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606), which will supersede nearly all existing revenue recognition guidance under GAAP. The new ASU introduces a new five-step revenue recognition model in which an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In addition, this ASU requires disclosures sufficient to enable the users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers, including qualitative and quantitative disclosures about contracts with customers, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. This ASU allows for either full retrospective or modified retrospective adoption and will become effective for the Company for the annual reporting period beginning after December 15, 2016, with early adoption not permitted. The Company is currently evaluating the impact of this standard.

In July 2013, the FASB issued ASU No. 2013-11, Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists. The ASU amends ASC Topic 740, *Income Taxes* The new standard requires, unless certain conditions exist, an unrecognized tax benefit to be presented as a reduction to a deferred tax asset in the financial statements for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward. The standard will become effective for the Company prospectively for annual periods beginning after December 15, 2013, and interim periods within those years, with early adoption permitted. Retrospective application is also permitted. The Company adopted this standard in the first quarter of fiscal 2014. The adoption did not have a material impact on the Company's consolidated financial statements.

Note 24. Guarantor Financial Information

The Company's 5.375% Notes (see Note 10) are guaranteed on an unsecured basis by following Notes Guarantors, each of which is a 100% directly and indirectly owned subsidiary of Darling and which constitute all of Darling's existing restricted subsidiaries that are Credit Agreement Guarantors (other than Darling's foreign subsidiaries): Darling National, Griffin and its subsidiary Craig Protein, Darling AWS LLC, Terra Holding Company, Darling Global Holdings Inc., Darling Northstar LLC, TRS, EV Acquisition, Inc., Rousselot Inc., Rousselot Dubuque Inc., Sonac USA LLC and Rousselot Peabody Inc. The Notes Guarantors fully and unconditionally guaranteed the 5.375% Notes on a joint and several basis. The following financial statements present condensed consolidating financial data for (i) Darling, the "Issuer" of the 5.375% Notes, (ii) the combined Notes Guarantors, (iii) the combined other subsidiaries of the Company that did not guarantee the 5.375% Notes (the "Non-guarantors"), and (iv) eliminations necessary to arrive at the Company's consolidated financial statements, which include condensed consolidated balance sheets as of January 3, 2015 and December 28, 2013, and the condensed consolidating statements of operations, the condensed consolidating statements of comprehensive income and the condensed consolidating statements of cash flows for the years ended January 3, 2015, December 28, 2013 and December 29, 2012.

DARLING INGREDIENTS INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

Condensed Consolidating Balance Sheet
As of January 3, 2015
(in thousands)

	Issuer	Guarantors	Non-guarantors	Eliminations	Consolidated
ASSETS					
Cash and cash equivalents	$ 10,447	$ 14,460	$ 83,877	$ —	$ 108,784
Restricted cash	103	—	240	—	343
Accounts receivable	30,237	604,486	320,040	(544,984)	409,779
Inventories	19,762	93,253	288,598	—	401,613
Income taxes refundable	18,647	—	3,493	—	22,140
Prepaid expenses	11,513	1,792	31,324	—	44,629
Other current assets	1,894	14	206,338	(186,922)	21,324
Deferred income taxes	42,497	—	2,504	—	45,001
Total current assets	135,100	714,005	936,414	(731,906)	1,053,613
Investment in subsidiaries	3,874,466	1,096,541	837,605	(5,808,612)	—
Property, plant and equipment, net	205,895	445,301	922,920	—	1,574,116
Intangible assets, net	21,903	366,315	544,195	—	932,413
Goodwill	21,860	549,950	748,609	—	1,320,419
Investment in unconsolidated subsidiaries	—	—	202,712	—	202,712
Other assets	56,404	575,656	538,460	(1,099,511)	71,009
Deferred income taxes	—	—	16,431	—	16,431
	$4,315,628	$3,747,768	$4,747,346	$(7,640,029)	$5,170,713
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current portion of long-term debt	$ 16,017	$ 55	$ 225,252	$ (186,923)	$ 54,401
Accounts payable	540,784	11,349	127,994	(511,609)	168,518
Income taxes payable	—	—	4,363	—	4,363
Accrued expenses	88,840	34,842	165,812	(33,375)	256,119
Deferred income taxes	—	—	642	—	642
Total current liabilities	645,641	46,246	524,063	(731,907)	484,043
Long-term debt, net of current portion	1,334,556	—	1,862,994	(1,099,511)	2,098,039
Other noncurrent liabilities	56,849	1,979	55,872	—	114,700
Deferred income taxes	176,745	—	246,052	—	422,797
Total liabilities	2,213,791	48,225	2,688,981	(1,831,418)	3,119,579
Total stockholders' equity	2,101,837	3,699,543	2,058,365	(5,808,611)	2,051,134
	$4,315,628	$3,747,768	$4,747,346	$(7,640,029)	$5,170,713

Condensed Consolidating Balance Sheet
As of December 28, 2013
(in thousands)

	Issuer	Guarantors	Non-guarantors	Eliminations	Consolidated
ASSETS					
Cash and cash equivalents	$ 857,267	$ 6,117	$ 7,473	$ —	$ 870,857
Restricted cash	102	—	252	—	354
Accounts receivable	41,464	484,091	16,092	(428,803)	112,844
Inventories	20,799	36,314	8,020	—	65,133
Income taxes refundable	14,397	—	115	—	14,512
Prepaid expenses	9,347	3,794	1,082	—	14,223
Other current assets	31,248	15	1,027	—	32,290
Deferred income taxes	15,107	—	2,182	—	17,289
Total current assets	989,731	530,331	36,243	(428,803)	1,127,502
Investment in subsidiaries	2,140,869	63,116	—	(2,203,985)	—
Property, plant and equipment, net	172,533	356,772	137,268	—	666,573
Intangible assets, net	15,896	340,611	232,157	—	588,664
Goodwill	21,860	424,244	255,533	—	701,637
Investment in unconsolidated subsidiary	—	—	115,114	—	115,114
Other assets	40,588	373,699	1,352	(370,996)	44,643
	$3,381,477	$2,088,773	$777,667	$(3,003,784)	$3,244,133
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current portion of long-term debt	$ 10,000	$ 87	$ 9,801	$ —	$ 19,888
Accounts payable	425,117	21,236	22,939	(425,550)	43,742
Accrued expenses	85,165	20,178	11,084	(3,253)	113,174
Total current liabilities	520,282	41,501	43,824	(428,803)	176,804
Long-term debt, net of current portion	680,000	55	557,888	(370,996)	866,947
Other noncurrent liabilities	36,381	—	4,290	—	40,671
Deferred income taxes	123,862	—	14,897	—	138,759
Total liabilities	1,360,525	41,556	620,899	(799,799)	1,223,181
Total stockholders' equity	2,020,952	2,047,217	156,768	(2,203,985)	2,020,952
	$3,381,477	$2,088,773	$777,667	$(3,003,784)	$3,244,133

Condensed Consolidating Statements of Operations
For the year ended January 3, 2015
(in thousands)

	Issuer	Guarantors	Non-guarantors	Eliminations	Consolidated
Net sales	$557,316	$1,620,054	$2,063,310	$(284,237)	$3,956,443
Cost and expenses:					
Cost of sales and operating expenses	421,883	1,330,038	1,655,487	(284,237)	3,123,171
Selling, general and administrative expenses	145,258	54,070	175,252	—	374,580
Depreciation and amortization	31,183	83,957	154,377	—	269,517
Acquisition and integration costs	20,410	—	4,257	—	24,667
Total costs and expenses	618,734	1,468,065	1,989,373	(284,237)	3,791,935
Operating income	(61,418)	151,989	73,937	—	164,508
Interest expense	(97,912)	21,231	(58,554)	(181)	(135,416)
Foreign currency gains/(losses)	(12,244)	(417)	(887)	—	(13,548)
Other income/(expense), net	(3,717)	(19)	3,854	181	299
Equity in net income of unconsolidated subsidiary	—	—	65,609	—	65,609
Earnings in investments in subsidiaries	223,790	—	—	(223,790)	—
Income/(loss) from operations before taxes	48,499	172,784	83,959	(223,790)	81,452
Income taxes (benefit)	(15,716)	17,534	11,323	—	13,141
Net (income)/loss attributable to noncontrolling interests	—	—	(4,096)	—	(4,096)
Net income/(loss)	$ 64,215	$ 155,250	$ 68,540	$(223,790)	$ 64,215

Condensed Consolidating Statements of Operations
For the year ended December 28, 2013
(in thousands)

	Issuer	Guarantors	Non-guarantors	Eliminations	Consolidated
Net sales	$708,166	$1,288,824	$41,196	$(235,918)	$1,802,268
Cost and expenses:					
Cost of sales and operating expenses	559,117	988,295	28,325	(235,918)	1,339,819
Selling, general and administrative expenses	91,723	76,016	3,086	—	170,825
Depreciation and amortization	24,794	68,139	5,854	—	98,787
Acquisition costs	14,074	—	9,197	—	23,271
Total costs and expenses	689,708	1,132,450	46,462	(235,918)	1,632,702
Operating income	18,458	156,374	(5,266)	—	169,566
Interest expense	(36,964)	3,281	(4,425)	—	(38,108)
Foreign currency gains/(losses)	27,516	(42)	633	—	28,107
Other income/(expense), net	(3,373)	55	(229)	—	(3,547)
Equity in net loss of unconsolidated subsidiary	—	—	7,660	—	7,660
Earnings in investments in subsidiaries	105,178	—	—	(105,178)	—
Income/(loss) from operations before taxes	110,815	159,668	(1,627)	(105,178)	163,678
Income taxes (benefit)	1,848	52,351	512	—	54,711
Net income/(loss)	$108,967	$ 107,317	$ (2,139)	$(105,178)	$ 108,967

Condensed Consolidating Statements of Operations
For the year ended December 29, 2012
(in thousands)

	Issuer	Guarantors	Non-guarantors	Eliminations	Consolidated
Net sales	$679,432	$1,270,978	$14,874	$(192,732)	$1,772,552
Cost and expenses:					
Cost of sales and operating expenses	532,734	949,534	14,191	(192,732)	1,303,727
Selling, general and administrative expenses	80,432	71,141	140	—	151,713
Depreciation and amortization	23,542	61,807	22	—	85,371
Total costs and expenses	636,708	1,082,482	14,353	(192,732)	1,540,811
Operating income	42,724	188,496	521	—	231,741
Interest expense	(24,047)	(7)	—	—	(24,054)
Other income/(expense), net	(1,572)	3,355	(23)	—	1,760
Equity in net loss of unconsolidated subsidiary	—	—	(2,662)	—	(2,662)
Earnings in investments in subsidiaries	119,953	—	—	(119,953)	—
Income/(loss) from operations before taxes	137,058	191,844	(2,164)	(119,953)	206,785
Income taxes (benefit)	6,288	70,523	(796)	—	76,015
Net income/(loss)	$130,770	$ 121,321	$ (1,368)	$(119,953)	$ 130,770

DARLING INGREDIENTS INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

Condensed Consolidating Statements of Comprehensive Income/(Loss)
For the year ended January 3, 2015
(in thousands)

	Issuer	Guarantors	Non-guarantors	Eliminations	Consolidated
Net income	$ 68,311	$155,250	$ 68,540	$(223,790)	$ 68,311
Other comprehensive income/(loss), net of tax:					
Foreign currency translation	—	—	(125,884)	—	(125,884)
Pension adjustments	(11,844)	(34)	(8,503)	—	(20,381)
Natural gas swap derivative adjustments	(113)	—	—	—	(113)
Corn option derivative adjustments	(1,259)	—	—	—	(1,259)
Total other comprehensive income, net of tax	(13,216)	(34)	(134,387)	—	(147,637)
Total comprehensive income/(loss)	55,095	155,216	(65,847)	(223,790)	(79,326)
Comprehensive income attributable to noncontrolling interests	—	—	6,200	—	$ 6,200
Comprehensive income/(loss) attributable to Darling	$ 55,095	$155,216	$ (59,647)	$(223,790)	$ (73,126)

DARLING INGREDIENTS INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

Condensed Consolidating Statements of Comprehensive Income/(Loss)
For the year ended December 28, 2013
(in thousands)

	Issuer	Guarantors	Non-guarantors	Eliminations	Consolidated
Net income	$108,967	$107,317	$ (2,139)	$(105,178)	$108,967
Other comprehensive income (loss), net of tax:					
Foreign currency translation	—	—	(14,502)	—	(14,502)
Pension adjustments	15,060	—	80	—	15,140
Natural gas swap derivative adjustments	127	—	—	—	127
Corn option derivative adjustments	1,141	—	—	—	1,141
Total other comprehensive income, net of tax	16,328	—	(14,422)	—	1,906
Total comprehensive income (loss)	$125,295	$107,317	$(16,561)	$(105,178)	$110,873

**Condensed Consolidating Statements of Comprehensive Income/(Loss)
For the year ended December 29, 2012
(in thousands)**

	Issuer	Guarantors	Non-guarantors	Eliminations	Consolidated
Net income	$130,770	$121,321	$(1,368)	$(119,953)	$130,770
Other comprehensive income (loss), net of tax:					
Pension adjustments	(1,169)	—	—	—	(1,169)
Natural gas swap derivative adjustments	391	—	—	—	391
Corn option derivative adjustments	194	—	—	—	194
Interest rate swap derivative adjustments	159	—	—	—	159
Total other comprehensive income, net of tax	(425)	—	—	—	(425)
Total comprehensive income (loss)	$130,345	$121,321	$(1,368)	$(119,953)	$130,345

Condensed Consolidating Statements of Cash Flows
For the year ended January 3, 2015
(in thousands)

	Issuer	Guarantors	Non-guarantors	Eliminations	Consolidated
Cash flows from operating activities:					
Net income	$ 68,311	$ 155,250	$ 68,540	$ (223,790)	$ 68,311
Earnings in investments in subsidiaries	(223,790)	—	—	223,790	—
Other operating cash flows	226,120	(34,238)	14,979	—	206,861
Net cash provided/(used) by operating activities	70,641	121,012	83,519	—	275,172
Cash flows from investing activities:					
Capital expenditures	(39,248)	(84,299)	(105,371)	—	(228,918)
Acquisitions, net of cash acquired	—	(19,394)	(2,075,006)	—	(2,094,400)
Investment in subsidiaries and affiliates	(1,483,007)	(1,442,788)	(440,619)	3,366,414	—
Note receivable from affiliates	—	(204,074)	204,074	—	—
Gross proceeds from sale of property, plant and equipment and other assets	1,522	5,155	2,585	—	9,262
Proceeds from insurance settlements	1,350	200	—	—	1,550
Payments related to routes and other intangibles	(9,640)	—	(1,648)	—	(11,288)
Net cash provide/(used) in investing activities	(1,529,023)	(1,745,200)	(2,415,985)	3,366,414	(2,323,794)
Cash flows from financing activities:					
Proceeds from long-term debt	1,100,000	—	742,184	—	1,842,184
Payments on long-term debt	(264,500)	(87)	(69,175)	—	(333,762)
Borrowings from revolving credit facility	122,445	—	47,698	—	170,143
Payments on revolving credit facility	(297,445)	—	(54,144)	—	(351,589)
Net overdraft financing	—	—	4,077	—	4,077
Borrowings from affiliates	—	—	—	—	—
Deferred loan costs	(41,748)	—	(3,475)	—	(45,223)
Issuance of common stock	416	—	—	—	416
Contributions from parent	—	1,632,618	1,733,796	(3,366,414)	—
Minimum withholding taxes paid on stock awards	(10,026)	—	—	—	(10,026)
Excess tax benefits from stock-based compensation	2,420	—	—	—	2,420
Addition of noncontrolling interest	—	—	1,201	—	1,201
Distributions to noncontrolling interests	—	—	(4,272)	—	(4,272)
Net cash provided/(used) in financing activities	611,562	1,632,531	2,397,890	(3,366,414)	1,275,569
Effect of exchange rate changes on cash and cash equivalent	—	—	10,980	—	10,980
Net increase/(decrease) in cash and cash equivalents	(846,820)	8,343	76,404	—	(762,073)
Cash and cash equivalents at beginning of year	857,267	6,117	7,473	—	870,857
Cash and cash equivalents at end of year	$ 10,447	$ 14,460	$ 83,877	$ —	$ 108,784

DARLING INGREDIENTS INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

Condensed Consolidating Statements of Cash Flows
For the year ended December 28, 2013
(in thousands)

	Issuer	Guarantors	Non-guarantors	Eliminations	Consolidated
Cash flows from operating activities:					
Net income/(loss)	$ 108,967	$ 107,317	$ (2,139)	$ (105,178)	$ 108,967
Earnings in investments in subsidiaries	(105,178)	—	—	105,178	—
Other operating cash flows	135,315	(39,459)	5,898	—	101,754
Net cash provided by operating activities	139,104	67,858	3,759	—	210,721
Cash flows from investing activities:					
Capital expenditures	(45,173)	(68,716)	(4,418)	—	(118,307)
Acquisitions, net of cash acquired	—	(121,440)	(612,635)	—	(734,075)
Investment in subsidiaries and affiliates	(600,537)	(63,115)	(44,959)	663,652	(44,959)
Note receivable from affiliates	—	(370,996)	—	370,996	—
Gross proceeds from sale of property, plant and equipment and other assets	1,329	1,029	—	—	2,358
Proceeds from insurance settlements	1,531	450	—	—	1,981
Payments related to routes and other intangibles	(2,423)	—	—	—	(2,423)
Net cash provided/(used) in investing activities	(645,273)	(622,788)	(662,012)	1,034,648	(895,425)
Cash flows from financing activities:					
Proceeds from long-term debt	200,000	—	144,704	—	344,704
Payments on long-term debt	—	(82)	(498)	—	(580)
Borrowings from revolving credit facility	245,000	—	48,235	—	293,235
Payments on revolving credit facility	(5,000)	—	—	—	(5,000)
Borrowings from affiliates	—	—	370,996	(370,996)	—
Deferred loan costs	(11,916)	—	(1,404)	—	(13,320)
Issuances of common stock	840,558	—	—	—	840,558
Contributions from parent	—	555,552	108,100	(663,652)	—
Minimum withholding taxes paid on stock awards	(3,289)	—	—	—	(3,289)
Excess tax benefits from stock-based compensation	1,138	—	—	—	1,138
Net cash provided/(used) in financing activities	1,266,491	555,470	670,133	(1,034,648)	1,457,446
Effect of exchange rate changes on cash and cash equivalents	—	—	(5,134)	—	(5,134)
Net increase/(decrease) in cash and cash equivalents	760,322	540	6,746	—	767,608
Cash and cash equivalents at beginning of year	96,945	5,577	727	—	103,249
Cash and cash equivalents at end of year	$ 857,267	$ 6,117	$ 7,473	$ —	$ 870,857

DARLING INGREDIENTS INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (continued)

Condensed Consolidating Statements of Cash Flows
For the year ended December 29, 2012
(in thousands)

	Issuer	Guarantors	Non-guarantors	Eliminations	Consolidated
Cash flows from operating activities:					
Net income/(loss)	$ 130,770	$121,321	$ (1,368)	$(119,953)	$ 130,770
Earnings in investments in subsidiaries	(119,953)	—	—	119,953	—
Other operating cash flows	175,098	(56,445)	114	—	118,767
Net cash provided/(used) by operating activities	185,915	64,876	(1,254)	—	249,537
Cash flows from investing activities:					
Capital expenditures	(49,619)	(65,794)	—	—	(115,413)
Acquisitions, net of cash acquired	(3,000)	—	—	—	(3,000)
Investment in subsidiaries and affiliates	(43,449)	—	(43,424)	43,449	(43,424)
Gross proceeds from sale of property, plant and equipment and other assets	2,083	1,787	—	—	3,870
Proceeds from insurance settlements	1,305	2,967	—	—	4,272
Payments related to routes and other intangibles	(137)	—	—	—	(137)
Net cash provided/(used) in investing activities	(92,817)	(61,040)	(43,424)	43,449	(153,832)
Cash flows from financing activities:					
Payments on long-term debt	(30,000)	(32)	—	—	(30,032)
Issuances of common stock	72	—	—	—	72
Contributions from parent	—	—	43,449	(43,449)	—
Minimum withholding taxes paid on stock awards	(4,084)	—	—	—	(4,084)
Excess tax benefits from stock-based compensation	2,652	—	—	—	2,652
Net cash provided/(used) in financing activities	(31,360)	(32)	43,449	(43,449)	(31,392)
Net increase/(decrease) in cash and cash equivalents	61,738	3,804	(1,229)	—	64,313
Cash and cash equivalents at beginning of year	35,207	1,773	1,956	—	38,936
Cash and cash equivalents at end of year	$ 96,945	$ 5,577	$ 727	$ —	$ 103,249

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