

DARLING INGREDIENTS INC.
Form DEF 14A
March 31, 2015
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A INFORMATION
PROXY STATEMENT PURSUANT TO SECTION 14(A) OF
THE SECURITIES EXCHANGE ACT OF 1934

Filed by Registrant Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14A-6(E)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Section 240.14a-12

DARLING INGREDIENTS INC.

(Name of Registrant as specified in its charter)

NOT APPLICABLE

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

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(3) Filing Party:

(4) Date Filed:

251 O'Connor Ridge Boulevard, Suite 300
Irving, Texas 75038

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD MAY 12, 2015

To the Stockholders of Darling Ingredients Inc.:

An Annual Meeting of Stockholders of Darling Ingredients Inc. (the "Company") will be held on Tuesday, May 12, 2015, at 10:00 a.m., local time, at the Four Seasons Resort and Club, 4150 N. MacArthur Blvd., Irving, Texas 75038, for the following purposes (which are more fully described in the accompanying Proxy Statement):

1. To elect as directors of the Company the nine nominees named in the accompanying proxy statement to serve until the next annual meeting of stockholders (Proposal 1);
2. To ratify the selection of KPMG LLP, independent registered public accounting firm, as the Company's independent registered public accountant for the fiscal year ending January 2, 2016 (Proposal 2);
3. To consider an advisory vote to approve executive compensation (Proposal 3); and
4. To transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof in accordance with the provisions of the Company's bylaws.

The Board of Directors recommends that you vote to approve Proposals 1, 2 and 3.

The Board has fixed the close of business on March 18, 2015, as the record date for the determination of stockholders entitled to notice of and to vote at the Annual Meeting and any adjournment or postponement thereof.

This year we will again seek to conserve natural resources and reduce annual meeting costs by electronically disseminating annual meeting materials as permitted under rules of the Securities and Exchange Commission. Many stockholders will receive a Notice of Internet Availability of Proxy Materials containing instructions on how to access annual meeting materials via the Internet. Stockholders can also request mailed paper copies if preferred.

Your vote is important. You are cordially invited to attend the Annual Meeting. However, whether or not you expect to attend the Annual Meeting, please vote your proxy promptly so your shares are represented. You can vote by Internet, by telephone or by signing, dating and mailing the enclosed proxy.

A copy of our Annual Report for the year ended January 3, 2015 is enclosed or otherwise made available for your convenience.

By Order of the Board,

John F. Sterling
Secretary

Irving, Texas
March 31, 2015

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251 O'Connor Ridge Boulevard, Suite 300

Irving, Texas 75038

PROXY STATEMENT

FOR AN ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD MAY 12, 2015

This Proxy Statement is provided to the stockholders of Darling Ingredients Inc. ("Darling," "we" or "our company") in connection with the solicitation of proxies by our Board of Directors (the "Board") to be voted at an Annual Meeting of Stockholders to be held at the Four Seasons Resort and Club, 4150 N. MacArthur Blvd., Irving, Texas 75038, at 10:00 a.m., local time, on Tuesday, May 12, 2015, and at any adjournment or postponement thereof (the "Annual Meeting"). This Proxy Statement and the enclosed proxy is first being sent or made available to stockholders on or about March 31, 2015. This Proxy Statement provides information that should be helpful to you in deciding how to vote on the matters to be voted on at the Annual Meeting.

We are asking you to elect the nine nominees identified in this proxy statement as directors of Darling until the next annual meeting of stockholders, to ratify our selection of KPMG LLP as our registered public accounting firm for our fiscal year ending January 2, 2016 and to consider an advisory vote to approve executive compensation.

QUESTIONS AND ANSWERS ABOUT VOTING

Why am I receiving these materials?

Our records indicate that you owned your shares of Darling common stock at the close of business on March 18, 2015 (the "Record Date"). You have been sent this Proxy Statement and the enclosed proxy card because Darling is soliciting your proxy to vote your shares of common stock at the Annual Meeting on the proposals described in this Proxy Statement.

What am I voting on?

There are three matters scheduled for a vote:

• the election of the nine nominees identified in this proxy statement as directors, each for a term of one year ("Proposal 1");

• the ratification of the selection of KPMG LLP as our independent registered public accounting firm for our fiscal year ending January 2, 2016 ("Proposal 2"); and

• an advisory vote to approve executive compensation ("Proposal 3").

Who is entitled to vote at the Annual Meeting?

All owners of our common stock as of the close of business on the Record Date are entitled to vote their shares of common stock at the Annual Meeting and any adjournment or postponement thereof. As of the Record Date, a total of 165,216,049 shares of common stock are outstanding and eligible to vote at the Annual Meeting. Each share of common stock is entitled to one vote on each matter properly brought before the Annual Meeting. The enclosed proxy card or voting instruction card shows the number of shares you are entitled to vote at the Annual Meeting.

Stockholder of Record: Shares Registered in Your Name

If on the Record Date your shares were registered directly in your name with Darling, then you are a stockholder of record. As a stockholder of record, you may vote in person at the Annual Meeting or vote by proxy. Whether or not you plan to attend the Annual Meeting, to ensure your vote is counted, Darling encourages you to vote either by Internet, by telephone or by filling out and returning the enclosed proxy card.

Beneficial Owner: Shares Registered in the Name of a Broker or Bank

If on the Record Date your shares were held in an account at a brokerage firm, bank, dealer, or other similar organization, then you are the beneficial owner of shares held in “street name” and these proxy materials are being forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting at the Annual Meeting. As the beneficial owner, you have the right to direct your broker or other agent on how to vote the shares in your account.

How do I vote?

Your shares may only be voted at the Annual Meeting if you are present in person or are represented by proxy. Whether or not you plan to attend the Annual Meeting, we encourage you to vote by proxy to ensure that your shares will be represented. To vote by proxy, complete the enclosed proxy card and mail it in the postage-paid envelope provided, or you may vote by using the telephone or the Internet in accordance with the instructions provided on the enclosed proxy card. The telephone and Internet voting procedures are designed to authenticate stockholders’ identities, to allow stockholders to vote their shares and to confirm that their instructions have been properly recorded. You may revoke your proxy at any time before it is exercised by timely submission of a written revocation to our Secretary, submission of a properly executed later-dated proxy or by timely voting by ballot at the Annual Meeting. Voting by proxy will in no way limit your right to vote at the Annual Meeting if you later decide to attend in person. Attendance at the Annual Meeting will not by itself constitute a revocation of your proxy – you must vote at the Annual Meeting.

If your shares are held in the name of a brokerage firm, bank, dealer or other similar organization that holds your shares in “street name,” you will receive instructions from that organization that you must follow in order for your shares to be voted.

All shares that you are entitled to vote and that are represented by a properly-completed proxy received prior to the Annual Meeting and not revoked will be voted at the Annual Meeting in accordance with the instructions on the proxy. If you properly deliver your proxy but fail to indicate how your shares should be voted, the shares represented by your proxy will be voted FOR Proposal 1, FOR Proposal 2, FOR Proposal 3 and in the discretion of the persons named in the proxy as proxy appointees as to any other matter that may properly come before the Annual Meeting.

Who may attend the Annual Meeting?

All stockholders that were stockholders of Darling as of the Record Date, or their authorized representatives, may attend the Annual Meeting. Admission to the Annual Meeting will be on a first-come, first-served basis. If your shares are held in the name of a brokerage firm, bank, dealer or other similar organization that holds your shares in “street name” and you plan to attend the Annual Meeting, you should bring proof of ownership to the Annual Meeting, such as a current bank or brokerage account statement, to ensure your admission.

How will votes be counted?

The Annual Meeting will be held if a quorum, consisting of a majority of the outstanding shares entitled to vote, is represented in person or by proxy. Abstentions and broker “non-votes” will be counted as present and entitled to vote for purposes of determining a quorum. A broker “non-vote” occurs when a nominee, such as a bank or broker, holding shares for a beneficial owner, does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner. Under the rules of the New York Stock Exchange (the “NYSE”), absent instructions from the beneficial owners, banks and brokers who hold shares in street name for beneficial owners have the authority to vote on routine corporate matters. The ratification of the selection of our independent registered public accounting firm is considered to be a routine matter, while the election of directors and the advisory vote to approve executive compensation are not.

Proposal 1. With respect to the nominees for director listed under “Proposal 1 – Election of Directors,” to be elected, each nominee must receive a majority of all votes cast (assuming a quorum is present) with respect to that nominee’s election. A majority of votes cast means that the number of votes cast for a nominee’s election must exceed the number of votes cast against such nominee’s election. Each nominee receiving more votes for his election than votes against his election will be elected. In the election of directors, you may vote “FOR,” “AGAINST” or “ABSTAIN” with respect to each nominee. If you elect to abstain in the election of directors, the abstention will not impact the election of directors. In tabulating the voting

results for the election of directors, only “FOR” and “AGAINST” votes are counted. Broker “non-votes” will not be counted as a vote cast with respect to a nominee and will therefore not affect the outcome of the vote on Proposal 1.

Proposal 2. With respect to Proposal 2 – “Ratification of Selection of Independent Registered Public Accountant,” the affirmative vote of a majority of shares present in person or represented by proxy and entitled to vote is required for approval of this item. You may vote “FOR,” “AGAINST” or “ABSTAIN”. If you abstain from voting, it will have the same effect as a vote against this item. Your broker (or another organization that holds your shares for you) may exercise its discretionary authority to vote your shares in favor of Proposal 2.

Proposal 3. With respect to Proposal 3 – “Advisory Vote to Approve Executive Compensation,” the affirmative vote of a majority of shares present in person or represented by proxy and entitled to vote is required for approval of this item. You may vote “FOR,” “AGAINST” or “ABSTAIN”. If you abstain from voting, it will have the same effect as a vote against this item. Your broker (or another organization that holds your shares for you) does not have discretionary authority to vote your shares with regard to Proposal 3. Therefore, if your shares are held in the name of a brokerage firm, bank, dealer or similar organization that provides a proxy to us, and the organization has not received your instructions as to how to vote your shares on this proposal, your shares will be counted as if you had voted against Proposal 3.

Although the advisory vote on Proposal 3 is non-binding, as provided by law, our Board will review the results of the vote and will take it into account in making future decisions regarding executive compensation.

Who will count the votes?

Our transfer agent, Computershare Investor Services, will tally the vote and will serve as inspector of election at the Annual Meeting.

Why did I receive in the mail a Notice of Internet Availability of Proxy Materials rather than a full set of proxy materials?

Securities and Exchange Commission (“SEC”) rules allow companies to provide stockholders with access to proxy materials over the Internet rather than mailing the materials to stockholders. To conserve natural resources and reduce costs, we are sending to many of our stockholders a Notice of Internet Availability of Proxy Materials (the “Notice”). The Notice provides instructions for accessing the proxy materials on the website referred to in the Notice or for requesting printed copies of the proxy materials. The Notice also provides instructions for requesting the delivery of the proxy materials for future annual meetings in printed form by mail or electronically by email.

How are proxies being solicited and who will pay for the solicitation of proxies?

We will bear the expense of the solicitation of proxies. In addition to the solicitation of proxies by mail, solicitation may be made by our directors, officers and employees by other means, including telephone, over the Internet or in person. No special compensation will be paid to our directors, officers or employees for the solicitation of proxies. To solicit proxies, we will also request the assistance of banks, brokerage houses and other custodians, nominees or fiduciaries, and, upon request, will reimburse these organizations or individuals for their reasonable expenses in forwarding soliciting materials to beneficial owners and in obtaining authorization for the execution of proxies. We will also use the services of the proxy solicitation firm of Georgeson Inc. to assist in the solicitation of proxies. For these services, we will pay a fee that is not expected to exceed \$7,500, plus out-of-pocket expenses.

Who can help answer my other questions and to whom should I send a request for copies of certain material?
If you have more questions about voting, wish to obtain another proxy card or wish to receive a copy of our Annual Report on Form 10-K for the fiscal year ended January 3, 2015 without charge, you should contact:

Brad Phillips

Treasurer

Darling Ingredients Inc.

251 O'Connor Ridge Boulevard, Suite 300

Irving, Texas 75038

Telephone: 972.717.0300 Fax: 972.281.4449

E-mail: ir@darlingii.com

Important Notice Regarding the Availability of Proxy Materials for
the Stockholder Meeting to Be Held on May 12, 2015

The Proxy Statement and the 2014 Annual Report to security holders are available at
www.edocumentview.com/DAR

CORPORATE GOVERNANCE

In accordance with the General Corporation Law of the State of Delaware, our restated certificate of incorporation, as amended, and our amended and restated bylaws, our business, property and affairs are managed under the direction of the Board.

Independent Directors

The Board has determined that each of its current non-employee directors, O. Thomas Albrecht, D. Eugene Ewing, Mary R. Korby, Charles Macaluso, John D. March, Justinus J.G.M. Sanders and Michael Urbut meet the independence requirements of the NYSE and the SEC.

Meetings of the Board

During the fiscal year ended January 3, 2015, the Board held six regular meetings and four special meetings. Each of the serving directors attended at least 75% of all meetings held by the Board and all meetings of each committee of the Board on which the applicable director served during the fiscal year ended January 3, 2015.

Communications with the Board

Stockholders and other interested parties who wish to communicate with the Board as a whole, or with individual directors, may write them: c/o Secretary, Darling Ingredients Inc., P.O. Box 141481, Irving, Texas 75014-1481. All communications sent to this address will be shared with the Board, or the Lead Director or any other specific director, if so addressed.

It is a policy of the Board to encourage directors to attend each annual meeting of stockholders. The Board's attendance allows for direct interaction between stockholders and members of the Board. All of our directors attended our 2014 annual meeting of stockholders.

Board Leadership Structure

Randall C. Stuewe, our Chief Executive Officer, serves as our Chairman of the Board pursuant to his employment agreement. As further discussed below, our company has an empowered independent Lead Director who is elected annually by our Board. We believe that the combined role of Chairman and Chief Executive Officer, together with an empowered independent Lead Director, is the optimal Board structure to provide independent oversight and hold management accountable while ensuring that our company's strategic plans are pursued to optimize long-term shareholder value.

Because the Chairman of the Board is also the Chief Executive Officer, the Board has designated an independent director to serve as Lead Director to enhance the Board's ability to fulfill its responsibilities independently. The Board appointed Mr. Macaluso as lead director. The Lead Director's role includes:

- convening and chairing meetings of the non-employee directors as necessary from time to time;
- coordinating the work and meetings of the standing committees of the board;
- acting as liaison between directors, committee chairs and management; and
- serving as an information resource for other directors.

Our Lead Director's responsibilities and authorities are more specifically described in our Corporate Governance Guidelines.

The Board's Role in Risk Oversight

The Board and each of its committees are involved in overseeing risk associated with our company. In its oversight role, the Board annually reviews our company's strategic plan, which addresses, among other things, the risks and opportunities facing our company. While the Board has the ultimate oversight responsibility for the risk management process, it has delegated certain risk management oversight responsibilities to the Board committees. One of the primary purposes of the audit committee, as set forth in its charter, is to act on behalf of the Board in fulfilling its responsibilities to oversee company

processes for the management of business/financial risk and for compliance with applicable legal, ethical and regulatory requirements. Accordingly, as part of its responsibilities as set forth in its charter, the audit committee is charged with (i) inquiring of management and our company's outside auditors about significant risks and exposures and assessing the steps management has taken or needs to take to minimize such risks and (ii) overseeing our company's policies with respect to risk assessment and risk management, including the development and maintenance of an internal audit function to provide management and the audit committee with ongoing assessments of our company's risk management processes and internal controls. In connection with these risk oversight responsibilities, the audit committee has regular meetings with our company's management, internal auditors and independent, outside auditors. The nominating and corporate governance committee annually reviews our company's corporate governance guidelines and their implementation. The compensation committee considers risks related to the attraction and retention of talented senior management and other employees as well as risks relating to the design of compensation programs and arrangements. Each committee provides the Board with regular, detailed reports regarding committee meetings and actions. In addition, our company employs Michael Rath as our Senior Vice President – Fats, Hides, Energy and Chief Risk Officer. Mr. Rath reports directly to our CEO with respect to risk management and provides regular updates and reports to our CEO and Board regarding all of our company's commodity risk positions.

Committees of the Board

The Board has a standing nominating and corporate governance committee, audit committee and compensation committee.

Nominating and Corporate Governance Committee. The nominating and corporate governance committee currently consists of Messrs. Macaluso (Chairman), Albrecht and Urbut, each of whom is independent under the rules of the NYSE and the SEC. The nominating and corporate governance committee met three times during the fiscal year ended January 3, 2015. The nominating and corporate governance committee is generally responsible for:

- identifying, reviewing, evaluating and recommending potential candidates to serve as directors of our company;
 - recommending to the Board the number and nature of standing and special committees to be created by the Board;
 - recommending to the Board the members and chairperson for each Board committee;
 - developing, recommending and annually reviewing and assessing our Corporate Governance Guidelines and Code of Business Conduct and making recommendations for changes to the Board;
 - establishing and annually re-evaluating and recommending to the Board the standards for criteria for membership for, and the process of selection of, new and continuing directors for the Board;
 - communicating with our stockholders regarding nominees for the Board and considering whether to recommend these nominees to the Board;
 - evaluating annually the status of Board compensation in relation to comparable U.S. companies and reporting its findings to the Board, along with its recommendation of general principles to be used in determining the form and amount of director compensation;
 - periodically reviewing corporate governance matters generally and recommending action to the Board where appropriate;
 - reviewing and addressing any potential conflicts of interest of our directors and executive officers;
 - developing criteria for and assisting the Board in its annual self-evaluation;
 - overseeing the annual evaluation of management of our company, including oversight of the evaluation of our Chief Executive Officer by the compensation committee; and
 - overseeing the implementation and interpretation of, and compliance with, our company's stock ownership guidelines.
- The Board has adopted a written charter for the nominating and corporate governance committee.

Audit Committee. The audit committee currently consists of Messrs. Urbut (Chairman), Ewing and March, each of whom is independent under the rules of the NYSE and the SEC. The audit committee continued its long-standing practice of meeting directly with our internal audit staff to discuss the current year's audit plan and to allow for direct interaction between the audit committee members and our internal auditors. The audit committee also meets directly with our independent auditors. The audit committee met four times during the fiscal year ended January 3, 2015, during each of which meetings it also met directly with our independent auditors. The audit committee is generally responsible for:

- appointing, compensating, retaining, directing and overseeing our independent auditors;
- reviewing and discussing with management and our independent auditors the adequacy of our disclosure controls and procedures and internal accounting controls and other factors affecting the integrity of our financial reports;
- reviewing and discussing with management and our independent auditors critical accounting policies and the appropriateness of these policies;
- reviewing and discussing with management and our independent auditors any material financial or non-financial arrangements that do not appear on the financial statements and any related party transactions;
- reviewing our annual and interim reports to the SEC, including the financial statements and the "Management's Discussion and Analysis" portion of those reports and recommending appropriate action to the Board;
- discussing our audited financial statements and any reports of our independent auditors with respect to interim periods with management and our independent auditors, including a discussion with our independent auditors regarding the matters to be discussed by Statement of Auditing Standards No. 61 and No. 90;
- reviewing relationships between our independent auditors and our company in accordance with Independence Standards Board Standard No. 1;
- inquiring of management and our independent auditors about significant risks or exposures and assessing the steps management has taken to minimize those risks;
- preparing the report of the audit committee required to be included in our proxy statement; and
- creating and periodically reviewing our whistleblower policy.

The Board has determined in its own business judgment that all members of the audit committee are financially literate and have financial management expertise. The Board has designated Mr. Urbut, an independent director, as an audit committee financial expert in accordance with the requirements of the NYSE and the SEC.

The Board has adopted a written charter setting out the audit-related functions that the audit committee is to perform. Please see page 64 of this Proxy Statement for the "Report of the Audit Committee."

Compensation Committee. The compensation committee currently consists of Messrs. Albrecht (Chairman), Ewing and March, each of whom is independent under the rules of the NYSE and the SEC. The compensation committee met six times during the fiscal year ended January 3, 2015. The compensation committee is generally responsible for:

- establishing and reviewing our overall compensation philosophy and policies;
- determining and approving the compensation level of our Chief Executive Officer;
- reviewing and approving corporate goals and objectives relevant to the compensation of our executive officers;
- evaluating at least annually the performance of our Chief Executive Officer and other executive officers in light of the approved goals and objectives;
- examining and making recommendations to the Board with respect to the overall compensation program for managerial level employees;
 - reviewing and recommending to the Board for approval new compensation programs;

- reviewing our incentive compensation, equity-based and other compensation plans and perquisites on a periodic basis;
- reviewing employee compensation levels generally;
- drafting and discussing our Compensation Discussion and Analysis required to be included in our annual proxy statement and recommending its inclusion to the Board; and
- preparing the report of the compensation committee for inclusion in our annual proxy statement.

The Board has adopted a written compensation committee charter setting forth meeting requirements and responsibilities of the compensation committee.

Please see page 44 of this Proxy Statement for the “Compensation Committee Report.”

Code of Business Conduct

The Board has adopted a Code of Business Conduct to which all officers, directors and employees, who for purposes of the Code of Business Conduct are collectively referred to as employees, are required to adhere in addressing the legal and ethical issues encountered in conducting their work. The Code of Business Conduct requires that all employees avoid conflicts of interest, comply with all laws, rules and regulations, conduct business in an honest and fair manner, and otherwise act with integrity. Employees are required to report any violations of the Code of Business Conduct and may do so anonymously by contacting Darling’s independent ombudsman. The Code of Business Conduct includes specific provisions applicable to Darling’s principal executive officer and senior financial officers. The Code of Business Conduct also addresses our company’s procedures with respect to the review and approval of “related party transactions” that are required to be disclosed pursuant to SEC regulations. The Code of Business Conduct provides that any transaction or activity, in which Darling is involved, with a “related party” (which is defined as an employee’s child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, and any person (other than a tenant or employee) sharing the household of an employee of ours) shall be subject to review by our general counsel so that appropriate measures can be put into place to avoid either an actual conflict of interest or the appearance of a conflict of interest. Any waivers of this conflict of interest policy must be in writing and be pre-approved by our general counsel.

Stock Ownership Guidelines; Prohibition on Short-Term and Speculative Trading and Pledging

The Board has adopted stock ownership guidelines to further align the interests of our non-employee directors and officers with those of our stockholders. The guidelines provide that our Chief Executive Officer should maintain an investment in Darling common stock that is equal to five times his annual base salary. Our Executive Vice Presidents and named executive officers other than our Chief Executive Officer should each maintain an investment in Darling common stock that is equal to 2.5 times his or her annual base salary, while our Senior Vice Presidents should maintain an investment in Darling common stock that is equal to one times his or her annual base salary.

Non-employee directors should each maintain an investment in Darling common stock that is equal to five times his or her annual retainer. Each person to whom the stock ownership guidelines apply must hold at least 75% of shares received by such person through incentive awards (after sales for the payment of taxes and shares withheld to cover the exercise price of stock options) until such person is in compliance with the stock ownership guidelines referred to above. In determining whether the required investment levels have been met, shares will be valued using the closing price of Darling common stock on the date(s) acquired; however, shares held on March 23, 2011 (the date that the stock ownership guidelines were adopted) will be valued at the closing price of Darling common stock on such date.

In addition, under the Company’s policy on securities transactions, each person subject to the stock ownership guidelines is prohibited from engaging in (i) short-term trading (generally defined as selling Company securities within six months following the purchase), (ii) short sales, (iii) transactions involving derivatives or (iv) hedging transactions. Furthermore, our Chief Executive Officer, our non-employee directors and each other officer who is subject to the requirements of Section 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is prohibited from holding Company securities in a margin account or pledging Company securities as collateral for a loan.

Governance Documents

Copies of the Corporate Governance Guidelines, the Board committee charters and the Code of Business Conduct are available on our website at <http://www.darlingii.com/investors.aspx>. Stockholders may request copies of these

documents

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free of charge by writing to Darling Ingredients Inc., 251 O'Connor Ridge Blvd., Suite 300, Irving, Texas 75038, Attn: Investor Relations.

Compensation Committee Interlocks and Insider Participation

During the fiscal year ended January 3, 2015, Messrs. Albrecht, Ewing and March, as well as former director Michael Rescoe, served on the compensation committee. Mr. Rescoe retired as a member of the Board on February 17, 2014. No compensation committee member (i) was an officer or employee of Darling, (ii) was formerly an officer of Darling or (iii) had any relationship requiring disclosure under the SEC's rules governing disclosure of related person transactions. During the fiscal year ended January 3, 2015, we had no "interlocking" relationships in which (i) an executive officer of Darling served as a member of the compensation committee of another entity, one of whose executive officers served on the compensation committee of Darling, (ii) an executive officer of Darling served as a director of another entity, one of whose executive officers served on the compensation committee of Darling, or (iii) an executive officer of Darling served as a member of the compensation committee of another entity, one of whose executive officers served as a director of Darling.

PROPOSAL 1 – ELECTION OF DIRECTORS

Introduction

Our current Board consists of nine members. The nominating and corporate governance committee recommended and the Board approved the nomination of the following nine nominees for election as directors at the Annual Meeting: O. Thomas Albrecht, D. Eugene Ewing, Dirk Kloosterboer, Mary R. Korby, Charles Macaluso, John D. March, Justinus J.G.M. Sanders, Randall C. Stuewe and Michael Urbut. Ms. Korby and Mr. Sanders joined our Board on September 25, 2014 and February 26, 2015, respectively.

At the Annual Meeting, the nominees for director are to be elected to hold office until the next annual meeting of stockholders and until their successors have been elected and qualified. Each of the nominees has consented to serve as a director if elected. If any of the nominees become unable or unwilling to stand for election as a director (an event not now anticipated by the Board), proxies will be voted for a substitute as designated by the Board. The following table sets forth the age, principal occupation and certain other information for each of the nominees for election as a director.

Name	Age	Principal Occupation
Randall C. Stuewe	52	<p>Mr. Stuewe has served as our Chairman and Chief Executive Officer since February 2003. 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.</p> <p>Mr. Stuewe brings a seasoned set of management and operating skills to Darling's Board. The Company believes Mr. Stuewe's 25 plus years of experience at various agriculture processing businesses qualifies him to be both Chairman and Chief Executive Officer.</p>
O. Thomas Albrecht	68	<p>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 our company since May 2002.</p> <p>Mr. Albrecht brings an array of talents and experiences from his long tenure at McDonald's Corporation, a world leader in the food service industry. A proven senior executive, Mr. Albrecht provides a wealth of experience, both domestic and internationally, in areas such as supply and vendor management and strategic planning and implementation. Mr. Albrecht serves as Chairman of our compensation committee and brings a thorough understanding of compensation systems necessary to retain and attract talent.</p>
D. Eugene Ewing	66	<p>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 our company since May 2011.</p>

As a former partner with a respected independent registered accounting firm and with over 30 years of business planning and transaction experience in a wide variety of industries and circumstances, Mr. Ewing brings to our Board a substantial level of experience with and understanding of complex accounting, reporting and taxation issues, SEC filings and corporate merger and acquisition transactions. He also brings a focus on and experience in long term succession issues for corporate management.

Name	Age	Principal Occupation
Dirk Kloosterboer	60	<p>Mr. Kloosterboer has served as our Chief Operating Officer since January 2014. 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.</p> <p>Under Mr. Kloosterboer's leadership, VION Ingredients made more than ten acquisitions, expanding into the gelatin and casings businesses and extending VION Ingredients' geographic presence to China, Brazil, the United States, Japan and Australia. Mr. Kloosterboer is a highly seasoned international business executive and, through his long tenure at VION Ingredients, Mr. Kloosterboer brings extensive experience in the international animal by-products industry to our Board.</p>
Mary R. Korby	70	<p>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. 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 our company since September 2014.</p> <p>As a former partner at two major, global law firms, Ms. Korby brings to our Board a substantial level of experience with and understanding of complex merger and acquisition transactions, securities law compliance and other Board related matters.</p>
Charles Macaluso	71	<p>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 our company since May 2002.</p> <p>Mr. Macaluso brings substantial experience from both private equity and public company exposure. His extensive experience serving on the boards</p>

of directors of numerous public companies brings to our Board valuable experience in dealing with the complex issues facing boards of directors today and makes him duly qualified to serve as our Lead Director.

Name	Age	Principal Occupation
John D. March	67	<p>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 our company since March 2008.</p> <p>Through his long tenure at Cargill, Incorporated, a world leading producer and marketer of food, agricultural, financial and industrial products and services, Mr. March brings our Board tenured executive experience in global agriculture, food ingredients, biofuels and fats and oils.</p>
Justinus J.G.M. Sanders	58	<p>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 our company since February 2015.</p> <p>Mr. Sanders brings extensive international experience to our Board. As a former Chief Executive Officer, Mr. Sanders provides extensive knowledge in all aspects of operating an international business. In addition, his experience in the agricultural and consumer product manufacturing industries is an attribute to our Board.</p>
Michael Urbut	66	<p>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 our company since May 2005.</p> <p>Mr. Urbut brings extensive experience as an executive in the foodservice and rendering industries. In addition, Mr. Urbut has spent a significant portion of his professional career as a financial executive. Mr. Urbut's financial certification and education along with his current and past experiences as a Chief Financial Officer qualify him to be the Chairman of our audit committee and to serve as its financial expert.</p>

Director Nomination Process

The Board is responsible for approving nominees for election as directors. To assist in this task, the Board has designated a standing committee, the nominating and corporate governance committee, which is responsible for reviewing and recommending nominees to the Board. This committee is comprised solely of independent directors as defined by the rules of the NYSE and the SEC.

The Board has a policy of considering director nominees recommended by our stockholders. A stockholder who wishes to recommend a prospective board nominee for the nominating and corporate governance committee's consideration can write to the Nominating and Corporate Governance Committee, c/o Secretary, Darling Ingredients Inc., P.O. Box 141481, Irving, Texas 75014-1481. In addition to considering nominees recommended by stockholders, our nominating and corporate

governance committee also considers prospective board nominees recommended by current directors, management and other sources. Our nominating and corporate governance committee evaluates all prospective board nominees in the same manner regardless of the source of the recommendation.

As part of the nomination process, our nominating and corporate governance committee is responsible for reviewing with the Board periodically the appropriate skills and characteristics required of directors in the context of the current make-up of the Board. This assessment includes issues of judgment, diversity, experience and skills. In evaluating prospective nominees, including nominees recommended by stockholders, our nominating and corporate governance committee looks for the following minimum qualifications, qualities and skills:

- highest personal and professional ethics, integrity and values;
- outstanding achievement in the individual's personal career;
- breadth of experience;
- ability to make independent, analytical inquiries;
- ability to contribute to a diversity of viewpoints among board members;
- willingness and ability to devote the time required to perform board activities adequately (in this regard, the committee will consider the number of other boards of directors on which the individual serves); and
- ability to represent the total corporate interests of our company (a director will not be selected to, nor will he or she be expected to, represent the interests of any particular group).

As set forth above, our nominating and corporate governance committee considers diversity as one of a number of factors in identifying nominees for director. It does not, however, have a formal policy in this regard. The committee views diversity broadly to include diversity of experience, skills and viewpoint as well as traditional diversity concepts such as race, national origin and gender. The committee considers its current practice to be effective in identifying nominees for director who are able to contribute to the Board from diverse points of view.

Stockholders who wish to submit a proposal for inclusion of a nominee for director in our proxy materials must also comply with the deadlines and requirements of our bylaws and of Rule 14a-8 promulgated by the SEC. Please see "Additional Information" in this Proxy Statement for more information regarding the procedures for submission by a stockholder of a director nominee or other proposals.

Required Vote

To be elected, each nominee for director must receive a majority of all votes cast (assuming a quorum is present) with respect to that nominee's election. Abstentions and broker "non-votes" will not be counted as a vote cast with respect to a nominee.

Recommendation of the Board

The Board recommends that the stockholders vote "FOR" each of the nominees set forth in Proposal 1.

OUR MANAGEMENT

Executive Officers and Directors

Our executive officers and directors, their ages and their positions as of March 18, 2015, are as follows. Our executive officers serve at the discretion of the Board.

Name	Age	Position
Randall C. Stuewe	52	Chairman of the Board and Chief Executive Officer
Dirk Kloosterboer	60	Director and Chief Operating Officer
John O. Muse	66	Executive Vice President – Chief Financial Officer (Principal Accounting Officer)
Martin W. Griffin	56	Executive Vice President – Chief Operations Officer – North America
Jan van der Velden	51	Executive Vice President – Ecoson Rendac Sonac (ERS)
John Bullock	58	Executive Vice President – Chief Strategy Officer
John F. Sterling	51	Executive Vice President – General Counsel and Secretary
O. Thomas Albrecht (2) (3)	68	Director
D. Eugene Ewing (1) (2)	66	Director
Mary R. Korby	70	Director
Charles Macaluso (3)	71	Director
John D. March (1) (2)	67	Director
Justinus J.G.M. Sanders	58	Director
Michael Urbut (1) (3) (4)	66	Director

(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, the Board has designated Mr. Urbut as an audit committee financial expert.

For a description of the business experience of Messrs. Stuewe, Kloosterboer, Albrecht, Ewing, Korby, Macaluso, March, Sanders and Urbut, see “Proposal 1 – Election of Directors.”

John O. Muse has served as Executive Vice President - Chief Financial Officer since December 8, 2014. 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.

Martin W. Griffin has served as our Executive Vice President – Chief Operations Officer, North America since January 2014. From December 2010 to December 2013, he served as our Executive Vice President – Co-Chief Operations Officer. Mr. Griffin served as Chief Operating Officer of Griffin Industries, Inc. from 2006 until its merger with our company on December 17, 2010. He has extensive experience in raw material procurement and plant operations. Mr. Griffin is involved in several state associations within the industry as well as the Fats and Proteins Research Foundation and the National Renderers Association.

Jan van der Velden has served as our 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 has served as our 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 has served as our 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.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The following discussion and analysis contains statements regarding future individual and company performance targets and goals. These targets and goals are disclosed in the limited context of our company's compensation programs and should not be understood to be statements of management's expectations or estimates of results or other guidance. We specifically caution investors not to apply these statements to other contexts.

Our Compensation Discussion and Analysis describes the key features of our executive compensation program and the compensation committee's approach in deciding fiscal 2014 compensation for our named executive officers (sometimes also referred to as our NEOs):

Name	Title (as of last day of fiscal 2014)
Randall C. Stuewe	Chairman and Chief Executive Officer
John O. Muse	Executive Vice President — Chief Financial Officer
Dirk Kloosterboer	Chief Operating Officer
Martin W. Griffin	Executive Vice President — Chief Operations Officer, North America
John Bullock	Executive Vice President — Chief Strategy Officer
Colin T. Stevenson	Former Executive Vice President — Global Finance and Administration

We have divided this discussion into five parts:

1. Overview of Our Fiscal 2014 Executive Compensation Program
 2. Objectives, Governance and Compensation Components
 3. Fiscal 2014 Total Direct Compensation: Base Salary and Annual and Long-term Incentive Compensation Decisions
 4. Other Features of Our Executive Compensation Program
 5. Fiscal 2015 Changes to Our Executive Compensation Program
- Overview of Our Fiscal 2014 Executive Compensation Program

SIGNIFICANT CHANGES TO OUR COMPANY'S BUSINESS AND COMPENSATION PROGRAMS IN FISCAL 2014

Significant Changes in our Business

Our company has undergone a major transformation in its business over the last several years leading into fiscal 2014, especially with the completion in January 2014 of the acquisition of the VION Ingredients business from VION Holding, N.V. that now operates under the name Darling Ingredients International. The changes in our business have led to significant changes in our compensation practices and policies for fiscal 2014 as described in more detail below.

Our company now operates a much larger business covering a wider array of products on a much more geographically diverse platform. The following highlights some of the key changes in our business since fiscal 2013:

Revenues have more than doubled, from \$1.7 billion in fiscal 2013 to approximately \$4 billion in fiscal 2014.

We have significantly expanded our business operations from U.S.-based to global, going from 120 facilities and about 4,000 employees operating primarily in the U.S. in fiscal 2013 to over 200 facilities and about 10,000 employees operating on five continents in fiscal 2014.

We have expanded and reorganized our business segments and products, from two business segments in fiscal 2013 (Rendering and Bakery) to three business segments in fiscal 2014 (Food, Feed and Fuel).

We are now the world's largest publicly-traded 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, the company collects and transforms all aspects of animal by-product streams into broadly usable 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. The company also recovers and converts used cooking oil and commercial bakery residuals into valuable feed and fuel ingredients. In addition, the company provides grease trap services to food service establishments, environmental services to food processors and sells restaurant cooking oil delivery and collection equipment.

Changes to our Executive Compensation Program - Summary of Changes

The compensation committee considered the significant changes in our business described above and made a number of changes to our executive compensation program for fiscal 2014, summarized below:

Action	Description	Reason
Changes to CEO level and mix of compensation	<ul style="list-style-type: none"> Increased annual rate of base salary from \$850,000 to \$1,000,000 Increased long-term incentive (LTI) award opportunity from 125% to 300% of base salary Changed target mix of LTI awards from 80% performance based restricted stock/20% stock options to 53% performance based restricted stock/47% stock options 	<ul style="list-style-type: none"> Better align compensation opportunities with competitive market for executives with similar responsibilities at similarly-sized companies with similar business complexities Recognize that company has doubled in size, with broader product offerings and more diverse geographic operations Shift in LTI mix further motivates the creation of stockholder value above current levels over a multi-year period
	<ul style="list-style-type: none"> In prior years, based 75% on annual "return on gross investment" (ROGI) relative to comparator group of cyclical/volatile companies 	<ul style="list-style-type: none"> Approximately 93% of the increase in Mr. Stuewe's target total annual compensation opportunity was in performance-based compensation Set financial goals that evaluate our company's performance in a transformational year where EBITDA performance at the global and regional levels is a key objective
Change to Annual Incentive Bonus Metric	<ul style="list-style-type: none"> For fiscal 2014, based on our 2014 earnings before income, taxes, depreciation and amortization (EBITDA) rather than ROGI EBITDA measured at the global level for Messrs. Stuewe, Bullock, and Stevenson and at both the global and regional levels for Messrs. Kloosterboer and Griffin 	<ul style="list-style-type: none"> All NEOs have some or all of their annual bonus opportunity tied to global performance to align with the NEO's responsibilities and motivate decision-making that is in the best interest of our company as a whole For regional executive, we also tied a significant portion of annual bonus opportunities to geographic segment results to more closely align annual incentive award opportunities with performance over which the executive has the greatest amount of influence
Separate LTI Metric for Darling Ingredients International	<ul style="list-style-type: none"> Mr. Kloosterboer (and other Darling Ingredients International participants) earn LTI awards for fiscal 2014 based on pre-established 2014 EBITDA goals Consistent with FY 2013, all corporate and North American-based NEOs (other than Mr. Muse) earn LTI awards based on trailing 5-year average ROGI relative to comparator group of cyclical/volatile companies, as in prior years 	<ul style="list-style-type: none"> The fiscal 2014 LTI award design for the Darling Ingredients International participants is intended to focus the Darling Ingredients International leadership team on achieving earnings goals for fiscal 2014. Maintains continuity in LTI plan for corporate and North American-based NEOs due to early-year completion of VION Ingredients acquisition and intent to focus NEOs on the integration of the transaction
Special PSU award	<ul style="list-style-type: none"> An award of performance share units (PSUs) granted at the closing of the acquisition of VION Ingredients 3-year performance period (2014-2016) requiring achievement of pre-established and increasing annual EBITDA, generally for both the company as a whole and Darling Ingredients International 	<ul style="list-style-type: none"> Encourage retention of the key leadership team and focus the team on the successful integration and growth of Darling Ingredients International into our combined business over the next three years Delivered in shares to align with stockholder interests and motivate value creation

- If performance conditions are attained, the award is settled in Darling stock

The full grant date fair value of the special PSU awards are included in the Summary Compensation Table in this proxy statement as 2014 compensation, in accordance with SEC rules. The compensation committee, however, views the special PSU awards as a one-time grant linked to the closing of the VION Ingredients acquisition. The awards will be earned only to the extent our company and Darling Ingredients International achieve pre-established annual EBITDA growth goals over a three-year performance period through 2016. Accordingly, the compensation committee does not view the special PSU award as part of the regular total direct compensation opportunity of the named executive officers. Our Summary Compensation Table therefore shows total compensation both before and after inclusion of the grant date fair value of the special PSU award for 2014.

Changes to our Executive Compensation Program - Rationale for Change

The committee believes the modifications that were made to the fiscal 2014 executive compensation program were appropriate because they meet the following objectives:

Continues to emphasize performance-based compensation that (i) is aligned with stockholder interests and promotes stockholder value creation, (ii) provides significant upside opportunities if performance, as measured at the global, regional, and/or individual levels, significantly exceeds goals, but is balanced with a reduction in the values of awards if performance objectives are not achieved, and (iii) emphasizes sustained long-term performance.

Offers market-based compensation opportunities that are aligned with the company's significantly greater size, scope of operations, and complexity as a result of the VION Ingredients acquisition.

Provides increased line of sight to participants via the annual incentive plan by using global and/or regional performance goals, depending on the participants' scope of responsibilities. To encourage decision-making within the context of Darling Ingredients as a whole, a portion of all named executive officers' annual incentive award opportunity is tied to global performance.

Balances continuity with respect to providing performance-based long-term incentive awards tied to our five-year ROGI performance for corporate and North American executives with the need to motivate new executives that joined Darling Ingredients after the beginning of the fiscal year due to the VION Ingredients acquisition.

Recognizes the importance of successfully executing the transformational VION Ingredients acquisition by providing additional performance-based LTI award opportunities that are tied to and earned only when the goals of sustained EBITDA performance at both the company as a whole and Darling Ingredients International are achieved. If those objectives are not achieved, however, the awards will not be earned.

In an effort to promote continuing improvement, the committee modified the certain aspects of the long-term incentive program effective for fiscal 2015 for our corporate and North America-based named executive officers, as described in more detail below under "Fiscal 2015 Changes to Our Executive Compensation Program."

The following chart summarizes the fiscal 2014 annual and long-term incentive design for our executive officers, other than for Mr. Muse whose 2014 compensation was determined under a Transitional Services Agreement (discussed later in this Compensation Discussion and Analysis).

Fiscal 2014 Annual and Long-Term Incentive Design Overview

Feature	Annual Incentive Bonus	Long-Term Incentive Award
Form of Award	Performance-based annual cash award Percentage of salary	Annual performance-based equity grants: <ul style="list-style-type: none"> • Restricted stock <ul style="list-style-type: none"> – 53% weighting for Mr. Stuewe – 80% weighting for other NEOs • Stock options <ul style="list-style-type: none"> – 47% weighting for Mr. Stuewe – 20% weighting for other NEOs • Percentage of salary <ul style="list-style-type: none"> – Target equal to 300% of base salary for CEO and 100% of base salary for other NEOs
Amount of Target Award	<ul style="list-style-type: none"> • Target equal to 100% of base salary for CEO and from 25% to 60% of base salary for other NEOs 	<ul style="list-style-type: none"> • Converted to target number of restricted shares/options based on beginning of year stock/option calculated value
Range of Payouts	0% to 300% of target	25% to 200% of target
Performance Measures	<ul style="list-style-type: none"> • 75% based on fiscal year 2014 EBITDA goals <ul style="list-style-type: none"> – Performance for Messrs. Stuewe, Stevenson, and Bullock is based entirely on global performance to most closely align with their corporate responsibilities – Performance for Messrs. Kloosterboer and Griffin is based 65% on their respective geographic segment and 35% on global performance to enhance the line of sight for these executives, but motivate decision-making within the context of the entire organization • 25% based on strategic, personal and operational (SOP) goals 	<ul style="list-style-type: none"> • For corporate and North America-based NEOs, based on trailing 5-year average ROGI relative to comparator group of cyclical/volatile companies (similar to prior years) • For Mr. Kloosterboer, based on fiscal 2014 regional EBITDA objectives at Darling Ingredients International • Grants made based on performance results vest 25% immediately with additional time-vesting requirements over 3 years for remaining 75% of awards

Peer Company Approach Used to Set 2014 Pay Levels and Evaluate 2014 Performance

The committee uses comparator groups for the following purposes:

- ☐ To evaluate the competitiveness of target total compensation levels for the named executive officers, and
- ☐ To establish relative performance standards with respect to our LTI awards.

We use different comparator groups to evaluate the competitiveness of pay levels and to establish performance standards. The committee believes that it is appropriate to use U.S.-based companies that are generally similar in size

to our company for pay comparisons. For performance comparisons, however, the committee believes it is appropriate to use a broader comparator group that is not limited by size or location to set the standards for measuring LTI performance goals, as company size and location do not materially influence performance comparisons.

In establishing target compensation opportunities for the named executive officers for fiscal 2014, the committee reviewed competitive compensation data for 51 companies in the materials, industrials, and consumer staples sub-industries with revenues ranging from \$1.0 billion to \$5.0 billion. Once the VION Ingredients acquisition was announced, the committee then validated the pay data for the position of CEO using competitive compensation data for materials, industrials, and consumer staples companies with revenues ranging from \$3.0 billion to \$7.0 billion (median revenues of \$4.6 billion). In analyzing pay data and setting fiscal 2014 target annual compensation opportunities for the named executive officers, the committee continued to use the 50th percentile as a reference point, but did not target any specific percentile rank. See the expanded discussion in “USE OF PEER COMPANIES IN SETTING EXECUTIVE COMPENSATION AND MEASURING PERFORMANCE” below for a list of the companies that were used to assess compensation opportunities and additional detail on the peer group development process.

With respect to the evaluation of the Company’s 5-year ROGI performance for the performance-based LTI awards for corporate and North America-based named executive officers, the committee continued to use a 108-company comparator group comprised of highly volatile and cyclical companies in volatile and cyclical industries to assess Darling’s relative performance. The committee believes that this is an appropriate comparator group for measuring performance through fiscal 2014 because, (i) like our company, these companies are influenced, either up or down, by external conditions such as changes in commodity prices and (ii) this approach maintains consistency in setting goals and evaluating performance in a transitional year.

Fresh Look at Peer Companies in 2014

As discussed in more detail below, our company has a unique product offering that makes it difficult to establish a group of comparator companies for checking the competitiveness of our compensation opportunities and for measuring our relative business performance. Given the significant changes to our business described above, the compensation committee, with input from our independent compensation consultant, re-visited as part of its annual review process our approach to our compensation and performance comparator groups during fiscal 2014.

In particular, the compensation committee recognized the challenge of identifying appropriate comparators for our business performance among companies in our S&P 8-digit and 6-digit Global Industry Classification Standard (GICS) codes. Many of the companies in those GICS codes that are of roughly similar size manufacture, market, and distribute food for human consumption. These companies typically use agricultural commodities as ingredients in their products, and as a result these companies would typically experience reduced performance when these commodity prices rise. In contrast, our product prices generally track the performance o