UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended January 3, 2026

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-13323

DARLING INGREDIENTS INC.

(Exact name of registrant as specified in its charter)

Delaware	**36-2495346**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
5601 N MacArthur Blvd., Irving, Texas	**75038**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(972) 717-0300**

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Exchange on Which Registered
Common Stock $0.01 par value per share	DAR	New York Stock Exchange ("NYSE")

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit files). Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of the last business day of the Registrant's most recently completed second fiscal quarter, the aggregate market value of the shares of common stock held by nonaffiliates of the Registrant was approximately $5,963,190,000 based upon the closing price of the common stock as reported on the NYSE on that day. (In determining the market value of the Registrant's common stock held by non-affiliates, shares of common stock beneficially owned by directors, officers and holders of more than 10% of the Registrant's common stock have been excluded. This determination of affiliate status is not necessarily a conclusive determination for other purposes.)

There were 158,603,548 shares of common stock, $0.01 par value, outstanding at February 26, 2026.

DOCUMENTS INCORPORATED BY REFERENCE

Selected designated portions of the Registrant's definitive Proxy Statement in connection with the Registrant's 2026 Annual Meeting of stockholders are incorporated by reference into Part III of this Annual Report.

Auditor Name:	KPMG LLP	Auditor Location:	Dallas, Texas	Auditor Firm ID:	185

DARLING INGREDIENTS INC. AND SUBSIDIARIES
FORM 10-K FOR THE FISCAL YEAR ENDED JANUARY 3, 2026

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PART I

ITEM 1. BUSINESS

GENERAL

Founded by the Swift meat packing interests and the Darling family in 1882, Darling Ingredients Inc. ("Darling", and together with its subsidiaries, the "Company" or "we," "us" or "our") was incorporated in Delaware in 1962 under the name "Darling-Delaware Company, Inc." Darling changed its name from "Darling-Delaware Company, Inc." to "Darling International Inc." on December 28, 1993, and from "Darling International Inc." to "Darling Ingredients Inc." on May 6, 2014. The address of Darling's principal executive office is 5601 N MacArthur Boulevard, Irving, Texas, 75038, and its telephone number at this address is (972) 717-0300.

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, animal feed, industrial, fuel, bioenergy and fertilizer industries. With operations on five continents, the Company collects and transforms all aspects of animal by-product streams into useable and specialty ingredients, such as collagen, edible fats, feed-grade fats, animal proteins and meals, plasma, pet food ingredients, organic fertilizers, yellow grease, fuel feedstocks, agriculture-based biofuels, natural casings and hides. The Company also recovers and converts recycled oils (used cooking oil and animal fats) into valuable fuel and feed ingredients, and collects and processes residual bakery products into feed ingredients. In addition, the Company provides environmental services, such as grease trap collection and disposal services to food service establishments. In fiscal year 2025, the Company generated $6.1 billion in revenues and $62.8 million in net income attributable to Darling.

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 150 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")), meat products for the pet food industry, blood products (plasma and whole blood), collagen, 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. Darling sells these products in North America and throughout the world, primarily to producers of animal feed, pet food, agriculture-based biofuels (such as renewable diesel and Sustainable Aviation Fuel ("SAF")), 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. In the United States, Darling is a partner with Valero Energy Corporation in Diamond Green Diesel, a renewable fuel producer, which converts used cooking oils, animal fats and other feedstocks into valuable renewable fuels/products, such as renewable diesel and SAF. In Canada, the Company is a leading recycler of animal by-products. Darling's Canadian ingredients business processes raw materials into finished fat and protein products for use in animal feed, pet food, fertilizer and other ingredients. Darling's Canadian ingredients business has a network of six facilities in Manitoba, Ontario, Quebec and Nova Scotia.

International

Darling Ingredients International, our subsidiary, is a worldwide leader in the development and production of specialty ingredients from animal by-products for applications in the pharmaceutical, food, pet food, animal feed, industrial, fuel, renewable energy and fertilizer industries. Darling Ingredients International operates a global network of 81 production facilities across five continents, including Europe, Asia, Australia, South America and North America covering all aspects of animal by-product processing through multiple brands, some of which are: Rendac (fuel), Sonac (proteins, fats, edible fats and blood products), FASA (proteins and fats), Ecoson (bioenergy and fertilizer), Rousselot (collagen), Gelnex (collagen) and CTH (natural casings). Darling Ingredients International's specialized portfolio of over 330 products covers all animal origin raw material types and thereby offers a comprehensive, single source solution for suppliers. Darling Ingredients International's rendering and specialties business has leading positions across Europe, China and South America, with European operations in the Netherlands, Belgium, Germany, Poland and Italy, under the Ecoson, Rendac, Sonac and FASA brand names. Value-added products include edible fats, blood products, bone products, protein meals and fats. Rousselot and Gelnex are global leading market providers of collagen 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 and China.

Operating Segments

The Company's business operates within three reportable operating segments: Feed Ingredients, Food Ingredients and Fuel Ingredients.

The Feed Ingredients operating segment includes the Company's global activities related to (i) the collection and processing of beef, poultry and pork animal by-products in North America, Europe and South America 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 and South America into non-food grade fats, (iv) the collection and processing of porcine and bovine blood in China, Europe, North America and Australia into blood plasma powder and hemoglobin, (v) the processing of selected portions of slaughtered animals into a variety of meat products for use in pet food in Europe, North America and South America, (vi) the processing of cattle hides and hog skins in North America, (vii) the production of organic fertilizers using protein produced from the Company's animal by-products processing activities in North America and Europe, (viii) the rearing and processing of black soldier fly larvae into specialty proteins and fats for use in animal feed and pet food in North America; and (ix) the provision of grease trap services to food service establishments in North America. Non-food grade oils and fats produced and marketed by the Company are principally sold to third parties to be used as ingredients in animal feed and pet food, as an ingredient for the production of agriculture-based biofuels (such as renewable diesel and SAF), or to the oleo-chemical industry to be used as an ingredient in a wide variety of industrial applications. Protein meals, blood plasma powder and hemoglobin produced and marketed by the Company are sold to third parties to be used as ingredients in animal feed, pet food and aquaculture.

The Food Ingredients operating segment includes the Company's global activities related to (i) the purchase and processing of beef and pork bone chips, beef hides, pig skins, and fish skins into collagen in Europe, China, South America and North America, (ii) the collection and processing of porcine and bovine intestines into natural casings in Europe and China, (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 collagen industry and bone ash in Europe. Collagens produced and marketed by the Company are sold to third parties to be used as ingredients in the pharmaceutical, nutraceutical, food, pet food, and technical (e.g., photographic) industries. Natural casings produced and marketed by the Company 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 the Company's global activities related to (i) the Company's share of the results of its equity investment in Diamond Green Diesel Holdings LLC, a joint venture with Valero Energy Corporation ("Valero") 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 fuels/products, such as renewable diesel and SAF ("DGD" or the "DGD Joint Venture") as described in Note 1 and Note 2 to the Company's Consolidated Financial Statements for the period ended January 3, 2026 included herein, (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 EU regulations into low-grade energy sources to be used in industrial applications in Europe, and (iv) the processing of manure into natural bio-phosphate in Europe.

For financial information about our operating segments and geographic areas, refer to Note 22 and Note 23 to the Company's Consolidated Financial Statements for the period ended January 3, 2026 included herein.

Fiscal Year 2025, 2024 and 2023 Total Net Sales

Darling's total net sales from fiscal year 2025, 2024 and 2023 by operating segment were as follows (in thousands):

	Fiscal Year 2025		Fiscal Year 2024		Fiscal Year 2023	
Total net sales:						
Feed Ingredients	$ 3,990,088	65.0 %	$ 3,675,609	64.3 %	$ 4,472,592	65.9 %
Food Ingredients	1,545,030	25.2	1,489,101	26.1	1,752,065	25.8
Fuel Ingredients	600,759	9.8	550,465	9.6	563,423	8.3
Total	$ 6,135,877	100.0 %	$ 5,715,175	100.0 %	$ 6,788,080	100.0 %

OPERATIONS

Feed Ingredients Segment

Our Feed Ingredients segment consists principally of (i) our U.S. ingredients and specialty products businesses, including our fats and proteins, used cooking oil, and trap grease collection business, our Canadian ingredients business, and the ingredients and specialty products businesses conducted by Darling Ingredients International under the Sonac and FASA names (proteins, fats and plasma products) and (ii) our bakery residuals business.

Animal By-Products

North American Operations

Raw materials: The Company's 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 (typically trailers) 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, the Company's 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.

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 and remove 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 separate certain raw material streams to manufacture premium and value-added products in addition to our principal finished products. Because of these processing controls, we are able to produce premium products with in-demand qualities compared to our standard finished products, and such premium products command premium prices.

International Operations

Darling Ingredients International's ingredients and specialty products businesses are operated under the Sonac and FASA names by our Sonac C3 and Sonac Blood business activities. The Sonac and FASA 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 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.

Used Cooking Oil

The Company is a leading collector and processor of used cooking oil in North America for use as a feed ingredient and feedstock for the production of valuable low carbon biofuels. The Company estimates it collects used cooking oil from approximately 158,300 locations in the U.S. The Company's primary customer for this product is the DGD Joint Venture.

Raw materials: Used cooking oil is collected from restaurants, food service establishments, industrial operations and grocery stores. Many of our suppliers operate stores that are part of national chains. Used cooking oil is placed in various sizes and types of containers and supplied to the Company under mutually agreeable contract terms. 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 provide several types of containers for used cooking oil collection to food service establishments, which are proprietary self-contained collection systems that are housed either inside or outside the establishment, with the used cooking oil from indoor containers 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 restaurant, food service establishment, industrial operations or grocery store.

Processing operations: The used cooking oil we collect is heated, settled, and purified for use as a feedstock for biofuels or as an ingredient for animal feed.

Bakery Residuals

The Company is a leading processor of bakery residuals in the United States. The bakery residuals 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 residuals 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. The Company collects 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 residuals that the Company collects are 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 residuals 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 residuals 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 residuals 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 tested to ensure that the caloric and nutrient contents meet specifications, is a nutritious additive used in animal feed.

Other Products/Services

Our Feed Ingredients segment also includes the Company’s organic fertilizer business conducted under the Nature Safe® name, insect protein business conducted under the EnviroFlight® name, hides businesses and grease trap services business.

- Our fertilizer operations utilize finished products from our animal by-products division to manufacture organic fertilizers from ingredients approved by the U.S. Department of Agriculture (“USDA”) to be used in organic farming which contain no waste by-products (i.e., sludge or sewage waste). The Company's North American fertilizer products are predominantly sold to golf courses, sports facilities, organic farms and landscaping companies.

- Our EnviroFlight business utilizes technologies which enable the rearing of non-pathogenic black soldier fly larvae, which larvae are then processed to produce specialty proteins and oils for use as an ingredient in animal feed and pet food.

- 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. 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 grease trap services business provides 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. The trap grease we collect is transported to waste treatment centers.

Food Ingredients Segment

Our Food Ingredients segment consists principally of (i) the collagen business conducted by Darling Ingredients International under the Rousselot and Gelnex names, (ii) the natural casings 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.

Collagen

Rousselot (which includes Gelnex) is a global leading market provider of collagen for the food, nutraceutical, pharmaceutical and technical (e.g., photographic) industries with operations in Europe, China, South America and the United States. Rousselot has a network of 16 production plants and 11 sales locations, covering sales into more than 80 countries. Collagen is a functional ingredient, which means that it typically acts as a critical component in a larger end product. Due to its functionality and characteristics, collagen is used in a large variety of end products and its demand is growing. While collagen sells at a higher price per unit than many other Darling products, in many cases it only comprises a small portion of a customer's end product cost, such as for many pharmaceutical end markets. We have experienced that many customers value quality and consistency, supply reliability, application know-how and regulatory support and therefore, price volatility is typically less than other Darling products. Rousselot's profitability is mainly driven by value recognized for high quality and supply reliability, and its ability to transfer increases in net raw material costs to its customers on a timely basis, allowing it to realize a relatively stable margin per kilogram of collagen. Rousselot produces collagen from pigskin, beef hides, animal bones and fish. Raw material prices are mainly driven by quality and supply versus demand. Finished product sales prices are also mainly driven by market supply and demand by product and quality. 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 collagen products under different brands, such as the "Peptan", "Peptinex" and "Nextida™" brands; which are fast-growing specialty ingredient brands positioned specifically towards nutritional supplements for customers focusing on improved bone, joint, skin and other targeted health benefits. On December 10, 2025, Darling entered into a definitive agreement with Tessenderlo Group NV, a public limited company organized under the laws of Belgium ("Tessenderlo"), to form a joint venture. The definitive agreement is the Master Contribution Agreement (the "Contribution Agreement") and is among Darling, Darling Global Holdings Inc., a Delaware corporation and wholly owned subsidiary of Darling, Tessenderlo, and NewCo Collagen LLC, a Delaware limited liability company ("NewCo"). Under the Contribution Agreement, Darling and Tessenderlo have agreed to contribute certain of their assets and liabilities related to their respective collagen and gelatin business segments into NewCo in exchange for equity interests in NewCo, and upon the closing of the transaction, Darling will have an 85% equity interest and Tessenderlo will have a 15% equity interest in NewCo. The completion of the transaction contemplated by the Contribution Agreement is subject to all required regulatory approvals and certain other closing conditions.

Other Specialty Products

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

- Sonac Fat primarily melts, refines and packages animal fat into food grade fat for the food markets.
- Sonac Bone processes porcine bones into fat, bone protein, glue, bone ash and bone chips for the feed, pet food, food and collagen industries.
- Sonac Heparin extracts crude heparin from hydrolyzed mucosa for application in the pharmaceutical industry.

Natural Casings

The CTH business of Darling Ingredients International is a leading natural casings company for the sausage business with operations in Europe and China. 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.

Fuel Ingredients Segment

Our Fuel Ingredients segment consists of (i) our investment in the DGD Joint Venture and (ii) the bioenergy business conducted by Darling Ingredients International under the Ecoson and Rendac names.

Diamond Green Diesel

The DGD Joint Venture currently operates two renewable diesel plants, one located adjacent to Valero's St. Charles Refinery in Norco, Louisiana (the "DGD St. Charles Plant") and one located adjacent to Valero's Port Arthur Refinery in Port Arthur, Texas (the "DGD Port Arthur Plant" and, together with the DGD St. Charles Plant, the "DGD Facilities"), with a combined renewable diesel production capacity of approximately 1.2 billion gallons per year. Renewable diesel is a low-carbon transportation fuel that is interchangeable with diesel produced from petroleum and is produced at the DGD Facilities using an advanced hydroprocessing-isomerization process licensed from UOP LLC, known as the Ecofining™ Process, and a pretreatment process developed by the Desmet Ballestra Group, to convert fats (animal fats, used cooking oils, distillers corn oil and vegetable oils) into renewable diesel, renewable naphtha and other light end renewable hydrocarbons.

The DGD Joint Venture was formed in January 2011 to design, engineer, construct and operate the DGD St. Charles Plant, which reached mechanical completion and began production of renewable diesel and certain other co-products in late June 2013. In October 2021, the DGD Joint Venture completed an expansion of the DGD St. Charles Plant that increased its renewable diesel production capability to up to 750 million gallons per year of renewable diesel, as well as separating renewable naphtha (approximately 30 million gallons) and other light end renewable hydrocarbons for sale into low carbon fuel markets. Additionally, in November 2022 the DGD Joint Venture completed the construction of the DGD Port Arthur Plant, with a capacity to produce 470 million gallons per year of renewable diesel and 20 million gallons per year of renewable naphtha and having similar logistics flexibilities as those of the DGD St. Charles Plant. Furthermore, in November 2024, the DGD Joint Venture completed a capital project at the DGD Port Arthur Plant to provide the plant with the capability to upgrade approximately 50% of its current 470 million gallon annual production capacity to SAF, which has an estimated lifecycle greenhouse gas emission reduction of up to 80%, compared to conventional jet fuel.

The DGD Facilities receive feedstocks primarily by rail, trucks barges and ships, depending on feedstock cost and availability. We are a party to a raw material supply agreement pursuant to which we are obligated to offer to supply the DGD Joint Venture a portion of the feedstock requirements at the DGD St. Charles Plant at market rates; however, the DGD Joint Venture is not obligated to purchase all or any part of its feedstock requirements from Darling. The DGD Joint Venture markets its renewable fuels/products under the Diamond Green Diesel® brand, primarily to resellers, distributors, blenders, and at times to obligated parties that produce or import petroleum-based fuels into regions subject to renewable fuels obligations or markets with voluntary low-carbon fuel demand. The DGD Joint Venture markets its renewable fuels/products both domestically and internationally into regions with established low-carbon programs or voluntary demand, with most such production distributed primarily by rail and ships owned by third parties.

We account for the DGD Joint Venture as an "investment in an unconsolidated subsidiary."

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 and Belgium. In addition, Ecoson's fat refinery produces refined fats and fatty acids. Ecoson also processes 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 EU Regulation 1069/2009, 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 330 trucks, Rendac collects raw materials in the Netherlands, Germany, Luxembourg and Belgium. This business is a market leader in the countries of Belgium, the Netherlands and Luxembourg (the "Benelux region") and certain parts of Germany, a predominantly regulated market with spare capacity requirements and long-term contracts with local governments. The market for the collection and processing of fallen stock in these regions is regulated, and government contracts provide for exclusivity of the service to the contracted partner.

Raw materials pricing and supply contracts

We have two primary pricing arrangements (formula and non-formula) 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 prices for finished products or competing or related ingredients after deducting processing, freight and other fees. 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. volume of rendering raw materials, including substantially 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. Approximately 91% of Darling's U.S. volume of raw materials in fiscal year 2025 was acquired on a "formula" basis. A majority of Darling's Canadian ingredients volume of rendering raw materials are acquired based on prices fixed on a monthly 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 and, in general, has no long-term contracts with its key suppliers.

Certain of the Company's geographic regions' facilities are highly dependent on one or a few suppliers. During the 2025 fiscal year, the Company's 10 largest raw materials suppliers in North America accounted for approximately 39% of the total raw material processed by the Company in North America, with one single supplier accounting for approximately 9% of the total raw material processed in North America. In Europe, the Company's 10 largest raw material suppliers accounted for approximately 29% of the total raw material processed by the Company in Europe, with one single supplier accounting for approximately 7% of the total raw material processed in Europe. In China, the Company's 10 largest raw material suppliers accounted for approximately 34% of the total raw material processed by the Company in China, with one single supplier accounting for approximately 15% of the total raw material processed in China. In South America, the Company's 10 largest raw material suppliers accounted for approximately 45% of the total raw material processed by the Company in South America, with one single supplier accounting for approximately 15% of the total raw material processed in South America. See "Risk Factors - 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, the Company's collection services, any operating facilities dependent on such suppliers could be materially and adversely affected. (See "Risk Factors-Certain of our operating facilities are highly dependent upon a single or a few suppliers.") For a discussion of the Company's competition for raw materials, see "Competition."

MARKETING, SALES AND DISTRIBUTION OF FINISHED PRODUCTS

The Company sells its 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 and at our regional office in Cold Spring, Kentucky. 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 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. The Company also sells its finished products internationally directly to customers or, in some cases, through commodities brokers and agents. We market certain of our finished products under our Dar Pro Ingredients brand, certain specialty products under the Sonac and FASA names, collagen products under the Rousselot and Gelnex names and natural casings under the CTH name. See Note 23 of Notes to Consolidated Financial Statements included herein for a breakdown of the Company's sales by geographic regions.

The Company sells finished products in North America and throughout the world, primarily to producers of animal feed, pet food, agriculture-based biofuels (such as renewable diesel and SAF), 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 as competing products, can be quite volatile. While the Company's principal finished products are generally sold at prices prevailing at the time of sale, the Company's ability to deliver large quantities of finished products from multiple locations and to coordinate sales from a central location enables us to sell into the market with the highest return. The Company's premium, value-added and branded products command significantly higher pricing relative to the Company's principal finished product lines due to their enhanced qualities, which is a function of the Company's specialized processing and/or know-how. 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, fats, blood products, and Cookie Meal® for use as feed ingredients. Pet food manufacturers require stringent feed safety certifications and consistently demand premium additives with certain qualities and specifications. As a result, pet food manufacturers may purchase 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 collagen, natural casings, edible fat, heparin and specialty plasma 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. Darling Ingredients International hedges a portion of its non-functional currency product sales.

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 the Company 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, and with the exception of collagen 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 collagen 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, currency fluctuations, tariffs, 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.

The Company operates 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 companies to cost-effectively transfer materials and augment our in-house logistics fleet. Within our bakery and international by-products divisions, except for Rendac, 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 is a competitive aspect of our business. 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, there has been limited growth in the number of small meat processors, which have historically been a dependable source of supply for non-captive renderers,

such as Darling. 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. The need for food service establishments in the United States and other regions of the world 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. In addition, raw material access for the collagen business is also affected by similar factors as rendering. As it relates to the procurement of beef hide raw materials, the majority of supply has traditionally come from tanneries. However, as leather demand has decreased due to alternatives, supply from tanneries is decreasing and we are sourcing more directly from slaughtering operations than before. Across all regions in which we operate, to varying degrees, 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, renewable energy companies, anaerobic digestion 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 JBS & Company in the U.S. products business, and others in the global collagen, 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 AND SEVERE WEATHER

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 and natural disasters, which can hinder the collection of raw materials and may increase with the physical impacts of climate change. 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. Collagen sales generally decline in the summer.

CLIMATE CHANGE

There is a growing global concern that carbon dioxide and other greenhouse gases in the atmosphere may have an adverse impact on global temperatures, weather patterns and the frequency of extreme weather and natural disasters. We are subject to physical, operational, transitional and financial risks associated with climate change and global, regional and local weather conditions, as well as by legal, regulatory and market responses to climate change. We assess climate-related regulatory risks as part of our risk management process; however, due to the level of uncertainty regarding what legislative or regulatory requirements may be enacted, we are unable to estimate the impact of climate-related developments on our results of operations or financial condition. For more information on the risks we face related to climate change, including potential regulatory developments that may increase our operating costs, please see the risk factors in Item 1A. Risk Factors, under the captions "*Seasonal factors and weather, including the physical impacts of climate related changes, can impact the availability, quality and volume of raw materials that we process and negatively affect our operations;*" "*Our operations are subject to extensive and evolving environmental, health and safety laws and regulations, and we could incur significant costs to comply with these requirements or be subject to sanctions or held liable for damages, including environmental damages;*" *and "We may not be able to achieve our climate, sustainability or other such goals, targets or objectives.*"

INTELLECTUAL PROPERTY

The Company maintains valuable trademarks, service marks, copyrights, trade names, trade secrets, proprietary technologies and similar intellectual property, and considers 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," "Gelnex," "Sonac," "FASA," "Ecoson," "Rendac," "Rothsay," "Nature Safe," "CleanStar," "Peptan," "Nextida," "Cookie Meal," and "Bakery Feeds," and certain patents, both domestically and internationally, relating to raw material collection, storage, monitoring and protection from theft, new products, new uses and applications for products and processes for preparing nutritional supplements and the drying and processing of raw materials.

HUMAN CAPITAL

We are committed to having an engaged and inclusive workplace that fosters learning, development and innovation, and we are committed to building a culture and working environment that is inclusive and respectful for all, and where our employees can do their best work and feel valued for their contributions. We are keenly aware that our people are fundamental to the ongoing success of our business. Accordingly, we are committed to the health, safety and wellness of our employees. In this regard, we have a strong health and safety program that focuses on implementing policies and training programs, as well as performing self-audits, all designed to keep our employees injury free.

We retain talent by providing employees with training, mentoring and career development. We offer online and in-person training for employees throughout their career. This begins with onboarding training for all new employees on a variety of topics, from cybersecurity to business ethics. Further training is then customized to each employee's role, responsibilities and individual career aspirations. To facilitate growth and development, we have put several initiatives in place, including leadership training programs such as Darling Leadership Academy, Darling University and Darling Involve and Explore International Leadership Training. Combined with additional subject-specific training, these programs support skill building in the areas of communication, conflict resolution, decision making, inclusive leadership, performance management tactics and more. To encourage job growth and career advancement for all employees, we announce job openings internally before advertising them externally. In addition, to encourage ongoing leadership development and remove potential barriers to continuing education, we offer an educational assistance program for employees who wish to pursue a degree program or professional certification.

As of January 3, 2026, the Company employed globally approximately 15,000 persons full-time. While we have no national or multi-plant union contracts, at January 3, 2026, approximately 17% of the Company's North American employees were covered by multiple collective bargaining agreements. In addition, approximately 66% 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.

REGULATIONS

We are subject to the rules and regulations of various federal, state, local and foreign governmental agencies including, but not limited to, the following principal governmental agencies in the following countries:

United States

- *The Food and Drug Administration* ("FDA"), which regulates pharmaceutical products and food and feed safety. The FDA is responsible for enforcement of rules (21 C.F.R. 589.2000 and 589.2001, referred to herein as the "BSE Feed Rule") to prevent the spread of bovine spongiform encephalopathy ("BSE"), which is commonly referred to as "mad cow" disease. These regulations prohibit the use of mammalian proteins, with some exceptions, and tallow having more than 0.15% impurities in feeds for cattle, sheep and other ruminant animals. In addition, the BSE Feed Rule prohibits the use of brain and spinal cord material from cattle aged 30 months and older or the carcasses of such cattle, if the carcasses are not inspected and passed for human consumption and the brain and spinal cord are not removed, in the feed or food for all animals. The FDA has also implemented restrictions on the use of specified risk materials ("SRM"), material from nonambulatory disabled cattle, and other specified cattle materials in human food (21 C.F.R. 189.5) and in cosmetics (21 C.F.R. 700.27). In addition, the FDA is responsible for implementing and enforcing the FDA Food Safety Modernization Act ("FSMA"), which gives the FDA a series of powers intended to better protect human and animal health by adopting a modern, preventive and risk-based approach to food safety regulation. In addition, to various authorities granted to the FDA by FSMA, the FDA has also finalized major rules under FSMA affecting the production, importation and transport of human and animal food. These authorities and regulations include:

    - Mandatory recall authority for adulterated or misbranded foods where the use of or exposure to such foods is 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 or misbranded foods voluntarily.

    - Regulations that define the FDA's administrative detention authority to include the authority to detain an article of food if there is reason to believe the food is adulterated or misbranded.

- Section 306 of the FSMA provides that the FDA must refuse admission of food into the United States if a foreign food establishment or foreign government refuses to permit entry for an inspection.
- Section 102 of the FSMA amended facility registration requirements in the Federal Food, Drug and Cosmetic Act for domestic and foreign manufacturers, processors, packers or holders of food for human or animal consumption, to require that facility registrations be renewed during the fourth quarter of each even-numbered year, beginning October 1, 2012, and that additional information be included in such registrations. FSMA also provides that, if the FDA determines that food manufactured, processed, packed, received, or held by a registered facility has a reasonable probability of causing serious adverse health consequences or death to humans or animals, the FDA may suspend the registration of a facility that created, caused, or was otherwise responsible for such reasonable probability, or knew or had reason to know of such probability and packed, received, or held the food.

- The FDA has issued final rules for preventive controls ("PCs") for human food and animal feed ("Human Food PC Rule" and "Animal Food PC Rule," respectively), which apply to registered FDA facilities that manufacture, process, pack and hold human or animal food and require these facilities to establish and implement written food safety plans, which include hazard analyses, PCs to ensure that significant hazards that are identified as needing to be controlled will be significantly reduced or prevented, monitoring of PCs, supply-chain controls if appropriate to control a significant hazard, recall plans, corrective action procedures, verification activities and record keeping standards. The Human Food PC Rule also updates existing Current Good Manufacturing Practices ("CGMPs"), and the Animal Food PC Rule establishes minimum CGMPs for the production, holding and distribution of the human or animal food.
- The FDA has issued a regulation relating to Foreign Supplier Verification Programs ("FSVP Rule") requiring that importers of both human and animal food must develop, follow and maintain written procedures verifying that their foreign suppliers produce food in a manner that provides the same level of public health protection as the Human Food PC Rule, Animal Food PC Rule, or FDA's regulations established under FSMA regarding produce safety, as appropriate, and must ensure that the suppliers' food is not adulterated and is not misbranded with respect to allergen labeling of human food.

- Under FSMA, the Sanitary Transportation Food Act of 2005, and FDA's regulation, sanitary transportation practices must be used to transport human and animal foods to prevent such food from being adulterated during transport and applies to shippers, loaders, carriers by motor vehicle or rail vehicle, and receivers engaged in the transportation of food.

- The FDA has finalized a rule that requires registered human food facilities to conduct a vulnerability assessment and implement mitigation strategies, including a written food defense plan, to prevent or mitigate potential acts of intentional adulteration of food that could harm the public health.

- The FDA issued a final rule establishing the Laboratory Accreditation for Analyses of Foods ("LAAF") program as required by FSMA section 202(a). Under the LAAF program, FDA will recognize accreditation bodies that will accredit laboratories to the standards established in this final rule. Laboratories accredited to the LAAF standard ("LAAF-accredited laboratories") are authorized to conduct certain food testing as described in the rule. In September 2022, FDA launched a LAAF Dashboard which maintains a list of FDA-recognized Accreditation Bodies for the LAAF Program.

- The FDA has issued a final rule establishing additional traceability recordkeeping requirements for persons that manufacture, process, pack, or hold foods that appear on a list of "high risk" foods. The list of high risk foods includes certain fruits and vegetables, shell eggs, and certain types of seafood, among other products. Entities that are subject to the rule will be required to establish and maintain traceability program records containing required information. In March 2025, the deadline for compliance was extended by 30 months to July 20, 2028.

Management believes we are in compliance with these provisions of FSMA and the finalized rules.

The FDA also has regulations governing food additives in animal feed and pet food, which could apply to the use of protein from black soldier fly larvae in such products. See Item 1A "Risk Factors - Our business may be affected by the impact of animal related disease, such as BSE, and by other food safety or food regulatory issues," for more information.

- The *United States Department of Agriculture* ("USDA"), which has authority over meat, poultry, and egg products and inspects producers to ensure compliance with applicable laws and regulations. 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 and Inspection Service* ("FSIS") regulates sanitation and biosecurity of our facilities and our food safety programs at plants producing edible fats and meats, among other things.

In 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 SRMs 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. In 2007, FSIS published an affirmation of the interim final rules concerning prohibition of SRMs and non-ambulatory animals and the use of stunning devices, with several amendments.

In 2007, APHIS implemented revised import regulations to allow 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 specific FDA and FSIS regulations. Imports of Canadian cattle younger than 30 months of age have been allowed since March 2005. Imports of SRMs from Canadian-born cattle slaughtered in Canada are not permitted. In 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 World Organization for Animal Health ("WOAH"), 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 *U.S. Environmental Protection Agency* ("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 the Company's operations. The EPA also administers the National Renewable Fuel Standard Program ("RFS").

- The *Association of American Feed Control Officials* ("AAFCO"), which is a voluntary membership association of 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 polices for regulating the manufacture, labeling, distribution and sale of animal feeds.

- *State Departments of Agriculture*, which regulate animal by-product collection and transportation procedures and animal feed quality.

- The *United States Department of Transportation* ("USDOT"), as well as local and state transportation agencies, which regulate the operation of our commercial vehicles.

- The *U.S. Occupational Safety and Health Administration* ("OSHA"), which is the main federal agency charged with the enforcement of worker safety and health legislation.

- The *Securities and Exchange Commission* ("SEC"), which enforces the U.S. federal securities laws, including rules governing disclosures required in annual, quarterly and other reports filed by publicly traded companies, and (with the DOJ) the Foreign Corrupt Practices Act ("FCPA"), and other matters.

European Union and EU Member States

- The *European Union,* which has competence to adopt legislation which is binding on the EU Member States and, as regards regulations, their citizens, related to *inter alia*, employment and social affairs, agriculture, environment, consumer protection and public health.

- *EU Member States* must correctly transpose EU Directives into their national legislation and directly apply EU Regulations, and ensure adequate and effective enforcement, control and supervision of the relevant principles, including minimum safety and health requirements for the workplace and use of work equipment by workers, as well as the implementation and maintenance of a system of official controls and other activities as appropriate to the circumstances, such as relevant communications on food and feed safety and risk, food and feed safety surveillance and other monitoring activities covering all stages of production, processing and distribution. The EU Directives may allow EU Member States to maintain or establish more stringent measures in their own legislation. In general, each EU Member State 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 *European Commission,* which is the European Union's politically independent executive arm and is responsible for drawing up proposals for new EU legislation and implementing the decisions of the European Parliament and the Council of the EU. Relevant Directorate Generals include, but are not limited to:

    - *Directorate-General for Health and Food Safety*, which is responsible for EU policy on food safety and health and for monitoring the implementation of related EU legislation, including the TSE Regulation and the Animal By-Products Regulation, and including but not limited to food, feed hygiene, human and animal health, technical uses of animal proteins and other animal by-products and packaging.

    - *Directorate-General for the Environment*, which is responsible for EU policy on the environment and for monitoring the implementation of related EU legislation, including but not limited to Directive 2010/75/EU on Industrial Emissions (Integrated Pollution Prevention and Control) and, together with other Directorate-Generals of the European Commission, the Best Available Techniques Reference Document on the Slaughterhouses and Animal By-products Industries.

    Relevant Agencies and Authorities include, but are not limited to:

    - The *European Medicines Agency*, which is responsible for the scientific evaluation, supervision and safety monitoring of medicinal products for human and veterinary use in the EU and establishes guidance amongst others for bovine-containing medicinal products for human or veterinary use, and maximum residue limits.

    - The *European Chemicals Agency*, which is responsible for the implementation of Regulation (EC) No 1907/2006 on the Registration, Evaluation, Authorisation and Restriction of Chemicals.

    - The *European Food Safety Authority (the "EFSA")*, which advises the European Commission, the European Parliament and the EU Member States on food safety matters, including on animal feed, animal health and welfare, biological hazards and contaminants.

    - The *Council of Europe's*, *European Directorate for the Quality of Medicine and Healthcare*, which establishes quality standards for safe medicinal products for human and veterinary use in Europe by developing guidance and standards in the areas of blood transfusion, organ, cell and tissue transportation and consumer health issues.

    - The EU Member States' national competent authorities responsible for, including but not limited to, human and animal medicinal products, issuing 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, human and animal health and feed production, environmental regulation, including waste management, collection and transport of animal by-products, as well as health and safety of workers.

United Kingdom

- The *Medicines and Healthcare products Regulatory Agency* ("MHRA"), which is an executive agency of the Department of Health and Social Care and is responsible for, *inter alia*, ensuring the safety of medicinal products for human and veterinary use.

- The *Department for Environment, Food and Rural Affairs* ("DEFRA"), which is responsible for environmental protection, food production and standards, agriculture, fisheries and rural communities.

- The *Animal and Plant Health Agency* ("APHA"), which is an executive agency of DEFRA and is responsible for protecting the health and welfare of the general public and animals from disease. The APHA issues permits, approvals and registrations to plants carrying out certain activities related to the handling of animal by-products. Feed businesses need to be approved or registered with their local authority trading standards office.

- The *Food Standards Agency* ("FSA"), which is responsible for safeguarding public health, including in relation to food and feed. The FSA supports the control of BSE. Local authorities are responsible for delivering activities such as inspections, audits and surveillance, sampling in most food and feed establishments.

- The United Kingdom's *Health and Safety Executive* ("HSE"), which 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 HSE is the primary agency responsible for regulating chemicals in the UK and oversees the safe use, storage and disposal of chemicals to protect human health and the environment.

- The United Kingdom's *Serious Fraud Office*, which is responsible for investigating and prosecuting violations of the U.K. Bribery Act 2010, together with the National Crime Agency and other relevant police forces.

Canada

- The *Canadian Food Inspection Agency* ("CFIA"), which regulates animal health and the disposal of animals and their products or by-products.

- *Canadian provincial ministries of agriculture and the environment*, 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 State Administration for Market Regulation and the General Administration of Customs of China*, which supervise the import and export of food and feed.

- The *National Health Commission*, which establishes standards for food and pharmaceutical products.

- The *Chinese Pharmacopeia*, which establishes standards for pharmaceutical products.

- *Ministry of Ecology and Environment*, which regulates the environmental protection standards.

- *Ministry of Human Resources and Social Security of the People's Republic of China*, which establishes the regulations of labor, welfare and health insurance.

- *Ministry of Emergency Management of the People's Republic of China*, which establishes the work safety standards and regulations.

Brazil

- The *Ministry of Agriculture and Cattle (Ministério da Agricultura, Pecuária)*, which regulates the production of collagen and activities related to animal feed (i.e., animal slaughter by products).
- *Ministry of Labor (Ministério do Trabalho)*, which regulates labor health and safety.
- The *Ministry of the Environment and Climate Change (Ministério do Meio Ambiente e Mudança do Clima - MMA),* which regulates and supervises the implementation of the national policy for the environment.
- *Federal Environmental Agency (Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis - IBAMA),* which regulates and supervises the development of potentially pollutant activities in Brazil as well as is responsible for the Federal Technical Registry (Cadastro Técnico Federal – CTF), required for all the enterprises which develop potentially pollutant activities and/or use of natural resources.
- *Various local and State environmental agencies*, which are responsible for the State-Level and local-level control, supervision, monitoring and licensing process for pollution generating activities in the areas in which we operate.
- *Brazilian Federal Police,* which is responsible for regulating and inspecting controlled chemical industrial products.
- *Brazilian Army*, which is responsible for regulating and inspecting controlled chemical industrial products.
- *Federal Council of Veterinary Medicine (CFMV), and its regional counterparts (Reginal Councils of Veterinary Medicine – CRMV*), which guide, control, inspect, and regulate the exercise of certain professional categories, and issue the registration of companies (i.e., the Legal Entity Registration Certificate issued by the competent professional council – "CRPJ") and the annotation of legally qualified professionals in charge of them (i.e., the Technical Responsibility Note issued by the competent professional council – "ART").
- *Federal Council of Chemistry (CFQ)*, and its regional counterparts (Regional Councils of Chemistry – CRQ), which guide, control, inspect, and regulate the exercise of certain professional categories, and issue the CRPJ (described above) and the ART (described above).
- *Brazilian Oil, Gas & Biofuels Regulatory Agency (ANP*), which is responsible for the regulation of the operation of biofuel production plants, an activity that one of our subsidiaries is engaged with.
- *National Land Transport Agency (ANTT*), which issues subscriptions on the National Register of Road Freight Transporters (RNTRC) and regulates road cargo transportation, an activity that one of our subsidiaries is engaged with.
- The *Office of the Comptroller General (CGU)*, the *Public Prosecutor's Office (Minestério Público da União)*, and the *Attorney General's Office (AGU)*, which enforce the Brazilian corporate anti-corruption law.

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.

AVAILABLE INFORMATION

We make available, free of charge, through our investor relations website, our reports on Forms 10-K, 10-Q and 8-K, and amendments to those reports, as well as all other filings with the SEC, as soon as reasonably practicable after such materials are electronically filed with, or furnished to, the SEC pursuant to Section 13(a) or 15(d) of the Exchange Act.

The Company's website is https://www.darlingii.com and the address for the Company's investor relations website is https://www.darlingii.com/investors. Information contained on these websites is not and should not be deemed to be a part of this report or any filing filed with, or furnished to, the SEC by us. Alternatively, these reports may be accessed at the SEC's website at https://www.sec.gov.

ITEM 1A. RISK FACTORS

An investment in Darling involves substantial risks. In consultation with your financial, tax and legal advisors, you should carefully consider, among other matters, the following risks described in, as well as the other information contained in or incorporated by reference into, this report. If any of the events described in the following risk factors actually occur, our business, financial condition, prospects or results of operations could be materially adversely affected, the market price of our common stock could decline and you may lose all or part of your investment in the common stock. The risks and uncertainties described below are not the only risks we face. Additional risks and uncertainties that are 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 market price of our common stock. 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 "Forward-Looking Statements" in this report.

Summary of Risk Factors

The following is a summary of some of the risks and uncertainties that could materially and adversely affect our business, operating results, financial condition and the actual outcome of matters as to which forward-looking statements are made in this report. In addition to the summary below, you should carefully review the detailed risk factors discussed later in this section.

Risks and uncertainties that may affect, or have affected, our business, operating results and financial condition include, but are not limited to, the following:

- The prices of many of our products are subject to significant volatility associated with commodities markets;
- Our business is dependent on the procurement of raw materials, which is a competitive aspect of our business;
- The DGD Joint Venture subjects us to a number of risks;
- Our renewable energy businesses, including the DGD Joint Venture, are highly dependent on government programs, incentives and regulatory frameworks, which are subject to change and uncertainty;
- We are highly dependent on natural gas, diesel fuel and electricity, the prices of which can be volatile, and such dependency could materially adversely affect our business;
- A significant percentage of our revenue is attributable to a limited number of suppliers and customers;
- Certain of our operating facilities are highly dependent upon a single or a few suppliers;
- 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;
- Seasonal factors and weather, including the physical impacts of climate related changes, can impact the availability, quality and volume of raw materials that we process and negatively affect our operations;
- If we or our customers are the subject of product liability or other claims or product recalls, we may incur significant and unexpected costs and our business reputation could be adversely affected;

- 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;
- We may incur losses and additional costs as a result of our hedging transactions;
- Media campaigns related to feed and food ingredient production or fuel production present reputational and other risks;
- An impairment in the carrying value of our goodwill or other intangible assets may have a material adverse effect on our results of operations;
- Our operations are subject to extensive and evolving environmental, health and safety laws and regulations, and we could incur significant costs to comply with these requirements or be subject to sanctions or held liable for damages, including environmental damages;
- Our business may be negatively impacted by the occurrence of any disease correctly or incorrectly linked to animals;
- Our business may be affected by the impact of animal related disease, such as BSE, and by other food safety or food regulatory issues;
- Pandemics, epidemics or disease outbreaks, may disrupt our business, including, among other things, our supply chain and production processes, each of which could materially affect our operations, liquidity, financial condition and 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;
- Certain U.S. multiemployer defined benefit pension plans to which we contribute are underfunded and these plans may require minimum funding contributions or we may be subject to liabilities due to a termination of, or our withdrawal from, such plans;
- Our substantial indebtedness could adversely affect our financial condition;
- Despite our existing level of indebtedness, we and our subsidiaries could substantially increase our indebtedness, which could further exacerbate the risks to our financial condition described above;
- We may not generate sufficient cash to service all of our debt and may be forced to take other actions to satisfy our debt obligations, which may not be successful;
- Our ability to make payments on our debt depends in part on the performance of our subsidiaries, including our non-guarantor subsidiaries, and their ability to transfer funds to members of our group liable to make payments on our debt;
- The market price of our common stock has been and may continue to be volatile, which could cause the value of your investment to decline;
- Our ability to pay any dividends on our common stock may be limited and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of our common stock;
- Future sales of our common stock or the issuance of other equity may adversely affect the market price of our common stock;
- Our common stock is an equity security and is subordinate to our existing and future indebtedness;
- The issuance of shares of preferred stock could adversely affect holders of common stock, which may negatively impact your investment;
- We may incur material costs and liabilities in complying with government regulations;
- Downturns and volatility in global economies and commodity and credit markets could materially adversely affect our business, results of operations and financial condition;
- We may not successfully identify and complete acquisitions or joint ventures on favorable terms or achieve anticipated synergies relating to any acquisitions or joint ventures, and such acquisitions or joint ventures could result in unknown liabilities, unforeseen operating difficulties and expenditures and require significant management resources;
- Our business may be adversely impacted by fluctuations in foreign currency exchange rates, which could affect our ability to comply with our financial covenants;
- Large capital projects can take many years to complete, and market conditions could deteriorate over time, negatively impacting project returns;
- Changes in consumer preference could negatively impact our business;
- 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;

- Increased information technology security threats and more sophisticated computer crime pose a risk to our systems, networks, products and services, while data privacy and cybersecurity laws continue to proliferate presenting heightened regulatory risk;
- Artificial intelligence could subject the Company to loss through various internal and external risks;
- Our success is dependent on our key personnel;
- We could have a material weakness in our internal control over financial reporting that would require remediation;
- Changes in our tax rates or exposure to additional income tax liabilities could impact our profitability;
- Litigation or regulatory proceedings may materially adversely affect our business, results of operations and financial condition;
- Our European pension funds may require minimum funding contributions;
- The insurance coverage that we maintain may not cover, or fully cover, all operational risks, and 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;
- We may divest certain of our brands or businesses from time to time, which could adversely affect us;
- 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 materially and adversely affect our net sales, costs and expenses and financial condition;
- We may be unable to protect our intellectual property rights;
- Our products, processes, methods, and equipment may infringe upon the intellectual property rights of others, which may cause us to incur unexpected costs or prevent us from selling our products;
- The healthcare reform legislation in the United States and its implementing 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;
- We may incur significant charges and experience disruptions or losses of customer and/or supplier relationships in the event we close or divest all or part of a manufacturing plant or facility; and
- We may not be able to achieve our climate, sustainability or other such goals, targets or objectives.

Risks Related to our Business

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

Our principal finished products in our Feed Ingredients segment include MBM, PM, BFT, YG, PG, BBP 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, global government agriculture programs, energy policies of U.S. and foreign governments, and international agricultural trading policies, the 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. 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 the Company's gross margin and profitability resulting from the lapse of time between the procurement of the raw materials and the sale of the finished goods. 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. We may not be able to implement future price increases in response to increases in the market prices of raw materials, and any such price increases may have adverse impacts on future sales volumes. Our results of operations could be materially and adversely affected in the future by this volatility. Furthermore, an increased preference by meat processors for alternative feed ingredients, such as all vegetable diets in the case of poultry producers, could negatively impact the prices of certain of our finished products that would need to be sold to alternative markets and destinations.

The prices available for the Company's Food Ingredients segment's collagen, edible fats and natural casings products are influenced by other competing ingredients, including plant-based and synthetic hydrocolloids and artificial casings. In the

collagen 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 the Food Ingredients segment's collagen and casings is generally 30 to 60 days, which is substantially longer than the Company's Feed Ingredients segment'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 during the period from when the raw materials were procured until the finished goods are sold.

The Company's Fuel Ingredients segment, which converts fats and oils into biofuels (including renewable diesel and SAF), organic sludge and food waste into biogas, and fallen stock into low-grade energy sources, is impacted by world energy prices for oil, electricity and natural gas, as well as potential competition from the adoption of non-rendered feedstock in biofuel markets.

The Company's results of operations in its Feed, Food and Fuel Ingredients segments are also impacted by U.S. and foreign tariffs and trade restrictions that affect trade flows, supply and demand and market prices for the Company's raw materials and finished products.

Our business is dependent on the procurement of raw materials, which is a 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" rendering (rendering operations integrated with the meat or poultry packing operation).

- Concurrently, there has been limited to no growth in 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.

- 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 independent renderers, such as us, decreases. In addition, raw material volumes are subject to decline due to government regulations limiting animal production.

- In addition, the Company has seen an increase in the use of used cooking oil in the production of biofuels, 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 inflation) and an 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 biofuel companies, as well as the alternative of illegal disposal. See Item 1. "*Competition.*" In addition, U.S. restaurants experience theft of used cooking oil, the frequency and magnitude of which increases 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, collect on a no pay/no charge basis or 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 and/or collection fee revenues will decrease, which could materially and adversely affect our business, results of operations and financial condition. In addition, the amount of raw material acquired, which has a direct impact on the amount of finished goods produced, can also have a material effect on our gross margin reported, as the Company has a substantial amount of fixed operating costs. In addition, we utilize an extensive vehicle fleet to collect and transport raw material, for which we compete with other industries for qualified drivers, which from time to time are in short supply. Our failure to hire and retain a sufficient number of truck drivers to operate our fleet could negatively impact our ability to collect and transport raw materials in an efficient and cost-effective manner.

A majority of the Company's U.S. volume of animal by-product raw materials, including its significant U.S. accounts, and substantially all of the Company's U.S. bakery feed raw materials, are acquired on a "formula basis," which allows us to adjust our costs of materials based on changes in the price of our finished products, and are in most cases set forth in contracts with our suppliers. Such contracts generally provide for multi-year terms. The formulas provided in these contracts are reviewed and modified during their term and upon renewal of the contracts to maintain acceptable risk allocations between us and our suppliers related to 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 the Company's Canadian volume of animal by-product raw materials are acquired on a monthly fixed-price basis with suppliers, while the remainder are 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.

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

In January 2011, one of our wholly-owned subsidiaries, entered into a limited liability company agreement (as subsequently amended, the "DGD LLC 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 St. Charles Plant. Since that time, the DGD Joint Venture has completed several expansion projects and currently operates the DGD St. Charles Plant and the DGD Port Arthur Plant. As of January 3, 2026, under the equity method of accounting, we had an investment in the DGD Joint Venture of approximately $2.1 billion included on the Consolidated Balance Sheet. Nonetheless, the DGD Joint Venture may not continue to be profitable, may not continue to make distributions or allow us to continue to make a return on our investment, or could result in a negative return on our investment.

The DGD Joint Venture's operations are conducted through a joint venture with Valero. Accordingly, we share control with our joint venture partner over certain economic, legal and business interests of the DGD Joint Venture, who may have economic, business, or legal interests, opportunities, or goals that are inconsistent with, or different from, our opportunities, goals, and interests, or may have different liquidity needs or financial condition characteristics than our own, be subject to different legal or contractual obligations than we are, or be unable to meet their obligations. For instance, while we share certain management rights with our joint venture partner under the DGD LLC Agreement, we do not have full control of every aspect of the DGD Joint Venture's business and certain significant decisions concerning the DGD Joint Venture require certain approvals from our joint venture partner, including, among others, the acquisition or disposition of assets above a certain value threshold, making certain changes to the DGD Joint Venture's business plan, raising debt or equity capital, the DGD Joint Venture's distribution policy, and entering into particular transactions. Failure by us or our joint venture partner to adequately manage the risks associated with the DGD Joint Venture and any differences in views among us and our joint venture partner could prevent or delay actions that are in the best interests of us or the DGD Joint Venture and could have a material adverse effect on our, or the DGD Joint Venture's, financial condition, results of operations and liquidity. Furthermore, our equity in net income of the DGD Joint Venture, which is based on our 50% interest in the unconsolidated earnings of the standalone DGD Joint Venture financial statements, may not always match our joint venture partner's consolidated results and presentation. In addition, the DGD LLC Agreement limits our ability to freely transfer or sell our interest in the DGD Joint Venture.

The DGD Joint Venture is subject to and dependent on governmental energy policies and programs, such as the National Renewable Fuel Standard Program ("RFS") and low carbon fuel standards ("LCFS") (such as those in place in the state of California), 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 effect on the DGD Joint Venture. Further, these programs are regularly subject to expirations and renewals which, at any time, could be delayed or not renewed, and other administrative and political review which could result in limitations or other policy adjustments by the respective administrations overseeing them. See the section entitled *"Risk Factors-Risks Related to our Business-Our renewable energy businesses, including the DGD Joint Venture, are highly dependent on government programs, incentives and regulatory frameworks, which are subject to change and uncertainty."*

Additionally, there may be new entrants into the biofuels industry or new technologies developed that could meet demand for lower-carbon transportation fuels and modes of transportation in a more efficient or less costly manner than our technologies and products, which could also have a material adverse effect on the DGD Joint Venture. For instance, several other companies have made, or announced interest in making, investments in biofuel projects. Should these projects develop, the DGD Joint Venture would face competition from them for feedstocks and customers, which could strain margins on the products it sells and limit the growth and profitability of the DGD Joint Venture. It is not possible at this time to predict the ultimate form, timing, or extent of any such developments; however, a reduction in the demand for the DGD Joint Venture's products as a result of any of the foregoing events could materially and adversely affect our business, financial condition, results of operations, and liquidity.

The DGD Joint Venture's production plants are its principal operating assets and are subject to planned and unplanned downtime and interruptions. Its operations could also be subject to significant interruption if one of its plants were to experience a major accident or mechanical failure, be damaged by severe weather or natural disasters (such as hurricanes) or man-made disasters (such as cybersecurity incidents or acts of terrorism), or otherwise be forced to shut down or curtail operations. If any of its plants, or related pipelines or terminals, were to experience an interruption in operations, our earnings could be materially and adversely affected (to the extent not recoverable through insurance) because of lost productivity and repair and other costs.

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 Facilities or completion and startup of any expansion or capital projects or the possibility of equipment failure as a result of materials degradation;
- the inaccuracy of our assumptions about prices or demand for the biofuels (including renewable diesel and SAF) that the DGD Joint Venture produces;
- unforeseen engineering or environmental issues, including new or more stringent environmental regulations affecting operations;
- unforeseen capital contributions required under the DGD LLC Agreement;
- 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;
- difficulties in obtaining and maintaining permits and other regulatory issues, potential license revocations and changes in legal requirements;
- adverse changes in government policies, programs and/or mandates around the world that benefit biofuels, including, without limitation, reductions, dilutions or terminations of government credits, incentives and/or subsidies for biofuels or programs or mandates requiring biofuel use;
- changes in supply and demand for biofuels, including potential overproduction of biofuels against demand resulting in diminished returns and potential dilution of government credits, incentives and/or subsidies;
- difficulties in establishing and maintaining relationships with suppliers and end user customers;
- the risk that one or more competitive new biofuel (including renewable diesel and SAF) plants are constructed that use different technologies from the DGD Joint Venture 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;
- U.S. and foreign tariffs, trade restrictions and nationalistic protections in biofuel policies favoring local production over imports could impact prices, margins and end market opportunities for the biofuels the DGD Joint Venture produces;
- U.S. and foreign tariffs on biofuels and biofuel feedstocks could also have an inverse effect where biofuel imports into certain countries could be beneficially positioned from a margin standpoint over local production;
- performance below expected levels of output or efficiency;
- disruptions in the ability of the pipelines, vessels, or railroads to transport feedstocks or products because of weather events (such as hurricanes), accidents, derailment, collision, fire, explosion, government regulations, or third-party actions;
- reliance by the DGD Joint Venture on Valero and its adjacent refinery facility for many services and processes;

- possible impairment of the acquired assets, including intangible assets, in connection with the occurrence of any other risks associated with the DGD Joint Venture;

- possible third-party claims of intellectual property infringement;

- inability to source sufficient feedstocks for the operation or having to increase utilization of feedstocks that produce lower margin product; and

- being forced to sell our equity interests in the DGD Joint Venture pursuant to buy/sell provisions in the DGD LLC Agreement such that we would no longer continue to realize 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, it could have a material adverse effect on our business, financial condition and results of operations.

Our renewable energy businesses, including the DGD Joint Venture, are highly dependent on government programs, incentives and regulatory frameworks, which are subject to change and uncertainty.

Demand for and profitability of our biofuels (including renewable diesel and SAF), biogases and green electricity, including those of DGD, depend in significant part on government programs, mandates, tax credits and incentives in the U.S. and other jurisdictions, including renewable fuel standards, low carbon fuel programs and clean fuel tax credits. These programs are complex, subject to frequent legislative, regulatory and administrative change, and dependent on agency interpretation, guidance enforcement priorities and funding.

Programs like RFS and LCFS, compliance and tax credits for biofuels and mandates for biofuel use, both in the United States and abroad, are subject to revision and change which may impact the demand for our finished products and margins. Support from the programs and credits plays an important role in the makeup of margins for the DGD Joint Venture, and, accordingly, we are exposed to volatility in the market price of these credits, including LCFS credits and RINs (which act as compliance credits under the RFS). We cannot predict the future prices of RINs, LCFS credits or other credits, nor can we predict changes or continued implementation of policies that support these programs.

The EPA created the RFS program pursuant to the Energy Policy Act of 2005 and the Energy Independence and Security Act of 2007. Under the RFS program, the EPA is required by statute to set annual quotas for the volume of renewable fuels that must be blended into petroleum-based transportation fuels consumed in the U.S. 14 months prior to the compliance year. The quotas are set by class of renewable fuel (e.g., biomass-based diesel, cellulosic biofuel, advanced biofuel, and total renewable fuel) and are collectively referred to as the renewable volume obligation ("RVO"). The RVO must be met by obligated parties, who are the producers and importers of the petroleum-based transportation fuels consumed in the U.S. Obligated parties demonstrate compliance annually by retiring the appropriate number of renewable identification numbers ("RINs") associated with each class of renewable fuel to satisfy their RVO. A RIN is a compliance credit that is assigned to each gallon of qualifying renewable fuel produced in, or imported into, the U.S. under the RFS program. RINs are obtained by blending those renewable fuels into petroleum based transportation fuels, and obligated parties can also achieve compliance by purchasing RINs in the open market.

Pursuant to the requirements established by the Energy Independence and Security Act of 2007, the finalized 2010 RFS regulation mandated the domestic use of biomass-based diesel (biodiesel, renewable diesel or renewable jet fuel) of 1.0 billion gallons in 2012 and a minimum of 1.0 billion gallons of biomass-based diesel for subsequent years. This amount is subject to increase by the Administrator of the EPA. The volume mandates for 2022 were 2.76 billion gallons for biomass-based diesel, 5.63 billion RINs for advanced biofuel, and 20.63 billion RINs for total renewable fuel.

In June of 2023, the EPA published a final rule that established required RFS volumes for 2023, 2024, and 2025. For biomass-based diesel, the EPA set 2.82 billion gallons for 2023, 3.04 billion gallons for 2024, and 3.35 billion gallons for 2025. For the advanced biofuel category, the EPA set 5.94 billion RINs for 2023, 6.54 billion RINs for 2024, and 7.33 billion RINs for 2025. For total renewable fuel, the EPA set 20.94 billion RINs for 2023, 21.54 billion RINs for 2024, and 22.33 billion RINs for 2025.

For RFS compliance purposes, RINs satisfy the biomass-based diesel requirement, the overall advanced biofuel requirement, and the total renewable fuel requirement. In order to generate a RIN, each type of fuel from each type of feedstock is required to reduce greenhouse gas ("GHG") emissions by levels specified in the regulation. The EPA has determined that biodiesel or renewable diesel produced from waste oils, fats, and greases exceed the 50% threshold established by the regulation to generate advanced biofuel and biomass-based diesel RINs.

In January 2025, the Clean Fuels Production Credit ("CFPC") introduced under the IR Act became effective through 2027, and replaced the blender tax credit that was in effect in prior years. Under the CFPC, non-aviation transportation fuel receives a tax credit equal to either $0.20/gallon or $1.00/gallon (adjusted for inflation each calendar year) multiplied by the fuel's emission reduction percentage. In order to start with the $1.00 per gallon baseline, the fuel must be produced at a qualifying facility that meets the prevailing wage and apprenticeship requirements before being sold in a certain manner. Under the CFPC, SAF receives a tax credit equal to either $0.35/gallon or $1.75/gallon (adjusted for inflation each calendar year) multiplied by the fuel's emission reduction percentage. In order to start with the $1.75 per gallon baseline, SAF must be produced in the United States at a qualifying facility that meets the prevailing wage and apprenticeship requirements before being sold for use in an aircraft. In contrast to the blender tax credit, the CFPC requires that production of eligible fuels must take place in the United States. On July 4, 2025, the One Big Beautiful Bill Act (the "OBBBA") was enacted in the U.S. The OBBBA extended the CFPC for two years through 2029 and, beginning in 2026, reduces the maximum credit rate for SAF to $1.00/gallon (adjusted for inflation each calendar year) and specifies that transportation fuels must be derived from feedstocks produced or grown in the U.S., Mexico or Canada to be eligible.

Government incentives related to renewable fuels were material to our results of operations in fiscal 2025, so any legal challenges or changes to, a failure to enforce, reductions in the mandated volumes under, or suspending or discontinuing any of these programs could have a negative impact on our business and results of operations.

For example, the transition from the blender tax credit to the CFPC on January 1, 2025 introduced a number of risks that could negatively impact the results of operations of the DGD Joint Venture and cause a material and adverse impact to the Company. These include, but are not limited to: credit eligibility and compliance risks for failure to satisfy qualification, prevailing wage and apprenticeship and other certification and documentation requirements which could reduce credit values or void credits; regulatory risks because the U.S. Treasury has yet to provide final CFPC regulations, and credits earned since January 1, 2025 must be determined based on currently available information from Treasury; and credit transfer risks, including the development of markets to sell the credits, the strength of any such markets and the viability of the credits with respect to discounts to credit values on sales, and potential Company indemnities with respect to credit sales which introduce the risk of reimbursing buyers for any later credit adjustments including potential penalties, interest and tax gross-ups which could be material.

We are highly dependent on natural gas, diesel fuel and electricity, the prices 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, diesel fuel and electricity and a disruption in any of them could have a material adverse effect on the business and results of operations of the affected facility. We consume significant volumes of natural gas to operate boilers in our plants, which generate steam to heat raw materials, and 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 vehicles used to collect raw materials, and 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, partially due to conflicts around the world, such as the ongoing Russian-Ukraine war and conflicts in the Middle East, and inflation, and therefore, represent an ongoing challenge to our operating results. Despite our efforts to 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. We also require a significant amount of electricity in operating certain of our facilities, a significant increase in the cost of which could have a material adverse effect on the business and results of operations of the affected facility. Additionally, the availability of natural gas, diesel fuel and electricity can be affected by numerous events such as weather (e.g., hurricanes and periods of considerable heat or cold), pipeline and other logistics interruptions, electric grid outages, cybersecurity incidents, intermittent electricity generation, hostilities, sanctions and supply and demand imbalances.

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

In fiscal year 2025, the Company's top ten customers for finished products accounted for approximately 40% of product sales. In addition, the Company's top ten raw material suppliers accounted for approximately 27% of its raw material supply in the same period. Disruptions or modifications to, or termination of, our relationship 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 effect 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 Europe, South America, Canada, 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 various risks and uncertainties relating to international sales and operations, including:

- imposition of tariffs, quotas, trade barriers and other trade protection measures imposed by the United States or foreign countries, or retaliatory trade protection measures, impacting import costs in the U.S. or foreign countries of poultry, beef and pork products, gelatin and collagen products, fats and oils, biofuels, and/or any of the Company's other finished products, and related uncertainty and volatility in U.S. and global financial and economic conditions and commodity markets, declining consumer confidence, significant inflation and diminished expectations for the economy, as well as the imposition of operating, import or export licensing requirements;

- issues associated with intellectual property protections for the Company's products and operations, such as defense of our intellectual property in foreign countries and/or, as the Company expands globally, use of our intellectual property on competing products in certain countries where our intellectual property is not registered;

- 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;

- change in existing trade agreements, such as the United States-Mexico-Canada Agreement ("USMCA"), which could negatively impact our business;

- impact of currency exchange rate fluctuations between the U.S. dollar and foreign currencies, particularly the euro, the Brazilian real, the Canadian dollar, the Chinese renminbi, the British pound, the Japanese yen, the Australian dollar and the Polish zloty, 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 foreign 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 (such as high inflation rates) or other changes in political, economic or social conditions in the respective jurisdictions;

- changes in tax laws or to tax rates in any of the jurisdictions in which we operate and adverse outcomes from tax audits;

- compliance with, and enforcement of, a variety of complex U.S. and non-U.S. laws, treaties and regulations, including, without limitation, anti-bribery and anti-corruption laws such as the U.S. Foreign Corrupt Practices Act (the "FCPA"), the U.K. Bribery Act of 2010, anti-corruption laws of the EU Member States, the Brazilian corporate anti-corruption law and similar anti-corruption legislation in many jurisdictions in which we or our joint venture partners operate, as well as economic and trade sanctions enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), the European Union ("EU") institutions, the EU Member States' authorities, or other governmental entities; and

- distribution costs, disruptions in shipping or reduced availability or increased costs of freight transportation, including, without limitation, due to strikes or port closures which could impact movement of raw materials and finished products.

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 effect on our business, results of operations, cash flows and financial condition. In addition, from time to time certain of our international operations make contractual prepayments to raw material suppliers in the ordinary course of business, which may subject the Company to financial risk should any such supplier experience financial difficulties (e.g., bankruptcy) or cease operations.

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

There is global concern that carbon dioxide and other GHG in the atmosphere may have an adverse impact on global temperatures, weather patterns and the frequency of extreme weather and natural disasters. We are subject to physical, operational, transitional and financial risks associated with any such climate related changes and global, regional and local weather conditions, as well as legal, regulatory and market responses to climate change. Certain jurisdictions in which we operate have either imposed, or are considering imposing, new or increasingly stringent legal and regulatory requirements to reduce or mitigate the potential effects of climate change, including regulation and reduction of GHG and potential carbon pricing programs. These new or increasingly stringent legal or regulatory requirements could result in significantly increased costs of compliance and additional investments in facilities and equipment, and reduced raw material supplies in areas where these requirements limit or eliminate livestock operations. Our risk management process includes assessment of climate related regulatory risks, but we may be unable to predict the scope, nature and timing of any new or increasingly stringent environmental laws and regulations or the ultimate impact of such laws and regulations on our business or financial results. We continue to monitor existing and proposed laws and regulations in the jurisdictions in which we operate and consider actions we may take to potentially mitigate the unfavorable impact, if any, of such laws or regulations.

Furthermore, there is legislation (and additional legislation has been introduced) regulating practices related to the causes and impacts of climate change as well as supply chain control and compliance with human rights. For example, in December 2022 the EU adopted Directive (EU) 2022/2464, also known as the Corporate Sustainability Reporting Directive ("CSRD"), which requires reporting on sustainability-related issues. In addition, in June 2024 the EU adopted Directive (EU) 2024/1760, also known as the Corporate Sustainability Due Diligence Directive ("CSDDD"), which requires risk-based supply chain due diligence and certain activities in the supply chain. In addition, there has been increased state-level legislation in the U.S., like California's SB 261, which mandates certain companies doing business in California to disclose climate-related financial risks, and SB 253, which requires reporting of corporate greenhouse gas emissions. In both the EU and California the regulations have been delayed pending amendments and legal challenges, which increases the uncertainty around final impacts to the Company. The Company continues to monitor proposed changes to these and other proposed legislative and regulatory requirements related to sustainability issues in state and national jurisdictions. Compliance with CSRD, CSDDD, California's SB 261 and SB 253, and other proposed or adopted legislative and regulatory requirements related to sustainability issues may require expenditures that could materially adversely affect our business, results of operations and financial condition. There has also been increased focus from our stakeholders, including consumers, customers, suppliers, employees and investors, on our sustainability practices. We expect that stakeholder expectations with respect to sustainability will continue to progress, which may necessitate additional resources to monitor, report on, and adjust 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. Warm weather can also adversely affect the quality of raw materials processed and our yield on production due to more rapid degradation. In addition to seasonal impacts, depending on the location of our facilities and those of our suppliers, our operations could be subject to weather impacts, including the physical impacts of climate changes, 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 effect 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.

If we or our customers are the subject of product liability or other 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 or other claims, product recalls 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 liability or other claims, product recalls, and adverse public relations resulting from developments relating to the discovery of unauthorized adulterations to food additives or other products or from allegations that our food ingredients or other products were mislabeled, were not produced in accordance with

the customer's specifications, contract requirements or regulatory standards and/or have not performed adequately in the end product, even where food safety or other product safety is not a concern. In some cases, we indemnify our customers for product liability and other claims related to our products. Product recalls in one jurisdiction may result in product recalls in other jurisdictions, as is the case in the EU, where the European Commission and the EU Member States exchange information about recalls. Our insurance may not cover or be adequate to cover all liabilities we incur in connection with product liability and/or other claims, whether or not legitimate, or product recalls, whether voluntary or mandatory, and we may not be able to maintain our existing insurance or obtain comparable insurance at a reasonable cost for such matters. A judgment against us or against one of our customers for whom we manufacture or provide products on a product liability or other claim, or our or their agreement to settle a product liability or other 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 or other 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 significant management attention.

Product liability or other 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 result in adverse publicity and negatively impact our reputation and 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 or other claims and product recalls may also lead to increased scrutiny or investigations by federal, state and foreign regulatory agencies of our operations and could have a material adverse effect on our brands, business, reputation, results of operations and financial condition.

In recent years the EU has adopted new mechanisms to allow (and encourage) claims by consumers, including in collective litigation forms. The civil liability risks in Europe in relation to misleading advertising are material and increasing. On December 8, 2024, Directive (EU) 2024/2853, the EU's revised Product Liability Directive ("PLD"), which must be transposed into national legislation of the EU Member States by December 9, 2026, introduced a number of significant changes that increase liability risks for companies distributing their products to EU consumers. Direct civil enforcement before EU institutions or courts is not available, but EU law requires EU Member States to enhance consumer protection at the national level by requiring every EU Member State to allow consumer representative bodies to take civil claims on behalf of consumers for breaches of certain EU consumer laws.

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 laws, rules and regulations including environmental and other permitting requirements of the countries in which we operate and our facilities are located. 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, cyber-attack 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; however, in certain markets we do not have alternate operating facilities. If any of these events occur in such 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 such an event or unscheduled shutdown is restored, customers who in the interim choose to use alternative disposal services may not return to use our services.

We may incur losses and additional costs as a result of our hedging transactions.

Darling and the DGD Joint Venture have used and may continue to use commodity derivative instruments in the future to hedge their exposures to various types of financial risk. If these instruments are not effective or increase Darling's or the DGD Joint Venture's exposure to unexpected events or risks, Darling or the DGD Joint Venture may incur losses. In addition, both Darling or the DGD Joint Venture may be required to incur additional costs in connection with any future regulation of derivative instruments applicable to either or both.

Media campaigns related to feed and food ingredient production or fuel production present reputational and other risks.

Individuals or organizations can use social media platforms to publicize inappropriate or inaccurate stories or perceptions about the feed and food ingredient production industries, fuel production industry or our Company. Such practices could cause damage to the reputations of our Company and/or the feed and food ingredient production industries or fuel production industry in general. This damage could adversely affect our financial results.

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 January 3, 2026, the Company had approximately $2.5 billion of goodwill. We are required to annually test goodwill to determine if impairment has occurred, as well as 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 reporting unit, including goodwill, and the fair value of the reporting unit, including 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 and assumptions 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. 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.

Risks Related to Legal and Regulatory Compliance

Our operations are subject to extensive and evolving environmental, health and safety laws and regulations, and we could incur significant costs to comply with these requirements or be subject to sanctions or held liable for damages, including environmental damages.

Our operations subject us to stringent environmental, health and safety requirements in the various jurisdictions where we operate, including those governing air emissions and odor, wastewater discharges, storm water discharges, the management, storage and disposal of materials in connection with our facilities, occupational health and safety, facility registrations, certifications and inspections, Current Good Manufacturing Practices ("cGMP"), 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 operational restrictions, recalls, penalties, injunctive relief, remediation, claims for personal injury and property and natural resource damages, other claims and negative publicity. Our operations require the control of air emissions and/or odor from various sources. Our operations also require treatment and permitted discharge of storm water and wastewater to publicly owned treatment works and/or the environment via surface waters or land application. We have incurred significant capital and operating expenditures to comply with environmental requirements, including for the upgrade of wastewater treatment facilities, and may continue to incur such costs in the future. Separately, we could also be subject to odor related claims, damages, violations and/or penalties in connection with our operations, including potential class action odor litigation.

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 ("CERCLA"), 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. Such laws may require us to 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 notices from the EPA relating to alleged sediment contamination in Newtown Creek in New York and alleged river sediment contamination in the Lower Passaic River area of New Jersey, and are party to a lawsuit filed by Occidental Chemical Corporation in which it seeks contribution for various investigative and cleanup costs it has incurred in connection with the alleged sediment contamination in the Lower Passaic River area of New Jersey. See Item 3. "*Legal Proceedings*" for additional information about the Lower Passaic River matter.

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. For example, regulations are emerging regarding per- and polyfluoroalkyl substances ("PFAS") continue to evolve due to potential health and environmental risks. In the U.S., the EPA has designated perfluorooctanoic acid ("PFOA") and perfluorooctanesulfonic acid ("PFOS") – as "hazardous substances" under CERCLA and adopted the primary drinking water standards for certain PFAS, with which public water systems must comply by 2029. The EPA is also advancing regulations to list certain PFAS as hazardous constituents under the Resource Conservation and Recovery Act (RCRA). EU legislators are taking steps to adopt a comprehensive legislative measure simultaneously restricting a large number of PFAS. In February 2023, the European Chemical Agency ("ECHA") published a proposal to restrict 10,000+ PFAS under Annex XVII of

Regulation (EC) No. 1907/2006 concerning the registration, evaluation, authorization and restriction of Chemicals ("REACH"). ECHA's committees for Risk Assessment and Socio-Economic Analysis have been evaluating the proposal based on a sector-based approach to address the specificities of such substances, and a consolidated opinion will be sent to the European Commission, which will make the ultimate decision in consultation with the EU Member States. While Darling does not manufacture or use PFAS, the raw materials we process could contain PFAS as could the influent waters from city supply services and/or production wells. If PFAS is contained in these sources, it could persist in the outputs of our production, including wastewater treatment discharges, wastewater-derived residuals, and/or finished products. New or expanded regulation, enforcement actions, remediation obligations, product impacts or private litigation related to PFAS could result in material costs, operational disruptions or reputational harm.

In addition, increasing efforts to control emissions of GHG may impact our operations although the regulatory landscape is evolving. We operate in certain jurisdictions subject to the Paris Agreement, which mandates reduced GHG emissions in certain participating countries. However, at the federal level in the U.S., there have been certain changes. On February 12, 2026, the EPA repealed the 2009 endangerment finding, which was the legal basis for regulating GHG emissions under the Clean Air Act. The EPA also repealed all federal GHG emission standards for light-, medium-, and heavy-duty vehicles. However, it remains uncertain how these repeals will affect existing and future federal regulation of GHG emissions, and whether the EPA may revise, repeal or retain regulations that were based on the prior finding. While we await certainty on the effect of these repeals, state-level initiatives and the international focus on reporting of and reductions in GHG emissions, as well as investor and stakeholder expectations, may still require us to incur additional capital and operational expenditures to remain in compliance, which could impact our business, results of operations, and financial condition. The EPA has also proposed to eliminate its Greenhouse Gas Reporting Program for most industries, which would remove mandatory facility-level reporting requirements for several of our facilities. However, EPA regulations limiting exhaust emissions have become more restrictive, and the National Highway Traffic Safety Administration and the EPA have adopted regulations that govern fuel efficiency and GHG emissions. Compliance with these and similar regulations could increase the cost of new fleet vehicles and increase our operating expenses. In addition, compliance with future GHG regulations may require expenditures that could materially adversely affect our business, results of operations and financial condition.

We have approximately 15,000 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, OSHA in the United States. We could 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. 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.

Risks Related to Global Disease Outbreaks or Pandemics

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 influenza viruses (collectively known as "Swine Flu") and highly pathogenic strains of avian influenza (collectively known as "Bird Flu") and severe acute respiratory syndrome ("SARS"), including SARS-coronavirus 2, 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 regional or global pandemic. As of the date of this report, various strains of Bird Flu have been and continue to be reported in wild fowl and commercial poultry in Europe, North America, the Middle East and parts of Asia, and rare cases of human infection, including fatalities, have been reported.

In addition, other diseases that are highly contagious within a species, but do not affect other animals and are not transmissible to humans, such as the porcine epidemic diarrhea virus and African Swine Fever ("ASF"), may significantly impact production of the susceptible livestock or animal species in a country or region. ASF is a viral and highly contagious disease of pigs and wild boar, for which no cures or approved vaccines are available in the United States as of the date of this report. In the past few years, ASF has become widespread in multiple Chinese, Vietnamese and Philippine provinces and has been reported in Cambodia, Laos, Myanmar, Timor-Leste, Indonesia, Malaysia, and Thailand in South East Asia and the People's Democratic Republic of Korea, the Republic of Korea, Mongolia, Bhutan and India. In April 2021, the Chinese Ministry of Agriculture and Rural Affairs ("MARA") issued the "Work plan for Regional Prevention and Control of African Swine Fever and Other Major Animal Diseases (Trial)", which divided the entire country into five regions (South-Central, Eastern, Northern, South-West, and North-west). Pig movement is restricted and ASF-free zones were created. Only pigs from ASF-free zones, breeding pigs and piglets are allowed to move beyond their respective region. Such restrictions on the movement of pigs from one region to another may affect slaughter numbers within certain regions and thereby reduce volumes of raw material supplied to our locations that, within the same region, process blood and make collagen from pork skins.

Additionally, the perception, real or implied, that blood meal and dried plasma powder may contribute to the spread of ASF, resulted in a temporary ban on the use of porcine plasma in pork feed which negatively affected demand for our products as ingredients in porcine animal feed in China. This ban has now been lifted and porcine plasma is once again allowed to be used in pork feed provided that certain newly established guidelines are met. ASF has also been reported in Eastern Europe since 2007. The disease has been detected in both domestic and feral pigs in several EU (primarily Eastern European) Member States in the past years, and the EU has taken measures to address the spread of ASF. In particular, based on the epidemiological situation of ASF, the areas affected by ASF in relevant EU Member States have been listed as restricted zones I, II and III in Annex I to the Commission Implementing Regulation (EU) 2023/594, as amended. The Implementing Regulation provides special control measures for ASF based on Regulation (EU) 2016/429 ("Animal Health Law"). On July 28, 2021, ASF was confirmed in the Dominican Republic and subsequently in Haiti on September 30, 2021. As a result of the occurrence of ASF in North America, the Animal and Plant Health Inspection Service ("APHIS"), on September 24, 2021, submitted plans to the WOAH for the declaration of a new ASF protection zone in Puerto Rico and the U.S. Virgin Islands. Although ASF has not been detected in Puerto Rico or the U.S. Virgin Islands, establishing such an ASF protection zone will add to existing efforts to prevent ASF from spreading into the United States and protect exports of pork related products. Because Puerto Rico and the U.S. Virgin Islands are territories of the U.S., export markets will close to all live pigs, pork meat and pork by-products produced in the U.S. if ASF finds its way into Puerto Rico or the U.S. Virgin Islands. Fortunately, the WOAH has established procedures for countries to recognize protection zones and limit bans of affected products to the protection zone and allow trade to continue with regions of the country outside of the protection zone. As of the date of this report, ASF has not been reported in the United States, Canada or South America. ASF does not infect humans and is not considered a food safety hazard. In addition, any reports, proven or perceived, that implicate animal feed or feed ingredients, including but not limited to animal by-products, as contributing to the spread of ASF or other contagious diseases could negatively affect demand for our products as ingredients in animal feeds in the affected country or region.

Although no global disease pandemic among humans has been linked to Bird Flu or other emerging diseases as of the date of this report, 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 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. If any disease is correctly or incorrectly linked to animals and has a negative impact on meat or poultry consumption or animal production 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.

Our business may be affected by the impact of animal related disease, such as BSE, and by other food safety or food regulatory issues.

The FDA has put in place restrictions to prevent the spread of BSE, and certain foreign governments have also restricted exports of beef and beef products from the United States following the detection of BSE in the United States in December 2003. The sixth case of BSE was reported in a six-year-old mixed-breed beef cow in August, 2018, which was the second case of BSE since the WOAH characterized the United States' BSE status as one of "negligible risk" in 2013. The seventh and most recent case of BSE was announced in May 2023 by the U.S. Department of Agriculture ("USDA"). According to the announcement, the animal was tested as part of USDA's routine surveillance of cattle that are deemed unsuitable for slaughter. As such, this animal never entered slaughter channels and at no time presented a risk to the food supply or to human health in the United States. On May 24, 2022, the WOAH characterized Canada's BSE status as one of "negligible risk". On December 17, 2021 the Canadian Food Inspection Agency confirmed a case of atypical BSE in an 8.5 year old cow in Alberta. However, the Canadian Food Inspection Agency reported zero cases of BSE in 2023. While these latest cases in the United States and Canada and previous cases were the atypical or sporadic form of BSE, which is not spread via feed and, therefore, did not affect the "negligible BSE risk" status of either country, continued concern about BSE in 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 human food, pet food and animal feed safety in the United States, the FDA Food Safety Modernization Act ("FSMA") gives the FDA various authorities and directs the FDA to promulgate new regulations pursuant to the FSMA, as described in the section entitled "*Business—Regulations*" included in this report.

As a producer of meat-centric food products, our business depends on the continued availability of animal by-products and the acceptance of our products in human food, pet food, animal feed and fuel markets, and we are subject to risks associated with the outbreak of disease in pork, beef livestock, and poultry flocks, including Foot-and-Mouth Disease, Bird Flu, Salmonella and BSE. The outbreak of disease could adversely affect our supply of raw materials, increase the cost of production, and reduce operating margins. Additionally, the outbreak of disease may hinder our ability to market and sell products. We have developed business continuity plans for various disease scenarios, but these plans may not be effective in eliminating the negative effects of any such diseases on our operating results.

We have followed regulations enacted under the FDA Food Safety Modernization Act ("FSMA"), as described in the section entitled "*Business—Regulations*" included in this report, throughout the rulemaking process and have implemented cGMPs, food safety plans and other procedures at our domestic facilities, which we believe comply with the applicable final rules for preventive controls for human food and animal feed. Similar procedures have been implemented at our foreign facilities for compliance with the Foreign Supplier Verification Programs rule. Such rulemaking and implementation of compliant procedures 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 implements and enforces these and other final rules or promulgates other new regulations provided for by the FSMA or under new FDA policies put forward under the Trump Administration under the Food, Drug, and Cosmetic Act. For example, the Trump Administration is focused on efforts to remove certain chemicals, including food additives and color additives, from food products, and intends to propose rulemaking to change the regulatory pathway for generally recognized as safe ("GRAS") substances in food, including by potentially eliminating the possibility for self-affirmation of the safety of such ingredients. In addition, the FDA has promoted and updated databases of information regarding contaminant levels in food, including tolerances, action levels and guidance levels. We may be required to comply with new laws and regulations, including those focused on our products, components of our products or labeling, which may increase costs or otherwise adversely impact our business.

The FDA has also established a Reportable Food Registry ("RFR") pursuant to the Food and Drug Administration Amendments Act of 2007, and has 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 a reasonable probability that the use of, or exposure to, such materials will cause serious adverse health consequences or death to humans or animals. Finalization of the RFR guidance documents and potential additional requirements relating to the RFR may impose additional requirements on us.

According to the "Compliance Policy Guide Sec. 690.800, *Salmonella* in Food for Animals," 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 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. 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 and could have a material adverse effect on our business, reputation, results of operations or financial condition.

As a result of our international operations, we could be adversely affected by additional non-U.S. regulations regarding BSE and other food safety issues. For example, an enforceable ban on the feeding of restricted animal material to ruminant animals is in place in Australia as part of a comprehensive national program to prevent the entry and establishment of the BSE agent in Australia and inspections and audits are undertaken to ensure compliance. In addition, in the EU, harmonized rules have been adopted for the prevention, control and eradication of transmissible spongiform encephalopathies ("TSEs"), which includes BSE, in Regulation (EC) No 999/2001, as amended ("TSE Regulation"), and in Regulation (EC) No 1069/2009, as amended ("Animal By-Products Regulation") and the creation or expansion of other food and feed hygiene regulations. The TSE Regulation establishes a similar "feed ban" which prohibits the use of certain animal proteins, including processed animal protein ("PAP") and MBM, in feed for ruminants according to which only certain animal proteins considered to be safe (such as fishmeal) can be used, but under very strict conditions. Since 1994, a ban on feeding MBM to ruminants has been in place in the EU and expanded in 2001, with the prohibition of feeding all PAP to all farmed animals, subject to certain limited exceptions. In 2009, the BSE-related feed ban was supplemented with the prohibition of intra-species recycling for all food-producing animals. Other animal-derived products besides PAP, such as collagen derived from non-ruminants and hydrolyzed proteins derived from parts of non-ruminants or ruminant hides and skins, were not included in the feed ban. The feed ban has been lifted for pig and poultry PAP in the feed of aquaculture animals, and insect PAP (a new source of animal protein) in the feed of aquaculture animals. In 2021, the European Commission relaxed the "feed ban" to allow the feeding of non-ruminant farmed animals with insect PAP, reauthorize the feeding of poultry with pig PAP, the feeding of pigs with poultry PAP and allow the use of ruminant derived gelatin in feeds for non-ruminant farmed animals.

Darling Ingredients International may profit from the possible lifting of the ban for pigs and poultry, however, the introduction of changes to the feed ban and further restriction 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 on the EU market. The BSE status of EU Member States, non-EU members of the European Economic Area and other countries or regions ("Third Countries") is to be determined by classification made by the WOAH into one of three BSE risk categories identified in the Regulation (*i.e.*, negligible risk, controlled risk or undetermined risk), which are informed by risk assessments and surveillance monitoring. According to the Commission Decision of June 29, 2007, as amended, Greece is the only EU Member State classified as having a controlled BSE risk. The other EU Member

States are classified as having a negligible BSE risk. Also, the United Kingdom (with the exception of Northern Ireland), as a former a member of the EU is classified as controlled BSE risk. A change in the BSE status of one or more EU Member States may have a negative impact on Darling Ingredients International. Under EU legislation, imported products from outside the EU must meet the same safety standards as products produced in EU Member States. The TSE Regulation imposes strict import requirements related to TSEs for live animals and animal by-products, which depend on the BSE status of Third Countries.

The Animal By-Products Regulation establishes rules intended to prevent the outbreak of certain diseases such as BSE. A BSE outbreak or other event viewed as hazardous to animal or human health could also 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.

In addition, EU legislation applicable to the agri-food sector could create additional compliance requirements and enforcement risks for us. For example, Regulation (EU) 2019/1381, as amended ("Food Transparency Regulation"), strengthens transparency requirements in EU food law. The European Food Safety Authority ("EFSA") must disclose scientific data, studies and other information supporting applications, including supplementary information supplied by applicants. EFSA is also tasked with establishing and managing a publicly accessible database of studies commissioned or carried out by business operators to support an application or notification in relation to which it must provide a scientific output. Business operators must notify EFSA of protected and detailed information concerning any study commissioned or carried out by them to support an application or a notification. Any potential disclosure of unfavorable studies and data as well as EFSA's ultimate decision-making power to determine what constitutes confidential information (and therefore subject or not to transparency obligations) may result in adverse publicity, negatively impact our reputation and/or require us to disclose commercially sensitive information and data. In addition, Regulation (EC) 2017/625, as amended ("Official Controls Regulation") requires that the EU Member States verify compliance with agri-food chain rules through official controls. To deter fraudulent practices, the Official Controls Regulation introduces more stringent rules for financial penalties, imposed by EU Member States, as well as new provisions to protect whistle-blowers to encourage and facilitate the reporting of non-compliance. More stringent and higher financial penalties may potentially result in significant and unexpected costs and enhanced provisions regarding whistle-blowers may result in more regulatory investigations and enforcement actions, both of which could have a material adverse effect on our business.

Pandemics, epidemics or disease outbreaks may disrupt our business, including, among other things, our supply chain and production processes, each of which could materially affect our operations, liquidity, financial condition and results of operations.

The actual or perceived effects of a disease outbreak, epidemic, pandemic or similar widespread public health concern could negatively affect our operations, liquidity, financial condition and results of operations.

The spread of pandemics, epidemics or disease outbreaks may disrupt our third-party business partners' ability to meet their obligations to us which may negatively affect our operations. These third parties include those who supply our raw materials and other necessary operating materials and logistics and transportation services providers. Ports and other channels of entry may be closed or operate at only a portion of capacity, as workers may be prohibited or otherwise unable to report to work, and means of transporting products within regions or countries may be limited for the same reason. Furthermore, transport restrictions related to quarantines or travel bans could be put in place and global supply may become constrained, each of which may cause the price of certain raw materials used in our products to increase and/or we may experience disruptions to our operations. In addition, any such outbreaks may affect the prices and demand for our finished products.

Workforce limitations and travel restrictions resulting from pandemics, epidemics or disease outbreaks and related government actions may affect many aspects of our business. If a significant percentage of our workforce is unable to work, including because of illness or travel or government restrictions in connection with pandemics or disease outbreaks, our operations and financial reporting capabilities may be negatively affected. In addition, pandemics or disease outbreaks could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could affect our raw material supply and our customers' demand for our finished products.

Our efforts to manage and mitigate these factors may be unsuccessful, and the effectiveness of these efforts depends on factors beyond our control, including the duration and severity of any pandemic, epidemic or disease outbreak, as well as third-party actions taken to contain its spread and mitigate public health effects.

The risks described above also apply to the DGD Joint Venture and its business and operations.

Risks Related to our Labor Force

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, 2026 approximately 14% of Darling's U.S. employees, 51% of Canadian employees and 66% 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, while Canadian 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, but we may not 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.

Certain U.S. multiemployer defined benefit pension plans to which we contribute are underfunded and these plans may require minimum funding contributions or we may be subject to liabilities due to a termination of, or our withdrawal from, such plans.

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 or may be at risk of being underfunded 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 underfunded 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, which could be significant and have an adverse effect on our financial condition. Also, if a multiemployer defined benefit plan fails to satisfy certain minimum funding requirements, the Internal Revenue Service ("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.

Risks Related to our Indebtedness

Our substantial indebtedness could adversely affect our financial condition.

As of January 3, 2026, our total debt, including trade debt, was approximately $3.9 billion. We also had undrawn commitments available for additional debt under our revolving credit facility of up to approximately $1.3 billion (after giving effect to approximately $601.2 million of revolver borrowing, $0.8 million of outstanding letters of credit and $73.6 million of ancillary facilities). Our substantial indebtedness could have important consequences, including:

- increasing the difficulty of satisfying our contractual and commercial commitments because of our obligations to our financial lenders;
- 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;

- diverting a substantial portion of our cash flows from operations to pay principal and interest on our debt instead of for 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 debt has a variable rate of interest and as we refinance our debt that has a fixed rate of interest, which could increase our debt service obligations and negatively impact our net income and cash flows;

- increasing our exposure to changes in foreign exchange rate conversion to functional currency;

- 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.

In addition, the indentures that govern our senior notes and the credit agreement governing our senior secured credit facilities contain covenants that limit our ability to engage in activities that may be in our long-term best interest. These covenants 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. 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 of our funded debt. See Item 7. "*Management Discussion and Analysis of Financial Condition and Results of Operations*" - "*Senior Secured Credit Facilities*," "*6% Senior Notes due 2030,*" "*5.25% Senior Notes due 2027*" and "*4.5% Senior Notes due 2032*."

Despite our existing level of indebtedness, we and our subsidiaries could substantially increase our indebtedness, which could further exacerbate the risks to our financial condition described above.

The indentures that govern our senior notes do not directly restrict our indebtedness. The credit agreement governing the senior secured credit facilities restricts our indebtedness, but these restrictions are subject to significant qualifications and exceptions, and the additional debt that we and our subsidiaries could incur in compliance with these restrictions could be substantial. To the extent that we or our subsidiaries increase our indebtedness, the risks associated with our indebtedness, including our possible inability to service our debt, could intensify. See Item 7. "*Management Discussion and Analysis of Financial Condition and Results of Operations*" - "*Senior Secured Credit Facilities,*" "*6% Senior Notes due 2030,*" "*5.25% Senior Notes due 2027*" and "*4.5% Senior Notes due 2032*."

We may not generate sufficient cash to service all of our debt and may be forced to take other actions to satisfy our debt obligations, 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 might not maintain sufficient cash flows from operating activities to pay the principal, premium, if any, and interest on our debt when due.

If our cash flows and capital resources are insufficient to service our debt obligations and to meet our other cash needs, we could be forced to reduce or delay investments and capital expenditures, dispose of material assets or operations, seek additional debt or equity capital, or restructure or refinance our debt. We may not be able to effect any such alternative measures 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 credit agreement governing our senior secured credit facilities restricts our ability to use the proceeds from the disposition of assets, debt incurrence or sales of equity to repay other debt. We may not be able to consummate any such dispositions or to obtain debt or equity proceeds in amounts sufficient to service our debt obligations, and we may be restricted under the credit agreement 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 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.

Our ability to make payments on our debt depends in part on the performance of our subsidiaries, including our non-guarantor subsidiaries, and their ability to transfer funds to members of our group liable to make payments on our debt.

We conduct a significant portion of our operations through our subsidiaries, a number of which operate outside the United States. Accordingly, repayment of our debt depends, 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 debt, our subsidiaries do not have any obligation to pay amounts due on the debt or to make funds available for that purpose. Under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. For example, our 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 credit agreement governing the senior secured credit facilities and potentially, the agreements governing certain of our other debt will limit the ability of certain of our subsidiaries to incur consensual restrictions on their ability to make other intercompany payments to us, these limitations are subject to certain significant qualifications and exceptions.

Risks Related to our Common Stock

The market price of our common stock has been and may continue to be volatile, which could cause the value of your investment to decline.

The market price of our common stock has been subject to volatility and, in the future, the market price of our common stock could fluctuate widely in response to numerous factors, many of which are beyond our control. In addition to the risk factors discussed in this report, the price and volume volatility of our common stock may be affected by:

- actual or anticipated fluctuations in ingredient prices;
- actual or anticipated variations in our operating results;
- our earnings releases and financial performance;
- changes in financial estimates or buy/sell recommendations by securities analysts;
- our ability to repay our debt;
- our access to financial and capital markets to refinance our debt;
- performance of our joint venture investments, including the DGD Joint Venture;
- our dividend policy;
- market conditions in the industry and the general state of the securities markets;
- investor perceptions of us and the industry and markets in which we operate;
- governmental legislation or regulation;
- governmental policies affecting biofuels and/or biofuel feedstocks;
- currency and exchange rate fluctuations that impact our earnings and balance sheet; and
- general economic and market conditions, such as U.S. or global reactions to economic developments, including regional recessions, inflation, currency devaluations or political unrest.

Our ability to pay any dividends on our common stock may be limited and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of our common stock.

We have not paid any dividends on our common stock since January 3, 1989 and we have no current plans to do so. Subject to certain limitations in the credit agreement governing our senior secured credit facilities, our current financing arrangements permit us to pay dividends and distributions. For example, our senior secured credit facilities restrict our ability to make payments of dividends in cash if certain coverage ratios are not met. Even if such coverage ratios are met, any determination to pay cash dividends on our common stock will be at the discretion of our board of directors and will be based upon our financial condition, operating results, capital requirements, plans for expansion, business opportunities, restrictions

imposed by any of our financing arrangements, provisions of applicable law and any other factors that our board of directors determines are relevant at that point in time.

Future sales of our common stock or the issuance of other equity may adversely affect the market price of our common stock.

We are not restricted from issuing additional common stock, including securities that are convertible into or exchangeable for, or that represent the right to receive, common stock. The issuance of additional shares of our common stock or convertible securities, including our outstanding options, or otherwise, will dilute the ownership interest of our common stockholders.

Sales of a substantial number of shares of our common stock or other equity-related securities in the public market could depress the market price of our common stock and impair our ability to raise capital through the sale of additional equity securities. We cannot predict the effect that future sales of our common stock or other equity-related securities would have on the market price of our common stock.

Our common stock is an equity security and is subordinate to our existing and future indebtedness.

Shares of our common stock are equity interests and do not constitute debt. As such, the shares of common stock will rank junior to all of our debt, including our trade debt, and to other non-equity claims on us and our assets available to satisfy claims on us, including claims in bankruptcy, liquidation or similar proceedings. Certain of our existing debt restricts, and future indebtedness may restrict, payment of dividends on the common stock.

Unlike indebtedness, where principal and interest customarily are payable on specified due dates, in the case of common stock, (i) dividends are payable only when and if declared by our board of directors or a duly authorized committee of the board of directors and (ii) as a corporation, we are restricted under applicable Delaware law to making dividend payments and redemption payments only from legally available assets. Further, under our certificate of incorporation, there are no restrictions on our business or operations or on our ability to incur indebtedness or engage in any transactions arising as to our common stock, subject only to the voting rights available to stockholders generally.

In addition, our rights to participate in the assets of any of our subsidiaries upon any liquidation or reorganization of any subsidiary will be subject to the prior claims of that subsidiary's creditors (except to the extent we may ourselves be a creditor of that subsidiary), including that subsidiary's trade creditors and our creditors who have obtained or may obtain guarantees from the subsidiaries. As a result, our common stock will be subordinated to our and our subsidiaries' obligations and liabilities, which currently include borrowings and guarantees. See Item 7. "*Management Discussion and Analysis of Financial Condition and Results of Operations*" - "*Senior Secured Credit Facilities*," "*6% Senior Notes due 2030,*" "*5.25% Senior Notes due 2027*" and "4.5*% Senior Notes due 2032*."

The issuance of shares of preferred stock could adversely affect holders of common stock, which may negatively impact your investment.

Our board of directors is authorized to cause us to issue classes or series of preferred stock without any action on the part of our stockholders. The board of directors also has the power, without stockholder approval, to set the terms of any such classes or series of preferred shares that may be issued, including the designations, preferences, limitations and relative rights senior to the rights of our common stock with respect to dividends or upon the liquidation, dissolution or winding up of our business and other terms. If we issue preferred shares in the future that have a preference over the common stock with respect to the payment of dividends or upon liquidation, dissolution or winding up, or if we issue preferred shares with voting rights that dilute the voting power of the common stock, the rights of holders of the common stock or the market price of the common stock could be adversely affected. As of the date of this report, we have no outstanding shares of preferred stock but we have available for issuance 1,000,000 authorized but unissued shares of preferred stock.

General Risks Related to our Company

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 EU, Brazil, 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 Item 1. "*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. As a result, we may 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, as well as laws and regulations governing international transactions (such as the regulations administered by OFAC). Recent years have seen a substantial increase in the global enforcement of anti-corruption laws and economic sanctions laws and regulations. Our operations outside the United States, including in developing countries, could increase the risk of such violations. In addition, we may 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 and other anti-bribery and anti-corruption laws and regulations, as well as OFAC and economic sanctions. While our policies mandate compliance with such laws and sanctions, our internal control policies and procedures may not always protect us from violations committed by our employees, joint venture partners or agents. Violations of the FCPA or other anti-bribery laws, or of OFAC or other economic sanctions laws, or allegations of such violations, could result in lengthy investigations and possibly 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, and our internal control policies and procedures may not protect us from violations or reckless or criminal acts committed by our employees, joint venture partners or agents.

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. High inflation, adverse changes in interest rates, 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 declines 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.

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

We regularly review potential acquisitions of complementary businesses, services or products and evaluate joint venture opportunities, including the announced and proposed joint venture with Tessenderlo Group NV to combine the Company's and Tessenderlo Group NV's respective collagen and gelatin business units. However, we may be unable to identify suitable acquisition candidates or joint venture partners in the future. Even if we identify appropriate acquisition candidates or joint venture partners, we may be unable to complete or finance such acquisitions or joint ventures on favorable terms, if at all. In addition, the process of integrating an acquired business, service or product into our existing business and operations or forming a joint venture may result in unforeseen operating difficulties and expenditures. Integration of an acquired company or formation of a joint venture also may require significant management resources that otherwise would be available for the ongoing development of our business. Moreover, we may not realize the anticipated benefits of any acquisition, joint venture or strategic alliance and such transactions may not generate anticipated financial results. Future acquisitions could also require us to incur indebtedness, assume contingent liabilities or amortize expenses related to intangible assets, any of which could harm our business and/or negatively impact our results of operations. Finally, acquisitions and joint

ventures may be structured in such a manner that would result in the assumption of unknown liabilities not disclosed by the counterparty or uncovered during pre-acquisition due diligence.

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

We carry out transactions in foreign currencies, primarily the euro, the Canadian dollar, the Chinese renminbi, the Brazilian real, the British pound, the Japanese yen, the Australian dollar and the Polish zloty. 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 reporting currency, in the preparation of our consolidated financial statements, which 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. The currency hedging instruments we utilize from time to time to help protect us from adverse fluctuations in currency exchange rates may not successfully protect us from more pronounced swings in such exchange rates. Further, by utilizing these instruments we potentially forego any benefits that result from favorable fluctuations in 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 additional 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.

Large capital projects can take many years to complete, and market conditions could deteriorate over time, negatively impacting project returns.

We, including the DGD Joint Venture, may engage in capital projects based on the forecasted project economics and level of return on the capital to be employed in the project. Large-scale projects take many years to complete, and market conditions can change from our forecast. As a result, we may be unable to fully realize our expected returns, which could negatively impact our financial condition, results of operations, and cash flows.

Changes in consumer preference could negatively impact our business.

The food and pet food industries in general are subject to changing consumer trends, demands and preferences. Trends within the food and pet food industries 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.

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 and compliance with laws and regulations around the world, maintain records of our property, plant and equipment, record and pay amounts due vendors and other creditors and manage our human resource function.

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 and implementing new systems or maintaining and upgrading existing systems and software. 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 required reimbursement of 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.

Increased information technology security threats and more sophisticated computer crime pose a risk to our systems, networks, products and services, while data privacy and cybersecurity laws continue to proliferate presenting heightened regulatory risk.

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. We are the subject of cyber-attacks from time to time, and must invest resources to protect our systems and defend against and respond to incidents. 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.

Cyber-attacks could be attempted on any of the Company's external surfaces, such as internet access points or operational technology. Threat actors may gain access to the Company's protected data, information and/or access credentials to initiate cyber-attacks or to sell or expose Company information using various schemes, including social engineering, phishing and/or artificial intelligence ("AI"), including deepfakes, as well as through data breaches, whether intentional or unintentional, including as a result of malicious insiders, insider errors, third parties who access the Company's information, data transfers and/or data classification. The Company may face additional cybersecurity risks with respect to operational technologies, including those of acquired entities or assets. Cyber-attacks on operational technology surfaces could be initiated by threat actors or malicious insiders. Pathways for cyber-attacks or incidents on operational technology or in other parts of our networks or systems could also be initiated by a third party, such as a vendor or consultant, intentionally or unintentionally, who uses a compromised device to access our operational technology and transfers the compromise, such as malware or a virus. Cyber-attacks on operational technology could include attacks on various systems such as industrial control systems (ICS) or supervisory control and data acquisition (SCADA) systems for various purposes, such as control of operations, and can spread systemically beyond the point of entry due to the interconnectivity of such systems internally and with the internet. Cyber risks with legacy systems (including legacy systems inherited in acquisitions) could include structural weaknesses or vulnerabilities, and challenges with patches and upgrades necessary to defend against threat actors. Threat actors who penetrate the Company's information systems may attempt to install malicious code (such as malware or ransomware) to gain control of systems, data, or information for the purpose of extracting a ransom; shutting down operations; initiating an equipment override to cause a fire, hazardous release or explosion; or exposing confidential or proprietary information. Cyber-attacks can also be executed within the various supply chains in which the Company operates, which could impact the availability of raw materials, transport of finished goods, port operations, markets, prices or product demand.

Furthermore, we are subject to complex and evolving laws and regulations regarding cybersecurity, privacy, know-your-customer requirements, data protection, cross-border data movement and other matters. Principles concerning the appropriate scope of consumer and commercial privacy vary considerably in different jurisdictions, and regulatory and public expectations regarding the definition and scope of consumer and commercial privacy may remain fluid. It is possible that these laws may be interpreted and applied by various jurisdictions in a manner inconsistent with our current or future practices or inconsistent with one another. If personal, confidential or proprietary information of customers or employees in our possession is mishandled or misused, we may face regulatory, reputational and operational risks which could have an adverse effect on our financial condition and results of operations. For example, the General Data Protection Regulation ("GDPR") imposes stringent data protection requirements with respect to (among other things):

- accountability and transparency requirements, requiring controllers to demonstrate and record compliance with the GDPR and to provide detailed information to individuals regarding the processing of their personal data;
- requirements to process personal data lawfully, including specific requirements for obtaining valid consent where consent is the lawful basis for processing;
- obligations to comply with various data protection rights which can be exercised by individuals;
- an obligation to report certain personal data breaches to the competent data protection supervisory authority without undue delay (and no later than 72 hours) and to affected individuals; and
- obligations relating to international transfer of personal data.

The GDPR also provides for significant penalties for noncompliance, and data protection supervisory authorities have the power under the GDPR to (among other things) impose significant fines for serious breaches and obtain corrective or injunctive relief. Individuals also have a right to compensation as a result of an organization's breach of the GDPR which has affected them, for financial or non-financial losses (e.g., distress). Additionally, we are subject to the general data protection law in Brazil, which has similar requirements and restrictions as GDPR, as well as potential penalties and other enforcement mechanisms for noncompliance.

Additionally, in the EU, the EU Network and Information Systems Security 2 Directive ("NIS2") (and the implementing laws within national EU Member States), which apply to the Company, imposes stringent cybersecurity and incident reporting requirements on "essential" and "important" entities. The NIS2 empowers the EU Member States to define all rules regarding penalties applicable to infringements, provided that they are effective, proportionate, and dissuasive, and provides that any maximum fines set by Member States for "essential" entities should be at least 10 million euros or 2% of total worldwide annual revenue, whichever is higher. In addition to monetary fines, other sanctions may include (i) a temporary suspension on providing services in the EU (by suspending relevant authorizations/certifications); (ii) an order to make public certain elements of the infringement and/or inform customers; and (iii) injunctions to immediately cease infringing conduct. Importantly, NIS2 also provides that senior members of staff can be held personally liable, and face administrative fines or be temporarily suspended from exercising managerial functions at the legal representative or chief executive officer level.

We may face difficulty in fully complying with these regulations and any failure to do so could subject us to significant monetary penalties, liabilities, and adverse publicity. In the United States, the California Consumer Privacy Act ("CCPA"), as amended by the California Privacy Rights Act ("CPRA"), is a far-reaching data privacy regime. In addition to California, several states have passed similar comprehensive data privacy laws, while other states continue to evaluate the enactment of data privacy and cybersecurity laws. California and other states are also expanding their laws to regulate the use of AI, including when AI is used to make decisions about individuals. These state laws and their regulations continue to evolve and be enacted at a rapid pace, which can make compliance difficult and costly. Additionally, the Federal Trade Commission ("FTC") and many state attorneys general are interpreting existing federal and state consumer protection laws to apply to collection, use, dissemination and security of personal information. U.S. policymakers and regulators are also increasingly focused on the safe and trustworthy use of AI, with growing state-level adoption of AI-specific legislation, including in states such as Colorado, Utah and California. These developments may require changes to our business practices and increased compliance costs.

In addition, in August 2024, EU Regulation 2024/1689 on AI ("EU AI Act") entered into force, with most rules going into effect in August 2026. The EU AI Act governs the development and deployment of AI placed on the EU market, used in the EU, or where the output is used or intended to be used within the EU. The EU AI Act aims to ensure the safe and ethical development of AI technologies, and establishes a risk-based regulatory framework, categorizing the use of AI systems into four levels according to the perceived level of risk. In case of non-compliance, the fine threshold is set at 35 million euros or 7% of total annual worldwide turnover, whichever is higher, and regulators have the power to remove non-compliant products from the EU market. Achieving compliance with the EU AI Act may require significant investments in adapting AI systems to meet regulatory requirements. This could include implementing enhanced data governance, ensuring human oversight, and providing detailed technical documentation, which may increase costs and deployment timelines.

The impact of these cybersecurity, privacy, and AI laws and orders on us and others in our industry is uncertain. We also may be required to expend significant resources to prepare for and comply with the evolving standards. We could be adversely affected if state, federal or international data privacy or cybersecurity laws or regulations are interpreted in a manner that would require changes in our business practices, or if governing jurisdictions interpret or implement their legislation or regulations in ways that negatively affect our business, financial condition and results of operations.

Artificial intelligence could subject the Company to loss through various internal and external risks.

The pace of AI advancements (including generative AI) and its complex and dynamic regulatory environment subjects the Company to a variety of risks. This includes risks to the privacy and security of the Company's data, such as unauthorized disclosures of data which could be used to the detriment of the Company. Other risks include incorrect AI outputs which risk damage to our business and results of operations due to decisions or actions premised on such incorrect outputs, or damages associated with AI outputs that infringe on a third-party's intellectual property. Furthermore, use of third-party AI platforms and models creates operational dependencies and potential risks to our business and results of operations in the event of service disruptions. AI also introduces tools that could be used for malicious purposes, such as advanced deceitful communication methods used to harm the Company. AI also subjects the Company to potential competitive disadvantages in its business and missed innovation opportunities.

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 we may not be successful in attracting, motivating and retaining key personnel. Furthermore, our ability to do so has been and may continue to be impacted by challenges in the labor market, which has experienced and may continue to experience wage inflation, labor shortages, increased employee turnover, changes in availability of labor, including without limitation due to a shift toward remote work. The failure to hire and retain such personnel could materially adversely affect our business, results of operations and financial condition.

We could have 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, could harm our operating results or cause us to fail to meet our regulatory reporting obligations in a timely manner, and could require us to take corrective actions and remediations which could include a restatement of our financials.

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 numerous other foreign jurisdictions. Significant judgment is required in determining our worldwide income tax provision, tax assets, and accruals for other taxes, and there are many transactions and calculations where the ultimate tax determination is uncertain. Our future effective tax rates could be adversely affected by changes in the mix of earnings by jurisdictions with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities and changes in tax laws or tax rates, such as the Section 45Z tax credit and implementation of the global minimum tax in the jurisdictions in which we operate. Furthermore, we are regularly subject to audit by tax authorities with respect to both income and other non-income taxes. Unfavorable audit results or tax rulings, or other changes resulting in significant additional tax liabilities, could have material adverse effects upon our earnings, cash flows, and financial condition.

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

We are a party to various lawsuits, claims and loss contingencies arising in the ordinary course of business, including insured worker's compensation, auto, and general liability claims, assertions by certain regulatory and governmental agencies related to various matters including labor and employment, employee benefits, occupational safety and health, wage and hour, compliance, sustainability, permitting requirements, environmental matters, including odor, air, wastewater and storm water discharges from the Company's processing facilities and other federal, state and local issues, litigation involving tort, contract, statutory, labor, employment, and other claims, and tax matters. The outcome of litigation, particularly class action lawsuits, and regulatory proceedings is difficult to assess or quantify and could include injunctive or other such relief which impacts our ability to operate. 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 Item 3. "*Legal Proceedings.*"

Our European pension funds may require minimum funding contributions.

In the UK and the EU, 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 EU Member States and under corresponding UK pension regulatory regimes. The IORP Directive provides for certain general solvency requirements but allows EU Member States discretion to impose specific national requirements. As a result, the solvency of EU pension funds is mostly regulated on a national level. On December 23, 2016, the new IORP Directive ("IORP Directive II") was published on the Official Journal of the European Union and entered into force on January 12, 2017. Though IORP Directive II did not make substantive changes to the solvency requirements under the original IORP Directive, it did implement enhanced governance and

risk management standards, requirements relating to cross-border activity and cross-border transfers and disclosure obligations owed to participating employees, among others. EU Member States were required to implement IORP Directive II into national legislation by January 13, 2019, although implementation and enforcement of IORP Directive II continue to vary across EU Member States. We could be adversely affected if EU Member States interpret or implement IORP Directive II in ways that negatively affect our business, financial condition and results of operations. It is also possible that some EU Member States will impose stricter requirements than currently provided for under IORP Directive II, which may require us to expend significant resources to prepare for and comply with differing standards. We could be adversely affected if these stricter or differing standards require changes in our business practices.

The insurance coverage that we maintain may not cover, or fully cover, all operational risks, and 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.

We maintain property, business interruption and casualty insurance but such insurance may not cover all of the risks associated with the hazards of our business and is subject to limitations, including deductibles and maximum liabilities covered. We may incur losses beyond the limits, or outside the coverage, of our insurance policies, including liabilities for environmental remediation. Additionally, our worker's 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, we are required to accrue or pay additional amounts because the claims prove to be more severe than our original assessments, or we are unsuccessful obtaining insurance recoveries due to legal challenges by insurance carriers in relation to covered matters (such as business interruption) our financial condition and results of operations may be materially adversely affected. In addition, in the future, the types of insurance we obtain and the level of coverage we maintain may be inadequate or we may be unable to continue to maintain our existing insurance or obtain comparable insurance at a reasonable cost. 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. If an insurance carrier were to experience financial distress, insolvency or other circumstances that impair their ability to pay claims, we could be required to bear losses that would otherwise be covered under our insurance policies, which could have a material adverse effect on our financial condition and results of operations.

We may divest certain of our brands or businesses from time to time, which could adversely affect us.

We evaluate our business regularly and, from time to time, we may decide to divest ourselves of brands or businesses that do not meet our strategic objectives or do not meet our growth or profitability targets. Nonetheless, we may not be able to divest of a brand or business on favorable terms or without significant costs or that we will be able to achieve the anticipated benefits or cost savings from the divestitures. Any such divestitures may adversely affect our results of operations if we are unable to offset the dilutive impacts from the loss of revenue associated with the divested brands or businesses, or otherwise achieve the anticipated benefits or cost savings from the divestitures. Moreover, we may incur asset impairment charges related to divestitures that reduce our profitability. We also may determine that it is necessary to divest a brand or business but not find a market for such sale, which could result in the Company being forced to continue operation of the brand or business despite minimal or negative returns or to close the brand or business resulting in various fees and expenses and potential impairment charges.

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 materially and adversely affect our net sales, costs and expenses and financial condition.

Terrorist attacks and other acts of war have contributed to economic instability in the United States 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 this report. The potential for future terrorist attacks, responses to terrorist attacks and other acts of war or hostility, including the ongoing conflicts in the Middle East, Africa, 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.

We may be unable to protect our intellectual property rights.

We maintain valuable patents, trademarks, service marks, copyrights, trade names, trade secrets, proprietary technologies and similar intellectual property, and consider our intellectual property to be of material value. Our efforts to protect our intellectual property and proprietary rights may not be sufficient. Patents may not be issued for any pending or future patent applications owned by or licensed to us, and the claims allowed under any issued patents may not be sufficiently broad to protect our technology. Any trademarks or issued patents owned by or licensed to us may be challenged, invalidated or circumvented, and the rights under these trademarks or patents may not provide us with competitive advantages. In addition, competitors may design around our technology or develop competing technologies. Intellectual property rights may also be unavailable or limited in some foreign countries, which could make it easier for competitors to capture market position in such countries by utilizing our trademarks and/or technologies that are similar to those developed or licensed by us. If we do not obtain sufficient protection for our intellectual property, or if we are unable to effectively protect our intellectual property rights, our competitiveness could be impaired, which would limit our growth and future revenue. Any litigation to enforce our intellectual property rights, protect our trade secrets or determine the validity and scope of the proprietary rights of others could result in substantial costs and diversion of resources and may not be successful.

Our products, processes, methods, and equipment 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 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 (which may not be available on acceptable terms or at all) or to pay damages and cease making or selling certain products or cease using certain trademarks with resultant losses in the brand equities and goodwill associated with such trademarks. Any of the foregoing could cause us to incur significant costs and prevent us from manufacturing or selling our products or utilizing our recognized trademarks and branding for 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 implementing 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 (collectively, the "ACA"), was signed into law in the United States. This healthcare reform legislation and its applicable implementing regulations contain provisions that could materially impact our healthcare costs, including the contributions we are required to make to our benefit plans. In particular, the requirement that we either offer our full-time employees healthcare coverage that satisfies the ACA's affordability and minimum value standards or potentially be subject to a penalty became effective in calendar year 2015. In addition, beginning in 2016, we had to file information returns with the IRS regarding the health insurance coverage offered to our full-time employees in the prior calendar year and furnish to employees a statement that includes the same information provided to the IRS. Although we are no longer required to furnish to employees these statements (except at their request), we are still required to file the required returns with the IRS. While we have timely filed such returns and provided our employees with the required statements to date, failure to do so in the future could expose us to reporting penalties under applicable sections of the Internal Revenue Code. These provisions could reduce our net income and adversely affect our cash flows.

Since its enactment, the ACA has been subject to numerous legislative, regulatory and judicial changes. Although Congress has not repealed the ACA in its entirety, various provisions have been modified, delayed or repealed, including elimination of the federal individual mandate penalty and changes to employer- and insurer-related taxes, and premium subsidy levels have been expanded and extended through 2025. In addition, the ACA has been and continues to be subject to significant judicial challenges, including ongoing litigation regarding the requirement to provide certain preventive services without cost sharing. Future legislative, regulatory or judicial actions could further modify or invalidate portions of the ACA, which could affect the cost, structure or availability of health coverage and have an adverse effect on our business, financial condition and results of operations.

There is also uncertainty regarding any future healthcare reform that the administration or Congress may propose, if any, including whether any proposals will encompass or potentially alter the full-time employee healthcare coverage requirements and reporting obligations imposed on large employers like us. Any changes may likely take time to unfold, and we cannot predict the ultimate content, timing, or effect of any healthcare reform legislation or the impact of potential legislation or related proposals and policies on us. We cannot assure that healthcare coverage laws, as currently enacted or as

repealed or amended in the future, will not adversely affect our business and financial results and we cannot predict how future federal or state legislative or administrative changes relating to healthcare reform will affect our business.

We may incur significant charges and experience disruptions or losses of customer and/or supplier relationships 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 and disruptions or losses of customer and/or supplier relationships that could be significant to our business, results of operations and financial condition.

We may not be able to achieve our climate, sustainability or other such goals, targets or objectives.

We have established, and expect to continue to establish, goals, targets, and other objectives related to climate, sustainability and other such matters, including, without limitation, reduction of our GHG emissions. Such statements reflect our current plans at the time they are made, and do not constitute a guarantee that they will be achieved. Our efforts to research, establish, accomplish, and accurately report on these goals, targets, and objectives could expose us to operational, reputational, financial, legal, and other risks. Our ability to achieve any stated goal, target, or objective is and will be subject to numerous factors and conditions, including, without limitation, available technology, costs and impacts, new or unforeseen climate events, operational challenges with GHG reduction work and changes in governmental incentives related to GHG reductions. Many of these factors and conditions are outside of our control, such as evolving regulatory or quasi-regulatory sustainability standards, differing requirements and the pace of changes in technology, and other factors that are not yet known. In addition, the methodologies and standards for collecting, calculating and estimating GHG emissions, reductions and avoidance are continuing to be developed and adapted, which could later necessitate changes or revisions to our goals, targets or objectives. Changes to our goals, targets or objectives may also be required due to other factors, such as the Company's performance, cash flows, operational needs and objectives, or market factors.

We may face increased scrutiny from the investment community, other stakeholders, regulators, and the media related to our sustainability activities, including the goals, targets, and objectives that we announce, and our methodologies and timelines for pursuing them. If our sustainability practices do not meet investor or other stakeholder expectations and standards, which continue to evolve, our reputation, ability to attract or retain employees, and attractiveness as an investment or business partner could be negatively impacted. Similarly, our failure or perceived failure to pursue or fulfill our goals, targets, and objectives, to comply with ethical, environmental, sustainability or other standards, regulations, or expectations, or to satisfy various reporting standards with respect to these matters, within the timelines that we announce, or at all, could have the same negative impacts, as well as expose us to government enforcement actions and private litigation. Even if we achieve the goals, targets, and objectives we set, we may not realize all of the benefits that we expected at the time such goals, targets, and objectives were established.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

The Company takes an active, multi-faceted approach to cybersecurity, including adversarial engagement, under an "assume breach" philosophy premised on the continuous and ever-evolving nature of cyber threats and threat actors. The Company utilizes a cross-functional working group comprised of a Cybersecurity Department, which is responsible for overseeing cybersecurity for the Company's information systems; and plant operational technology (OT) personnel who are responsible for the security of plant OT. This group works in a cross-functional context due to the interconnectivity of these systems, as well as to collaborate about cybersecurity matters. The Company's Cybersecurity Department is headed by the Director of Global Cybersecurity, who reports to the Company's Chief Information Officer, and includes personnel located around the world who have cybersecurity training and skills in engineering, architecture, surveillance, analytics and administration. The Cybersecurity Department is responsible for setting the Company's cybersecurity policies, standards and benchmarks for its information systems, penetration testing and overseeing repairs of technical elements that fail testing. The Cybersecurity Department also conducts threat hunting within the Company's information systems and responds to threats. The Cybersecurity Department has implemented AI tools to monitor Company information systems to identify potential

cybersecurity threats. The Cybersecurity Department also engages certain third-party specialists to periodically review the Company's information systems and cybersecurity defenses, as well as to provide education about current and emerging threats, techniques and countermeasures. The Cybersecurity Department has also conducted cyber-attack simulation exercises with Company executive management and other leadership personnel for cyber-attack readiness. The Company's Director of Global Cybersecurity and Chief Information Officer also collaborate with our joint venture partner concerning cybersecurity matters for the DGD Joint Venture.

The Cybersecurity Department uses a system based on the critical security controls set forth by the Center for Internet Security, Inc. (CIS) as a benchmark and framework for its cybersecurity defenses, and has implemented cybersecurity policies and controls designed using the CIS controls framework. The Cybersecurity Department regularly implements updates and changes to its cybersecurity program to remain current and adapt to emerging cybersecurity risks; audits the cybersecurity program typically every three years; conducts targeted vulnerability testing; and assigns pertinent Company personnel as owners for governance and compliance. The Cybersecurity Department also provides cybersecurity training to Company employees.

The Company's Chief Financial Officer oversees a corporate risk analysis that organizes the Company's enterprise risks, including cybersecurity, into categories to assess the potential likelihood and impact of each, and to review quarterly with the board of directors.

The Company also has an internal Cybersecurity Committee comprised of leadership across multiple internal functions that meets regularly to review, with the Director of Global Cybersecurity and the Chief Information Officer, active and thwarted cybersecurity incidents, systemic threats, attack trends and techniques, counter and preventative measures and defenses being implemented to enhance security. The meetings are also conducted for: ongoing awareness among Company leadership about cybersecurity threats and incidents; discussion of strategies for continuous improvement and associated capital needs; and review of oversight, governance and reporting of cybersecurity matters.

The Cybersecurity Department outsources several cybersecurity defense measures to utilize the know-how and tools, including AI, of industry leading companies. The Cybersecurity Department also proactively consults with specialists in a variety of cybersecurity disciplines to review the Company's information systems for cyber risks and to provide advice for remediating areas of concern, as well as for implementing preventative measures to improve the Company's defenses.

The Company implements cybersecurity policies and controls within acquired entities as part of its integration process over time, typically in a phased approach, and with time periods for full execution varying depending on multiple factors, including the size and geographic scope of the acquired entity's operations; the status of the acquired entity's security including security systems, tools and personnel; security risks within the acquired entity; and the availability and quality of any interim defenses which can be implemented to protect both the Company and the acquired entity or to prevent threats at the acquired entity from reaching the Company's systems. Cybersecurity is also part of the Company's acquisition due diligence to identify risks and interim remedial measures for prioritization and implementation near transaction closing, subject to antitrust rules.

In addition to the Company's active monitoring of certain critical third parties for cybersecurity threats and attacks, the Company also has certain critical third parties who access its information systems subject to controls designed to mitigate risks from cyber-attacks originating within infected third-party information systems. Moreover, the Company conducts diligence of certain of its third-party service providers with attention to cybersecurity risks.

As of the date of this report, we have not identified any risks from cybersecurity threats, including those from any previous cybersecurity incidents, that have materially affected us, our business strategy, results of operation or financial condition. However, there can be no assurances that a cybersecurity threat or incident that could have a material impact on us has not occurred or will not occur in the future. For additional information on risks from cybersecurity threats, please see Item 1A Risk Factors.

Governance

The Director of Global Cybersecurity and the Chief Information Officer, in coordination with the Cybersecurity Department and other appropriate personnel, are responsible for assessing and managing the Company's material risks from cybersecurity threats. Our Director of Global Cybersecurity has served in various roles in information technology and information security for over 25 years, has been in the current role with the Company for more than 10 years, and has been trained and accredited in multiple cybersecurity subjects including training with governmental agencies. Our Chief Information Officer has served in various roles in information technology and information security for over 25 years, has been in the current

role with the Company for more than 10 years, and holds a Master of Business Administration degree with a concentration in information systems management.

The Company regularly confronts cyber risks, threats and incidents, any one of which could have a material impact on the Company, including its business strategy, results of operations or its financial condition. If the Company experiences a cybersecurity incident requiring a response, it has a Computer Incident Response Plan, which defines response protocols, resource allocations and personnel engagement depending on severity level. Executive leadership, including the CEO, would be engaged in the event of an incident at certain severity levels and the CEO would engage members of the Company's board of directors as appropriate. The Cybersecurity Department would also utilize third-party experts and consultants it has on retainer, depending on the nature of the incident.

The Company's board of directors actively engages with senior management to understand and oversee the Company's various risks, including cybersecurity, and members of senior management regularly attend board meetings to provide periodic briefings or presentations on such risk matters. The Company provides presentations to its board of directors about cybersecurity matters, including review of cyber threats, incidents, trends and risks facing the Company; the Company's defenses against cyber-attacks including personnel, software, hardware and third-party tools and expertise; and the Company's governance, including policies, standards, benchmarks and auditing and testing, as well as remedial, preventative and proactive measures to repair or enhance the Company's cybersecurity defenses. Board engagement in these matters includes dialogue and questions, board member insights and perspectives from their industry experience and subject matter expertise and strategic suggestions and considerations for Company management to evaluate, all as part of the board's oversight of Company cybersecurity risks. The Company's Chief Information Officer and Director of Global Cybersecurity are also available to board members to discuss questions concerning cybersecurity matters.

ITEM 2. PROPERTIES

As of January 3, 2026, the Company's corporate headquarters is located at 5601 N MacArthur Boulevard, Irving, Texas, 75038.

As of January 3, 2026, the Company operates a global network of over 260 locations, including 186 production facilities, across five continents. All of the processing facilities are owned except for 10 leased facilities and the Company owns and leases a network of transfer stations. The following is a listing of a majority of the Company's operating plants as of January 3, 2026 by operating segment with a description of the plant's principal process.

LOCATION	DESCRIPTION
Feed Ingredients Segment	
Albertville, Alabama, United States	Bakery Residuals
Amarillo, Texas, United States	Animal By-Products
Aquiraz, Brazil	Animal By-Products
Baltimore, Maryland, United States	Used Cooking Oil
Bastrop, Texas, United States	Animal By-Products
Bellevue, Nebraska, United States	Animal By-Products
Berlin, Wisconsin, United States	Animal By-Products
Blue Earth, Minnesota, United States	Animal By-Products
Blue Island, Illinois, United States	Used Cooking Oil/Trap Processing
Boa Vista do Sul, Brazil	Animal By-Products
Boise, Idaho, United States	Animal By-Products
Burgum, Netherlands	Animal By-Products
Butler, Kentucky, United States	Animal By-Products
Butler, Kentucky, United States	Bakery Residuals
Cacoal, Brazil	Animal By-Products
Capela de Santana, Brazil	Animal By-Products
Carambei, Brazil	Animal By-Products
Clinton, Iowa, United States	Animal By-Products
Coldwater, Michigan, United States	Animal By-Products
Collinsville, Oklahoma, United States	Animal By-Products
Cruzeiro do Sul, Brazil	Animal By-Products
Cruzeiro do Sul, Brazil	Animal By-Products
Dallas, Texas, United States	Animal By-Products
Denver, Colorado, United States	Animal By-Products

Des Moines, Iowa, United States	Animal By-Products
Doswell, Virginia, United States	Bakery Residuals
Dundas, Ontario, Canada	Animal By-Products
Dourados, Brazil	Animal By-Products
East Dublin, Georgia, United States	Animal By-Products
E. St. Louis, Illinois, United States	Animal By-Products
Ellenwood, Georgia, United States	Animal By-Products
Fayetteville, North Carolina, United States	Animal By-Products
Grapeland, Texas, United States	Animal By-Products
Hamilton, Michigan, United States	Animal By-Products
Henderson, Kentucky, United States	Fertilizer
Henderson, Kentucky, United States	Bakery Residuals
Hickson, Ontario, Canada	Animal By-Products
Honey Brook, Pennsylvania, United States	Bakery Residuals
Houston, Texas, United States	Animal By-Products
Itauba, Brazil	Animal By-Products
Jackson, Mississippi, United States	Animal By-Products
Jaraguari, Brazil	Animal By-Products
Kansas City, Kansas, United States	Animal By-Products
Kansas City, Kansas, United States	Protein Refining
Knoxville, Tennessee, United States	Animal By-Products
Krasnystaw, Poland	Animal By-Products
Lewiston, North Carolina, United States	Animal By-Products
Lexington, Nebraska, United States	Animal By-Products
Lingen, Germany	Blood
Linkwood, Maryland, United States	Animal By-Products
Linville, Virginia, United States	Animal By-Products
Loenen, Netherlands	Animal By-Products
Los Angeles, California, United States	Animal By-Products
Luohe, China	Blood
Maquoketa, Iowa, United States	Blood
Marshville, North Carolina, United States	Bakery Residuals
Maryborough, Australia	Blood
Maysville, Kentucky, United States	Protein Refining
Mason City, Illinois, United States	Animal By-Products
McBride, Missouri, United States	Bakery Residuals
Mering, Germany	Blood
Mifflintown, Pennsylvania, United States	Wet Pet Food
Mirowice, Poland	Animal By-Products
Moorefield, Ontario, Canada	Animal By-Products
Muscatine, Iowa, United States	Protein Refining
Newark, New Jersey, United States	Animal By-Products
Newberry, Indiana, United States	Animal By-Products
North Baltimore, Ohio, United States	Bakery Residuals
Omaha, Nebraska, United States	Protein Refining
Omaha, Nebraska, United States	Animal By-Products
Osetnica, Poland	Animal By-Products
Paducah, Kentucky, United States	Wet Pet Food
Pocahontas, Arkansas, United States *	Animal By-Products
Pszczonów, Poland	Animal By-Products
Ravenna, Nebraska, United States	Wet Pet Food
Rose Hill, North Carolina, United States	Animal By-Products/Fat Extraction
Russellville, Kentucky, United States	Animal By-Products
Saint-Catherine, Quebec, Canada*	Used Cooking Oil
San Angelo, Texas, United States	Blood
San Francisco, California, United States *	Animal By-Products
São Domingos do Araguaia, Brazil	Animal By-Products
Sioux City, Iowa, United States	Animal By-Products

Smyrna, Georgia, United States	Trap Processing
Springdale, Arkansas, United States	Wet Pet Food
Son, Netherlands	Animal By-Products
Starke, Florida, United States	Animal By-Products
Suzhou, China	Blood
Tacoma, Washington, United States *	Animal By-Products
Tama, Iowa, United States	Animal By-Products
Tampa, Florida, United States	Animal By-Products
Terre Hill, Pennsylvania, United States	Animal By-Products
Truro, Novia Scotia, Canada	Used Cooking Oil
Tubarão, Brazil	Animal By-Products
Turlock, California, United States	Animal By-Products
Turlock, California, United States	Fertilizer
Uberaba, Brazil	Animal By-Products
Union City, Tennessee, United States	Animal By-Products
Usnice, Poland	Animal By-Products
Veribest, Texas, United States	Animal By-Products
Wadesborro, North Carolina, United States	Animal By-Products
Wahoo, Nebraska, United States	Animal By-Products
Ward, South Carolina, United States	Animal By-Products
Watts, Oklahoma, United States	Bakery Residuals/Protein Refining
Wichita, Kansas, United States	Animal By-Products
Winchester, Virginia, United States	Animal By-Products
Winesburg, Ohio, United States *	Animal By-Products
Winnipeg, Manitoba, Canada	Animal By-Products
Xanxerê, Brazil	Animal By-Products
Xinguara, Brazil	Animal By-Products
Food Ingredients Segment	
Almere, Netherlands	Casings
Amparo, Brazil	Collagen
Angouleme, France	Collagen
Araguaìna, Brazil	Collagen
Da'an, China	Collagen
Dubuque, Iowa, United States	Collagen
Eindhoven, Netherlands	Fat
Elsholz, Germany	Fat
Erolzheim, Germany	Fat
Gent, Belgium	Collagen
Girona, Spain	Collagen
Harlingen, Netherlands	Fat
Ilse-Sur-La-Sorgue, France	Collagen
Ità, Brazil	Collagen
Kaiping, China	Collagen
Lubien, Poland	Fat
Minga Guazú, Paraguay	Collagen
Nazàrio, Brazil	Collagen
Portage, Indiana, United States	Collagen
Porto, Portugal	Casings
Presidente Epitacio, Brazil	Collagen
Sorriso, Brazil	Collagen
Stoke-on Trent, United Kingdom	Bone
Versmold, Germany	Fat
Vuren, Netherlands	Bone
Wenzhou, China	Collagen
Fuel Ingredients Segment	
Antwerp, Belgium	Digester
Belm-Icker, Germany	Bioenergy

Denderleeuw, Belgium	Bioenergy
Denderleeuw, Belgium	Digester
Jagel, Germany	Bioenergy
Rotenburg, Germany	Bioenergy
Son, Netherlands	Bioenergy
Son, Netherlands	Digester
Świdnica, Poland	Bioenergy

* Leased

Rent expense for our leased properties was $20.3 million in the aggregate in fiscal 2025. We believe our current properties are suitable and adequate for their intended purpose.

ITEM 3. LEGAL PROCEEDINGS

The Company is a party to various lawsuits, claims and loss contingencies arising in the ordinary course of its business, including insured worker's compensation, auto, and general liability claims, assertions by certain regulatory and governmental agencies related to various matters including labor and employment, employee benefits, occupational safety and health, wage and hour, compliance, sustainability, permitting requirements, environmental matters, including air, wastewater and storm water discharges from the Company's processing facilities and other federal, state and local issues, litigation involving tort, contract, statutory, labor, employment, and other claims, and tax matters.

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 under these insurance policies 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, regulatory, governmental, environmental and litigation. At January 3, 2026 and December 28, 2024, the reserves for insurance, regulatory, governmental, environmental and litigation reflected on the balance sheet in accrued expenses and other noncurrent liabilities was approximately $86.0 million and $97.1 million, respectively. The Company has insurance recovery receivables reflected on the balance sheet in other assets of approximately $27.1 million and $39.0 million as of January 3, 2026 and December 28, 2024, respectively, related to the insurance contingencies. 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 contingencies will not exceed current estimates. The Company believes that the likelihood is remote that any additional liability from the pending 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 alleged successor-in-interest to The Standard Tallow Corporation) is considered a potentially responsible party (a "PRP") with respect to alleged contamination in the lower 17-mile area of the Passaic River (the "Lower Passaic River") which is part of the Diamond Alkali Superfund Site located in Newark, New Jersey. The Company's designation as a PRP is based upon the operation of former plant sites located in Newark and Kearny, New Jersey by The Standard Tallow Corporation, an entity that the Company acquired in 1996. In March 2016, the Company received another letter from the EPA notifying the Company that it had issued a Record of Decision (the "ROD") selecting a remedy for the lower 8.3 miles of the Lower Passaic River area at an estimated cost of $1.38 billion. The EPA letter made no demand on the Company and laid out a framework for remedial design/remedial action implementation under which the EPA would first seek funding from major PRPs. The letter indicated that the EPA had sent the letter to over 100 parties, which include large chemical and refining companies, manufacturing companies, foundries, plastic companies, pharmaceutical companies and food and consumer product companies. The Company asserts that it is not responsible for any liabilities of its former subsidiary The Standard Tallow Corporation, which was legally dissolved in 2000, and that, in any event, the Standard Tallow Corporation did not discharge any of the eight contaminants of concern identified in the ROD (the "COCs"). Subsequently, the EPA conducted a settlement analysis using a third-party allocator and offered early cash out settlements to those PRPs for whom the third-party allocator determined did not discharge any of the COCs. The Company participated in this allocation process, and in November 2019, received a cash out settlement offer from the EPA in the amount of $0.6 million ($0.3 million for each of the former plant sites in question) for liabilities relating to the lower 8.3 miles of the Lower Passaic River area. The Company accepted this settlement offer, and the settlement became effective on April 16, 2021 following the completion of the EPA's administrative approval process. In September 2021, the EPA released a ROD selecting an interim remedy for the upper nine miles of the Lower Passaic River at an expected additional cost of $441 million. In

October 2022, the Company, along with other settling defendants, entered into a Consent Decree with the EPA pursuant to which the Company paid $0.3 million to settle liabilities for both of the former plant sites in question related to the upper nine miles of the Lower Passaic River. The Company paid this amount into escrow, as the settlement is subject to the EPA's administrative approval process, which includes publication, a public comment period and court approval. In December 2024, the court granted the issuance of the Consent Decree; however, this decision has been appealed. On September 30, 2016, Occidental Chemical Corporation ("OCC") entered into an agreement with the EPA to perform the remedial design for the cleanup plan for the lower 8.3 miles of the Lower Passaic River. On June 30, 2018, OCC filed a complaint in the United States District Court for the District of New Jersey against over 100 companies, including the Company, seeking cost recovery or contribution for costs under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") relating to various investigations and cleanups OCC has conducted or is conducting in connection with the Lower Passaic River. According to the complaint, OCC has incurred or is incurring costs which include the estimated cost to complete the remedial design for the cleanup plan for the lower 8.3 miles of the Lower Passaic River. OCC is also seeking a declaratory judgment to hold the defendants liable for their proper shares of future response costs, including the remedial action for the lower 8.3 miles of the Lower Passaic River. The Company, along with 40 of the other defendants, had previously received a release from OCC of its CERCLA contribution claim of $165 million associated with the costs to design the remedy for the lower 8.3 miles of the Lower Passaic River. Furthermore, the Company's settlements with the EPA described above could preclude certain of the claims alleged by OCC against the Company. The Company's ultimate liability, if any, 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, the Company has found no definitive evidence that the former Standard Tallow Corporation plant sites contributed any of the COCs to the Passaic River and, therefore, 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.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

The Company's common stock is traded on the New York Stock Exchange ("NYSE") under the symbol "DAR".

Holders

The Company has been notified by its stock transfer agent that as of February 26, 2026, there were 67 holders of record of the common stock.

Dividend Policy

The Company has not paid any dividends on its common stock since January 3, 1989 and does not expect to pay cash dividends in 2026. The agreements underlying the Company's senior secured credit facilities and certain of the Company's senior notes permit the Company to pay cash dividends on its common stock within limitations defined in such agreements. Any future determination to pay cash dividends on the Company's common stock will be at the discretion of the Company's board of directors and will be based upon the Company's financial condition, operating results, capital requirements, plans for expansion, restrictions imposed by any existing or future financing arrangements, and any other factors that the board of directors determines are relevant.

Issuer Purchases of Equity Securities

The Company's Board of Directors approved a share repurchase program in August 2017, which was refreshed on June 21, 2024 up to an aggregate of $500.0 million of the Company's Common Stock depending on market conditions and extended to August 13, 2026. Under this program, we repurchased 1,042,253 shares for approximately $34.7 million including commissions in fiscal 2025. As of the date of this report, the Company had approximately $460.3 million remaining under the share repurchase program.

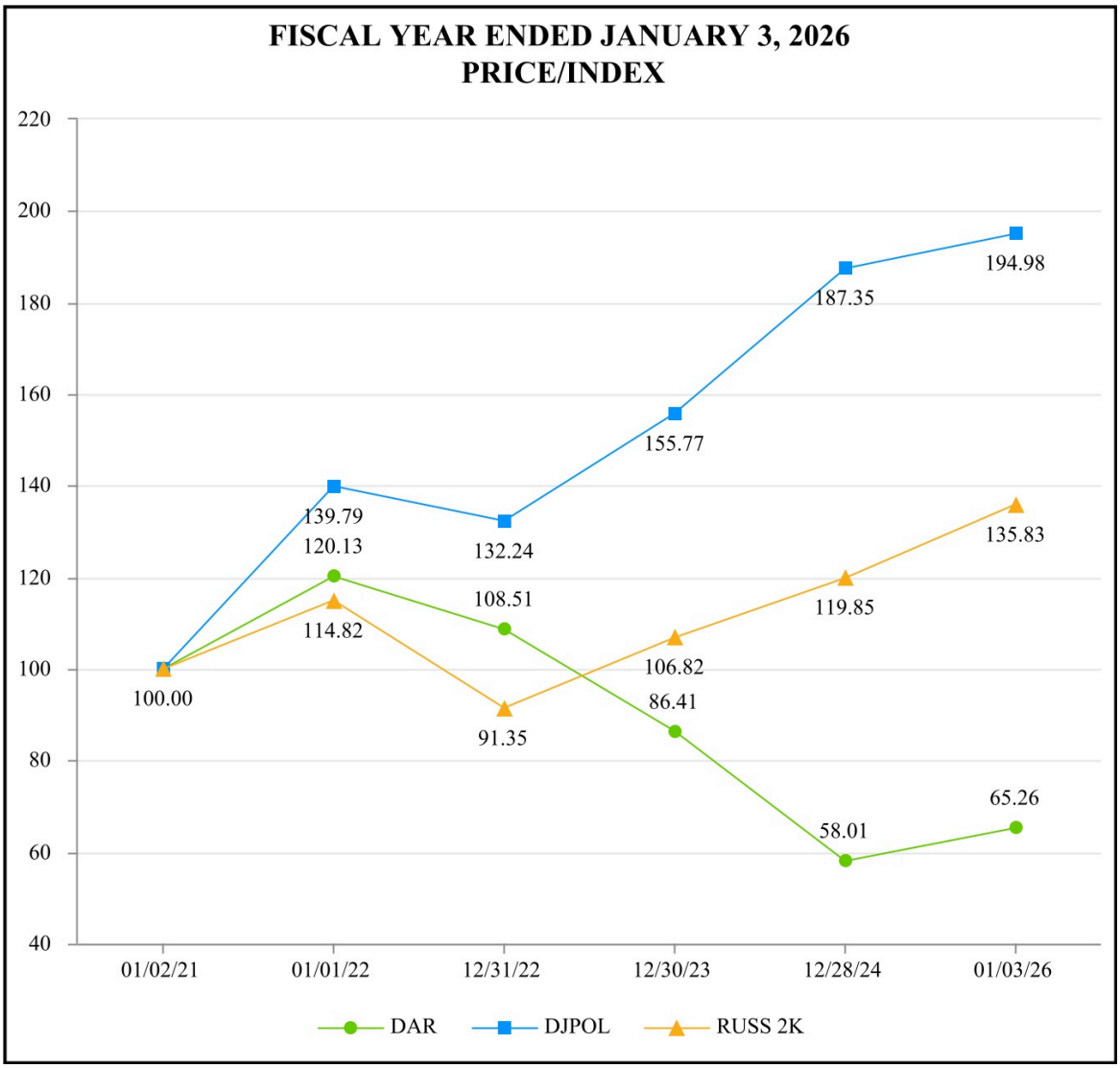
The Company did not purchase any equity securities under the share repurchase program during the fourth quarter of fiscal 2025.

Separate from this share repurchase program, a total of 339,411 shares were withheld from equity award recipients to cover payroll taxes on the vesting of shares of restricted stock, restricted stock units, exercised options and the strike price on exercised options during fiscal 2025 pursuant to the terms of our 2017 Omnibus Incentive Plan and 2012 Omnibus Incentive Plan, as amended.

Common Stock Performance Graph

Set forth below is a line graph comparing the change in the cumulative total stockholder return on the Company's common stock with the cumulative total return of the Russell 2000 Index and the Dow Jones US Waste and Disposal Service Index for the period from January 2, 2021 to January 3, 2026, assuming the investment of $100 on January 2, 2021 and the reinvestment of dividends.

The stock price performance shown on the following graph only reflects the change in the Company's stock price relative to the noted indices and is not necessarily indicative of future price performance.



EQUITY COMPENSATION PLANS

The information required by this Item with respect to Item 201(d) of Regulation S-K appears in Item 12 of this report.

ITEM 6. RESERVED

Not applicable.

ITEM 7. 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. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth below under the heading "Forward Looking Statements" and in Item 1A of this report under the heading "Risk Factors."

Fiscal Year 2025 Overview

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, industrial, fuel, bioenergy and fertilizer industries. With operations on five continents, the Company collects and transforms all aspects of animal by-product streams into useable and specialty ingredients, such as collagen, edible fats, feed-grade fats, animal proteins and meals, plasma, pet food ingredients, organic fertilizers, yellow grease, fuel feedstocks, agriculture-based biofuels, natural casings and hides. The Company also recovers and converts recycled oils (used cooking oil and animal fats) into valuable fuel and feed ingredients and collects and processes residual bakery products into feed ingredients. In addition, the Company provides environmental services, such as grease trap collection and disposal services to food service establishments. The Company sells its products through a global network and operates within three industry segments: Feed Ingredients, Food Ingredients and Fuel Ingredients.

The Feed Ingredients operating segment includes the Company's global activities related to (i) the collection and processing of beef, poultry and pork animal by-products in North America, Europe and South America 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 and South America into non-food grade fats, (iv) the collection and processing of porcine and bovine blood in China, Europe, North America and Australia into blood plasma powder and hemoglobin, (v) the processing of selected portions of slaughtered animals into a variety of meat products for use in pet food in Europe, North America and South America, (vi) the processing of cattle hides and hog skins in North America, (vii) the production of organic fertilizers using protein produced from the Company's animal by-products processing activities in North America and Europe, (viii) the rearing and processing of black soldier fly larvae into specialty proteins and fats for use in animal feed and pet food in North America, and (ix) the provision of grease trap services to food service establishments in North America. Non-food grade oils and fats produced and marketed by the Company are principally sold to third parties to be used as ingredients in animal feed and pet food, as an ingredient for the production of agriculture-based biofuels (such as renewable diesel and SAF), or to the oleo-chemical industry to be used as an ingredient in a wide variety of industrial applications. Protein meals, blood plasma powder and hemoglobin produced and marketed by the Company are sold to third parties to be used as ingredients in animal feed, pet food and aquaculture.

The Food Ingredients operating segment includes the Company's global activities related to (i) the purchase and processing of beef and pork bone chips, beef hides, pig skins, and fish skins into collagen in Europe, China, South America and North America, (ii) the collection and processing of porcine and bovine intestines into natural casings in Europe and China, (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 collagen industry and bone ash in Europe. Collagens produced and marketed by the Company are sold to third parties to be used as ingredients in the pharmaceutical, nutraceutical, food, pet food and technical (e.g., photographic) industries. Natural casings produced and marketed by the Company 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 the Company's global activities related to (i) the Company's share of the results of its equity investment in the DGD Joint Venture with Valero 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 fuels/products, such as renewable diesel and SAF as described in Note 1 and Note 2 to the Company's Consolidated Financial Statements for the period ended January 3, 2026 included herein, (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, and (iv) the processing of manure into natural bio-phosphate in Europe.

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

Economic Conditions and Uncertainties

Global Economic Conditions

We operate globally and have operations in numerous countries. As such, we are exposed to, and impacted by global macroeconomic factors, U.S. and foreign government policies, including tariff policies, and foreign exchange fluctuations. Global economic conditions continue to be highly volatile due to, among other things, the conflicts in Ukraine and the Middle East and their impacts on volatility in energy and other commodity prices, inflation, cost and supply chain pressures and availability, and disruption in banking systems and capital markets. Disturbances in world financial, credit, commodities and stock markets, including inflationary, deflationary and recessionary conditions, could have a negative impact on the Company's results of operations. Any such disturbances or disruptions may also magnify the impact of other risks described in this Annual Report on Form 10-K for the fiscal year ended January 3, 2026.

Energy Policies of U.S. and Foreign Governments

Prices for our finished products, including those of DGD, may be impacted by government policies around the world relating to renewable fuels and GHG. Programs like the U.S. National RFS and LCFS (such as those in place in the state of California) and tax credits for biofuels and mandates for biofuel use both in the United States and abroad, such as IR Acts's 45Z and European Union's renewable energy directive (RED III), are subject to revision and change which may impact the demand for and/or price of our finished products. Legal challenges or changes to, a failure to enforce, reductions in the mandated volumes under, or discontinuing, amending, modifying, or suspending of any of these programs could have a negative impact on our business and results of operations. However, such rules and the regulatory environment are continuing to evolve and change, and we cannot predict the ultimate effect that such changes may have on our business.

Risks Associated with Tariffs

We expect tariffs on products imported into the U.S. from Brazil, Canada, China, the European Union and Mexico, and other countries upon which tariffs may be imposed, to continue to be met with retaliatory tariffs from those countries, both of which (U.S. and foreign tariffs) could impact our consolidated results of operations as we export certain of our finished products to and from the U.S. While to date these tariffs have not had a material impact on our results of operations, the extent and duration of tariffs and the resulting impact on macroeconomic conditions and on our business are uncertain and may depend on various factors, including negotiations between the U.S. and affected countries, retaliation imposed by other countries, tariff exemptions, negative sentiment toward U.S. companies and products, and availability of lower cost inputs to our customers. In addition, on February 20, 2026, the Supreme Court of the United States declared some of the existing U.S. tariffs imposed on certain countries unlawful. It remains uncertain how this decision will affect the existing tariffs or whether additional tariffs will be imposed under other laws. Meanwhile, it is also unclear at this point in time as to whether a recovery of previously paid tariffs will be possible; however, if a recovery is possible, the Company and the Company's DGD Joint Venture may have opportunities for meaningful recoveries. We will continue to evaluate the nature and extent of the impact to our business and consolidated results of operations and actions we can take to minimize their impact.

Climate Change

There is global concern that carbon dioxide and other GHG in the atmosphere may have an adverse impact on global temperatures, weather patterns and the frequency of extreme weather and natural disasters. We are subject to physical, operational, transitional and financial risks associated with climate change and global, regional and local weather conditions, as well as legal, regulatory and market responses to climate change. Certain jurisdictions in which we operate have either imposed, or are considering imposing, new or increasingly stringent legal and regulatory requirements to reduce or mitigate the potential effects of climate change, including regulation and reduction of GHG and potential carbon pricing programs. These new or increasingly stringent legal or regulatory requirements could result in significantly increased costs of compliance and additional investments in facilities and equipment, and reduced raw material supplies in areas where these requirements limit or eliminate livestock operations. While we assess climate related regulatory risks as part of our risk management process, we are unable to predict the scope, nature and timing of any new or increasingly stringent environmental laws and regulations and therefore cannot predict the ultimate impact of such laws and regulations on our business or financial results. We continue to monitor existing and proposed laws and regulations in the jurisdictions in which we operate and to consider actions we may take to potentially mitigate the unfavorable impact, if any, of such laws or regulations. Furthermore, there is legislation regulating corporate environmental, social and governance ("ESG") practices, including practices related to the causes and impacts of climate change as well as supply chain control and compliance with human rights. These and emerging new rules, which apply to all large companies and to listed small and medium-sized enterprises, require companies to report on how sustainability issues (environmental, social, and governance) affect their business and about their own impact on people and the environment. There has also been increased focus from our stakeholders, including consumers, employees and investors, on our sustainability

and ESG practices. We expect that stakeholder expectations with respect to sustainability and ESG expectations will continue to evolve, which may necessitate additional resources to monitor, report on, and adjust our operations.

For additional information on risk factors that could impact our results, please refer to "Risk Factors" in Part I, Item 1A of this Annual Report on Form 10-K for the fiscal year ended January 3, 2026.

Operating Performance Indicators

The Company monitors the performance of its business segments using key financial metrics such as results of operations, non-GAAP measurements (Adjusted EBITDA), segment operating income, raw material processed, gross margin percentage, foreign currency translation, and corporate activities. The Company's operating results can vary significantly due to changes in factors such as the fluctuation in commodity prices and 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, forward-looking financial or operational estimates are not provided. The Company is exposed to certain risks associated with a business that is influenced by agricultural-based commodities. These risks are further described in Item 1A of this report under the heading "Risk Factors."

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 oil, 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 brief lapse of time between the procurement of the raw materials and the sale of the finished goods. In addition, the volume of raw material 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 Company's Food Ingredients segment collagen and natural casings products are influenced by other competing ingredients including plant-based and synthetic hydrocolloids and artificial casings, as well as ag-based alternative ingredients. In the collagen operation, 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 the Food Ingredients segment collagen and casings is generally 30 to 60 days, which is substantially longer than the Company's Feed Ingredients segment 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 Company's Fuel Ingredients segment converts fats into renewable fuels/products, organic sludge and food waste into biogas, and fallen stock into low-grade energy sources. The Company's gross margin and profitability in this segment are impacted by world energy prices for oil, electricity, natural gas and governmental subsidies.

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 and Polish zloty. To prepare the Company's consolidated financial statements, assets, liabilities, revenues, and expenses must be translated 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.

Results of Operations

Fiscal Year Ended January 3, 2026 Compared to Fiscal Year Ended December 28, 2024

Fiscal 2025 includes an additional week of operations which occurs every five to six years. In Fiscal 2025 the additional week occurred in the fourth quarter and increased total net sales and operating income by approximately $122.1 million and $9.8 million, respectively.

Operating Performance Metrics

Other operating performance metrics which management routinely monitors as an indicator of operating performance include:

- Finished product commodity prices
- Segment results
- Foreign currency exchange
- Corporate activities
- Non-U.S. GAAP measures

These indicators and their importance are discussed below.

Finished Product Commodity Prices

Prices for finished product commodities that the Company produces in the Feed Ingredients segment are reported each business day on the Jacobsen Index (the "Jacobsen"), an established North American trading price publisher. The Jacobsen reports industry sales from the prior day's activity by product. Included on the Jacobsen are reported prices for finished products such as MBM, PM and feather meal ("FM"), hides, BFT and YG and corn, which is a substitute commodity for the Company's BBP, as well as a range of other branded and value-added products, which are products of the Company's Feed Ingredients segment. In the United States and South America, the Company regularly monitors the Jacobsen for MBM, PM, FM, BFT, YG and corn because it provides a daily indication of the Company's U.S. and Brazilian revenue performance against business plan benchmarks. In Europe and South America, the Company regularly monitors Thomson Reuters ("Reuters") to track the competing commodities palm oil and soy meal.

Although the Jacobsen and Reuters provide useful metrics of performance, the Company's finished products are commodities that compete with other commodities such as corn, soybean oil, palm oil complex, soybean meal and heating oil on nutritional and functional values. Therefore, actual pricing for the Company's finished products, as well as competing products, can be quite volatile. In addition, neither the Jacobsen nor Reuters provides forward or future period pricing for the Company's commodities. The Jacobsen and Reuters prices quoted below are for delivery of the finished product at a specified location. Although the Company's prices generally move in concert with reported Jacobsen and Reuters prices, the Company's actual sales prices for its finished products may vary significantly from the Jacobsen and Reuters because of production and delivery timing differences and because the Company's finished products are delivered to multiple locations in different geographic regions which utilize alternative price indexes. In addition, certain of the Company's premium branded finished products may sell at prices that may be higher than the closest product on the related Jacobsen or Reuters index. During fiscal year 2025, the Company's actual sales prices by product trended with the disclosed Jacobsen and Reuters prices.

Average Jacobsen and Reuters prices (at the specified delivery point) for fiscal year 2025, compared to average Jacobsen and Reuters prices for fiscal year 2024 are as follows:

	Avg. Price Fiscal Year 2025	Avg. Price Fiscal Year 2024	Increase/(Decrease)	% Increase/(Decrease)
Jacobsen:				
MBM (Illinois)	$ 288.42/ton	$ 302.89/ton	$ (14.47)/ton	(4.8)%
Feed Grade PM (Mid-South)	$ 307.88/ton	$ 369.41/ton	$ (61.53)/ton	(16.7)%
Pet Food PM (Mid-South)	$ 499.55/ton	$ 680.78/ton	$ (181.23)/ton	(26.6)%
FM (Mid-South)	$ 338.92/ton	$ 452.40/ton	$ (113.48)/ton	(25.1)%
BFT (Chicago)	$ 55.81/cwt	$ 46.12/cwt	$ 9.69/cwt	21.0 %
YG (Illinois)	$ 36.18/cwt	$ 34.89/cwt	$ 1.29/cwt	3.7 %
Corn (Illinois)	$ 4.42/bushel	$ 4.28/bushel	$ 0.14/bushel	3.3 %
Reuters:				
Palm Oil (CIF Rotterdam)	$ 1,348.00/MT	$ 1,118.00/MT	$ 230.00/MT	20.6 %
Soy meal (CIF Rotterdam)	$ 365.00/MT	$ 434.00/MT	$ (69.00)/MT	(15.9)%

The following table shows the average Jacobsen and Reuters prices for the fourth quarter of fiscal year 2025, compared to the average Jacobsen and Reuters prices for the third quarter of fiscal year 2025.

	Avg. Price 4th Quarter 2025	Avg. Price 3rd Quarter 2025	Increase/(Decrease)	% Increase/(Decrease)
Jacobsen:				
MBM (Illinois)	$ 309.39/ton	$ 298.01/ton	$ 11.38/ton	3.8 %
Feed Grade PM (Mid-South)	$ 325.13/ton	$ 303.49/ton	$ 21.64/ton	7.1 %
Pet Food PM (Mid-South)	$ 490.01/ton	$ 485.11/ton	$ 4.90/ton	1.0 %
FM (Mid-South)	$ 341.92/ton	$ 313.04/ton	$ 28.88/ton	9.2 %
BFT (Chicago)	$ 51.76/cwt	$ 63.00/cwt	$ (11.24)/cwt	(17.8)%
YG (Illinois)	$ 34.05/cwt	$ 39.91/cwt	$ (5.86)/cwt	(14.7)%
Corn (Illinois)	$ 4.30/bushel	$ 4.08/bushel	$ 0.22/bushel	5.4 %
Reuters:				
Palm Oil (CIF Rotterdam)	$ 1,293.00/MT	$ 1,315.00/MT	$ (22.00/MT	(1.7)%
Soy meal (CIF Rotterdam)	$ 381.00/MT	$ 344.00/MT	$ (37.00)/MT	10.8 %

Segment Results

Segment operating income for the fiscal year ended January 3, 2026 was $273.4 million, which reflects a decrease of $(194.8) million or (41.6)% as compared to the fiscal year ended December 28, 2024.

In thousands, except for percentages	Feed Ingredients	Food Ingredients	Fuel Ingredients	Corporate	Total
Fiscal Year Ended January 3, 2026					
Total net sales	$ 3,990,088	$ 1,545,030	$ 600,759	$ —	$ 6,135,877
Cost of sales and operating expenses (1)	3,066,243	1,116,978	479,198	—	4,662,419
Gross Margin	923,845	428,052	121,561	—	1,473,458
Gross Margin %	23.2 %	27.7 %	20.2 %	— %	24.0 %
Loss/(gain) on sale of assets	879	(685)	(534)	—	(340)
Selling, general and administrative expenses (2)	309,112	133,809	33,615	74,622	551,158
Restructuring and asset impairment charges	32,120	25,840	—	—	57,960
Depreciation and amortization	348,502	117,298	36,355	6,349	508,504
Acquisition and integration costs	—	—	—	15,942	15,942
Change in fair value of contingent consideration	18,024	—	—	—	18,024
Equity in net loss of Diamond Green Diesel	—	—	(48,770)	—	(48,770)
Segment operating income/ (loss)	215,208	151,790	3,355	(96,913)	273,440
Equity in net income of other unconsolidated subsidiaries	12,759	—	—	—	12,759
Segment income/(loss)	227,967	151,790	3,355	(96,913)	286,199

In thousands, except for percentages	Feed Ingredients	Food Ingredients	Fuel Ingredients	Corporate	Total
Fiscal Year Ended December 28, 2024					
Total net sales	$ 3,675,609	$ 1,489,101	$ 550,465	$ —	$ 5,715,175
Cost of sales and operating expenses (1)	2,886,125	1,115,348	435,864	—	4,437,337
Gross Margin	789,484	373,753	114,601	—	1,277,838
Gross Margin %	21.5 %	25.1 %	20.8 %	— %	22.4 %
Gain on sale of assets	(669)	(1,758)	(1,730)	—	(4,157)
Selling, general and administrative expenses (2)	279,095	119,604	32,370	61,036	492,105
Restructuring and asset impairment charges	3,671	2,123	—	—	5,794
Depreciation and amortization	350,141	109,102	35,876	8,706	503,825
Acquisition and integration costs	—	—	—	7,842	7,842
Change in fair value of contingent consideration	(46,706)	—	—	—	(46,706)
Equity in net income of Diamond Green Diesel	—	—	149,082	—	149,082
Segment operating income/(loss)	203,952	144,682	197,167	(77,584)	468,217
Equity in net income of other unconsolidated subsidiaries	11,994	—	—	—	11,994
Segment income/(loss)	215,946	144,682	197,167	(77,584)	480,211

(1) Cost of sales and operating expenses includes the cost of raw materials, collection costs of the raw materials and factory expenses including direct labor.

(2) Selling, general and administrative expenses include payroll related costs including incentive pay and stock compensation, insurance related costs, professional fees, IT related costs, travel costs and other costs.

Feed Ingredients Segment

Raw material volume. In fiscal year 2025, the raw material processed by the Company's Feed Ingredients segment totaled 12.68 million metric tons. Compared to fiscal year 2024, overall raw material volume processed in the Feed Ingredients segment increased approximately 1.7%.

Sales. The increase in total net sales for the Feed Ingredients segment was $314.5 million for the fiscal year ended January 3, 2026, as compared to the fiscal year ended December 28, 2024.

The increase in total net sales for the Feed Ingredients segment was primarily due to the following (in millions of dollars):

	Fats	Proteins	Other Rendering	Total Rendering	Used Cooking Oil	Bakery	Other	Total
Total net sales year ended December 28, 2024	$ 1,303.8	$ 1,484.6	$ 293.6	$ 3,082.0	$ 351.3	$ 190.5	$ 51.8	$ 3,675.6
Increase/(decrease) in sales volumes	40.0	44.9	—	84.9	6.8	(9.5)	—	82.2
Increase/(decrease) in finished product prices	239.5	(135.5)	—	104.0	88.1	14.4	—	206.5
Increase/(decrease) due to currency exchange rates	12.8	15.4	8.6	36.8	(0.7)	—	—	36.1
Other change	—	—	(6.5)	(6.5)	—	—	(3.8)	(10.3)
Total change	292.3	(75.2)	2.1	219.2	94.2	4.9	(3.8)	314.5
Total net sales year ended January 3, 2026	$ 1,596.1	$ 1,409.4	$ 295.7	$ 3,301.2	$ 445.5	$ 195.4	$ 48.0	$ 3,990.1

Margins. In the Feed Ingredients segment for fiscal year 2025, the gross margin percentage was 23.2% as compared to 21.5% for fiscal year 2024. The increase in margin was primarily due to higher overall finished product prices as compared to fiscal 2024.

Segment operating income. The Company's Feed Ingredients segment operating income for fiscal year 2025 was $215.2 million, an increase of $11.2 million or 5.5% as compared to fiscal year 2024. The increase was primarily due to higher finished good fat prices, higher sales volumes and operational improvements that more than offset an increase in selling, general and administrative expenses, an increase in restructuring and impairment charges primarily related to the strategic realignment of our Enviroflight operations of approximately $29.2 million and an increase in contingent consideration as compared to fiscal year 2024.

Food Ingredients Segment

Raw material volume. In fiscal year 2025, the raw material processed by the Company's Food Ingredients segment totaled 1.32 million metric tons. Compared to fiscal year 2024, overall raw material volume processed in the Food Ingredients segment increased approximately 7.0%.

Sales. Total net sales increased in the Food Ingredients segment primarily due to higher finished product sales volumes.

Margins. In the Food Ingredients segment for fiscal year 2025, the gross margin percentage increased to 27.7% as compared to 25.1% for fiscal year 2024. The increase in margin was primarily due to the impact of an out of period inventory expense adjustment of approximately $25.1 million to the prior year's cost of sales and operating expenses.

Segment operating income. The Company's Food Ingredients segment operating income was $151.8 million for fiscal year 2025, an increase of $7.1 million or 4.9% as compared to fiscal year 2024. The increase in operating income was primarily due to increased sales volumes and the impact of the out of period inventory expense adjustment to prior year's cost of sales and operating expenses that more than offset the increase in restructuring and impairment charges primarily related to our natural casings business of approximately $25.6 million.

Fuel Ingredients Segment

Raw material volume. In fiscal year 2025, the raw material processed by the Company's Fuel Ingredients segment, excluding the DGD Joint Venture, totaled 1.45 million metric tons. Compared to fiscal year 2024, overall raw material volume processed in the Fuel Ingredients segment decreased approximately (3.3)%.

Sales. Total net sales increased in the Fuel Ingredients segment primarily due to higher finished product prices and sales volumes.

Margins. In the Fuel Ingredients segment (exclusive of the equity contribution from the DGD Joint Venture) for fiscal year 2025, the gross margin percentage decreased slightly to 20.2% as compared to 20.8% for fiscal year 2024.

Segment operating income. The Company's Fuel Ingredients segment operating income (inclusive of the equity contribution from the DGD Joint Venture) for fiscal year 2025 was $3.4 million, a decrease of $(193.8) million or (98.3)% as compared to fiscal year 2024. The decrease in earnings is due to a combination of factors. Most importantly, the renewable fuel industry experienced a significant change in the regulatory environment including issues related to the change from the blenders tax credit (BTC) to the producers tax credit (PTC) in the United States and tariffs on imported feedstocks, leading to a reduction in incentives and a decrease in margins. In addition, the DGD Joint Venture had lower sales volumes due to three catalyst turnarounds in both of its plants, and a decision to idle its smallest unit due to commercial reasons. In St. Charles, both units experienced turnarounds in the first quarter of fiscal 2025 and the business decided to keep the smaller unit (DGD1) idle following the turnaround due to a low-margin environment. Meanwhile, the unit at Port Arthur underwent a catalyst turnaround in the third quarter of fiscal 2025. Finally, the market mechanisms designed to counterbalance these challenges, including RINs, created through the RFS and state LCFS programs have been slow to react and were unable to offset the decrease in value due to the change from the BTC to the PTC.

Foreign Currency

During fiscal year 2025, the euro strengthened and the Brazilian real and the Canadian dollar weakened against the U.S. dollar as compared to fiscal year 2024. Using actual results for fiscal year 2025 with the average foreign currency rates for fiscal year 2024 would result in a decrease in operating income of approximately $20.4 million for fiscal year 2025. The average rates used in this calculation were the average rates for fiscal year 2025 of €1.00:$1.13, R$1.00:$0.18 and C$1.00:$0.72 as compared to the average rates for fiscal year 2024 of €1.00:$1.08, R$1.00:$0.19 and C$1.00:$0.73, respectively.

Corporate Activities

Selling, General and Administrative Expenses. Selling, general and administrative expenses were $74.6 million during fiscal year 2025, a $13.6 million increase from $61.0 million during fiscal year 2024. The increase is primarily due to an increase in the Company's incentive based compensation and other payroll related benefits as compared to fiscal year 2024.

Depreciation and Amortization. Depreciation and amortization charges were approximately $6.3 million for fiscal year 2025 as compared to $8.7 million for fiscal year 2024. The decrease was due to certain assets becoming fully depreciated.

Acquisition and Integration Costs. Acquisition and integration costs were approximately $15.9 million during fiscal year 2025 as compared to $7.8 million during fiscal year 2024. These costs primarily related to the announced joint venture between the Company and the Tessenderlo Group NV for fiscal year 2025 as compared to costs related to the Gelnex acquisition, the Miropasz Group acquisition and other acquisitions for fiscal year 2024.

Interest Expense. Interest expense was $222.3 million for fiscal year 2025, compared to $253.9 million for fiscal year 2024, a decrease of approximately $31.6 million. The decrease in interest expense is primarily due to less interest on term loan A facilities due to lower interest paid on term loan debt as a result of the reduction of the term loan balances outstanding which slightly lowered our average debt outstanding during fiscal year 2025 as compared to fiscal year 2024.

Foreign Currency Loss. Foreign currency losses were $(0.4) million during fiscal year 2025, as compared to losses of approximately $(1.2) million for fiscal year 2024. The change in foreign currency losses was due primarily to a decrease in losses on the revaluation of non-functional currency assets and liabilities as compared to fiscal year 2024.

Other Income, net. Other income was $0.5 million for fiscal year 2025, compared to other income of $22.3 million in fiscal year 2024. The decrease in other income was primarily due to a decrease in casualty insurance gains and the impact of current year settlement losses from the termination of two of the Company's domestic defined benefit pension plans that was partially offset by a gain from the sale of a portion of a minor international subsidiary as compared to fiscal year 2024.

Equity in Net Income of Other Unconsolidated Subsidiaries. The change in this line item is not significant and primarily represents the Company's pro rata share of the net income from its foreign unconsolidated subsidiaries.

Income Taxes. The Company recorded an income tax benefit of $9.4 million for fiscal year 2025, compared to $38.3 million of income tax benefit recorded in fiscal year 2024, a decrease of $28.9 million, which was primarily due to a decrease in the benefit from biofuel tax incentives. The effective tax rate for fiscal year 2025 was (15.3)%. The effective tax rate for fiscal year 2025 differs from the statutory rate of 21% due primarily to biofuel tax incentives, losses that provided no tax benefit, change in tax law and recording a tax benefit in respect to a deductible outside basis difference that will reverse in the foreseeable future. The effective tax rate for fiscal year 2024 was (15.5)%. The effective tax rate for fiscal year 2024 differs from the statutory rate of 21% due primarily to biofuel tax incentives, the relative mix of earnings among jurisdictions with different tax rates, state income taxes, nontaxable change in FASA contingent consideration and losses that provided no tax benefit.

Non-U.S. GAAP Measures

Adjusted EBITDA is not a recognized accounting measurement under GAAP; it should not be considered as an alternative to net income/(loss), as a measure of operating results, or as an alternative to cash flow as a measure of liquidity. It is presented here not as an alternative to net income, but rather as a measure of the Company's operating performance. Since EBITDA (generally, net income plus interest expense, taxes, depreciation and amortization) is not calculated identically by all companies, the presentation in this report may not be comparable to EBITDA or Adjusted EBITDA presentations disclosed by other companies. Adjusted EBITDA is calculated below and represents for any relevant period, net income/(loss) plus depreciation and amortization, restructuring and asset impairment charges, acquisition and integration costs, change in fair value of contingent consideration, foreign currency loss/(gain), net income/(loss) attributable to non-controlling interests, interest expense, income tax provision, other income/(expense), loss on early retirement of debt and equity in net (income)/loss of unconsolidated subsidiaries. Management believes that Adjusted EBITDA is useful in evaluating the Company's operating performance compared to that of other companies in its industry because the calculation of Adjusted EBITDA generally eliminates the effects of financing, income taxes, non-cash and certain other items that may vary for different companies for reasons unrelated to overall operating performance and also believes this information is useful to investors.

The Company's management uses Adjusted EBITDA as a measure to evaluate performance and for other discretionary purposes. In addition to the foregoing, management also uses or will use Adjusted EBITDA to measure compliance with certain financial covenants under the Company's Senior Secured Credit Facilities, 6% Notes, 5.25% Notes and 4.5% Notes that were outstanding at January 3, 2026. However, the amounts shown below for Adjusted EBITDA differ from the amounts calculated under similarly titled definitions in the Company's Senior Secured Credit Facilities, 6% Notes, 5.25% Notes and 4.5% Notes, as those definitions permit further adjustments to reflect certain other nonrecurring costs, non-cash charges and cash dividends from the DGD Joint Venture. Additionally, the Company evaluates the impact of foreign exchange on operating cash flow, which is defined as segment operating income (loss) plus depreciation and amortization.

Pro forma Adjusted EBITDA to Foreign Currency is not a recognized accounting measurement under GAAP; it should not be considered as an alternative to net income, as a measure of operating results, or as an alternative to cash flow as a measure of liquidity. It is presented here not as an alternative to net income, but rather as a measure of the Company's operating performance. Management believes Pro forma Adjusted EBITDA to Foreign Currency is useful in evaluating the Company's operating performance on a constant currency basis and also believes this information is useful to investors.

DGD Adjusted EBITDA is not reflected in the Adjusted EBITDA or the Pro forma Adjusted EBITDA to Foreign Currency. DGD Adjusted EBITDA is not a recognized accounting measure under GAAP; it should not be considered as an alternative to net income or equity in net income of Diamond Green Diesel, as a measure of operating results, or as an alternative to cash flow as a measure of liquidity and is not intended to be a presentation in accordance with GAAP. The Company calculates DGD Adjusted EBITDA by taking DGD's operating income plus DGD's depreciation, amortization and accretion expense. Management believes that DGD Adjusted EBITDA is useful in evaluating the Company's operating performance because the calculation of DGD Adjusted EBITDA generally eliminates non-cash and certain other items at DGD unrelated to overall operating performance and also believes this information is useful to investors. The Company calculates Darling's Share of DGD Adjusted EBITDA by taking DGD Adjusted EBITDA, net of discount and broker fees, and then multiplying by 50% to get Darling's Share of DGD's Adjusted EBITDA.

Combined Adjusted EBITDA is not a recognized accounting measurement under GAAP; it should not be considered as an alternative to net income, as a measure of operating results, or as an alternative to cash flow as a measure of liquidity. It is presented here not as an alternative to net income, but rather as a measure of the Company's operating performance. Combined Adjusted EBITDA consists of Adjusted EBITDA plus DGD Adjusted EBITDA (Darling's share). Management believes that Combined Adjusted EBITDA is useful in evaluating the Company's operating performance compared to that of other companies in its industry because the calculation of Combined Adjusted EBITDA generally eliminates the effects of financing, income taxes, non-cash and certain other items that may vary for different companies for reasons unrelated to overall operating performance and also believes this information is useful to investors.

Reconciliation of Net Income to (Non-GAAP) Adjusted EBITDA, to (Non-GAAP) Pro Forma Adjusted EBITDA to Foreign Currency and to (Non-GAAP) Combined Adjusted EBITDA

Fiscal Year 2025 as Compared to Fiscal Year 2024

(dollars in thousands)	Fiscal Year Ended January 3, 2026	Fiscal Year Ended December 28, 2024
Net income attributable to Darling	$ 62,804	$ 278,880
Depreciation and amortization	508,504	503,825
Interest expense	222,279	253,858
Income tax benefit	(9,359)	(38,337)
Restructuring and asset impairment charges	57,960	5,794
Acquisition and integration costs	15,942	7,842
Change in fair value of contingent consideration	18,024	(46,706)
Foreign currency losses	384	1,154
Other income, net	(468)	(22,309)
Debt extinguishment costs	2,978	—
Equity in net (income)/loss of Diamond Green Diesel	48,770	(149,082)
Equity in net income of other unconsolidated subsidiaries	(12,759)	(11,994)
Net income attributable to noncontrolling interests	7,581	6,965
Adjusted EBITDA (Non-GAAP)	$ 922,640	$ 789,890
Foreign currency exchange impact (1)	(20,420)	—
Pro forma Adjusted EBITDA to Foreign Currency (Non-GAAP)	$ 902,220	$ 789,890
DGD Adjusted EBITDA (Darling's Share) (Non-GAAP)	$ 103,716	$ 289,945
Combined Adjusted EBITDA (Non-GAAP)	$ 1,026,356	$ 1,079,835

(1) The average rates used in this calculation were the average rates for the fiscal year ended January 3, 2026 of €1.00:$1.13, R$1.00:$0.18 and C$1.00:$0.72 as compared to the average rates for the fiscal year ended December 28, 2024 of €1.00:USD$1.08, R$1.00:$0.19 and C$1.00:$0.73, respectively.

The discussion and analysis of our financial condition and results of operations for the year ended December 28, 2024 compared to the year ended December 30, 2023 are included in Item 7. Management's Discussion and Analysis of Financial Condition and Results in our 2024 Form 10-K and is incorporated herein by reference.

FINANCING, LIQUIDITY, AND CAPITAL RESOURCES

Indebtedness

Certain Debt Outstanding at January 3, 2026. On January 3, 2026, debt outstanding under the Amended Credit Agreement, the Company's 6% notes, the Company's 5.25% Notes and the Company's 4.5% Notes consists of the following (in thousands):

Senior Notes:		
6 % Notes due 2030	$	1,000,000
Less unamortized deferred loan costs net of bond premiums		(4,725)
Carrying value of 6% Notes due 2030	$	995,275
5.25 % Notes due 2027	$	500,000
Less unamortized deferred loan costs		(1,345)
Carrying value of 5.25% Notes due 2027	$	498,655
4.5 % Notes due 2032 - Denominated in euros	$	881,250
Less unamortized deferred loan costs		(9,781)
Carrying value of 4.5% Notes due 2032	$	871,469
Amended Credit Agreement:		
Term A facility		895,500
Less unamortized deferred loan costs		(3,846)
Carrying value of Term A facility	$	891,654
Revolving Credit Facility:		
Maximum availability	$	2,000,000
Ancillary facilities		73,592
Borrowings outstanding		601,150
Letters of credit issued		762
Availability	$	1,324,496
Other Debt	$	79,257

At January 3, 2026, the U.S. dollar weakened as compared to the euro at December 28, 2024. Using the euro based debt outstanding at January 3, 2026 and comparing the closing balance sheet rates at January 3, 2026 to those at December 28, 2024, the U.S. dollar debt balances of euro based debt increased by $117.4 million, at January 3, 2026. The closing balance sheet rate used in this calculation was the actual fiscal closing balance sheet rate at January 3, 2026 of €1.00:USD$1.1750 as compared to the closing balance sheet rate at December 28, 2024 of €1.00:USD$1.0422.

Senior Secured Credit Facilities. On June 25, 2025, Darling, Darling International Canada Inc. (“Darling Canada”) and Darling International NL Holdings B.V. (“Darling NL”) and Darling Ingredients International Holding B.V. (“Darling Holding”) entered into a Third Amended and Restated Credit Agreement (the “Amended Credit Agreement”), which amended and restated the Company’s then existing Second Amended and Restated Credit Agreement dated January 6, 2014 (as amended from time to time, the “Previous Credit Agreement”), with the lenders from time to time party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other agents party thereto. The Amended Credit Agreement refinanced the loans and commitments outstanding under the Previous Credit Agreement and provides for senior secured credit facilities in the aggregate principal amount of $2.9 billion comprised of (i) the Company’s $900.0 million six-year term A facility (partially comprised of $395.0 million term A-1 facility and $296.3 million term A-3 facility which, in each case, were cashlessly rolled from the Previous Credit Agreement) and (ii) the Company’s $2.0 billion five-year revolving credit facility (up to $50.0 million (as such amount may be increased to an amount not exceeding $150.0 million to the extent consented to by the applicable issuing banks) of which will be available for a letter of credit subfacility and up to $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). The revolving credit facility will be used for working capital needs, general corporate purposes and other purposes not prohibited by the Amended Credit Agreement. For more information regarding the Amended Credit Agreement see Note 11 of Notes to Consolidated Financial Statements included herein.

- As of January 3, 2026, the Company had availability of $1,324.5 million under the revolving credit facility, taking into account an aggregate of $601.2 million in outstanding borrowings, $73.6 million of ancillary facilities and letters of credit issued of $0.8 million.

- As of January 3, 2026, the Company has borrowed all $900.0 million under the terms of the term A facility and has repaid $4.5 million, which when repaid by the Company cannot be reborrowed. The term A facility borrowings are repayable in quarterly installments of 0.25% of the aggregate principle amount of the relevant term A facility on the

last day of each March, June, September and December of each year commencing on the last day of such month falling on or after the last day of the first full fiscal quarter following June 25, 2025, the effective date of the initial borrowing, and continuing until the last day of such quarterly period ending immediately prior to the term A facility maturity date of June 25, 2031 and one final installment in the amount of the term A facility then outstanding, due and payable on June 25, 2031.

- The interest rate applicable to any borrowings under the revolving credit facility will equal (i) the Canadian Overnight Repo Rate Average (CORRA) for borrowings denominated in Canadian dollars or the adjusted term secured overnight financing rate (SOFR) for U.S. dollar borrowings or the adjusted euro interbank rate (EURIBOR) for euro borrowings or the adjusted daily simple Sterling overnight index average (SONIA) for British pound borrowings, in each case plus 1.50% per annum or (ii) the alternative base rate (ABR) for U.S. dollar borrowings or Canadian prime rate for Canadian dollar borrowings or the adjusted daily simple European short term rate (ESTR) for euro borrowings or the adjusted daily SONIA rate for British pound borrowings, in each case plus 0.50% per annum, and in each case of clauses (i) and (ii), subject to certain step-ups and step-downs based on the Company's total leverage ratio. The interest rate applicable to any borrowing under the term A facility equals the adjusted term SOFR plus 1.75% per annum or ABR plus 0.75% subject to certain step-ups and step-downs based on the Company's total leverage ratio with a minimum of 1.50% for SOFR borrowings and a minimum 0.50% for ABR borrowings.

4.5% Senior Notes due 2032. On June 24, 2025, Darling Global Finance B.V. (the "4.5% Issuer"), an indirect, wholly owned subsidiary of Darling, issued and sold €750.0 million aggregate principal amount of 4.5% Senior Notes due 2032 (the "4.5% Notes"). The 4.5% Notes, which were offered in a private offering, were issued pursuant to a Senior Notes Indenture, dated as of June 24, 2025 (the "4.5% Indenture"), among Darling Global Finance B.V., Darling, the subsidiary guarantors party thereto from time to time, GLAS Trust Company LLC, as trustee, principal paying agent and registrar. The gross proceeds of the offering, together with borrowings under the Company's revolving credit facility, were used to (i) redeem the Company's previous 3.625% senior notes and repay or otherwise refinance the Company's Previous Credit Agreement, and (ii) pay costs, fees and expenses related to the refinancing. The 4.5% Notes are guaranteed by Darling and all of Darling's restricted subsidiaries (other than any foreign subsidiary or any receivable entity) that are borrowers under or guarantee the Senior Secured Facilities (collectively the "4.5% Guarantors"). For a description of the terms of the 4.5% Notes see Note 11 of Notes to Consolidated Financial Statements included herein.

6% Senior Notes due 2030. On June 9, 2022, Darling issued and sold $750.0 million aggregate principal amount of 6% Senior Notes due 2030 (the "6% Initial Notes"). The 6% Initial Notes, which were offered in a private offering, were issued pursuant to a Senior Notes Indenture, dated as of June 9, 2022 (the "6% Base Indenture"), among Darling, the subsidiary guarantors party thereto from time to time, and Truist Bank, as trustee. On August 17, 2022, Darling issued an additional $250.0 million in aggregate principal amount of its 6% Senior Notes due 2030 (the "add-on notes" and, together with the 6% Initial Notes, the "6% Notes"). The add-on notes and related guarantees, which were offered in a private offering, were issued as additional notes under the 6% Base Indenture, as supplemented by a supplemental indenture, dated as of August 17, 2022 (the "supplemental indenture" and, together with the 6% Base Indenture, the "6% Indenture"). The add-on notes have the same terms as the 6% Initial Notes (other than issue date and issue price) and, together with the 6% Initial Notes, constitute a single class of securities under the 6% Indenture. The 6% Notes are guaranteed on a senior unsecured basis by Darling and all of Darling's restricted subsidiaries (other than foreign subsidiaries) that are borrowers under or that guarantee the Senior Secured Credit Facilities. For a description of the terms of the 6% Notes see Note 11 of Notes to Consolidated Financial Statements included herein.

5.25% Senior Notes due 2027. On April 3, 2019, Darling issued and sold $500.0 million aggregate principal amount of 5.25% Senior Notes due 2027 (the "5.25% Notes"). The 5.25% Notes, which were offered in a private offering, were issued pursuant to a Senior Notes Indenture, dated as of April 3, 2019 (the "5.25% Indenture"), among Darling, the subsidiary guarantors party thereto from time to time, and Regions Bank, as trustee. The 5.25% Notes are guaranteed on a senior unsecured basis by Darling and all of Darling's restricted subsidiaries (other than foreign subsidiaries) that are borrowers under or that guarantee the Senior Secured Credit Facilities. For a description of the terms of the 5.25% Notes see Note 11 of Notes to Consolidated Financial Statements included herein.

Other debt consists of U.S. and European overdraft ancillary facilities, U.S. and European finance lease obligations and note arrangements in the U.S., Brazil and Europe that are not part of the Amended Credit Agreement, 6% Notes, 5.25% Notes or 4.5% Notes.

The classification of long-term debt in the Company's January 3, 2026 consolidated balance sheet is based on the contractual repayment terms of the 6% Notes, the 5.25% Notes, the 4.5% Notes and debt issued under the Amended Credit Agreement.

As a result of the Company's borrowings under its Amended Credit Agreement, the 6% Indenture, the 5.25% Indenture and the 4.5% Indenture, the Company is highly leveraged. Investors should note that, in order to make scheduled payments on the indebtedness outstanding under the Amended Credit Agreement, the 6% Notes, the 5.25% Notes and the 4.5% 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 Amended Credit Agreement, the 6% Indenture, the 5.25% Indenture and the 4.5% 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 structured 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 the Amended Credit Agreement, the 6% Notes, the 5.25% Notes and the 4.5% 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 "Risk Factors - Our business may be adversely impacted by fluctuations in foreign currency exchange rates, which could affect our ability to comply with our financial covenants" and "- Our ability to make payments on our debt depends in part on the performance of our subsidiaries, including our non-guarantor subsidiaries, and their ability to transfer funds to members of our group liable to make payments on our debt" in Item 1A of this Annual Report on Form 10-K for the fiscal year ended January 3, 2026.

As of January 3, 2026, the Company is in compliance with all financial covenants under the Amended Credit Agreement, and believes it is in compliance with all of the other covenants contained in the Amended Credit Agreement, the 6% Indenture, the 5.25% Indenture and the 4.5% Indenture.

Working Capital and Capital Expenditures

On January 3, 2026, the Company had working capital of $518.7 million and its working capital ratio was 1.50 to 1 compared to working capital of $395.9 million and a working capital ratio of 1.38 to 1 on December 28, 2024. At January 3, 2026, the Company had unrestricted cash of $88.7 million and funds available under the revolving credit facility of $1.32 billion, compared to unrestricted cash of $76.0 million and funds available under the revolving credit facility of $1.16 billion at December 28, 2024. The Company diversifies its cash investments by limiting the amounts deposited with any one financial institution.

Net cash provided by operating activities was $1,059.7 million and $839.3 million for the fiscal years ended January 3, 2026 and December 28, 2024, respectively, an increase of $220.4 million due primarily to an increase in distributions from unconsolidated subsidiaries. Net cash used in investing activities was $681.4 million during fiscal year 2025, compared to $498.9 million in fiscal year 2024, an increase in cash used of $182.5 million, primarily due to an increase in contributions to the DGD Joint Venture that more than offset a decrease in acquisitions. Net cash used in financing activities was $376.7 million during fiscal year 2025, compared to $399.6 million in fiscal year 2024, a decrease in net cash used of $22.9 million, primarily due to lower debt repayments that more than offset an increase in contingent consideration payments, acquisition of noncontrolling interests and acquisition holdback payments as compared to the prior year.

Capital expenditures of $380.5 million were made during fiscal year 2025 as compared to $332.5 million in fiscal year 2024, an increase of $48.0 million. The Company expects to incur capital expenditures of approximately $450 million in fiscal year 2026, including compliance, replacement and expansion projects. The Company intends to finance these costs using cash flows from operations. Capital expenditures related to compliance with environmental regulations were $89.7 million in fiscal year 2025, $67.4 million in fiscal year 2024 and $64.8 million in fiscal year 2023.

Accrued Insurance and Pension Plan Obligations

Based upon the annual actuarial estimate, current accruals and claims paid during fiscal year 2025, the Company has accrued approximately $22.3 million as of January 3, 2026 that 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 January 3, 2026. The self-insurance reserve is composed of estimated liability for claims arising for workers' compensation, auto liability, general liability and medical claims liability. The self-insurance

reserve liability and medical claims liability are determined annually, based upon a third-party actuarial estimate. The actuarial estimate may vary from year to year, due to changes in costs of health care, the pending number of claims and other factors beyond the control of management of the Company.

Based upon current actuarial estimates, the Company expects to make payments of approximately $0.5 million in order to meet minimum pension funding requirements to its domestic plans in fiscal year 2026. In addition, the Company expects to make payments of approximately $3.5 million under its foreign pension plans in fiscal year 2026. 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 required and tax deductible discretionary contributions to its domestic pension plans in fiscal year 2025 and fiscal year 2024 of approximately $0.3 million and $0.4 million, respectively. Additionally, the Company has made required and tax deductible discretionary contributions to its foreign pension plans of approximately $3.3 million in each of fiscal years 2025 and 2024.

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 on two of the U.S. plans in which the Company currently participates could be material to the Company. With respect to the other U.S. multiemployer pension plans in which the Company participates and which are not individually significant, five plans have certified as critical or red zone, as defined by the PPA. The Company has withdrawal liabilities recorded on five U.S. multiemployer plans in which it participated. As of January 3, 2026, the Company has an aggregate accrued liability of approximately $4.3 million representing the present value of scheduled withdrawal liability payments on the remaining multiemployer plans that have given notices of withdrawals. 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 DGD Joint Venture currently operates the DGD Facilities, with a combined renewable fuel (including renewable diesel and SAF) production capacity of approximately 1.2 billion gallons per year. Renewable diesel is a low-carbon transportation fuel that is interchangeable with diesel produced from petroleum and is produced at the DGD Facilities using an advanced hydroprocessing-isomerization process licensed from UOP LLC, known as the Ecofining™ Process, and a pretreatment process developed by the Desmet Ballestra Group, to convert fats (animal fats, used cooking oils, distillers corn oil and vegetable oils) into renewable diesel, renewable naphtha and other light end renewable hydrocarbons. The DGD Joint Venture was formed in January 2011 to design, engineer, construct and operate the DGD St. Charles Plant, which reached mechanical completion and began production of renewable diesel and certain other co-products in late June 2013. In October 2021, the DGD Joint Venture completed an expansion of the DGD St. Charles Plant that increased its renewable diesel production capability to up to 750 million gallons per year of renewable diesel, as well as separating renewable naphtha (approximately 30 million gallons) and other light end renewable hydrocarbons for sale into low carbon fuel markets. Additionally, in November 2022 the DGD Joint Venture completed the construction of the DGD Port Arthur Plant, with a capacity to produce 470 million gallons per year of renewable diesel and 20 million gallons per year of renewable naphtha and having similar logistics flexibilities as those of the DGD St. Charles Plant. Furthermore, in November 2024, the DGD Joint Venture completed a capital project at the DGD Port Arthur Plant to provide the plant with the capability to upgrade approximately fifty percent (50%) of its current 470 million gallon annual production capacity to SAF.

On May 1, 2019, Darling through its wholly owned subsidiary Darling Green Energy LLC, ("Darling Green"), and Diamond Alternative Energy, LLC, a wholly owned subsidiary of Valero ("Diamond Alternative" and together with Darling Green, the "DGD Lenders") entered into a revolving loan agreement (the "2019 DGD Loan Agreement") with the DGD Joint Venture, pursuant to which the DGD Lenders committed to making loans available to the DGD Joint Venture in the amount of $50.0 million with each lender committed to $25.0 million of the total commitment. Any borrowings by the DGD Joint Venture under the 2019 DGD Loan Agreement were 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%. On June 15, 2023, the DGD Lenders entered into a new

revolving loan agreement (the "2023 DGD Loan Agreement") with the DGD Joint Venture that replaced and superseded in its entirety the 2019 DGD Loan Agreement and pursuant to which the DGD Lenders have committed to making loans available to the DGD Joint Venture in the total amount of $200.0 million with each lender committed to $100.0 million of the total commitment. Any borrowings by the DGD Joint Venture under the 2023 DGD Loan Agreement are at the applicable annum rate equal to the sum of (a) Term SOFR on such day plus (b) 2.50%. The 2023 DGD Loan Agreement expires on June 15, 2026. In December 2022, the DGD Joint Venture borrowed all $50.0 million available under the 2019 DGD Loan Agreement, including the Company's full $25.0 million commitment, which was repaid in fiscal 2023. In January 2024, the DGD Joint Venture borrowed all $200.0 million available under the 2023 DGD Loan Agreement, including the Company's full $100.0 million commitment, which was repaid in March 2024. In November 2025, The DGD Joint Venture borrowed $50.0 million or $25.0 million of the Company's portion of the commitment, which was repaid in December 2025. The DGD Joint Venture paid interest to the Company for the years ended January 3, 2026, December 28, 2024 and December 30, 2023 of approximately $0.1 million, $1.6 million and $0.6 million, respectively. As of January 3, 2026 and December 28, 2024, zero was owed to Darling Green under the 2023 DGD Loan Agreement. This note receivable amount when outstanding is included in other current assets on the balance sheet and is included in investing activities on the cash flow statement.

On June 23, 2023, the DGD Joint Venture entered into an amended and restated credit agreement consisting of a $400.0 million senior, unsecured revolving credit facility, with CoBank ACB acting as lead arranger and the administrative agent for the lending group, which is comprised of Farm Credit System institutions. The revolving credit facility matures June 23, 2026 and is non-recourse to the joint venture partners. As of January 3, 2026, the DGD Joint Venture had no borrowings outstanding under this unsecured revolving credit facility.

Based on the sponsor support agreements executed in connection with the initial construction of the DGD St. Charles Plant, the Company contributed a total of approximately $111.7 million for completion of the DGD St. Charles Plant, and Darling has subsequently made $947.0 million in additional capital contributions to the DGD Joint Venture. As of January 3, 2026, under the equity method of accounting the Company has an investment in the DGD Joint Venture of approximately $2.1 billion included on the Consolidated Balance Sheet.

The Company's original investment in DGD has expanded since 2011 to the point that it is now integral to how the Company operates its business. Darling traditionally collected and converted used cooking oil and animal fats into feed ingredients which were sold on a caloric value to feed animals as well as for industrial technical uses. Over the past decade, the world's increasing focus on renewable energy sources, motivated by supporting agricultural economies and finding solutions for GHGs and climate change, has provided a new finished market for the Company's finished fats ingredients. With Darling's significant fats ownership, this has and continues to transform how the Company operates. In each of fiscal 2023, 2024 and 2025, a large portion of Darling's total U.S. finished fats products were sold to the DGD Joint Venture as feedstock for renewable diesel and, beginning in fiscal 2024, SAF. In 2025, 2024 and 2023, DGD was the Company's largest finished product customer in terms of total net sales, with the Company recording total net sales to DGD in those years of $1.2 billion, $1.0 billion and $1.3 billion, respectively.

From a procurement, production and distribution standpoint, DGD has become integral to Darling's base business. DGD is integrated into the Company's operations via the combined vertical operating structure from collecting raw fats, to processing collected fats at Darling facilities worldwide to transporting the refined fats to the DGD Facilities as feedstock. The Darling supply chain has become more efficient and sustainable with transparency for verification to obtain full value to low carbon intensity markets. The development of the low carbon markets in North America and Europe has influenced how Darling operates its core business and has also been a driver for the recent DGD expansions, which are making DGD much more relevant to Darling's earnings. Since 2011 when construction began on DGD, Darling has invested substantially to increase its U.S. railcar fleet to efficiently manage nationwide transportation of Darling fats to DGD. Additionally, Darling acquired an Iowa location on the Mississippi River that further enhances the ability of the Company's Midwest network of facilities to collect and deliver feedstocks to DGD via water, rail or truck from a centralized location. In fiscal 2022, Darling acquired both Valley Proteins and FASA, each of which supply additional feedstocks to DGD. Darling has also stepped up collection efforts by providing indoor used cooking oil collection units in exchange for extended collection contracts at eating establishments and has moved to more of a centralized digital marketing effort with restaurant chains and franchise groups and invested in internet search engine key words to improve visibility with restaurants. The Company also includes DGD in marketing efforts to emphasize environmental sustainability that restaurants participate in when their used cooking oil is collected by Darling. From a production standpoint, Darling now isolates used cooking oil from other fats to preserve identification to qualify for a lower carbon intensity value. As a result, the Company includes its equity in net income of the DGD Joint Venture as operating income.

Financial Impact of Significant Debt Outstanding

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 fiscal year 2025, unrestricted cash and funds available under the Amended 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 and beyond. Numerous factors could have adverse consequences to the Company that cannot be estimated at this time, such as negative impacts from U.S. or foreign government trade policies, the Russian-Ukraine war and the ongoing or emerging conflicts in the Middle East and those other factors discussed below under the heading "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 year 2026 and thereafter. The Company reviews the appropriate use of unrestricted cash periodically. As of the date of this report, other than the Company's binding offer to acquire UPI Bovinos NewCo for approximately $114 million, no decision has been made as to non-ordinary course material 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 or SAF 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 Amended Credit Agreement, the 6% Indenture, the 5.25% Indenture and the 4.5% Indenture, as well as suitable cash conservation to withstand adverse commodity cycles. See Note 3 Acquisitions for additional information about the UPI Bovinos NewCo binding offer.

The Company's Board of Directors approved a share repurchase program of up to an aggregate of $500.0 million of the Company's Common Stock depending on market conditions. The repurchases may be made from time to time on the open market at prevailing market prices or in negotiated transactions off the market. The program runs through August 13, 2026, unless further extended or shortened by the Board of Directors. During fiscal year 2025, the Company repurchased approximately $34.7 million, including commissions, of its common stock in the open market. As of January 3, 2026, the Company had approximately $460.3 million remaining in its share repurchase program.

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 many of the principal products that the Company sells are typically influenced by sales prices for agricultural-based ingredients, the prices of which are based on established commodity markets and are subject to volatile changes, and sales prices for the principal products that DGD sells are typically influenced by the demand and pricing of renewable diesel, which is dependent on governmental energy policies and programs and impacted by the value of RINS and LCFS credits stemming from such governmental energy policies and programs. 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 regulations and tariffs (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, adverse changes to governmental energy policies and programs, a rise in energy prices, a slowdown in the U.S. or international economy, high inflation rates or other factors, could cause the Company to fail to meet management's expectations or could cause liquidity concerns.

OFF BALANCE SHEET OBLIGATIONS AND OTHER COMMERCIAL COMMITMENTS

Based upon the underlying purchase agreements, the Company has commitments to purchase $492.7 million of commodity products, consisting of approximately $195.6 million of finished and raw material products and approximately $261.1 million of natural gas and diesel fuel and approximately $36.0 million of other commitments during the next five years, which are not included in liabilities on the Company's balance sheet at January 3, 2026. The Company intends to take physical delivery of the commodities under the forward purchase agreements and accordingly, these contracts are not subject to the requirements of fair value accounting because they qualify as normal purchases. The commitments will be recorded on the balance sheet of the Company when delivery of these commodities or products occurs and ownership passes to the Company during the remainder of fiscal 2025 and through fiscal 2029, in accordance with accounting principles generally accepted in the United States.

The Company's off-balance sheet contractual obligations and commercial commitments as of January 3, 2026 relate to letters of credit, foreign bank guarantees, forward purchase agreements and employment agreements. The Company has excluded these items from the balance sheet in accordance with U.S. GAAP.

The following table summarizes the Company's other commercial commitments, including both on- and off-balance sheet arrangements that are part of the Amended Credit Agreement and other foreign bank guarantees that are not a part of the Amended Credit Agreement at January 3, 2026 (in thousands):

Other commercial commitments:		
Standby letters of credit	$	762
Standby letters of credit (ancillary facility)		41,307
Foreign bank guarantees		12,548
Total other commercial commitments:	$	54,617

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 of Notes to Consolidated Financial Statements included herein.

Certain of the policies require management to make significant and subjective estimates or assumptions regarding uncertainties, including the business and economic uncertainty resulting from the Russian-Ukraine war and conflicts in the Middle East and the high interest rate and inflationary cost environment, and as a result, such estimates may deviate from actual results and significantly impact our financial results. In particular, management makes 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 and pension liabilities. Each of these estimates is discussed in greater detail in the following discussion.

Business Combinations

The Company accounts for its business combinations using the acquisition method of accounting when the activities acquired have been determined to be a business. The consideration transferred in a business combination is measured at fair value, which is determined as the sum of the acquisition-date fair values of the assets transferred, liabilities incurred by the Company and any equity interests issued by the Company. The consideration transferred is allocated to the tangible and intangible assets acquired and liabilities assumed at their estimated fair value on the acquisition date. The excess of fair value is recorded as goodwill. The results of businesses acquired in a business combination are included in our consolidated financial statements from the date of acquisition. Acquisition costs are expensed as incurred.

Determining the fair value of assets acquired and liabilities assumed requires management to use significant judgment and estimates. Depending on the acquisition size, the Company determines the fair values using the assistance of a valuation expert who assists the Company primarily using the cost, market and income approaches and using estimates of future revenue and cash flows, raw material and sales volumes, discount rates and the selection of comparable companies. The Company's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. During the measurement period, not to exceed one year from the date of the acquisition, the Company may record adjustments to the assets acquired and liabilities assumed, with a corresponding offset to goodwill if new information is obtained related to facts and circumstances that existed as of the acquisition date. After the measurement period, any subsequent adjustments are reflected in the Consolidated Statement of Operations.

Long-Lived Assets

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 or asset group exceeds its estimated undiscounted 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 or asset group. In fiscal 2025, the Company's management decided to strategically realign operations and classify a group of assets as assets held for sale due to the fact that they met the classification criteria. As a result, the Company incurred impairment charges of long-lived assets in its feed and food segments of approximately $30.0 million and $8.6 million, respectively. In fiscal 2024, there were no events or changes in circumstances requiring an impairment. In fiscal 2023, the Company's management decided to close or transfer operations for three feed segment locations in the U.S. for optimization opportunities. As a result, the Company incurred asset impairment charges to its feed segment long-lived assets of approximately $2.9 million in fiscal 2023. In addition, the Company incurred additional asset impairment charges in fiscal 2023 related to the Peabody, Massachusetts, plant closure of approximately $1.8 million within the food segment.

Goodwill and Indefinite Lived Intangible Assets Valuation

Goodwill and indefinite-lived intangible assets are tested annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. When assessing the recoverability of goodwill and other indefinite lived intangible assets, the Company may first assess qualitative factors in determining whether it is more likely than not that the fair value of a reporting unit, including goodwill, or other indefinite lived intangible assets are less than its carrying amount. The qualitative evaluation is an assessment of multiple factors, including the current operating environment, financial performance and market considerations. The Company may elect to bypass this qualitative assessment for some or all of its reporting units or other indefinite lived intangible assets and perform a quantitative test, based on management's judgment. If the Company chooses to bypass the qualitative assessment, it performs the quantitative approach to impairment testing by comparing the fair value of the Company's reporting units to their respective carrying amounts and records an impairment charge for the amount by which the carrying amounts exceeds the fair value; however, the loss recognized if any will not exceed the total amount of goodwill allocated to that reporting unit.

In fiscal 2025, the Company performed a quantitative approach to valuing goodwill and indefinite-lived intangible assets at October 25, 2025 and as a result determined the fair values of the Company's reporting units containing goodwill and indefinite lived intangible assets exceeded the related carrying values. However, based on the Company's annual impairment testing at October 25, 2025, the fair value of one of the Company's six reporting units had a fair value that was not substantially in excess of their carrying values. The fair value of this reporting unit was determined to be between 20% - 30% in excess of the carrying value with goodwill of approximately $563.3 million as of January 3, 2026. The Company determined the fair value of reporting units with the assistance of a valuation expert who assisted the Company primarily using the Income Approach to determine the fair value of the Company's reporting units. Key assumptions that impacted the discounted cash flow model were raw material and sales volumes, gross margins, terminal growth rates and discount rates. 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 this one reporting unit could decrease in the future and result in an impairment to goodwill. The Company's management believes the biggest risk to this reporting unit is decreasing finished product prices impacting gross margins and an economic slowdown that would impact raw material suppliers. Upon meeting the criteria for classification of certain of the Company's assets as held for sale, the Company recorded goodwill charges in the feed segment and food segment of approximately $2.0 million and $17.0 million, respectively. In addition, the Company recorded indefinite lived intangible asset charges in the food segment of approximately $0.2 million. In fiscal 2024, the Company performed a quantitative approach to valuing goodwill and indefinite-lived intangible assets at October 26, 2024. Based on the Company's annual impairment testing, the Company concluded the fair values of its reporting units containing goodwill and indefinite lived intangible assets exceeded the related carrying values. In fiscal 2023, the Company performed a quantitative approach to valuing goodwill and indefinite-lived intangible assets at October 28, 2023 and as a result determined that fair values of the Company's reporting units containing goodwill exceeded the related carrying values. Goodwill was approximately $2.5 billion and $2.3 billion at January 3, 2026 and December 28, 2024, respectively.

Pension Liability

The Company has retirement and pension plans covering a substantial number of its domestic and foreign employees. Major assumptions used in the accounting for these employee benefit plans include the discount rate, expected return on plan

assets, rate of increase in employee compensation levels, mortality rates and trends in health care costs. The actuarial assumptions used may differ materially from actual results due to changing market and economic conditions, higher or lower withdrawal rates or longer or shorter life spans of participants. These differences may result in a significant impact to the amount of net periodic benefit cost recorded in future periods.

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 4.67% at January 3, 2026 and 4.84% at December 28, 2024. The projected net periodic benefit cost for fiscal year 2026 would increase by approximately $0.5 million if the discount rate was 0.5% lower at a weighted average of 4.17%. The projected net periodic benefit cost for fiscal year 2026 would decrease by approximately $0.1 million if the discount rate was 0.5% higher at a weighted average of 5.17%.

NEW ACCOUNTING PRONOUNCEMENTS

In November 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40), which requires entities to disaggregate any relevant expense caption presented on the face of the income statement within continuing operations or in the footnotes. This ASU is effective for fiscal years beginning after December 15, 2026, and interim periods beginning after December 15, 2027. Adoption is either with a prospective method or a fully retrospective method of transition. Early adoption is permitted. The Company is currently evaluating this ASU to determine its impact on the Company's disclosure, but does not expect this update to have a material impact on the Company's consolidated financial statements other than additional information that will be provided in the footnote disclosure.

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740) Improvements to Income Tax Disclosures. The ASU requires the annual financial statements to include consistent categories and greater disaggregation of information in the rate reconciliation, and income taxes paid disaggregated by jurisdiction. ASU 2023-09 is effective for the Company's annual reporting periods beginning after December 15, 2024. Adoption is either with a prospective method or a fully retrospective method of transition. Early adoption is permitted. The Company adopted this ASU in 2025 using the prospective method and the adoption did not have an impact on the Company's consolidated financial statements other than additional information that is provided in the footnote disclosure.

FORWARD LOOKING STATEMENTS

This Annual Report on Form 10-K includes "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 statements of historical facts are forward looking statements and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Words such as "estimate," "guidance," "outlook," "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. All statements other than statements of historical facts included in this report are forward looking statements, including, without limitation, the statements under the sections entitled "Business," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Legal Proceedings" and located elsewhere herein regarding industry prospects, the Company's financial position and the Company's use of cash. Forward-looking statements are based on the Company's current expectations and assumptions regarding its business, the economy and other future conditions. The Company cautions readers that any such forward-looking statements it makes are not guarantees of future performance and that actual results may differ materially from anticipated results or expectations expressed in its forward-looking statements as a result of a variety of factors, including many that are beyond the Company's control.

In addition to those factors discussed under the heading "Risk Factors" in Item 1A of this report and elsewhere in this report, and in the Company's other public filings with the SEC, important factors that could cause actual results to differ materially from the Company's expectations include: existing and unknown future limitations on the ability of the Company's direct and indirect subsidiaries to make their cash flow available to the Company for payments on the Company's indebtedness or other purposes; reduced demands or prices for biofuels, biogases or renewable electricity; global demands for 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 the Company's products; reductions in raw material volumes available to the Company due to weak margins in the meat production industry as a result of higher feed costs, reduced consumer demand, reduced volume due to government regulations affecting animal production or other factors, reduced volume from food service establishments, or otherwise; reduced demand for animal feed; reduced finished product prices, including a decline in fat, used cooking oil, protein or collagen (including, without limitation, collagen peptides and gelatin) finished product prices; changes to government policies around the world relating to renewable fuels and GHG emissions that adversely affect prices, margins or

markets (including for the DGD Joint Venture), including programs like renewable fuel standards, LCFS, renewable fuel mandates and tax credits for biofuels or loss or diminishment of tax credits due to failure to satisfy any eligibility requirements, including, without limitation, in relation to the blenders tax credit or CFPC; climate related adverse results, including with respect to the Company's climate goals, targets or commitments; possible product recall resulting from developments relating to the discovery of unauthorized adulterations to food or food additives or products which do not meet specifications, contract requirements or regulatory standards; the occurrence of 2009 H1N1 flu (initially known as Swine Flu), highly pathogenic strains of avian influenza (collectively known as Bird Flu), SARS, BSE, PED or other diseases associated with animal origin in the U.S. or elsewhere, such as the outbreak of ASF in China and elsewhere; the occurrence of pandemics, epidemics or disease outbreaks; unanticipated costs and/or reductions in raw material volumes related to the Company's compliance with the existing or unforeseen new U.S. or foreign (including, without limitation, China) regulations (including new or modified animal feed, Bird Flu, SARS, PED, BSE or ASF 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 and/or a decline in margins on the products produced by the DGD Joint Venture; risks and uncertainties relating to international sales and operations, including imposition of tariffs, quotas, trade barriers and other trade protections by the U.S. or foreign countries; tax changes, such as global minimum tax measures, or issues related to administration, guidance and/or regulations associated with biofuel policies, including CFPC, and risks associated with the qualification and sale of such credits; difficulties or a significant disruption (including, without limitation, due to cyber-attack) in the Company's information systems, networks or the confidentiality, availability or integrity of our data or failure to implement new systems and software successfully; risks relating to possible third-party claims of intellectual property infringement; increased contributions to the Company's 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; the potential for future terrorist attacks, responses to terrorist attacks and other acts of war or hostility, including the ongoing conflicts in the Middle East, Africa, North Korea and Ukraine; uncertainty regarding any administration changes in the U.S. or elsewhere around the world, including, without limitation, impacts to trade, tariffs and/or policies impacting the Company (such as biofuel policies and mandates); and/or unfavorable export or import markets. These factors, coupled with volatile prices for natural gas and diesel fuel, inflation rates, climate conditions, 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 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 this report or negatively impact the Company's results of operations. Among other things, future profitability may be affected by the Company's ability to grow its business, which faces competition from companies that may have substantially greater resources than the Company. The Company's announced share repurchase program may be suspended or discontinued at any time and purchases of shares under the program are subject to market conditions and other factors, which are likely to change from time to time. The Company cautions readers that all forward-looking statements speak only as of the date made, and the Company undertakes no obligation to update any forward looking statements, whether as a result of changes in circumstances, new events or otherwise.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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. Most 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 interest rates, 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. 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. Soybean meal forward contracts and options are entered into with the intent of managing the impact of changing prices for poultry meal sales. 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 and options are entered into to mitigate the foreign exchange rate risk for transactions designated in a currency other than the local functional currency. The Company intends to take physical delivery of the commodities under

certain of the Company's natural gas and diesel fuel instruments and accordingly, these contracts are not subject to the requirements of fair value accounting because they qualify as normal purchases as defined in FASB authoritative guidance.

At January 3, 2026, the Company had foreign currency options and forward contracts and interest rate swaps outstanding that qualified and were designated for hedge accounting as well as corn options and forward contracts, soybean meal option contracts, soybean oil option contracts, other commodity forward contracts and foreign currency forward contracts that did not qualify and were not designated for hedge accounting.

In fiscal 2023, the Company entered into interest rate swaps that are designated as cash flow hedges. Due to a change in the terms of the underlying debt instruments, the hedging relationships were dedesignated in June 2025. The cumulative gain of approximately $4.1 million, previously recognized in accumulated other comprehensive loss related to the cash flow hedges was reclassified to interest expense upon dedesignation. In July 2025, the Company designated interest rate swaps as cash flow hedges. The notional amount of these swaps totaled $900.0 million. Under the contracts, the Company is obligated to pay a weighted average rate of 3.656% while receiving the 1-month SOFR rate. Under the terms of the interest rate swaps, the Company hedged a portion of its variable rate debt into the second quarter of 2027. At January 3, 2026, the aggregate fair value of these interest rate swaps was approximately $2.2 million. These amounts are included in other current assets, accrued expenses and noncurrent liabilities on the balance sheet, with an offset recorded in accumulated other comprehensive loss.

In fiscal 2023, the Company also entered into cross currency swaps that were designated as cash flow hedges to hedge the Company's intercompany loans. During the second quarter of 2025, the intercompany loans and cross currency swaps were settled. At January 3, 2026, the aggregate fair value of cross currency swaps was zero.

In fiscal 2025, fiscal 2024 and fiscal 2023, the Company entered into foreign exchange option and forward contracts that are considered cash flow hedges. Under the terms of the foreign exchange contracts, the Company hedged a portion of its forecasted sales in currencies other than the functional currency through the fourth quarter of fiscal 2026. At January 3, 2026, the aggregate fair value of these foreign exchange contracts was approximately $15.3 million. These amounts are included in other current assets and accrued expenses on the balance sheet, with an offset recorded in accumulated other comprehensive loss.

The Company may enter into corn forward and options contracts, soybean meal forward and option contracts and heating oil swap and option contracts from time to time. At January 3, 2026, there are no open designated corn, soybean meal, or heating oil contracts.

At January 3, 2026, the Company had the following outstanding forward contracts that were entered into to hedge the future payments of intercompany notes, and foreign currency transactions in currencies other than the functional currency and forecasted transactions in currencies other than the functional currency (in thousands):

Functional Currency		Contract Currency		Range of	U.S.
Type	Amount	Type	Amount	Hedge rates	Equivalent
Brazilian real	357,062	Euro	52,829	6.24 - 7.06	$ 65,678
Brazilian real	1,845,023	U.S. dollar	319,202	5.39 - 7.29	319,202
Euro	15,432	U.S. dollar	18,084	1.16 - 1.18	18,084
Euro	91,420	Polish zloty	387,055	4.21 - 4.24	107,419
Euro	9,537	Japanese yen	1,734,164	179.34 - 183.61	11,206
Euro	20,567	Chinese renminbi	170,255	8.22 - 8.31	24,166
Euro	16,339	Australian dollar	28,900	1.76 - 1.78	19,199
Euro	5,347	British pound	4,700	0.87 - 0.88	6,283
Polish zloty	77,077	Euro	18,214	4.23 - 4.24	21,483
Polish zloty	920	U.S. dollar	256	3.59	256
British pound	198	U.S. dollar	265	1.34	265
Japanese yen	141,745	U.S. dollar	918	154.41	918
U.S. dollar	376	Japanese yen	58,096	154.52	376
Australian dollar	252	U.S. dollar	169	0.67	169
					$ 594,704

The above foreign currency contracts had an aggregate fair value of approximately $17.6 million and are included in other current assets and accrued expenses at January 3, 2026.

The Company had commodity option and forward contracts that are marked to market with the changes in the fair value recorded to earnings because they did not qualify for hedge accounting at January 3, 2026. These contracts include corn forwards, soybean meal option, soybean oil option and other commodities. They have an aggregate fair value of approximately $1.2 million and are included in other current assets and accrued expenses at January 3, 2026.

At January 3, 2026, the Company had forward purchase agreements in place for purchases of approximately $261.1 million of natural gas and diesel fuel and approximately $36.0 million of other commitments during the next three years. As of January 3, 2026, the Company had forward purchase agreements in place for purchases of approximately $195.6 million of finished and raw material products during the next five years.

Interest Rate Sensitivity

At January 3, 2026, the Company's fixed rate debt obligations consist of the 6% Notes, the 5.25% Notes, the 4.5% Notes and other immaterial debt that accrue interest at an annual weighted average fixed rate of approximately 4.84%. As of January 3, 2026, the Company has long-term debt of approximately $1.5 billion that is subject to variable interest rates under the Company's Senior Secured Credit Facilities. Of this variable rate debt, a portion of the $900.0 million has been fixed through the second quarter of 2027 at a weighted average rate of 3.656% as a result of our entry into interest swap transactions. This leaves a weighted average debt subject to variable interest of approximately $1.04 billion, which the Company estimates that a 1% increase in interest rates will increase the Company's annual interest expense by approximately $10.4 million.

Foreign Exchange

The Company 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, Brazilian real, Canadian dollar, Australian dollar, Chinese renminbi, Polish zloty, British pound and Japanese yen.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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All other schedules are omitted since the required information is not present or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements and notes thereto.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Darling Ingredients Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Darling Ingredients Inc. and subsidiaries (the Company) as of January 3, 2026 and December 28, 2024, 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, 2026, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of January 3, 2026 and December 28, 2024, and the results of its operations and its cash flows for each of the years in the three-year period ended January 3, 2026, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of January 3, 2026, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated March 3, 2026 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

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 are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Sufficiency of audit evidence over net sales

As discussed in Note 23 to the consolidated financial statements, total net sales were $6.1 billion for the year-ended January 3, 2026.

We identified the evaluation of the sufficiency of audit evidence over net sales as a critical audit matter. The Company's business operations are conducted through a global network of over 260 locations across five continents. Net sales are recognized primarily from the sale of tangible products at these Company locations around the world. Evaluating the sufficiency of audit evidence obtained required especially subjective auditor judgment because of the geographical dispersion of the Company's net sales generating activities. This included determining the Company locations at which procedures were performed and the supervision and review of procedures performed at those locations.

The following are the primary procedures we performed to address this critical audit matter. We applied auditor judgment to determine the nature and extent of procedures to be performed over net sales, including the determination of the Company locations at which those procedures were to be performed. At each Company location where procedures were performed, we:

- evaluated the design and tested the operating effectiveness of certain internal controls over the Company's net sales processes, including the Company's controls over the accurate recording of amounts
- assessed the recorded net sales for certain locations by selecting a sample of transactions and comparing the amounts recognized to underlying documentation, including contracts with customers and shipping documentation
- assessed the recorded net sales for certain locations by performing a software-assisted data analysis to test relationships among certain revenue transactions.

We evaluated the sufficiency of audit evidence obtained by assessing the results of procedures performed, including the appropriateness of the nature and extent of such evidence.

Assessment of the carrying value of goodwill

As discussed in Notes 1 and 8 to the consolidated financial statements, the goodwill balance as of January 3, 2026 was $2.5 billion. The Company performs goodwill testing annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. In 2025, the Company performed a quantitative assessment to compare the fair value of the Company's reporting units to their respective carrying amounts. The Company estimates the fair value of the reporting units primarily using an income approach and, if the carrying amount exceeds the estimated fair value, an impairment charge is recorded. Based on the Company's annual impairment testing, the fair value of one of the Company's six reporting units was not substantially in excess of their carrying value.

We identified the assessment of the carrying value of goodwill for this reporting unit as a critical audit matter. Evaluating the estimated fair value of the reporting unit involved a high degree of subjective auditor judgment. Specifically, the raw material volume and gross margin assumptions to determine the fair value of the reporting unit was challenging to audit as minor changes to those assumptions could have a significant effect on the assessment of the carrying value of goodwill. Additionally, the audit effort associated with the evaluation of these assumptions required specialized skills and knowledge.

The following are the primary procedures we performed to address this critical audit matter. For the reporting unit, we:

- evaluated the design and tested the operating effectiveness of certain internal controls over the Company's goodwill impairment assessment process, including controls related to the raw material volume and gross margin assumptions
- evaluated the raw material volume and gross margin assumptions by comparing them to historical raw material volumes and gross margins, respectively
- obtained external commodity pricing market data and budgets approved by the Board of Directors and compared them to the inputs used in the Company's development of gross margins
- compared the Company's historical raw material volume and gross margin forecasts to actual results for the reporting unit to assess the Company's ability to accurately forecast.

We also involved valuation professionals with specialized skills and knowledge, who assisted in performing sensitivity analyses over the raw material volume and gross margin assumptions to assess their impact on the Company's determination that the fair value of the reporting unit exceeded its respective carrying value.

/s/ KPMG LLP

We have served as the Company's auditor since 1989.

Dallas, Texas
March 3, 2026

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Darling Ingredients Inc.:

Opinion on Internal Control Over Financial Reporting

We have audited Darling Ingredients Inc. and subsidiaries' (the Company) internal control over financial reporting as of January 3, 2026, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of January 3, 2026, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of January 3, 2026 and December 28, 2024, 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, 2026, and the related notes (collectively, the consolidated financial statements), and our report dated March 3, 2026 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company'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 Form 10-K. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. 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 of internal control over financial reporting 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.

Definition and Limitations of Internal Control Over Financial Reporting

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.

/s/ KPMG LLP

Dallas, Texas
March 3, 2026

Consolidated Balance Sheets
January 3, 2026 and December 28, 2024
(in thousands, except share and per share data)

ASSETS	January 3, 2026	December 28, 2024
Current assets:		
Cash and cash equivalents	$ 88,671	$ 75,973
Restricted cash	16,686	37,579
Accounts receivable, less allowance for credit losses of $15,589 at January 3, 2026 and $16,166 at December 28, 2024	609,492	581,108
Accounts receivable due from related party - Diamond Green Diesel	33,713	9,476
Inventories	527,738	576,837
Prepaid expenses	85,179	81,286
Income taxes refundable	8,281	35,063
Assets held for sale	143,479	—
Other current assets	40,127	42,114
Total current assets	1,553,366	1,439,436
Property, plant and equipment, net	2,796,139	2,713,669
Intangible assets, net	845,003	898,412
Goodwill	2,459,031	2,322,593
Investment in unconsolidated subsidiaries	2,206,827	2,263,709
Operating lease right-of-use assets	223,705	210,692
Other assets	190,175	199,594
Deferred income taxes	24,536	22,368
	$ 10,298,782	$ 10,070,473
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 75,217	$ 133,020
Accounts payable, principally trade	371,084	348,705
Income taxes payable	16,018	9,723
Current operating lease liabilities	61,745	62,761
Liabilities to be disposed of	25,085	—
Accrued expenses	485,498	489,295
Total current liabilities	1,034,647	1,043,504
Long-term debt, net of current portion	3,862,243	3,908,978
Long-term operating lease liabilities	162,362	152,327
Other noncurrent liabilities	189,454	208,350
Deferred income taxes	240,561	293,022
Total liabilities	5,489,267	5,606,181
Commitments and contingencies		
Stockholders' equity:		
Common stock, $0.01 par value; 250,000,000 shares authorized, 175,643,373 and 174,965,834 shares issued at January 3, 2026 and December 28, 2024, respectively	1,756	1,750
Additional paid-in capital	1,718,686	1,720,877
Treasury stock, at cost; 17,450,028 and 16,068,364 shares at January 3, 2026 and December 28, 2024, respectively	(719,280)	(672,710)
Accumulated other comprehensive loss	(339,189)	(684,241)
Retained earnings	4,074,938	4,012,134
Total Darling's stockholders' equity	4,736,911	4,377,810
Noncontrolling interests	72,604	86,482
Total stockholders' equity	4,809,515	4,464,292
	$ 10,298,782	$ 10,070,473

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Operations
Three years ended January 3, 2026
(in thousands, except per share data)

	January 3, 2026	December 28, 2024	December 30, 2023
Net sales to third parties	$ 4,938,147	$ 4,746,292	$ 5,460,259
Net sales to related party - Diamond Green Diesel	1,197,730	968,883	1,327,821
Total net sales	6,135,877	5,715,175	6,788,080
Costs and expenses:			
Cost of sales and operating expense (excludes depreciation and amortization, shown separately below)	4,662,419	4,437,337	5,143,060
Gain on sale of assets	(340)	(4,157)	(7,421)
Selling, general and administrative expenses	551,158	492,105	542,534
Restructuring and asset impairment charges	57,960	5,794	18,553
Depreciation and amortization	508,504	503,825	502,015
Acquisition and integration costs	15,942	7,842	13,884
Change in fair value of contingent consideration	18,024	(46,706)	(7,891)
Total costs and expenses	5,813,667	5,396,040	6,204,734
Equity in net income/(loss) of Diamond Green Diesel	(48,770)	149,082	366,380
Operating income	273,440	468,217	949,726
Other expense:			
Interest expense	(222,279)	(253,858)	(259,223)
Loss on early retirement of debt	(2,978)	—	—
Foreign currency gain/(loss)	(384)	(1,154)	8,133
Other income, net	468	22,309	16,310
Total other expense	(225,173)	(232,703)	(234,780)
Equity in net income of other unconsolidated subsidiaries	12,759	11,994	5,011
Income before income taxes	61,026	247,508	719,957
Income tax expense/(benefit)	(9,359)	(38,337)	59,568
Net income	70,385	285,845	660,389
Net income attributable to noncontrolling interests	(7,581)	(6,965)	(12,663)
Net income attributable to Darling	$ 62,804	$ 278,880	$ 647,726
Net income per share:			
Basic	$ 0.40	$ 1.75	$ 4.05
Diluted	$ 0.39	$ 1.73	$ 3.99

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)
Three years ended January 3, 2026
(in thousands)

	January 3, 2026	December 28, 2024	December 30, 2023
Net income	$ 70,385	$ 285,845	$ 660,389
Other comprehensive income/(loss), net of tax:			
Foreign currency translation	292,333	(415,142)	139,651
Pension adjustments	9,302	2,809	2,284
Commodity derivative adjustments	9,239	(33,102)	33,813
Foreign exchange derivative adjustments	34,241	(39,746)	3,732
Interest rate swap derivative adjustments	(4,471)	1,293	3,009
Total other comprehensive income/(loss), net of tax	340,644	(483,888)	182,489
Total comprehensive income/(loss)	411,029	(198,043)	842,878
Comprehensive income attributable to noncontrolling interests	3,173	8,972	9,624
Comprehensive income/(loss) attributable to Darling	$ 407,856	$ (207,015)	$ 833,254

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Stockholders' Equity
Three years ended January 3, 2026
(in thousands, except share data)

	Common Stock								
	Number of Outstanding Shares	$0.01 par Value	Additional Paid-In Capital	Treasury Stock	Accumulated Other Comprehensive Loss	Retained Earnings	Stockholders' equity attributable to Darling	Non-controlling Interests	Total Stockholders' Equity
Balances at December 31, 2022	159,969,596	$ 1,736	$ 1,660,084	$ (554,451)	$ (383,874)	$ 3,085,528	$ 3,809,023	$ 87,467	$ 3,896,490
Net income	—	—	—	—	—	647,726	647,726	12,663	660,389
Distribution of noncontrolling interest earnings	—	—	—	—	—	—	—	(9,036)	(9,036)
Additions to noncontrolling interests	—	—	—	—	—	—	—	205	205
Pension adjustments, net of tax	—	—	—	—	2,284	—	2,284	—	2,284
Commodity derivative adjustments, net of tax	—	—	—	—	33,813	—	33,813	—	33,813
Interest rate swap adjustments, net of tax	—	—	—	—	3,009	—	3,009	—	3,009
Foreign exchange derivative adjustments, net of tax	—	—	—	—	3,732	—	3,732	—	3,732
Foreign currency translation adjustments	—	—	—	—	142,690	—	142,690	(3,039)	139,651
Issuance of non-vested stock	—	—	186	—	—	—	186	—	186
Stock-based compensation	—	—	32,970	—	—	—	32,970	—	32,970
Treasury stock	(1,270,689)	—	—	(74,557)	—	—	(74,557)	—	(74,557)
Issuance of common stock	834,882	8	4,547	—	—	—	4,555	—	4,555
Balances at December 30, 2023	159,533,789	$ 1,744	$ 1,697,787	$ (629,008)	$ (198,346)	$ 3,733,254	$ 4,605,431	$ 88,260	$ 4,693,691
Net income	—	—	—	—	—	278,880	278,880	6,965	285,845
Distribution of noncontrolling interest earnings	—	—	—	—	—	—	—	(10,750)	(10,750)
Pension adjustments, net of tax	—	—	—	—	2,809	—	2,809	—	2,809
Commodity derivative adjustments, net of tax	—	—	—	—	(33,102)	—	(33,102)	—	(33,102)
Interest rate swap adjustments, net of tax	—	—	—	—	1,293	—	1,293	—	1,293
Foreign exchange derivative adjustments, net of tax	—	—	—	—	(39,746)	—	(39,746)	—	(39,746)
Foreign currency translation adjustments	—	—	—	—	(417,149)	—	(417,149)	2,007	(415,142)
Issuance of non-vested stock	—	—	185	—	—	—	185	—	185
Stock-based compensation	—	—	20,733	—	—	—	20,733	—	20,733
Treasury stock	(1,174,172)	—	—	(43,702)	—	—	(43,702)	—	(43,702)
Issuance of common stock	537,853	6	2,172	—	—	—	2,178	—	2,178
Balances at December 28, 2024	158,897,470	$ 1,750	$ 1,720,877	$ (672,710)	$ (684,241)	$ 4,012,134	$ 4,377,810	$ 86,482	$ 4,464,292
Net income	—	—	—	—	—	62,804	62,804	7,581	70,385
Distribution of noncontrolling interest earnings	—	—	—	—	—	—	—	(5,448)	(5,448)
Acquisition of noncontrolling interests	—	—	(29,488)	—	—	—	(29,488)	(13,166)	(42,654)
Sale of noncontrolling interests	—	—	—	—	—	—	—	1,563	1,563
Pension adjustments, net of tax	—	—	—	—	9,302	—	9,302	—	9,302
Commodity derivative adjustments, net of tax	—	—	—	—	9,239	—	9,239	—	9,239
Interest rate swap adjustments, net of tax	—	—	—	—	(4,471)	—	(4,471)	—	(4,471)
Foreign exchange derivative adjustments, net of tax	—	—	—	—	34,241	—	34,241	—	34,241
Foreign currency translation adjustments	—	—	—	—	296,741	—	296,741	(4,408)	292,333
Issuance of non-vested stock	—	—	33	—	—	—	33	—	33
Stock-based compensation	—	—	21,762	—	—	—	21,762	—	21,762
Treasury stock	(1,381,664)	—	—	(46,570)	—	—	(46,570)	—	(46,570)
Issuance of common stock	677,539	6	5,502	—	—	—	5,508	—	5,508
Balances at January 3, 2026	158,193,345	$ 1,756	$ 1,718,686	$ (719,280)	$ (339,189)	$ 4,074,938	$ 4,736,911	$ 72,604	$ 4,809,515

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows
Three years ended January 3, 2026
(in thousands)

	January 3, 2026	December 28, 2024	December 30, 2023
Cash flows from operating activities:			
Net income	$ 70,385	$ 285,845	$ 660,389
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	508,504	503,825	502,015
Deferred income taxes	(79,066)	(186,390)	(22,241)
Gain on sale of assets	(340)	(4,157)	(7,421)
Asset impairment	57,797	—	4,734
Change in fair value of contingent consideration	18,024	(46,706)	(7,891)
Gain on insurance proceeds from insurance settlement	—	(19,021)	(14,014)
Increase/(decrease) in long-term pension liability	3,487	200	(1,040)
Stock-based compensation expense	21,795	20,918	33,156
Loss on early retirement of debt	2,978	—	—
Write-off deferred loan costs	—	—	653
Deferred loan cost amortization	5,504	5,620	6,216
Equity in net (income)/loss of Diamond Green Diesel and other unconsolidated subsidiaries	36,011	(161,076)	(371,391)
Distributions of earnings from Diamond Green Diesel and other unconsolidated subsidiaries	371,767	184,915	168,277
Changes in operating assets and liabilities, net of effects from acquisitions:			
Accounts receivable	(50,085)	179,835	(10,832)
Income taxes refundable/payable	33,443	(17,340)	(39,933)
Inventories and prepaid expenses	23,998	163,783	49,582
Accounts payable and accrued expenses	27,367	(17,881)	(82,939)
Other	8,150	(53,081)	31,943
Net cash provided by operating activities	1,059,719	839,289	899,263
Cash flows from investing activities:			
Capital expenditures	(380,477)	(332,465)	(555,480)
Acquisitions, net of cash acquired	—	(116,712)	(1,093,183)
Investment in Diamond Green Diesel	(328,228)	(90,000)	(75,000)
Investment in other unconsolidated subsidiaries	—	(27)	(27)
Loan to Diamond Green Diesel	(25,000)	(100,000)	—
Loan repayment from Diamond Green Diesel	25,000	100,000	25,000
Gross proceeds from sale of property, plant and equipment and other assets	12,242	21,301	10,748
Proceeds from insurance settlement	15,028	19,021	14,014
Payments related to routes and other intangibles	(12)	(16)	(1,524)
Net cash used in investing activities	(681,447)	(498,898)	(1,675,452)
Cash flows from financing activities:			
Proceeds from long-term debt	1,102,242	5,929	817,101
Payments on long-term debt	(1,611,388)	(52,238)	(319,367)
Borrowings from revolving credit facility	1,954,403	1,437,501	2,666,360
Payments on revolving credit facility	(1,621,852)	(1,779,455)	(2,194,902)
Net cash overdraft financing	(4,068)	41,454	(9,780)
Acquisition hold-back payments	(39,668)	(157)	(3,793)
Contingent consideration payments	(52,693)	—	—
Deferred loan costs	(18,329)	—	(9)
Issuance of common stock	413	447	—
Repurchase of common stock	(34,668)	(34,272)	(52,941)
Minimum withholding taxes paid on stock awards	(6,910)	(7,987)	(17,296)
Sale of noncontrolling interest in subsidiary	3,249	—	—
Acquisition of noncontrolling interest	(42,086)	—	—
Distributions to noncontrolling interests	(5,371)	(10,785)	(9,081)
Net cash provided/(used) in financing activities	(376,726)	(399,563)	876,292
Effect of exchange rate changes on cash flows	(15,315)	12,029	14,179
Net increase/(decrease) in cash, cash equivalents and restricted cash	(13,769)	(47,143)	114,282
Cash, cash equivalents and restricted cash at beginning of year	217,307	264,450	150,168
Cash, cash equivalents and restricted cash at end of year	$ 203,538	$ 217,307	$ 264,450

The accompanying notes are an integral part of these consolidated financial statements.

Notes to Consolidated Financial Statements

NOTE 1. GENERAL

(a) NATURE OF OPERATIONS

Darling Ingredients Inc., a Delaware corporation ("Darling", and together with its subsidiaries, the "Company" or "we", "us" or "our"), 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, industrial, fuel, bioenergy and fertilizer industries. The Company's business operations are conducted through a global network of over 260 locations across five continents within three business segments, Feed Ingredients, Food Ingredients and Fuel Ingredients. Comparative segment revenues and related financial information are presented in Note 22 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 represent 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 of the consolidated subsidiaries is shown as an allocation of the Company's net income and is presented separately as "Net income 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 intercompany balances and transactions have been eliminated in consolidation.

(2) Business Combinations

The Company accounts for its business combinations using the acquisition method of accounting when the activities acquired have been determined to be a business. The consideration transferred in a business combination is measured at fair value, which is determined as the sum of the acquisition-date fair values of the assets transferred, liabilities incurred by the Company and any equity interests issued by the Company. The consideration transferred is allocated to the tangible and intangible assets acquired and liabilities assumed at their estimated fair value on the acquisition date. The excess of fair value is recorded as goodwill. The results of businesses acquired in a business combination are included in our consolidated financial statements from the date of acquisition. Acquisition costs are expensed as incurred.

Determining the fair value of assets acquired and liabilities assumed requires management to use significant judgment and estimates. Depending on the acquisition size, the Company determines the fair values using the assistance of a valuation expert who assists the Company primarily using the cost, market and income approaches and using estimates of future revenue and cash flows, raw material and sales volumes, discount rates and the selection of comparable companies. The Company's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. During the measurement period, not to exceed one year from the date of the acquisition, the Company may record adjustments to the assets acquired and liabilities assumed, with a corresponding offset to goodwill if new information is obtained related to facts and circumstances that existed as of the acquisition date. After the measurement period, any subsequent adjustments are reflected in the Consolidated Statement of Operations.

(3) 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, 2026, the 52 weeks ended December 28, 2024, and the 52 weeks ended December 30, 2023.

(4) 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. Cash balances are recorded net of book overdrafts when a bank right-of-offset exists. All other book overdrafts are recorded in accounts payable and the change in the related balance is reflected in operating activities on the Consolidated Statements of Cash Flows. In addition, the Company has bank overdrafts, which are considered a form of short-term financing with changes in the related balance reflected in financing activities in the Consolidated Statements of Cash Flows. Restricted cash shown on the Consolidated Balance Sheet as of January 3, 2026 and December 28, 2024, primarily represents the current portion of acquisition consideration hold-back amounts that are part of the purchase price set aside in escrow in the Company's name for possible indemnification claims by the Company, which amounts will be paid to the sellers in the future if no claims arise. Restricted cash included in other assets as of January 3, 2026 and December 28, 2024, primarily represents the long-term acquisition consideration hold-back amounts that are part of the purchase price set aside in escrow in the Company's name for possible indemnification claims by the Company, which amounts will be paid to the sellers in the future if no claims arise. A reconciliation of cash, cash equivalents, and restricted cash reported within the Consolidated Balance Sheets that sum to the total of same such amounts shown in the Consolidated Statements of Cash flows is as follows (in thousands):

	January 3, 2026	December 28, 2024
Cash and cash equivalents	$ 88,671	$ 75,973
Restricted cash	16,686	37,579
Restricted cash included in other long-term assets	98,181	103,755
Total cash, cash equivalents and restricted cash shown in the statement of cash flows	$ 203,538	$ 217,307

(5) Accounts Receivable and Allowance for Credit Losses

The Company maintains allowances for credit losses 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 adjusted for differences in asset-specific risk characteristic, current economic conditions and forecast of future economic conditions. 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 credit losses may be required.

The Company has entered into agreements with third-party banks to factor certain of the Company's trade receivables in order to enhance working capital by turning trade receivables into cash faster. Under these agreements, the Company will sell certain selected customers trade receivables to the third-party banks without recourse for cash less a nominal fee. For the years ended January 3, 2026, December 28, 2024 and December 30, 2023, the Company sold approximately $513.8 million, $560.5 million and $532.6 million, respectively, of its trade receivables and incurred approximately $5.7 million, $8.1 million and $7.5 million in fees, respectively.

(6) Inventories

Inventories are stated at the lower of cost or net realizable value. 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.

(7) 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 acquisition of its Darling Ingredients International business on January 7, 2014. 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) customer relationships representing groups of collagen finished product customers in our food segment; 3) permits that represent licensing of operating plants that have been acquired, giving those plants the ability to operate; 4) non-compete agreements that represent contractual arrangements with former competitors whose businesses were acquired; 5) trade names; and 6) royalty, product development, patents, 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 customer relationships; 10 to 20 years for permits; and 4 to 15 years for trade names. Royalties, product development, patents, consulting, land use rights, non-compete agreements and leasehold agreements are generally amortized over the term of the agreement.

(8) 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 or asset group 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 2025, the Company recorded asset impairment charges related to the feed and food segment long-lived assets of approximately $30.0 million and $8.6 million, respectively. In fiscal 2023, the Company recorded asset impairment charges related to the feed segment and food segment long-lived assets of approximately $2.9 million and $1.8 million, respectively. See Note 19 to the consolidated financial statements.

(9) Goodwill and Indefinite Lived Intangible Assets

Goodwill and indefinite lived intangible assets are tested annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. When assessing the recoverability of goodwill and other indefinite lived intangible assets, the Company may first assess qualitative factors in determining whether it is more likely than not that the fair value of a reporting unit, including goodwill, or other indefinite lived intangible assets are less than its carrying amount. The qualitative evaluation is an assessment of multiple factors, including the current operating environment, financial performance and market considerations. The Company may elect to bypass this qualitative assessment for some or all of its reporting units or other indefinite lived intangible assets and perform a quantitative test, based on management's judgment. If the Company chooses to bypass the qualitative assessment, it performs the quantitative approach to impairment testing by comparing the fair value of the Company's reporting units to their respective carrying amounts and records an impairment charge for the amount by which the carrying amounts exceeds the fair value; however, the loss recognized, if any, will not exceed the total amount of goodwill allocated to that reporting unit. In fiscal 2025 and 2024, the Company performed a quantitative approach to valuing goodwill and indefinite-lived intangible assets at October 25, 2025 and October 26, 2024, respectively. Based on the Company's annual impairment testing, we concluded the fair values of the Company's reporting units containing goodwill and indefinite lived intangible assets exceeded the related carrying values. Upon meeting the criteria for classification of certain of the Company's assets as held for sale, the Company recorded goodwill charges in the feed segment and food segment of approximately $2.0 million and $17.0 million, respectively. In addition, the Company recorded indefinite lived intangible asset charges in the food segment

of approximately $0.2 million. Goodwill was approximately $2.5 billion and $2.3 billion at January 3, 2026 and December 28, 2024, respectively. See Note 8 for further information on the Company's goodwill.

(10) Leases

The Company accounts for leases in accordance with Accounting Standard Codification ("ASC") Topic 842, Leases. The Company determines if an arrangement is a lease at inception for which the Company recognizes the right-of-use ("ROU") asset and a lease liability at the lease commencement date. For operating leases, the lease liability is initially measured at the present value of the unpaid lease payments at the lease commencement date. The lease liability is subsequently measured at amortized cost using the effective interest method. In determining the lease liability, the Company applies a discount rate to the minimum lease payments within each lease. ASC 842 requires the Company to use the rate of interest that a lessee would have to pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment. To estimate the Company's incremental borrowing rate over various terms, a comparable market yield curve consistent with the Company's credit quality is determined. The lease term for all of the Company's leases include the non-cancellable period of the lease plus any additional periods covered by either a Company option to extend the lease that the Company is reasonably certain to exercise or when a triggering event occurs. The Company has elected to not recognize a ROU asset and lease liability with an initial term of 12 months or less at lease commencement. Operating leases are included on the Company's balance sheet as a ROU asset, current operating lease liabilities and long-term operating lease liabilities. For finance leases, the lease liability is initially measured in the same manner and date as for the operating leases, and is subsequently measured at amortized cost using the effective interest method. Finance leases are included in property, plant and equipment, current portion of long-term debt and long-term debt, net of current portion, but are not significant to the Company.

The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus any direct costs incurred less any lease incentives received. For operating leases, the ROU asset is subsequently measured throughout the lease term at the carrying amount of the lease liability, plus initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of the lease incentives received. Some leases contain rent escalation clauses (including index-based escalations), initially measured using the index at the lease commencement date. The Company recognizes minimum rental expense on a straight-line basis based on the fixed components of the lease arrangement.

The Company uses the long-lived assets impairment guidance in ASC subtopic 360-10, Property, Plant and Equipment - Overall, to determine whether the ROU asset is impaired, and if so, the amount of the impairment loss to recognize.

The Company monitors for events or changes in circumstances that require a reassessment of one of its leases. When a reassessment results in the remeasurement of a lease liability, a corresponding adjustment is made to the carrying amount of the corresponding ROU asset unless doing so would reduce the carrying amount of the ROU asset to an amount less than zero. In that case, the amount of the adjustment that would result in a negative ROU asset balance is recorded in the Consolidated Statement of Operations.

(11) 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.

(12) 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.

(13) Earnings per Share

Basic income 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 with participation rights outstanding during the period. Diluted income 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)								
	January 3, 2026			December 28, 2024			December 30, 2023		
	Income	Shares	Per-Share	Income	Shares	Per-Share	Income	Shares	Per-Share
Basic:									
Net income attributable to Darling	$ 62,804	158,479	$ 0.40	$ 278,880	159,513	$ 1.75	$ 647,726	159,861	$ 4.05
Diluted:									
Effect of dilutive securities									
Add: Option shares in the money and dilutive effect of nonvested stock	—	2,746	—	—	2,932	—	—	3,314	—
Less: Pro-forma treasury shares	—	(1,068)	—	—	(1,027)	—	—	(788)	—
Diluted:									
Net income attributable to Darling	$ 62,804	160,157	$ 0.39	$ 278,880	161,418	$ 1.73	$ 647,726	162,387	$ 3.99

There were no outstanding stock options excluded in fiscal 2025, 2024 and 2023 from diluted income per common share as the effect was antidilutive. For fiscal 2025, 2024 and 2023, respectively, 735,531, 403,615 and 311,919 shares of non-vested stock were excluded from diluted income per common share as the effect was antidilutive.

(14) Stock Based Compensation

The Company recognizes compensation expense ratably over the vesting period 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. The Company's policy is to account for forfeitures in the period they occur, rather than estimating a forfeiture rate. The Company does not reclassify excess tax benefits from operating activities to financing activities in the Consolidated Statements of Cash Flows. Additionally, the Company excludes the excess tax benefits from the assumed proceeds available to repurchase shares of common stock in the computation of the Company's diluted earnings per share. The Company records tax benefit or expense within income tax expense/(benefit) for the year ended January 3, 2026, December 28, 2024 and December 30, 2023 related to

the excess tax expense on stock options, non-vested stock, director restricted stock units, restricted stock units and performance units.

Total stock-based compensation recognized in the Consolidated Statements of Operations for the years ended January 3, 2026, December 28, 2024 and December 30, 2023 was approximately $21.8 million, $20.9 million and $33.2 million, respectively, which is included in selling, general and administrative expenses, and the related income tax benefit recognized was approximately $2.3 million, $2.0 million and $2.6 million, respectively. See Note 14 for further information on the Company's stock-based compensation plans.

(15) 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.

As a result of the ongoing Russian-Ukraine war and conflicts in the Middle East and the current inflationary environment, we have evaluated the potential impact to the Company's operations and for any indicators of potential triggering events that could indicate certain of the Company's assets may be impaired. As of January 3, 2026, the Company has not observed any impairments of the Company's assets or a significant change in their fair value due to the ongoing Russian-Ukraine war and conflicts in the Middle East or inflation.

(16) 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 6% Senior Notes due 2030, 5.25% Senior Notes due 2027, 4.5% Senior Notes due 2032, term loans and revolver borrowings outstanding at January 3, 2026, as described in Note 11 have a fair value based on market valuation from third-party banks. The carrying amount for the Company's other debt is not deemed to be significantly different than the fair value. See Note 18 for financial instruments' fair values.

(17) Derivative Instruments

The Company makes limited use of derivative instruments to manage cash flow risks related to interest rates, natural gas 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. Soybean meal options are entered into with the intent of managing the impact of changing prices for poultry meal sales. 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 and option 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 gain or loss on the derivative instrument is reported initially as a component of other comprehensive loss (outside of earnings) and is subsequently reclassified into earnings when the forecasted transaction affects earnings. Any amounts excluded from the assessment of hedge effectiveness 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.

(18) Revenue Recognition

The Company recognizes revenue on sales when control of the promised finished product is transferred to the Company's customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for the finished product. Service revenues are recognized when the service occurs. 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 recognized when control of the promised finished product is transferred to the Company's customer. See Note 23 to the consolidated financial statements.

(19) Related Party Transactions

The Company has 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 and loan transactions with the DGD Joint Venture. See Note 24 for further information on the Company's related party transactions.

(20) Foreign Currency Translation and Remeasurement

Foreign currency translation is included as a component of accumulated other comprehensive loss 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 into 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/(losses) in determining net income. The Company incurred net foreign currency translation gains/(losses) of approximately $296.7 million, $(417.1) million and $142.7 million in fiscal 2025, 2024 and 2023, respectively.

(21) 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. INVESTMENT IN UNCONSOLIDATED SUBSIDIARIES

The DGD Joint Venture is owned 50% / 50% with Valero.

Selected financial information for the Company's DGD Joint Venture is as follows:

(in thousands)	December 31, 2025	December 31, 2024
Assets:		
Cash	$ 195,765	$ 353,446
Total current assets	1,199,194	1,137,821
Property, plant and equipment, net	3,702,254	3,868,943
Other assets	139,765	100,307
Total assets	$ 5,236,978	$ 5,460,517
Liabilities and members' equity:		
Revolver	$ —	$ —
Total current portion of long term debt	29,487	29,809
Total other current liabilities	332,256	319,688
Total long term debt	677,671	707,158
Total other long term liabilities	17,748	17,195
Total members' equity	4,179,816	4,386,667
Total liabilities and member's equity	$ 5,236,978	$ 5,460,517

	Year Ended December 31,		
(in thousands)	2025	2024	2023
Revenues:			
Operating revenues	$ 4,596,830	$ 5,065,592	$ 6,990,622
Expenses:			
Total costs and expenses excluding lower of cost or market inventory valuation adjustment and depreciation, amortization and accretion expense	4,500,398	4,309,768	5,925,778
Lower of cost or market (LCM) inventory valuation adjustment	(140,085)	175,934	60,871
Depreciation, amortization and accretion expense	266,887	264,992	230,921
Operating income/(loss)	(30,370)	314,898	773,052
Other income	9,321	22,114	10,317
Interest and debt expense, net	(46,340)	(38,673)	(49,857)
Income before income tax expense	$ (67,389)	$ 298,339	$ 733,512
Income tax expense	1,066	175	752
Net income/(loss)	$ (68,455)	$ 298,164	$ 732,760

As of January 3, 2026, under the equity method of accounting, the Company has an investment in the DGD Joint Venture of approximately $2.1 billion on the Consolidated Balance Sheet. The Company has recorded approximately $(48.8) million, $149.1 million and $366.4 million in equity in net income/(loss) of Diamond Green Diesel for the years ended January 3, 2026, December 28, 2024 and December 30, 2023, respectively.

On August 16, 2022, the U.S. government enacted the Inflation Reduction Act (the “IR Act”). As part of the IR Act, the blenders tax credits of $1.00 were extended as is until December 31, 2024, a new Sustainable Aviation Fuel (“SAF”) blenders tax credit was introduced effective for 2023 and 2024, and a new Clean Fuels Production Credit (the “CFPC”) was created effective from 2025 through 2027. Under the IR Act, Section 40B, SAF, blended with Jet A and sold on or before December 31, 2024, receives a base credit of $1.25 per gallon plus $0.01 for each percentage point by which the lifecycle greenhouse gas (“GHG”) emissions reduction percentage exceeds 50% up to a maximum supplementary amount of $0.50. Under the CFPC, on-road transportation fuel receives a base credit of up to $1.00 per gallon of renewable diesel (adjusted for inflation each calendar year) multiplied by the fuel's emission reduction percentage as long as it is produced at a qualifying facility that meets the prevailing wage requirements and apprenticeship requirements. Similarly, SAF produced during calendar year 2025 at a qualified facility that meets the apprenticeship and prevailing wage requirements receives a base credit of $1.75 (adjusted for inflation each calendar year) multiplied by the GHG emissions factor for SAF. In contrast to the blenders tax credit, the CFPC requires that production must take place in the United States. On July 4, 2025, the One Big Beautiful Bill Act (the “OBBBA”) was enacted in the U.S. The OBBBA includes significant tax related provisions. With respect to the CFPC, the OBBBA extends the credit for two years through December 31, 2029, reduces the maximum credit rate for SAF to $1.00 per gallon (adjusted for inflation each calendar year) for gallons produced after December 31, 2025, and, beginning in 2026 all eligible transportation fuel must be derived exclusively from feedstocks produced or grown in the U.S., Mexico or Canada. Furthermore, on July 21, 2025, the Internal Revenue

Service released Notice 2025-37, announcing the 2025 calendar year inflation adjustment factor for several green energy credits added to the Internal Revenue Code by the IR Act, including the CFPC. Specifically, the base credit for on-road transportation fuel is increased to $1.06 per gallon (from $1.00 per gallon) and SAF is increased to $1.86 per gallon (from $1.75 per gallon) provided the fuel is produced at a qualified facility meeting the prevailing wage and apprenticeship requirements. These revised base credits, subject to the aforementioned emission reduction percentages, are applicable for on-road transportation fuel and SAF produced and sold in calendar year 2025 (i.e., there is a retroactive effective date of January 1, 2025).

In fiscal 2025, fiscal 2024 and fiscal 2023, the DGD Joint Venture recorded approximately $0.6 billion, $1.3 billion and $1.2 billion, respectively of production tax credits and blenders tax credits, net of discount and broker fees related to Darling's portion, respectively. The Company received approximately $367.7 million, $179.8 million and $163.6 million for each of the years ended January 3, 2026, December 28, 2024 and December 30, 2023, in dividend distributions from the DGD Joint Venture. In addition, during fiscal year 2025, 2024 and 2023, the Company made capital contributions to the DGD Joint Venture of approximately $328.2 million, $90.0 million and $75.0 million, respectively.

In addition to the DGD Joint Venture, the Company has investments in other unconsolidated subsidiaries that are insignificant to the Company.

NOTE 3. ACQUISITIONS

Joint Venture with Tessenderlo Group NV

On December 10, 2025, Darling entered into a definitive agreement with Tessenderlo Group NV, a public limited company organized under the laws of Belgium (“Tessenderlo”), to form a joint venture. The definitive agreement is the Master Contribution Agreement (the “Contribution Agreement”) and is among Darling, Darling Global Holdings Inc., a Delaware corporation and wholly owned subsidiary of Darling, Tessenderlo, and NewCo Collagen LLC, a Delaware limited liability company (“NewCo”). Under the Contribution Agreement, Darling and Tessenderlo have agreed to contribute certain of their assets and liabilities related to their respective collagen and gelatin business segments into NewCo in exchange for equity interests in NewCo, and upon the closing of the transaction, Darling will have an 85% equity interest and Tessenderlo will have a 15% equity interest in NewCo. The completion of the transaction contemplated by the Contribution Agreement is subject to all required regulatory approvals and certain other closing conditions.

UPI Bovinos NewCo

On December 8, 2025, Darling submitted a bid of approximately R$620 million, including the payoff of secured debt of approximately R$60 million with little to no working capital (approximately USD$114 million at the exchange rate of R$5.44:USD$1.00 at January 3, 2026), to purchase all of the shares of UPI Bovinos NewCo (“UPI Bovinos”) as a binding offer that was accepted by the shareholders of UPI Bovinos. Darling’s offer was part of a competitive bidding process, as the parent company of UPI Bovions is in bankruptcy in Brazil. On January 14, 2026, upon the closing of the competitive bidding process and according to the public notice, Darling was declared the winner in the process of acquisition of UPI Bovinos. The completion of the transaction is subject to entry into a definitive agreement and all regulatory approvals.

Miropasz Group

On January 31, 2024, a wholly owned international subsidiary of the Company acquired all of the shares of the Miropasz Group (the “Miropasz Acquisition”), a rendering company in Poland that is now in our Feed Ingredients segment, for a cash purchase price of approximately €105.6 million (approximately $114.3 million USD at the exchange rate of €1.0:USD$1.082198 on the closing date). In addition, the Company incurred a liability of approximately €7.0 million (approximately $7.6 million USD at the exchange rate on the closing date) for an acquisition consideration hold-back amount that is part of the purchase price set aside in escrow in the Company’s name for possible indemnification claims by the Company, which amounts will be paid to the sellers in the future if no claims arise. The hold-back amount represents a noncash investing activity during the period of acquisition. During the third quarter of fiscal 2024, the Company received approximately $0.2 million from the sellers as a reduction of the purchase price and other immaterial adjustments. The Company recorded assets and liabilities consisting of property, plant and equipment of approximately $21.2 million, identifiable intangibles which includes routes and immaterial land use rights of approximately $34.9 million with a weighted average life of 17 years, other

net assets of approximately $2.8 million which includes cash, working capital and net debt, and goodwill of approximately $62.8 million. Goodwill is expected to strengthen the Company's base Feed Ingredients business and is nondeductible for tax purposes.

Gelnex

On March 31, 2023, the Company acquired all of the shares of Gelnex, a leading global producer of collagen products (the "Gelnex Acquisition"). The Gelnex Acquisition includes a network of five processing facilities in South America and one in the United States. The initial purchase price of approximately $1.2 billion was comprised of an initial cash payment of approximately $1.1 billion, which consisted of a payment of approximately R$4.3 billion Brazilian real (approximately $853.3 million USD at the exchange rate of R$5.08:USD$1.00 on the closing date) and a payment of approximately $243.5 million in USD, and is subject to various post-closing adjustments in accordance with the stock purchase agreement. In addition, the Company incurred a liability of approximately $104.1 million for an acquisition consideration hold-back amount that is part of the purchase price set aside in escrow in the Company's name for possible indemnification claims by the Company, which amounts will be paid to the sellers in the future if no claims arise. The hold-back amount represents a noncash investing activity during the period of acquisition. The Gelnex Acquisition gives us immediate capacity to serve the growing needs of our collagen customers and the growing collagen market. The initial purchase price was financed by borrowing all of the Company's term A-3 facility of $300.0 million and term A-4 facility of $500.0 million, with the remainder coming through revolver borrowings under the Amended Credit Agreement. During the third quarter of fiscal 2023, the Company made a cash payment for working capital purchase price adjustment per the stock purchase agreement of approximately $14.1 million with an offset to goodwill. The Company obtained new information about facts and circumstances that existed at the acquisition date during the first quarter of 2024 that resulted in measurement period adjustments to increase property, plant and equipment by approximately $13.7 million, decrease intangible assets by approximately $9.5 million, decrease goodwill by approximately $9.1 million, increase deferred tax liabilities by approximately $5.1 million, increase deferred tax assets by approximately $8.1 million and a decrease in other assets and liabilities of approximately $0.1 million.

The following table summarizes the final fair value of the assets acquired and the liabilities assumed in the Gelnex Acquisition as of March 31, 2023 (in thousands):

Accounts receivable	$	81,025
Inventories		140,865
Other current assets		3,143
Property, plant and equipment		169,205
Identifiable intangible assets		339,500
Goodwill		542,572
Operating lease right-of-use assets		134
Other assets		2,703
Deferred tax asset		9,067
Accounts payable		(15,059)
Current portion of long-term debt		(44,692)
Current operating lease liabilities		(26)
Accrued expenses		(18,826)
Long-term debt, net of current portion		(1,407)
Long-term operating lease liabilities		(123)
Deferred tax liability		(12,870)
Other noncurrent liabilities		(19)
Purchase price, net of cash acquired	$	1,195,192
Less hold-back		104,145
Cash paid for acquisition, net of cash acquired	$	1,091,047

The $542.6 million of goodwill from the Gelnex Acquisition, which is expected to strengthen the Company's collagen business and expand its ability to service increased demand of its collagen customer base, is assigned to the Food Ingredients segment. Of the goodwill booked in the Gelnex Acquisition approximately $425.0 million is deductible for tax purposes. The identifiable intangible assets include $331.0 million in customer relationships with

a weighted average life of 11.4 years and $8.5 million in trade name with a life of 5 years for a total weighted average life of approximately 11.3 years.

As a result of the Gelnex Acquisition, effective March 31, 2023, the Company began including the operations of the Gelnex Acquisition in the Company's consolidated financial statements. The following table presents selected pro forma information, for comparative purposes, assuming the Gelnex Acquisition had occurred on January 1, 2023 for the period presented (unaudited) (in thousands):

	Twelve Months Ended
	December 30, 2023
Net sales	6,886,347
Net income	663,168

The Company notes that pro forma results of operations for the Miropasz Acquisition discussed above and the immaterial acquisitions discussed below have not been presented because the effect of each acquisition individually or in the aggregate is not deemed material to revenues, total assets and net income of the Company for any period presented.

The Company made other immaterial acquisitions in fiscal 2025 and fiscal 2024.

The Company incurred acquisition and integration costs of approximately $15.9 million, $7.8 million and $13.9 million for the twelve months ended January 3, 2026, December 28, 2024 and December 30, 2023, respectively.

NOTE 4. INVENTORIES

A summary of inventories follows (in thousands):

	January 3, 2026	December 28, 2024
Finished product	$ 295,670	$ 335,116
Work in process	78,458	92,762
Raw material	45,084	38,117
Supplies and other	108,526	110,842
	$ 527,738	$ 576,837

The Company's work in process represents inventory in the Food Ingredients segment that is in various stages of processing.

NOTE 5. ASSETS HELD FOR SALE

A disposal group (assets and liabilities to be sold) are classified as held for sale once all applicable criteria under U.S. GAAP have been satisfied, including when management, having the authority to approve the action, commits to a plan to sell the disposal group, the sale is probable and the Company expects to complete the sale within one year. Upon classifying a disposal group as held for sale, the Company measures the disposal group at the lower of its carrying value or fair value less costs to sell and long-lived assets in the disposal group are not depreciated. Based on these criteria, at January 3, 2026, the Company has classified certain assets and liabilities from disposal groups within the Feed and Food segments as assets held for sale. The carrying values of the assets and liabilities classified as held for sale in our consolidated balance sheet are as follows (in thousands):

	January 3, 2026
Assets:	
Accounts receivable, net	$ 26,493
Inventories	64,683
Other current assets	4,381
Property plant and equipment, net	24,377
Goodwill	20,293
Other assets	7,469
Total assets	147,696
Valuation allowance	(4,217)
Total assets held for sale	$ 143,479
Liabilities:	
Accounts payable, principally trade	$ 4,152
Accrued expenses	11,635
Other current liabilities	1,143
Other noncurrent liabilities	8,155
Total liabilities to be disposed of	$ 25,085
Net assets held for sale	$ 118,394

Upon classification as assets held for sale, we recognized impairment charges of approximately $28.2 million within restructuring and asset impairment charges in the consolidated statement of operations. This was comprised of goodwill impairment charges of approximately $19.0 million, intangible asset impairment charges of approximately $4.6 million, other asset impairment charges of approximately $0.4 million and a valuation allowance to adjust the carrying value of the disposal group to the fair value less cost to sell of approximately $4.2 million. The Company evaluated the disposal groups and concluded that the disposal groups did not represent a strategic shift that will have a major effect on the Company's operations and financial results. Accordingly, the disposal groups have not been classified as discontinued operations.

NOTE 6. PROPERTY, PLANT AND EQUIPMENT

A summary of property, plant and equipment follows (in thousands):

	January 3, 2026	December 28, 2024
Land	$ 212,229	$ 203,511
Buildings and improvements	1,087,611	1,023,697
Machinery and equipment	3,468,796	3,097,409
Vehicles	534,113	517,858
Aircraft	10,313	10,313
Construction in process	474,689	440,651
	5,787,751	5,293,439
Accumulated depreciation	(2,991,612)	(2,579,770)
	$ 2,796,139	$ 2,713,669

Depreciation expense for the three years ended January 3, 2026, December 28, 2024 and December 30, 2023, was approximately $403.5 million, $391.6 million and $377.2 million, respectively.

NOTE 7. 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, 2026	December 28, 2024
Indefinite Lived Intangible Assets		
Trade names	$ 52,251	$ 51,050
	52,251	51,050
Finite Lived Intangible Assets:		
Collection routes	739,833	714,801
Customer relationships	315,652	278,920
Permits	325,663	316,038
Trade names	19,205	82,401
Royalty, product development, patents, consulting, land use rights, non-compete and leasehold agreements	20,121	22,337
	1,420,474	1,414,497
Accumulated Amortization:		
Collection routes	(311,198)	(254,164)
Customer relationships	(79,315)	(44,476)
Permits	(217,728)	(189,500)
Trade names	(11,932)	(72,549)
Royalties, product development, patents, consulting, land use rights, non-compete and leasehold agreements	(7,549)	(6,446)
	(627,722)	(567,135)
Total Intangible assets, less accumulated amortization	$ 845,003	$ 898,412

Gross intangible collection routes, customer relationships, permits, trade names and other intangibles changed primarily due to retirements and impairments of approximately $82.9 million, and the remaining change is due to foreign currency exchange impact. Amortization expense for the three years ended January 3, 2026, December 28, 2024 and December 30, 2023, was approximately $105.0 million, $112.2 million and $124.8 million, respectively. Amortization expense for the next five fiscal years is estimated to be $104.2 million, $104.0 million, $94.4 million, $95.8 million and $92.3 million.

NOTE 8. GOODWILL

Changes in the carrying amount of goodwill (in thousands):

	Feed Ingredients	Food Ingredients	Fuel Ingredients	Total
Balance at December 30, 2023				
Goodwill	$ 1,487,236	$ 900,707	$ 147,223	$ 2,535,166
Accumulated impairment losses	(15,914)	(3,170)	(31,580)	(50,664)
	1,471,322	897,537	115,643	2,484,502
Goodwill acquired during year	62,802	—	4,114	66,916
Measurement period adjustments	—	(9,147)	—	(9,147)
Foreign currency translation	(96,361)	(116,562)	(6,755)	(219,678)
Balance at December 28, 2024				
Goodwill	1,453,677	774,998	144,582	2,373,257
Accumulated impairment losses	(15,914)	(3,170)	(31,580)	(50,664)
	1,437,763	771,828	113,002	2,322,593
Goodwill impairment during year	(1,967)	(17,025)	—	(18,992)
Goodwill classified as assets held for sale	(20,293)	—	—	(20,293)
Foreign currency translation	73,803	87,459	14,461	175,723
Balance at January 3, 2026				
Goodwill	1,507,187	862,457	159,043	2,528,687
Accumulated impairment losses	(17,881)	(20,195)	(31,580)	(69,656)
	$ 1,489,306	$ 842,262	$ 127,463	$ 2,459,031

The process of evaluating goodwill for impairment involves the determination of the fair value of the Company's reporting units. In fiscal 2025 and 2024, the Company performed a quantitative approach to value the reporting

units containing goodwill and indefinite-lived intangible assets at October 25, 2025 and October 26, 2024, respectively. Based on the Company's annual impairment testing, we concluded the fair values of the Company's reporting units containing goodwill exceeded the related carrying values. Upon meeting the criteria for classification of certain of the Company's assets as held for sale, the Company recorded goodwill impairment charges of approximately $19.0 million.

NOTE 9. ACCRUED EXPENSES

Accrued expenses consist of the following (in thousands):

	January 3, 2026	December 28, 2024
Compensation and benefits	$ 170,312	$ 139,011
Accrued operating expenses	87,055	73,239
Short-term acquisition hold-backs (Note 3)	17,500	38,620
Short-term contingent consideration (Note 18)	—	28,862
Other accrued expenses	210,631	209,563
	$ 485,498	$ 489,295

NOTE 10. LEASES

The Company leases certain real and personal property under non-cancelable operating leases. In addition, the Company leases a large portion of the Company's fleet of tractors, all of its rail cars, some IT equipment and other transportation equipment. The Company's office leases include certain lease and non-lease components, where the Company has elected to exclude the non-lease components from the calculation of the lease liability and ROU asset. The Company has finance leases, which are not significant to the Company and not separately disclosed in detail. In addition, the Company's other variable lease payments are not significant.

The components of operating lease expense included in cost of sales and operating expenses and selling, general and administrative expenses were as follows (in thousands):

	Year Ended		
	January 3, 2026	December 28, 2024	December 30, 2023
Operating lease expense	$ 70,452	$ 64,848	$ 56,078
Short-term lease costs	34,434	36,363	36,762
Total lease cost	$ 104,886	$ 101,211	$ 92,840

Other information (in thousands, except lease terms and discount rates):

	Year Ended		
	January 3, 2026	December 28, 2024	December 30, 2023
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	$ 71,792	$ 65,840	$ 58,924
Operating right-of-use assets, net	$ 223,705	$ 210,692	
Operating lease liabilities, current	$ 61,745	$ 62,761	
Operating lease liabilities, non-current	162,362	152,327	
Total operating lease liabilities	$ 224,107	$ 215,088	
Weighted average remaining lease term - operating leases	5.34 years	5.74 years	
Weighted average discount rate - operating leases	5.03 %	4.87 %	

Future annual minimum lease payments and finance lease commitments as of January 3, 2026 were as follows (in thousands):

Period Ending Fiscal	Operating Leases	Finance Leases
2026	$ 68,437	$ 2,074
2027	59,327	1,756
2028	47,371	1,278
2029	34,512	875
2030	15,403	1
Thereafter	25,305	—
Total undiscounted lease payments	250,355	5,984
Less amounts representing interest	(26,248)	(195)
Lease obligations included in current and long-term liabilities	$ 224,107	$ 5,789

The Company's finance lease assets are included in property, plant and equipment and the finance lease obligations are included in the Company's current and long-term debt obligations on the Consolidated Balance Sheet.

NOTE 11. DEBT

Debt consists of the following (in thousands):

	January 3, 2026	December 28, 2024
Amended Credit Agreement:		
Revolving Credit Facility ($162.2 million and zero denominated in € at January 3, 2026 and December 28, 2024, respectively)	$ 601,150	$ 267,000
Term A facility	895,500	—
Less unamortized deferred loan costs	(3,846)	—
Carrying value Term A facility	891,654	—
Term A-1 facility	—	397,000
Less unamortized deferred loan costs	—	(366)
Carrying value Term A-1 facility	—	396,634
Term A-2 facility	—	471,875
Less unamortized deferred loan costs	—	(509)
Carrying value Term A-2 facility	—	471,366
Term A-3 facility	—	297,750
Less unamortized deferred loan costs	—	(560)
Carrying value Term A-3 facility	—	297,190
Term A-4 facility	—	481,250
Less unamortized deferred loan costs	—	(664)
Carrying value Term A-4 facility	—	480,586
6% Senior Notes due 2030 with effective interest of 6.12%	1,000,000	1,000,000
Less unamortized deferred loan costs net of bond premiums	(4,725)	(5,605)
Carrying value 6% Senior Notes due 2030	995,275	994,395
5.25% Senior Notes due 2027 with effective interest of 5.47%	500,000	500,000
Less unamortized deferred loan costs	(1,345)	(2,322)
Carrying value 5.25% Senior Notes due 2027	498,655	497,678
4.5% Senior Notes due 2032 - Denominated in euro with effective interest of 4.7%	881,250	—
Less unamortized deferred loan costs - Denominated in euro	(9,781)	—
Carrying value 4.5% Senior Notes due 2032	871,469	—
3.625% Senior Notes due 2026 - Denominated in euro with effective interest of 3.83%	—	536,733
Less unamortized deferred loan costs - Denominated in euro	—	(1,542)
Carrying value 3.625% Senior Notes due 2026	—	535,191
Other Notes and Obligations	79,257	101,958
	3,937,460	4,041,998
Less Current Maturities	75,217	133,020
	$ 3,862,243	$ 3,908,978

As of January 3, 2026, the Company had €138.0 million outstanding debt under the revolving credit facility denominated in euros and €750.0 million outstanding debt under the Company's 4.5% Senior Notes due 2032 denominated in euros. See below for discussion relating to the Company's debt agreements. In addition, at January 3, 2026, the Company had finance lease obligations denominated in euros of approximately €4.2 million.

As of January 3, 2026, the Company had other notes and obligations of approximately $79.3 million that consist of various overdraft facilities of approximately $52.6 million, European notes of approximately $14.3 million, Brazilian notes of approximately $6.6 million and other debt of approximately $5.8 million, including the euro denominated finance lease obligations above and U.S. finance lease obligations of approximately $0.9 million.

Senior Secured Credit Facilities. On June 25, 2025, Darling, Darling International Canada Inc. ("Darling Canada") and Darling International NL Holdings B.V. ("Darling NL") and Darling Ingredients International Holding B.V. ("Darling Holding") entered into a Third Amended and Restated Credit Agreement (the "Amended Credit Agreement"), which amended and restated the Company's then existing Second Amended and Restated Credit Agreement dated January 6, 2014 (as amended from time to time, the "Previous Credit Agreement"), with the lenders from time to time party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other agents party thereto. The Amended Credit Agreement refinanced the loans and commitments outstanding under the Previous Credit Agreement and provides for senior secured credit facilities in the aggregate principal amount of $2.9 billion comprised of (i) the Company's $900.0 million six-year term A facility (partially comprised of $395.0 million term A-1 facility and $296.3 million term A-3 facility which, in each case, were cashlessly rolled from the Previous Credit Agreement) and (ii) the Company's $2.0 billion five-year revolving credit facility (up to $50.0 million (as such amount may be increased to an amount not exceeding $150.0 million to the extent consented to by the applicable issuing banks) of which will be available for a letter of credit subfacility and up to $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). The revolving credit facility will be used for working capital needs, general corporate purposes and other purposes not prohibited by the Amended Credit Agreement.

The interest rate applicable to any borrowings under the revolving credit facility will equal (i) the Canadian Overnight Repo Rate Average (CORRA) for borrowings denominated in Canadian dollars or the adjusted term secured overnight financing rate (SOFR) for U.S. dollar borrowings or the adjusted euro interbank rate (EURIBOR) for euro borrowings or the adjusted daily simple Sterling overnight index average (SONIA) for British pound borrowings, in each case plus 1.50% per annum or (ii) the alternative base rate (ABR) for U.S. dollar borrowings or Canadian prime rate for Canadian dollar borrowings or the adjusted daily simple European short term rate (ESTR) for euro borrowings or the adjusted daily SONIA rate for British pound borrowings, in each case plus 0.50% per annum, and in each case of clauses (i) and (ii), subject to certain step-ups and step-downs based on the Company's total leverage ratio. The interest rate applicable to any borrowing under the term A facility equals the adjusted term SOFR plus 1.75% per annum or ABR plus 0.75% subject to certain step-ups and step-downs based on the Company's total leverage ratio with a minimum of 1.50% for SOFR borrowings and a minimum 0.50% for ABR borrowings.

As of January 3, 2026, the Company had (i) $4.0 million outstanding under the revolver at base rate plus a margin of 0.50% per annum for a total of 7.25%, (ii) $435.0 million outstanding under the revolver at SOFR plus a margin of 1.50% per annum for a total of 5.22141% per annum, (iii) $895.5 million outstanding under the term A facility at SOFR plus a margin of 1.75% per annum for a total of 5.47141% per annum, and (iv) €138.0 million outstanding under the revolving credit facility at EURIBOR plus a margin of 1.50% per annum for a total of 3.43001% per annum. As of January 3, 2026, the Company had revolving credit facility availability of $1.3 billion, taking into account amounts borrowed, ancillary facilities of $73.6 million and letters of credit issued of $0.8 million. The Company also has foreign bank guarantees of approximately $12.5 million that are not part of the Company's Amended Credit Agreement at January 3, 2026. The Company capitalized approximately $8.0 million of deferred loan costs as of January 3, 2026 in connection with the Amended Credit Agreement.
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 restricted subsidiaries, (b) certain negative covenants that generally limit the ability of Darling and its restricted subsidiaries, subject to various exceptions, to, among other things, incur indebtedness and liens, enter into mergers and other fundamental changes, engage in other lines of business, make investments, dispose of assets, make distributions to equity holders, make payments on certain indebtedness, enter into transactions with affiliates and amend material debt documents, (c) financial covenants, which include a maximum total 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.

4.5% Senior Notes due 2032. On June 24, 2025, Darling Global Finance B.V. (the "4.5% Issuer"), an indirect, wholly owned subsidiary of Darling, issued and sold €750.0 million aggregate principal amount of 4.5% Senior Notes due 2032 (the "4.5% Notes"). The 4.5% Notes, which were offered in a private offering, were issued pursuant to a Senior Notes Indenture, dated as of June 24, 2025 (the "4.5% Indenture"), among Darling Global

Finance B.V., Darling, the subsidiary guarantors party thereto from time to time, GLAS Trust Company LLC, as trustee, principal paying agent and registrar. The gross proceeds of the offering, together with borrowings under the Company's revolving credit facility, were used to (i) redeem the Company's previous 3.625% senior notes and repay or otherwise refinance the Company's Previous Credit Agreement, and (ii) pay costs, fees and expenses related to the refinancing.

The 4.5% Notes will mature on July 15, 2032. The 4.5% Issuer pays interest on the 4.5% Notes on January 15 and July 15 of each year commencing on January 15, 2026. Interest on the 4.5% Notes accrues at a rate of 4.5% per annum and is payable in cash. The 4.5% Notes are guaranteed by Darling and all of Darling's restricted subsidiaries (other than any foreign subsidiary or any receivable entity) that are borrowers under or guarantee the Senior Secured Credit Facilities (collectively, the "4.5% Guarantors"). The 4.5% Notes and the guarantees thereof are senior unsecured obligations of the 4.5% Issuer and the 4.5% Guarantors and rank equally in right of payment to all of the 4.5% Issuer's and the 4.5% Guarantors' existing and future senior indebtedness. The 4.5% Indenture contains covenants limiting Darling's ability and the ability of its restricted subsidiaries (including the 4.5% Issuer) to, among other things: grant liens to secure indebtedness and merge with or into other companies or otherwise dispose of all or substantially all of their assets. The 4.5% Indenture also requires any non-guarantor restricted subsidiary that is a borrower under or that guarantees the Senior Secured Credit Facilities or, if the Senior Secured Credit Facilities are not outstanding, incurs certain material indebtedness, to guarantee the notes, unless such non-guarantor restricted subsidiary is a foreign subsidiary, receivables entity or another exception applies. These covenants include significant exceptions and qualifications. The 4.5% Indenture does not directly restrict the issuer or the guarantors from incurring indebtedness, paying dividends or making other distributions, repurchasing Darling's capital stock, or making investments. The Company capitalized approximately $10.3 million of deferred loan costs as of January 3, 2026 in connection with the 4.5% Notes.
Other than in connection with a change of control repurchase event, as described in the 4.5% Indenture, the 4.5% Issuer is not required to make mandatory redemption or sinking fund payments on the 4.5% Notes. The 4.5% Issuer may redeem some or all of the 4.5% Notes at any time prior to July 15, 2028 at a redemption price of 100% of the principal amount plus a "make-whole" premium as provided in the 4.5% Indenture. The 4.5% Notes become redeemable at any time from July 15, 2028, in whole or in part, at the fixed redemption price specified in the 4.5% Indenture.

6% Senior Notes due 2030. On June 9, 2022, Darling issued and sold $750.0 million aggregate principal amount of 6% Senior Notes due 2030 (the "6% Initial Notes"). The 6% Initial Notes, which were offered in a private offering, were issued pursuant to a Senior Notes Indenture, dated as of June 9, 2022 (the "6% Base Indenture"), among Darling, the subsidiary guarantors party thereto from time to time, and Truist Bank, as trustee. The gross proceeds from the offering, together with cash on hand, were used to repay the Company's outstanding revolver borrowings and for general corporate purposes, including to pay the discount of the initial purchasers and to pay the other fees and expenses related to the offering. On August 17, 2022, Darling issued an additional $250.0 million in aggregate principal amount of its 6% Senior Notes due 2030 (the "add-on notes" and, together with the 6% Initial Notes, the "6% Notes"). The add-on notes and related guarantees, which were offered in a private offering, were issued as additional notes under the 6% Base Indenture, as supplemented by a supplemental indenture, dated as of August 17, 2022 (the "supplemental indenture" and, together with the 6% Base Indenture, the "6% Indenture"). The add-on notes have the same terms as the 6% Initial Notes (other than issue date and issue price) and, together with the 6% Initial Notes, constitute a single class of securities under the 6% Indenture. The add-on notes were issued at a premium resulting in the Company receiving $255.0 million upon issuance. The premium of approximately $5.0 million is being amortized over the term of the now $1.0 billion of 6% Notes.

The 6% Notes will mature on June 15, 2030. Darling pays interest on the 6% Notes on June 15 and December 15 of each year. Interest on the 6% Notes accrues at a rate of 6% per annum and is payable in cash. The 6% Notes are guaranteed by Darling and all of Darling's restricted subsidiaries (other than foreign subsidiaries) that are borrowers under or that guarantee the Senior Secured Credit Facilities (collectively, the "6% Guarantors"). The 6% Notes and the guarantees thereof are senior unsecured obligations of Darling and the 6% Guarantors and rank equally in right of payment to all of Darling's and the 6% Guarantors' existing and future senior indebtedness. The 6% Indenture contains covenants limiting Darling's ability and the ability of its restricted subsidiaries to grant liens to secure indebtedness and merge with or into other companies or otherwise dispose of all or substantially all of Darling's assets.

Other than for extraordinary events such as a change of control, Darling is not required to make mandatory redemption or sinking fund payments on the 6% Notes. The 6% Notes are redeemable, in whole or in part, at any

time on or after June 15, 2025 at the redemption prices specified in the 6% Indenture. Darling may redeem the 6% Notes in whole, but not in part, at any time prior to June 15, 2025, at a redemption price equal to 100% of the principal amount of the 6% Notes redeemed, plus an Applicable Premium as specified in the 6% Indenture.

5.25% Senior Notes due 2027. On April 3, 2019, Darling issued and sold $500.0 million aggregate principal amount of 5.25% Senior Notes due 2027 (the "5.25% Notes"). The 5.25% Notes, which were offered in a private offering, were issued pursuant to a Senior Notes Indenture, dated as of April 3, 2019 (the "5.25% Indenture"), among Darling, the subsidiary guarantors party thereto from time to time, and Regions Bank, as trustee.

The 5.25% Notes will mature on April 15, 2027. Darling pays interest on the 5.25% Notes on April 15 and October 15 of each year. Interest on the 5.25% Notes accrues at a rate of 5.25% per annum and is payable in cash. The 5.25% Notes are guaranteed by Darling and all of Darling's restricted subsidiaries (other than foreign subsidiaries) that are borrowers under or that guarantee the Senior Secured Credit Facilities (collectively, the "5.25% Guarantors"). The 5.25% Notes and the guarantees thereof are senior unsecured obligations of Darling and the 5.25% Guarantors and rank equally in right of payment to all of the Darling's and the 5.25% Guarantors' existing and future senior indebtedness. The 5.25% Indenture contains covenants limiting Darling's ability and the ability of its restricted subsidiaries to, grant liens to secure indebtedness and merge with or into other companies or otherwise dispose of all or substantially all of Darling's assets.

Other than for extraordinary events such as a change of control, Darling is not required to make mandatory redemption or sinking fund payments on the 5.25% Notes. The 5.25% Notes became redeemable from April 15, 2024, in whole or in part, at any time at their face value.

As of January 3, 2026, the Company is in compliance with all of the financial covenants under the Amended Credit Agreement, and believes it is in compliance with all of the other covenants contained in the Amended Credit Agreement, the 4.5% Indenture, the 6% Indenture and the 5.25% Indenture.

Maturities of long-term debt at January 3, 2026 are as follows (in thousands):

	Contractual Debt Payment
2026	$ 75,867
2027	512,762
2028	10,005
2029	11,895
2030	1,612,177
Thereafter	1,734,451
	$ 3,957,157

NOTE 12. OTHER NONCURRENT LIABILITIES

Other noncurrent liabilities consist of the following (in thousands):

	January 3, 2026	December 28, 2024
Accrued pension liability less amounts included in liabilities to be disposed of (Note 5 and Note 16)	$ 17,015	$ 17,676
Reserve for self-insurance, litigation, environmental and tax matters (Note 21)	68,795	80,757
Long-term acquisition hold backs (Note 3)	98,461	104,684
Other	5,183	5,233
	$ 189,454	$ 208,350

NOTE 13. INCOME TAXES

U.S. and foreign income before income taxes are as follows (in thousands):

	January 3, 2026	December 28, 2024	December 30, 2023
United States	$ (165,040)	$ (17,062)	$ 399,378
Foreign	226,066	264,570	320,579
Income before income taxes	$ 61,026	$ 247,508	$ 719,957

Income tax expense/(benefit) attributable to income before income taxes consists of the following (in thousands):

	January 3, 2026	December 28, 2024	December 30, 2023
Current:			
Federal	$ (213)	$ 287	$ 1,574
State	1,875	1,956	1,336
Foreign	92,154	81,704	104,997
Total current	93,816	83,947	107,907
Deferred:			
Federal	(86,252)	(121,872)	(22,868)
State	(5,846)	(1,643)	(28,511)
Foreign	(11,077)	1,231	3,040
Total deferred	(103,175)	(122,284)	(48,339)
	$ (9,359)	$ (38,337)	$ 59,568

As further described in Note 26, New Accounting Pronouncements, the Company has elected to prospectively adopt the guidance in Accounting Standard Update (“ASU”) No. 2023-09, Income Taxes (Topic 740) Improvements to Income Tax Disclosures, or ASU 2023-09. The following table is a reconciliation of the U.S. federal statutory rate to the Company’s effective rate in accordance with the guidance in ASU No. 2023-09 (in thousands, except percentages):

	January 3, 2026	
	Amount	Percent
U.S. federal statutory tax rate	$ 12,816	21.0 %
State and local income taxes, net of federal effect (1)	(3,640)	(6.0)%
Foreign tax effects		
Belgium	2,120	3.5 %
Brazil		
Non-taxable change in contingent payment liability	6,115	10.0 %
Deductible outside basis difference	(12,720)	(20.8)%
Withholding taxes	15,397	25.2 %
Change in tax law	12,703	20.8 %
Changes in valuation allowance	11,764	19.3 %
Other	(2,046)	(3.3)%
Canada		
Statutory rate differential	(3,400)	(5.6)%
Provincial income taxes	6,476	10.6 %
Deferred tax on unremitted foreign earnings	2,162	3.5 %
Other	(76)	(0.1)%
Germany		
Local income taxes	3,674	6.0 %
Other	(2,003)	(3.3)%
Netherlands		
Statutory rate differential	2,625	4.3 %
Tax credits – withholding taxes	(15,838)	(25.9)%
Tax credits – Brazil tax sparing	(5,088)	(8.3)%
Nondeductible goodwill impairment	4,159	6.8 %
Changes in valuation allowance	2,144	3.5 %
Other	3,483	5.7 %
Other foreign jurisdictions	1,951	3.2 %
Effects of cross – border tax laws	953	1.6 %
Tax credits		
Biofuel tax incentives	(59,625)	(97.7)%
Other	(153)	(0.2)%
Nontaxable or nondeductible items		
Nondeductible compensation expenses	2,843	4.7 %
Other	2,705	4.4 %
Changes in unrecognized tax benefits	(285)	(0.5)%
Other adjustments	1,425	2.3 %
Effective tax rate	$ (9,359)	(15.3)%

(1) Louisiana, Illinois, Texas, California, Minnesota, Iowa and Indiana represent the majority of the tax effect in this category.

The following table is a reconciliation of the U.S. federal statutory rate of 21% to the Company's effective rate for the years ended December 28, 2024 and December 30, 2023 in accordance with the guidance prior to the adoption of ASU 2023-09. Income tax expense/(benefit) for the years ended December 28, 2024 and December 30, 2023, differed from the amount computed by applying the statutory U.S. federal income tax rate to income before income taxes as a result of the following (in thousands):

	December 28, 2024	December 30, 2023
Computed "expected" tax expense	$ 51,977	$ 151,191
Change in valuation allowance	50,231	27,713
Non-deductible compensation expenses	3,443	5,779
Deferred tax on unremitted foreign earnings	1,897	3,686
Foreign rate differential	13,817	16,607
Withholding taxes	(4,063)	(4,696)
Change in uncertain tax positions	(2,594)	(3,477)
State income taxes, net of federal benefit	(9,786)	(20,868)
Biofuel tax incentives	(127,081)	(125,006)
Global intangible low taxed income	1,882	14,943
Change in contingent payment liability	(16,029)	(655)
Change in tax law	—	(5,890)
Equity compensation windfall	(341)	(2,241)
Other, net	(1,690)	2,482
	$ (38,337)	$ 59,568

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at January 3, 2026 and December 28, 2024 are presented below (in thousands):

	January 3, 2026	December 28, 2024
Deferred tax assets:		
Loss contingency reserves	$ 14,427	$ 14,099
Employee benefits	14,221	13,715
Pension liability	3,397	3,307
Interest expense carryforwards	98,885	87,702
Tax loss carryforwards	519,940	417,119
Tax credit carryforwards	6,125	2,771
Operating lease liabilities	58,718	56,484
Inventory	11,701	9,705
Accrued liabilities and other	63,959	62,800
Total gross deferred tax assets	791,373	667,702
Less valuation allowance	(115,163)	(86,927)
Net deferred tax assets	676,210	580,775
Deferred tax liabilities:		
Intangible assets amortization, including tax deductible goodwill	(290,426)	(256,453)
Property, plant and equipment depreciation	(153,948)	(192,280)
Investment in DGD Joint Venture	(326,010)	(316,993)
Operating lease assets	(58,516)	(55,221)
Tax on unremitted foreign earnings	(40,173)	(16,492)
Other	(23,162)	(13,990)
Total gross deferred tax liabilities	(892,235)	(851,429)
Net deferred tax liability	$ (216,025)	$ (270,654)
Amounts reported on Consolidated Balance Sheets:		
Non-current deferred tax asset	$ 24,536	$ 22,368
Non-current deferred tax liability	(240,561)	(293,022)
Net deferred tax liability	$ (216,025)	$ (270,654)

At January 3, 2026, the Company had net operating loss carryforwards for federal income tax purposes of approximately $1.7 billion which can be carried forward indefinitely. The Company had interest expense carryforwards of approximately $426.4 million and $205.4 million for federal and state income tax purposes, which may be carried forward indefinitely. The Company had approximately $729.3 million of net operating loss

carryforwards for state income tax purposes, $549.8 million of which expire in 2026 through 2055 and $179.5 million of which can be carried forward indefinitely. The Company had foreign net operating loss carryforwards of approximately $384.9 million, $34.7 million of which expire in 2026 through 2038 and $350.2 million of which can be carried forward indefinitely. Also at January 3, 2026, the Company had U.S. federal and state tax credit carryforwards of approximately $3.9 million. As of January 3, 2026, the Company also had a valuation allowance of $115.2 million due to uncertainties in its ability to utilize certain of its state net operating loss and credit carryforwards, foreign net operating loss carryforwards and other foreign deferred tax assets.

At January 3, 2026, the Company had unrecognized tax benefits of approximately $9.9 million. All of the unrecognized tax benefits would favorably impact the Company's effective tax rate if recognized. 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, 2026, interest and penalties related to unrecognized tax benefits were $2.7 million.

A reconciliation of the beginning and ending amounts of unrecognized tax benefits is as follows (in thousands):

	January 3, 2026	December 28, 2024
Balance at beginning of Year	$ 10,752	$ 13,872
Change in tax positions related to current year	(4,015)	(4,600)
Change in tax positions related to prior years	3,165	1,480
Change in tax positions due to settlement with tax authorities	—	—
Expiration of the statute of limitations	—	—
Balance at end of year	$ 9,902	$ 10,752

In fiscal 2025, the Company's major taxing jurisdictions are U.S. (federal and state), Belgium, Brazil, Canada, China, France, Germany, the Netherlands and Poland. The Company is subject to regular examination by various tax authorities. 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 2013 tax year.

The Company expects to have access to its offshore earnings with minimal to no additional U.S. tax impact. Therefore, the Company does not consider these earnings to be permanently reinvested offshore. As of January 3, 2026, a deferred tax liability of approximately $40.2 million has been recorded for any incremental taxes, including foreign withholding taxes, that are estimated to be incurred when those earnings are distributed to the U.S. in future years.

On August 16, 2022 the U.S. government enacted the IR Act that includes a new 15% alternative minimum tax based upon financial statement income ("book minimum tax"), a 1% excise tax on stock buybacks and tax incentives for energy and climate initiatives, among other provisions. The provisions of the IR Act are generally effective for periods after December 31, 2022. The blender tax credits, which are refundable excise tax credits, expired on December 31, 2024. The CFPC, a transferable income tax credit, becomes effective from 2025.

On January 10, 2025, the U.S. Department of the Treasury and Internal Revenue Service released Notices 2025-10 and 2025-11, which provide clarity on issues including which entities and fuels are eligible for the credit and how taxpayers determine lifecycle emissions. In conjunction with such guidance, the Department of Energy released the 45ZCF-GREET Model allowing clean fuel producers to compute and claim the CFPC. Like the blenders tax credits, the CFPC is generated by DGD and significantly impacts our effective tax rate relative to the federal statutory rate of 21%.

On July 4, 2025, the OBBBA was enacted in the U.S. The OBBBA includes significant provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework and the restoration of favorable tax treatment for certain business provisions. The legislation has multiple effective dates, with certain provisions effective in 2025 and others implemented through 2027. The legislation did not have a material effect on the Company's results or financial position in 2025. We are currently

evaluating the changes, such as foreign feedstock restrictions and a reduction of the SAF elevated, base rate with respect to the CFPC, that become effective beginning in 2026.

The Organization for Economic Co-operation and Development (OECD) has a framework to implement a global minimum corporate income tax of 15% for companies with global revenues above certain thresholds (referred to as Pillar 2) that has been agreed upon in principle by over 140 countries. While it is not expected that the U.S. will enact legislation to adopt Pillar 2, certain countries in which the Company operates have adopted Pillar 2 legislation or are in the process of introducing legislation to implement Pillar 2. Although the framework provides model rules for applying the minimum tax, countries may enact Pillar 2 differently than the model rules and on different timelines and may adjust their domestic tax incentives in response to Pillar 2. Since the Company does not have significant operations in foreign jurisdictions with tax rates below the 15% minimum, Pillar 2 did not have a material impact in 2025. On January 5, 2026, the OECD approved changes to the model rules that included the introduction of a "side-by-side" rule which would exempt U.S.-parented companies from certain aspects of the global minimum tax regime. We are evaluating the potential consequences of Pillar 2 and the side-by-side rule on our longer-term financial position.

NOTE 14. STOCKHOLDERS' EQUITY AND STOCK-BASED COMPENSATION

The Company's Board of Directors approved a share repurchase program in August 2017, which was refreshed on June 21, 2024 up to an aggregate of $500.0 million of the Company's Common Stock depending on market conditions and extended to August 13, 2026. During fiscal 2025, fiscal 2024 and fiscal 2023, the Company repurchased approximately $34.7 million, $34.3 million and $52.9 million, including commissions, of its common stock in the open market, respectively. As of January 3, 2026, the Company has approximately $460.3 million remaining under the share repurchase program.

On May 9, 2017, the shareholders approved the Company's 2017 Omnibus Incentive Plan (the "2017 Omnibus Plan"). The 2017 Omnibus Plan replaced the Company's 2012 Omnibus Incentive Plan (the "2012 Omnibus Plan") for future grants. Under the 2017 Omnibus Plan, the Company can 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. Initially, there were up to 20,166,500 common shares available under the 2017 Omnibus Plan for grants to participants in any plan year (as such term is defined in the 2017 Omnibus Plan). Some of those shares have been issued pursuant to prior award agreements and some 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 2017 Omnibus Plan. The 2017 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 2017 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 2017 Omnibus Plan. For each of fiscal 2025, 2024 and 2023, the Committee 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 2017 Omnibus Plan. For each of the fiscal 2025, 2024 and 2023 LTIPs, participants received (i) performance share units ("PSUs") tied to a three-year, forward looking performance metric and (ii) restricted stock units ("RSUs") that vest 33.33% on the first, second and third anniversaries of grant. The principal purpose of the LTIP is to encourage the participants 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 participants. See "Stock Option Awards", "Non-vested Stock and Restricted Stock Unit Awards" "Fiscal 2025 LTIP PSU Awards", "Fiscal 2024 LTIP PSU Awards" and "Fiscal 2023 LTIP PSU Awards" below for more information regarding the stock options, PSUs and RSUs granted and outstanding at January 3, 2026. At January 3, 2026, the number of common shares available for issuance under the 2017 Omnibus Plan was 4,019,941.

At January 3, 2026, $8.8 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 1.2 years.

The following is a summary of stock-based compensation awards granted and/or outstanding during the years ended January 3, 2026, December 28, 2024 and December 30, 2023.

Stock Option Awards. Stock options to purchase shares of Darling common stock can be granted from time to time by the Committee to certain of the Company's employees as part of the Company's LTIP. The Committee included stock options as part of the LTIP from fiscal 2016 to fiscal 2020, until they were replaced by RSUs beginning in fiscal 2021. For options granted by the Committee the exercise price is equal to the closing price of Darling common stock on the date of grant. Stock options generally vest 33.33% on the first, second and third anniversaries of the grant date. The Company generally only grants nonqualified stock options, which generally terminate 10 years after the date of grant.

A summary of all stock option activity during fiscal 2023, 2024 and 2025, and outstanding as of the end of each such fiscal year is as follows:

	Number of shares	Weighted-avg. exercise price per share	Weighted-avg. remaining contractual life
Options outstanding at December 31, 2022	2,756,587	$ 17.23	4.3 years
Granted	—	—	
Exercised	(223,000)	20.43	
Forfeited	(2,212)	26.54	
Expired	—	—	
Options outstanding at December 30, 2023	2,531,375	16.94	3.3 years
Granted	—	—	
Exercised	(119,651)	18.20	
Forfeited	(7,257)	19.12	
Expired	—	—	
Options outstanding at December 28, 2024	2,404,467	16.87	2.4 years
Granted	—	—	
Exercised	(356,146)	15.47	
Forfeited	(6,328)	14.04	
Expired	—	—	
Options outstanding at January 3, 2026	2,041,993	$ 17.12	1.8 years
Options exercisable at January 3, 2026	2,041,993	$ 17.12	1.8 years

For the years ended January 3, 2026 and December 28, 2024, the amount of cash received from the exercise of options was approximately $0.4 million in each such year and the related tax benefit was approximately $0.2 million and $0.7 million, respectively. For the years ended December 30, 2023 the amount of cash received from the exercise of options was less than $0.1 million and the related tax benefit was approximately $1.2 million. The total intrinsic value of options exercised for the years ended January 3, 2026, December 28, 2024 and December 30, 2023 was approximately $6.5 million, $2.8 million and $9.5 million, respectively. The fair value of shares vested for the years ended January 3, 2026, December 28, 2024 and December 30, 2023 was approximately $21.8 million, $20.7 million and $33.0 million, respectively. At January 3, 2026, the aggregate intrinsic value of options outstanding was approximately $41.9 million and the aggregate intrinsic value of options exercisable was approximately $41.9 million.

Non-Vested Stock and Restricted Stock Unit Awards. Prior to fiscal 2016, the Company granted non-vested stock and RSUs to participants in the LTIP. Starting in fiscal 2016, the Committee made changes to the LTIP and instead of non-vested stock and RSUs, the Company began to grant PSUs and stock options as part of the LTIP. In fiscal 2021, the Committee replaced the stock option component of the LTIP with RSUs. In addition, the Company grants individual non-vested stock and RSU awards to key employees from time to time at the discretion of the Committee, with each RSU equivalent to one share of common stock and payable upon vesting in an equivalent number of shares of Darling common stock. For grants made under the 2017 Omnibus Plan, all non-vested stock and RSU awards generally vest ratably on the first three anniversary dates of the grant. Generally, upon voluntary termination of employment or termination for cause, non-vested stock and RSU awards that have not vested are forfeited; whereas, generally, upon death, disability, qualifying retirement or termination without cause, a pro-rata portion of the unvested non-vested stock and RSU awards will vest and be payable.

Fiscal 2025 LTIP RSU awards and Restricted Stock awards. In fiscal 2025, the Committee granted 236,923 RSUs on January 3, 2025 under the Company's 2025 LTIP. On January 3, 2025, the Committee also granted one of the

newly hired executive officers a one-time grant of 7,207 RSUs as part of his employment package that will vest in three equal installments on the first, second and third anniversaries of the grant date.

Fiscal 2024 LTIP RSU awards and Restricted Stock awards. In fiscal 2024, the Committee granted 162,913 RSUs on January 3, 2024 under the Company's 2024 LTIP. The Committee did not make any discretionary non-vested stock or RSU grants in fiscal 2024.

Fiscal 2023 LTIP RSU awards and Restricted Stock awards. In fiscal 2023, the Committee granted 118,208 RSUs on January 3, 2023 under the Company's 2023 LTIP. On May 11, 2023 and August 7, 2023, the Committee awarded 4,432 and 1,980, respectively of RSUs under the Company's 2023 LTIP to newly hired executive officers, which will have the same vesting dates and terms as those issued to the other participants on January 3, 2023. On May 11, 2023, the Committee granted one of the newly hired executive officers a one-time grant of 44,304 RSUs as part of his employment package that will vest in three equal installments on the first, second and third anniversaries of the grant date.

A summary of the Company's non-vested stock and RSU award activity during fiscal 2023, 2024 and 2025, and outstanding as of the end of each such fiscal year, is as follows:

	Non-Vested, and RSU Shares	Weighted Average Grant Date Fair Value
Stock awards outstanding December 31, 2022	170,249	$ 66.31
Shares granted	168,924	61.73
Shares vested	(70,251)	65.03
Shares forfeited	(3,270)	62.55
Stock awards outstanding December 30, 2023	265,652	63.78
Shares granted	162,913	49.01
Shares vested	(131,600)	63.45
Shares forfeited	(2,847)	43.72
Stock awards outstanding December 28, 2024	294,118	55.94
Shares granted	244,130	34.69
Shares vested	(143,425)	58.21
Shares forfeited	(29,627)	49.51
Stock awards outstanding January 3, 2026	365,196	$ 41.36

Fiscal 2025 LTIP PSU Awards. On January 3, 2025, the Committee granted 355,383 PSUs under the Company's 2025 LTIP. The PSUs are tied to a three-year forward-looking performance period and will be earned based on the Company's average return on gross investment (ROGI) relative to the average ROGI of the Company's performance peer group companies, and then are subject to modification based on the Company's total shareholder return ("TSR") over the three-year performance period relative to the TSR of the Company's performance peer group companies, with all calculations being done in accordance with the terms of the award agreement, and with the earned award to be determined in the first quarter of fiscal 2028, after the final results for the relevant performance period are determined.

Fiscal 2024 LTIP PSU Awards. On January 3, 2024, the Committee granted 244,376 PSUs under the Company's 2024 LTIP. The PSUs are tied to a three-year forward-looking performance period and will be earned based on the Company's average ROGI relative to the average ROGI of the Company's performance peer group companies, and then are subject to modification based on the Company's TSR over the three-year performance period relative to the TSR of the Company's performance peer group companies, with all calculations being done in accordance with the terms of the award agreement, and with the earned award to be determined in the first quarter of fiscal 2027, after the final results for the relevant performance period are determined.

Fiscal 2023 LTIP PSU Awards. On January 3, 2023, the Committee granted 177,299 PSUs under the Company's 2023 LTIP. On May 11, 2023 and August 7, 2023, the Committee awarded 6,648 and 2,971, respectively, of PSUs under the 2023 LTIP to newly hired executive officers, which will have the same performance period and terms as those issued to the other participants on January 3, 2023. The PSUs are tied to a three-year forward-looking

performance period and will be earned based on the Company's average ROGI relative to the average ROGI of the Company's performance peer group companies, and the Company's TSR relative to the TSR of the Company's performance peer group companies, with all calculations being done in accordance with the terms of the award agreement, and with the earned award to be determined in the first quarter of fiscal 2026, after the final results for the relevant performance period are determined.

Under the 2025 LTIP, 2024 LTIP and 2023 LTIP, PSUs were granted at target level; however, actual awards may vary between 0% and 225% of the target number of PSUs, depending on the performance level achieved. In addition, the number of PSUs earned may be reduced (up to 30%) or increased (capped at the maximum payout) based on the Company's TSR over the performance period.

A summary of the Company's LTIP PSU award activity during fiscal 2023, 2024 and 2025, and outstanding as of the end of each such fiscal year, is as follows:

	LTIP PSU Shares	Weighted Average Grant Date Fair Value
LTIP PSU awards outstanding December 31, 2022	439,306	$ 50.58
Granted	186,918	66.67
Additional PSU awards vested from performance	263,221	31.80
Stock issued for PSUs	(473,824)	31.80
Forfeited	(11,078)	67.60
LTIP PSU awards outstanding December 30, 2023	404,543	67.33
Granted	244,376	53.43
Additional PSU awards vested from performance	142,600	61.12
Stock issued for PSUs	(257,918)	61.14
Forfeited	(9,316)	65.62
LTIP PSU awards outstanding December 28, 2024	524,285	62.24
Granted	355,383	37.70
Additional PSU awards vested from performance	58,670	75.13
Stock issued for PSUs	(160,770)	75.13
Forfeited	(28,304)	43.36
LTIP PSU awards outstanding January 3, 2026	749,264	$ 49.55

The fair value of each PSU award under the Company's 2025 LTIP, 2024 LTIP and 2023 LTIP was estimated on the date of grant using a Monte Carlo model with the following weighted average assumptions for fiscal 2025, fiscal 2024 and fiscal 2023.

Weighted Average	2025	2024	2023
Expected dividend yield	0.0%	0.0%	0.0%
Risk-free interest rate	4.27%	4.03%	4.13%
Expected term	3.00 years	3.00 years	2.98 years
Expected volatility	40.7%	41.9%	49.6%

Nonemployee Director Restricted Stock Unit and Deferred Stock Unit Awards. The Company has historically paid a portion of the annual compensation package provided to its non-employee directors in equity, which since fiscal 2014 has been in the form of restricted stock units. During fiscal 2025, fiscal 2024 and fiscal 2023, each non-employee director received $150,000 of restricted stock units, with directors appointed after the annual meeting receiving a prorated portion of such amount. The number of restricted stock units issued is calculated using the closing price of the Company's stock on the date of grant. 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 grantee's separation from service as a result of death or disability, or (iii) 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 earlier distributions 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. Beginning in fiscal 2022, non-employee directors may also elect to receive all or a portion of their cash fees in the form of deferred stock units ("DSUs"), which are payable in shares of the Company's common stock.

A summary of the Company's non-employee director RSU and DSU award activity during fiscal 2023, 2024 and 2025, and outstanding as of the end of each such fiscal year, is as follows:

	Director RSUs and Director DSUs Shares	Weighted Average Grant Date Fair Value
Stock awards outstanding December 31, 2022	208,934	$ 27.94
Shares granted	30,676	59.36
Shares where the restriction lapsed	(70,475)	24.69
Shares forfeited	(1,007)	61.01
Stock awards outstanding December 30, 2023	168,128	34.84
Shares granted	38,027	44.62
Shares where the restriction lapsed	(31,351)	28.46
Shares forfeited	(2,640)	44.52
Stock awards outstanding December 28, 2024	172,164	38.01
Shares granted	51,197	33.54
Shares where the restriction lapsed	(19,364)	48.47
Shares forfeited	(956)	34.31
Stock awards outstanding January 3, 2026	203,041	$ 35.90

NOTE 15. COMPREHENSIVE INCOME/(LOSS)

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 swap adjustments, corn option adjustments, soybean meal forward adjustments, interest swap adjustments, foreign exchange forward and option adjustments, heating oil swap adjustments and foreign currency translation adjustments.

In fiscal 2025, fiscal 2024 and fiscal 2023, the Company's DGD Joint Venture entered into heating oil derivatives that were deemed to be cash flow hedges. As a result, the Company has accrued the other comprehensive income/(loss) portion belonging to Darling with an offset to the investment in DGD as required by FASB ASC Topic 323.

The components of other comprehensive income/(loss) and the related tax impacts for the years ended January 3, 2026, December 28, 2024 and December 30, 2023 are as follows (in thousands):

	Before-Tax Amount	Tax (Expense) or Benefit	Net-of-Tax Amount
Year Ended December 30, 2023			
Defined Benefit Pension Plans			
Actuarial gain/(loss) recognized	$ 1,669	$ (650)	$ 1,019
Amortization of actuarial gain/(loss)	1,725	(427)	1,298
Amortization of prior service costs	(1)	—	(1)
Amortization of settlement	(58)	14	(44)
Other	12	—	12
Total defined benefit pension plans	3,347	(1,063)	2,284
Soybean meal option derivatives			
Reclassified to earnings	(627)	159	(468)
Activity recognized in other comprehensive income (loss)	(3)	1	(2)
Total soybean meal derivatives	(630)	160	(470)
Heating oil swap derivatives at DGD			
Activity recognized in other comprehensive income (loss)	45,268	(11,053)	34,215
Total heating oil derivatives	45,268	(11,053)	34,215
Corn option derivatives			
Reclassified to earnings	(1,537)	390	(1,147)

Activity recognized in other comprehensive income (loss)	1,627	(412)	1,215
Total corn options	90	(22)	68
Interest swap derivatives			
Reclassified to earnings	(1,843)	448	(1,395)
Activity recognized in other comprehensive income (loss)	5,818	(1,414)	4,404
Total interest swap derivatives	3,975	(966)	3,009
Foreign exchange derivatives			
Reclassified to earnings	(34,491)	11,822	(22,669)
Activity recognized in other comprehensive income (loss)	40,170	(13,769)	26,401
Total foreign exchange derivatives	5,679	(1,947)	3,732
Foreign currency translation	140,618	(967)	139,651
Other comprehensive income/(loss)	$ 198,347	$ (15,858)	$ 182,489
Year Ended December 28, 2024			
Defined Benefit Pension Plans			
Actuarial gain/(loss) recognized	$ 2,323	$ (568)	$ 1,755
Amortization of actuarial gain/(loss)	1,367	(326)	1,041
Amortization of prior service costs	23	(3)	20
Amortization of settlement	(10)	3	(7)
Total defined benefit pension plans	3,703	(894)	2,809
Soybean meal option derivatives			
Reclassified to earnings	(33)	8	(25)
Activity recognized in other comprehensive income (loss)	—	—	—
Total soybean meal derivatives	(33)	8	(25)
Heating oil swap derivatives at DGD			
Activity recognized in other comprehensive income (loss)	(43,567)	10,587	(32,980)
Total heating oil derivatives	(43,567)	10,587	(32,980)
Corn option derivatives			
Reclassified to earnings	(947)	230	(717)
Activity recognized in other comprehensive income (loss)	819	(199)	620
Total corn options	(128)	31	(97)
Interest swap derivatives			
Reclassified to earnings	(49,334)	11,988	(37,346)
Activity recognized in other comprehensive income (loss)	51,042	(12,403)	38,639
Total interest swap derivatives	1,708	(415)	1,293
Foreign exchange derivatives			
Reclassified to earnings	980	(332)	648
Activity recognized in other comprehensive income (loss)	(61,120)	20,726	(40,394)
Total foreign exchange derivatives	(60,140)	20,394	(39,746)
Foreign currency translation	(417,537)	2,395	(415,142)
Other comprehensive income/(loss)	$ (515,994)	$ 32,106	$ (483,888)
Year Ended January 3, 2026			
Defined Benefit Pension Plans			
Actuarial gain/(loss) recognized	$ 6,065	$ (1,526)	$ 4,539
Amortization of actuarial gain/(loss)	681	(165)	516
Amortization of prior service costs	24	3	27
Amortization of settlement	5,551	(1,353)	4,198
Other	22	—	22
Total defined benefit pension plans	12,343	(3,041)	9,302
Heating oil swap derivatives at DGD			
Activity recognized in other comprehensive income (loss)	12,078	(2,936)	9,142
Total heating oil derivatives	12,078	(2,936)	9,142
Corn option derivatives			
Reclassified to earnings	385	(94)	291
Activity recognized in other comprehensive income (loss)	(257)	63	(194)
Total corn options	128	(31)	97
Interest swap derivatives			
Reclassified to earnings	13,550	(3,293)	10,257
Activity recognized in other comprehensive income (loss)	(19,456)	4,728	(14,728)
Total interest swap derivatives	(5,906)	1,435	(4,471)
Foreign exchange derivatives			
Reclassified to earnings	(1,322)	453	(869)
Activity recognized in other comprehensive income (loss)	53,412	(18,302)	35,110

Total foreign exchange derivatives	52,090	(17,849)	34,241
Foreign currency translation	298,296	(5,963)	292,333
Other comprehensive income/(loss)	$ 369,029	$ (28,385)	$ 340,644

	Fiscal Year Ended			
	January 3, 2026	December 28, 2024	December 30, 2023	Statement of Operations Classification
Derivative instruments				
Soybean meal option derivatives	$ —	$ 33	$ 627	Total net sales
Foreign exchange derivatives	1,322	(980)	34,491	Total net sales
Corn option derivatives	(385)	947	1,537	Cost of sales and operating expenses
Interest rate swap derivatives	(13,550)	49,334	1,843	Foreign currency gain/(loss) and interest expense
	(12,613)	49,334	38,498	Total before tax
	2,934	(11,894)	(12,819)	Income taxes
	(9,679)	37,440	25,679	Net of tax
Defined benefit pension plans				
Amortization of prior service cost	$ (24)	$ (23)	$ 1	(a)
Amortization of actuarial loss	(681)	(1,367)	(1,725)	(a)
Amortization of settlement	(5,551)	10	58	(a)
	(6,256)	(1,380)	(1,666)	Total before tax
	1,515	326	413	Income taxes
	(4,741)	(1,054)	(1,253)	Net of tax
Total reclassifications	$ (14,420)	$ 36,386	$ 24,426	Net of tax

(a) These items are included in the computation of net periodic pension cost. See Note 16 Employee Benefit Plans for additional information.

The following table presents changes in each component of accumulated comprehensive loss as of January 3, 2026 as follows (in thousands):

	Fiscal Year Ended January 3, 2026			
	Foreign Currency Translation	Derivative Instruments	Defined Benefit Pension Plans	Total
Accumulated Other Comprehensive income/(loss) December 28, 2024, attributable to Darling, net of tax	$ (648,827)	$ (23,825)	$ (11,589)	$ (684,241)
Other comprehensive income before reclassifications	292,333	29,330	4,561	326,224
Amounts reclassified from accumulated other comprehensive income/(loss)	—	9,679	4,741	14,420
Net current-period other comprehensive income/(loss)	292,333	39,009	9,302	340,644
Noncontrolling interest	(4,408)	—	—	(4,408)
Accumulated Other Comprehensive income/(loss) January 3, 2026, attributable to Darling, net of tax	$ (352,086)	$ 15,184	$ (2,287)	$ (339,189)

NOTE 16. 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. During the second quarter of fiscal 2025, the Company terminated two of the Company's domestic defined pension plans, resulting in a curtailment and a settlement for financial reporting purposes.

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 2025, 2024 and 2023 were approximately $26.5 million, $15.4 million and $17.6 million, respectively. The Company's matching portion and annual employer contributions to the Company's foreign defined contribution plans for fiscal 2024, 2023 and 2022 were approximately $10.7 million, $9.4 million and $10.2 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/(loss) in the year in which they occur. The Company uses the month-end date of December 31 as the measurement date for all of the Company's defined benefit plans, which is the closest month-end to the Company's fiscal year-end. 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 (December 31, 2025 and December 31, 2024) (in thousands):

	January 3, 2026	December 28, 2024
Change in projected benefit obligation:		
Projected benefit obligation at beginning of period	$ 165,305	$ 172,354
Plan acquisition	—	82
Service cost	3,114	3,171
Interest cost	6,847	7,640
Employee contributions	423	353
Plan combinations	—	1,715
Actuarial (gain)/loss	(393)	(4,736)
Benefits paid	(8,644)	(10,068)
Effect of curtailment	(14)	—
Effect of settlement	(34,100)	(1,614)
Other (gain)/loss	5,349	(3,592)
Projected benefit obligation at end of period	137,887	165,305
Change in plan assets:		
Fair value of plan assets at beginning of period	151,698	155,412
Actual return on plan assets	11,468	4,853
Employer contributions	3,559	3,671
Employee contributions	423	353
Plan combinations	—	1,747
Benefits paid	(8,644)	(10,068)
Effect of settlement	(34,100)	(1,614)
Other gain/(loss)	3,336	(2,656)
Fair value of plan assets at end of period	127,740	151,698
Funded status	(10,147)	(13,607)
Net amount recognized	$ (10,147)	$ (13,607)
Amounts recognized in the consolidated balance sheets consist of:		
Noncurrent assets	$ 9,806	$ 5,348
Current liability	(1,640)	(1,279)
Noncurrent liability	(18,313)	(17,676)
Net amount recognized	$ (10,147)	$ (13,607)
Amounts recognized in accumulated other comprehensive loss consist of:		
Net actuarial loss	$ 2,654	$ 16,212
Prior service cost	232	(983)
Net amount recognized (a)	$ 2,886	$ 15,229

(a) Amounts do not include deferred taxes of $0.6 million and $3.6 million at January 3, 2026 and December 28, 2024, respectively.

The amounts included in "Other" in the above table reflect the impact of foreign currency exchange translation for plans in Brazil, Belgium, Canada, France, Germany, Japan, Netherlands, Poland and United Kingdom. The Company's domestic pension plan benefits comprise approximately 58% and 67% of the projected benefit obligation for fiscal 2025 and fiscal 2024, respectively. Additionally, the Company has made required and tax deductible discretionary contributions to its domestic pension plans in fiscal 2025 and fiscal 2024 of approximately $0.3 million and $0.4 million, respectively. The Company made required tax deductible discretionary contributions to its foreign pension plans in fiscal 2025 and fiscal 2024 of approximately $3.3 million and $3.3 million, respectively.

A significant component of the overall decrease in the Company's benefit obligation for the fiscal year ended December 31, 2025 was from the effect of terminating domestic pension plans as compared to December 31, 2024.

Information for pension plans with accumulated benefit obligations in excess of plan assets is as follows (in thousands):

	January 3, 2026	December 28, 2024
Projected benefit obligation	$ 26,448	$ 43,258
Accumulated benefit obligation	23,583	40,661
Fair value of plan assets	6,539	24,412

The Company's service cost component of net periodic pension cost is included in compensation costs while all components of net periodic pension cost other than the service cost component are included in the line item "Other income/(expense), net" in the Company's Consolidated Statements of Operations.

Net pension cost includes the following components (in thousands):

	January 3, 2026	December 28, 2024	December 30, 2023
Service cost	$ 3,114	$ 3,171	$ 2,714
Interest cost	6,847	7,640	7,836
Expected return on plan assets	(6,209)	(7,228)	(7,958)
Net amortization and deferral	705	1,390	1,724
Curtailment	(14)	—	—
Settlement	5,551	(10)	(58)
Net pension cost	$ 9,994	$ 4,963	$ 4,258

Weighted average assumptions used to determine benefit obligations were:

	January 3, 2026	December 28, 2024	December 30, 2023
Discount rate	4.67%	4.84%	4.62%
Rate of compensation increase	0.63%	0.61%	0.61%

Weighted average assumptions used to determine net periodic benefit cost for the employee benefit pension plans were:

	January 3, 2026	December 28, 2024	December 30, 2023
Discount rate	4.61%	3.55%	4.26%
Rate of increase in future compensation levels	0.81%	0.57%	0.57%
Expected long-term rate of return on assets	5.31%	5.30%	5.72%

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 100% fixed income following declining equity exposure since the implementation of the dynamic asset allocation glide path (the "Glide Path") for the U.S. plans, the Company believes it is reasonable to expect a long-term weighted average rate of return of 6.0% 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 2.7%.

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 and changing discount rates are the most critical elements 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 the Glide Path by which the U.S. plans' asset allocations were determined. The Glide Path designated intervals based on funded status which contained a corresponding allocation to equities/real assets and fixed income. As the U.S. plans' funded status improved, the allocations became more conservative, and the opposite was true when the funded status declined. With two of the U.S. plans terminated in fiscal 2025 and the last U.S. plan exhibiting a funded state of over 100% on an accounting basis, the investment strategy for this plan was changed from the Glide Path strategy into a liability or fixed income driven investment strategy. Based on the plan's funded status, the asset allocation was adjusted to 100% fixed income, which is in line with the range outlined by the liability drive investment strategy.

Fixed Income	90% - 100%
Equities	0% - 10%

The diversified asset allocation will invest in securities with a goal to outpace 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 and equities.

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 regular basis to retain target allocation ranges.

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 of December 28, 2024				
Fixed Income:				
Long Term	$ 91,016	$ 91,016	$ —	$ —
Short Term	2,905	2,905	—	—
Equity Securities:				
Domestic equities	19,290	19,290	—	—
International equities	17,727	17,727	—	—
Insurance contracts	20,760	—	18,777	1,983
Totals	$ 151,698	$ 130,938	$ 18,777	$ 1,983
Balances as of January 3, 2026				
Fixed Income:				
Long Term	$ 85,192	$ 85,192	$ —	$ —
Short Term	5,430	5,430	—	—
Equity Securities:				
Domestic equities	3,893	3,893	—	—
International equities	9,621	9,621	—	—
Insurance contracts	23,604	—	21,639	1,965
Totals	$ 127,740	$ 104,136	$ 21,639	$ 1,965

The majority of the U.S. and Canada plan pension assets are invested in mutual funds; however, some assets are invested in collective investments trusts ("CIT") or pooled separate accounts ("PSA") which have similar mutual fund counterparts. CIT and 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, CIT, 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.

The fair value measurement of plan assets using significant unobservable inputs (level 3) changed due to the following:

(in thousands of dollars)	Insurance Contracts
Balance as of December 30, 2023	$ 2,018
Unrealized gains (losses) relating to instruments still held in the reporting period.	83
Purchases, sales, and settlements	—
Exchange rate changes	(118)
Balance as of December 28, 2024	1,983
Unrealized gains (losses) relating to instruments still held in the reporting period.	(260)
Purchases, sales, and settlements	—
Exchange rate changes	242
Balance as of January 3, 2026	$ 1,965

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 $4.0 million to meet funding requirements for its domestic and foreign pension plans in fiscal 2026.

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
2026	$ 10,014
2027	10,058
2028	10,846
2029	10,785
2030	11,014
Years 2031 – 2035	51,268

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 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	EIN Pension	Pension Protection Act Zone Status		FIP/RP Status Pending/	Contributions			Expiration Date of Collective Bargaining
Fund	Plan Number	2025	2024	Implemented	2025	2024	2023	Agreement
Western Conference of Teamsters Pension Plan	91-6145047 / 001	Green	Green	No	$ 1,218	$ 1,465	$ 1,443	May 2030 (b)
Central States, Southeast and Southwest Areas Pension Plan (a)	36-6044243 / 001	Red	Red	Yes	484	513	714	July 2028 (c)
All other multiemployer plans					1,618	1,626	1,476	
				Total Company Contributions	$ 3,320	$ 3,604	$ 3,633	

(a) As of its most recent public filing, the Central States, Southeast and Southwest Areas Pension Plan (Central States) was in the critical or red zone. In January 2023, however, the Pension Benefit Guaranty Corporation (PBGC) provided $35.8 billion in Special Financial Assistance (SFA) funds to Central States under the American Rescue Plan Act of 2021. Due to this SFA funding, Central States is still considered critical or red zone until 2051 per the PBGC even though funding status would otherwise be green.

(b) The Company has several processing 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 negotiated while others have expiration dates through May 30, 2030.

(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. The agreements have expiration dates through July 1, 2028.

With respect to the other multiemployer pension plans in which the Company participates and which are not individually significant, five plans have certified as critical or red zone, as defined by the Pension Protection Act of 2006. The Company's portion of contributions to all plans amounted to $3.3 million, $3.6 million and $3.6 million for the years ended January 3, 2026, December 28, 2024 and December 30, 2023, respectively.

The Company has withdrawal liabilities recorded on five U.S. multiemployer plans in which it participated. As of January 3, 2026, the Company has an aggregate accrued liability of approximately $4.3 million representing the present value of scheduled withdrawal liability payments on the remaining multiemployer plans that have given notices of withdrawals. 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 17. 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.

At January 3, 2026, the Company had foreign currency forward and option contracts and interest rate swaps outstanding that qualified and were designated for hedge accounting as well as corn option and forward contracts, soybean meal option contracts, soybean oil option contracts, other commodity forward contracts and foreign currency forward contracts that did not qualify and were not designated for hedge accounting.

Cash Flow Hedges

In fiscal 2023, the Company entered into interest rate swaps that are designated as cash flow hedges. Due to a change in the terms of the underlying debt instruments, the hedging relationships were dedesignated in June 2025. The cumulative gain of approximately $4.1 million, previously recognized in accumulated other comprehensive loss related to the cash flow hedges was reclassified to interest expense upon dedesignation. In July 2025, the Company designated interest rate swaps as cash flow hedges. The notional amount of these swaps totaled $900.0 million. Under the contracts, the Company is obligated to pay a weighted average rate of 3.656% while receiving the 1-month SOFR rate. Under the terms of the interest rate swaps, the Company hedged a portion of its variable rate debt into the second quarter of 2027. At January 3, 2026, the aggregate fair value of these interest rate swaps was approximately $2.2 million. These amounts are included in other current assets, accrued expenses and noncurrent liabilities on the balance sheet, with an offset recorded in accumulated other comprehensive loss. At December 28, 2024, the aggregate fair value of these interest rate swaps was approximately $4.2 million. These amounts are included in other current assets, other assets, accrued expenses and noncurrent liabilities on the balance sheet, with an offset recorded in accumulated other comprehensive loss.

In fiscal 2023, the Company also entered into cross currency swaps that were designated as cash flow hedges to hedge the Company's intercompany loans. During the second quarter of 2025, the intercompany loans and cross currency swaps were settled. At January 3, 2026 and December 28, 2024, the aggregate fair value of these cross currency swaps was approximately zero and $22.2 million, respectively. At December 28, 2024, these amounts are included in other current assets on the balance sheet, with an offset recorded in accumulated other comprehensive loss.

In fiscal 2025, fiscal 2024 and fiscal 2023, the Company entered into foreign exchange option and forward contracts that are considered cash flow hedges. Under the terms of the foreign exchange contracts, the Company hedged a portion of its forecasted sales in currencies other than the functional currency through the fourth quarter of fiscal 2026. At January 3, 2026, the aggregate fair value of these foreign exchange contracts was approximately $15.3 million. These amounts are included in other current assets and accrued expenses on the balance sheet, with an offset recorded in accumulated other comprehensive loss. At December 28, 2024, the aggregate fair value of these foreign exchange contracts was approximately $32.6 million, respectively. These amounts are included in other assets, accrued expenses and noncurrent liabilities on the balance sheet, with an offset recorded in accumulated other comprehensive loss.

The Company may enter into corn option and forward contracts that are considered cash flow hedges to hedge a portion of its forecasted sales of BBP. At January 3, 2026 and December 28, 2024, the aggregate fair value of the corn contracts was approximately zero and $0.1 million, respectively. These amounts are included in other current assets and accrued expenses on the balance sheet.

The Company may enter into soybean meal forward contracts, natural gas swap contracts and heating oil swap and option contracts from time to time. There were no open designated soybean meal forward, natural gas swap or heating oil swap and option contracts entered into by the Company at January 3, 2026 and December 28, 2024, respectively.

At January 3, 2026, 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 (in thousands):

Functional Currency		Contract Currency	
Type	Amount	Type	Amount
Brazilian real	357,062	Euro	52,829
Brazilian real	1,845,023	U.S. Dollar	319,202
Euro	15,432	U.S. Dollar	18,084
Euro	91,420	Polish zloty	387,055
Euro	9,537	Japanese yen	1,734,164
Euro	20,567	Chinese renminbi	170,255
Euro	16,339	Australian dollar	28,900
Euro	5,347	British pound	4,700
Polish zloty	77,077	Euro	18,214
Polish zloty	920	U.S. dollar	256
British pound	198	U.S. dollar	265
Japanese yen	141,745	U.S. dollar	918
U.S. dollar	376	Japanese yen	58,096
Australian dollar	252	U.S. dollar	169

The above foreign currency contracts had an aggregate fair value of approximately $17.6 million and are included in other current assets and accrued expenses at January 3, 2026.

The Company estimates the amount that will be reclassified from accumulated other comprehensive loss at January 3, 2026 into earnings over the next 12 months will be approximately $23.7 million. As of January 3, 2026, $4.1 million has been reclassified into earnings as a result of the discontinuance of cash flow hedges.

The table below summarizes the effect of derivatives not designated as hedges on the Company’s consolidated statements of operations for the year ended January 3, 2026, December 28, 2024 and December 30, 2023 (in thousands):

		Loss or (Gain) Recognized in Income on Derivatives Not Designated as Hedges		
		For The Year Ended		
Derivatives not designated as hedging instruments	Location	January 3, 2026	December 28, 2024	December 30, 2023
Foreign exchange	Foreign currency loss/(gain)	$ (730)	$ (3,466)	$ (2,031)
Foreign exchange	Net sales	(789)	966	(1,789)
Foreign exchange	Cost of sales and operating expenses	193	(270)	(294)
Foreign exchange	Selling, general and administrative expense	(21,539)	16,908	(7,109)
Interest rate swap	Interest Expense	(961)	—	—
Corn options and futures	Net sales	—	652	1,945
Corn options and futures	Cost of sales and operating expenses	(323)	(1,295)	(3,085)
Heating oil swaps and options	Selling, general and administrative expense	—	—	49
Soybean meal	Net sales	(475)	—	282
Soybean oil	Net sales	4,190	—	—
Other Commodities	Selling, general and administrative expense	(957)	—	—
Total		$ (21,391)	$ 13,495	$ (12,032)

At January 3, 2026, the Company had forward purchase agreements in place for purchases of approximately $261.1 million of natural gas and diesel fuel. The Company intends to take physical delivery of the commodities under the forward purchase agreements and accordingly, these contracts are not subject to the requirements of fair value accounting because they qualify as normal purchases.

NOTE 18. 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 tables present the Company's financial instruments that are measured at fair value on a recurring and nonrecurring basis as of January 3, 2026 and December 28, 2024 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, 2026 Using		
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
(In thousands of dollars)	Total	(Level 1)	(Level 2)	(Level 3)
Assets				
Derivative assets	$ 23,590	$ —	$ 23,590	$ —
Total Assets	23,590	—	23,590	—
Liabilities				
Derivative liabilities	2,631	—	2,631	—
Total Liabilities	$ 2,631	$ —	$ 2,631	$ —

		Fair Value Measurements at December 28, 2024 Using		
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
(In thousands of dollars)	Total	(Level 1)	(Level 2)	(Level 3)
Assets				
Derivative assets	$ 30,693	$ —	$ 30,693	$ —
Total Assets	30,693	—	30,693	—
Liabilities				
Derivative liabilities	41,920	—	41,920	—
Contingent consideration	28,862	—	—	28,862
Total Liabilities	$ 70,782	$ —	$ 41,920	$ 28,862

Derivative assets and liabilities primarily consist of the Company's corn option and future contracts, soybean meal and soybean oil forward and option contracts, foreign currency forward and option contracts, interest rate swap contracts and cross currency swap 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 17 Derivatives for discussion on the Company's derivatives.

The fair value measurement of contingent consideration liability uses significant unobservable inputs (level 3). Through the quarter ended March 29, 2025, we estimated the fair value of the FASA Group ("FASA") contingent consideration using a Monte Carlo simulation methodology from a third-party that includes simulating the forecasted net income or earnings plus interest expense, taxes, depreciation and amortization ("EBITDA") using a Geometric Brownian Motion in a risk-neutral framework. The assumptions used in the FASA contingent consideration analysis included in EBITDA volatility, credit spread, risk-free rate and exchange rate. Significant increases and decreases in these inputs could result in a significantly lower or higher fair value measurement of the FASA contingent consideration. At January 3, 2026, no Monte Carlo model was used as the contingent consideration period had elapsed and actual EBITDA was known and the contingent considerations was paid to the seller in September 2025 per the latest calculation. The seller had a certain amount of time to approve the contingent consideration. As of January 3, 2026, the seller has disputed the calculation and as of the date of this report no resolution has been determined; however, the Company does not believe it owes any additional contingent consideration amount at this time. The changes in contingent consideration are due to the following:

(in thousands of dollars)	Contingent Consideration
Balance as of December 30, 2023	$ 86,495
Total included in earnings during period	(46,706)
Exchange rate changes	(10,927)
Balance as of December 28, 2024	28,862
Total included in earnings during period	18,024
Exchange rate changes	5,807
Payments	(52,693)
Balance as of January 3, 2026	$ —

The fair value of financial instruments that are not carried at fair value are as follows:

		Fair Value Measurements at January 3, 2026 Using		
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
(In thousands of dollars)	Total	(Level 1)	(Level 2)	(Level 3)
Liabilities				
6% Senior Notes	$ 1,015,100	$ —	$ 1,015,100	$ —
5.25% Senior Notes	499,000	—	499,000	—
4.5% Senior Notes	890,063	—	890,063	—
Term loan A	891,023	—	891,023	—
Revolver	592,133	—	592,133	—
Total Liabilities	$ 3,887,319	$ —	$ 3,887,319	$ —

		Fair Value Measurements at December 28, 2024 Using		
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
(In thousands of dollars)	Total	(Level 1)	(Level 2)	(Level 3)
Liabilities				
6% Senior Notes	$ 982,500	$ —	$ 982,500	$ —
5.25% Senior Notes	490,000	—	490,000	—
3.625% Senior Notes	534,908	—	534,908	—
Term loan A-1	395,015	—	395,015	—
Term loan A-2	469,516	—	469,516	—
Term loan A-3	296,261	—	296,261	—
Term loan A-4	478,844	—	478,844	—
Revolver	264,330	—	264,330	—
Total Liabilities	$ 3,911,374	$ —	$ 3,911,374	$ —

The fair value of the senior notes, term loan A, term loan A-1, term loan A-2, term loan A-3, term loan A-4 and revolver debt is based on market quotation from third-party banks. 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 carrying amount of cash, cash equivalents and restricted cash, 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.

NOTE 19. RESTRUCTURING AND ASSET IMPAIRMENT CHARGES

In fiscal 2025, the Company's management decided to strategically realign certain operations in the feed segment. As a result, the Company incurred impairment charges of approximately $32.0 million and restructuring charges of approximately $0.2 million, which represented employee termination costs. In addition, the Company's management determined a group of assets should be classified as assets held for sale as a result of meeting the classification criteria in the food segment. The Company incurred impairment charges of approximately $25.8 million upon classification of the food segment assets as held for sale.

In fiscal 2024, the Company's management decided to close one feed segment location and transfer operations for optimization opportunities. The Company incurred restructuring charges of approximately $3.7 million, which included employee termination costs of approximately $1.0 million and other restructuring costs of approximately $2.7 million. In addition, the Company's management decided to close operations at three food segment locations. As a result, the Company incurred restructuring charges of approximately $2.1 million, which included employee termination costs of approximately $1.7 million and other restructuring costs of approximately $0.4 million.

In fiscal 2023, the Company incurred restructuring and asset impairment charges related to the Peabody, Massachusetts plant closure including employee termination and retention costs of approximately $5.4 million, asset impairment charges of approximately $1.8 million and other plant restructuring and closure costs of approximately $5.9 million within the food segment. Additionally in fiscal 2023, the Company's food segment incurred other employee severance costs of approximately $1.3 million and other restructuring costs of $0.1 million related to closing down of a processing location in Europe and transferring the material to another processing location. The Company's management also decided to close or transfer operations for optimization opportunities at three feed segment locations in the U.S. As a result, the Company incurred asset impairment charges of approximately $2.9 million and other closure restructuring costs of approximately $1.0 million. Additionally in fiscal 2023, the Company incurred approximately $0.1 million of employee termination costs in the feed segment related to closing down of a processing location in Europe and transferring the material to another processing location.

NOTE 20. CONCENTRATION OF CREDIT RISK

Concentration of credit risk is generally limited due to the Company's diversified customer base and the fact that the Company sells commodities. During fiscal year 2025, 2024 and 2023, approximately 20%, 17% and 20% of our total net sales were to the DGD Joint Venture. No single customer accounted for more than 10% of our accounts receivable at January 3, 2026 or December 28, 2024. See Note 24 for additional discussion of the Company's transactions with the DGD Joint Venture.

NOTE 21. CONTINGENCIES

The Company is a party to various lawsuits, claims and loss contingencies arising in the ordinary course of its business, including insured worker's compensation, auto, and general liability claims, assertions by certain regulatory and governmental agencies related to various matters including labor and employment, employee benefits, occupational safety and health, wage and hour, compliance, sustainability, permitting requirements, environmental matters, including air, wastewater and storm water discharges from the Company's processing facilities and other federal, state and local issues, litigation involving tort, contract, statutory, labor, employment, and other claims, and tax matters.

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 under these insurance policies 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, regulatory, governmental, environmental and litigation. At January 3, 2026 and December 28, 2024, the reserves for insurance, regulatory, governmental, environmental and litigation reflected on the balance sheet in accrued expenses and other noncurrent liabilities was approximately $86.0 million and $97.1 million, respectively. The Company has insurance recovery receivables reflected on the balance sheet in other assets of approximately $27.1 million and $39.0 million as of January 3, 2026 and December 28, 2024, respectively, related to the insurance contingencies. 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 contingencies will not exceed current estimates. The Company believes that the likelihood is remote that any additional liability from the pending 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 alleged successor-in-interest to The Standard Tallow Corporation) is considered a potentially responsible party (a "PRP") with respect to alleged contamination in the lower 17-mile area of the Passaic River (the "Lower Passaic River") which is part of the Diamond Alkali Superfund Site located in Newark, New Jersey. The Company's designation as a PRP is based upon the operation of former plant sites located in Newark and Kearny, New Jersey by The Standard Tallow Corporation, an entity that the Company acquired in 1996. In March 2016, the Company received another letter from the EPA notifying the Company that it had issued a Record of Decision (the "ROD") selecting a remedy for the lower 8.3 miles of the Lower Passaic River area at an estimated cost of $1.38 billion. The EPA letter made no demand on the Company and laid out a framework for remedial design/remedial action implementation under

which the EPA would first seek funding from major PRPs. The letter indicated that the EPA had sent the letter to over 100 parties, which include large chemical and refining companies, manufacturing companies, foundries, plastic companies, pharmaceutical companies and food and consumer product companies. The Company asserts that it is not responsible for any liabilities of its former subsidiary The Standard Tallow Corporation, which was legally dissolved in 2000, and that, in any event, the Standard Tallow Corporation did not discharge any of the eight contaminants of concern identified in the ROD (the "COCs"). Subsequently, the EPA conducted a settlement analysis using a third-party allocator and offered early cash out settlements to those PRPs for whom the third-party allocator determined did not discharge any of the COCs. The Company participated in this allocation process, and in November 2019, received a cash out settlement offer from the EPA in the amount of $0.6 million ($0.3 million for each of the former plant sites in question) for liabilities relating to the lower 8.3 miles of the Lower Passaic River area. The Company accepted this settlement offer, and the settlement became effective on April 16, 2021 following the completion of the EPA's administrative approval process. In September 2021, the EPA released a ROD selecting an interim remedy for the upper nine miles of the Lower Passaic River at an expected additional cost of $441 million. In October 2022, the Company, along with other settling defendants, entered into a Consent Decree with the EPA pursuant to which the Company paid $0.3 million to settle liabilities for both of the former plant sites in question related to the upper nine miles of the Lower Passaic River. The Company paid this amount into escrow, as the settlement is subject to the EPA's administrative approval process, which includes publication, a public comment period and court approval. In December 2024, the court granted the issuance of the Consent Decree; however, this decision has been appealed. On September 30, 2016, Occidental Chemical Corporation ("OCC") entered into an agreement with the EPA to perform the remedial design for the cleanup plan for the lower 8.3 miles of the Lower Passaic River. On June 30, 2018, OCC filed a complaint in the United States District Court for the District of New Jersey against over 100 companies, including the Company, seeking cost recovery or contribution for costs under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") relating to various investigations and cleanups OCC has conducted or is conducting in connection with the Lower Passaic River. According to the complaint, OCC has incurred or is incurring costs which include the estimated cost to complete the remedial design for the cleanup plan for the lower 8.3 miles of the Lower Passaic River. OCC is also seeking a declaratory judgment to hold the defendants liable for their proper shares of future response costs, including the remedial action for the lower 8.3 miles of the Lower Passaic River. The Company, along with 40 of the other defendants, had previously received a release from OCC of its CERCLA contribution claim of $165 million associated with the costs to design the remedy for the lower 8.3 miles of the Lower Passaic River. Furthermore, the Company's settlements with the EPA described above could preclude certain of the claims alleged by OCC against the Company. The Company's ultimate liability, if any, 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, the Company has found no definitive evidence that the former Standard Tallow Corporation plant sites contributed any of the COCs to the Passaic River and, therefore, 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.

NOTE 22. BUSINESS SEGMENTS

In 2024, the Company adopted Accounting Standards Update ("ASU") No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, on a retrospective basis.

The Company sells its products through a global network of over 260 locations across five continents within three industry segments: Feed Ingredients, Food Ingredients and Fuel Ingredients. The Company's segments are determined as those operations whose results are reviewed regularly by the chief operating decision maker ("CODM"), who is the Company's Chief Executive Officer, in deciding how to allocate resources and assess performance. Each segment is organized and managed based upon the nature of the Company's markets and customers and consists of similar products and services.

The following is a description of each segment's business operations:

Feed Ingredients

Feed Ingredients consists principally of (i) the Company's U.S. ingredients business, including the Company's fats and proteins, used cooking oil, trap grease, the Company's Canada ingredients business, and the ingredients and specialty products businesses conducted by Darling Ingredients International under the Sonac and FASA names (proteins, fats, and blood products) and (ii) the Company's bakery residuals business. Feed Ingredients operations process animal by-products and used cooking oil into fats, proteins and hides.

Food Ingredients

Food Ingredients consists principally of (i) the collagen business conducted by Darling Ingredients International under the Rousselot and Gelnex names, (ii) the natural casings 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 investment in the DGD Joint Venture and (ii) the bioenergy business conducted by Darling Ingredients International under the Ecoson and Rendac names.

The performance of the operating segments is evaluated based on segment income (loss) which includes all revenues, operating expenses and selling, general and administrative expenses incurred at all operating locations and excludes general corporate expenses. The CODM uses segment income (loss) as the measure to make resource (including financial or capital resources) allocation decisions for each segment, predominantly in the annual budget and forecasting process. The CODM considers budget-to-actual variances on a quarterly basis when evaluating performance for each segment and making decisions about capital allocation. Accounting policies have been applied consistently by all segments within the Company for all reporting periods. Intercompany revenue and expense amounts have been eliminated within each segment to report on the basis that management uses internally for evaluating segment performance. Our CODM is not provided with total assets by segment since we do not measure, evaluate the performance, or allocate capital resources on a segment basis. As a result, we have not disclosed any asset information by segment.

Business Segments (in thousands):

	Feed Ingredients	Food Ingredients	Fuel Ingredients	Corporate (a)	Total
Fiscal Year Ended January 3, 2026					
Total net sales	$ 3,990,088	$ 1,545,030	$ 600,759	$ —	$ 6,135,877
Cost of sales and operating expenses	3,066,243	1,116,978	479,198	—	4,662,419
Gross Margin	923,845	428,052	121,561	—	1,473,458
Loss/(gain) on sale of assets	879	(685)	(534)	—	(340)
Selling, general and administrative expenses	309,112	133,809	33,615	74,622	551,158
Restructuring and asset impairment charges	32,120	25,840	—	—	57,960
Depreciation and amortization	348,502	117,298	36,355	6,349	508,504
Acquisition and integration costs	—	—	—	15,942	15,942
Change in fair value of contingent consideration	18,024	—	—	—	18,024
Equity in net loss of Diamond Green Diesel	—	—	(48,770)	—	(48,770)
Segment operating income/(loss)	215,208	151,790	3,355	(96,913)	273,440
Equity in net income of other unconsolidated subsidiaries	12,759	—	—	—	12,759
Segment income/(loss)	227,967	151,790	3,355	(96,913)	286,199
Total other expense (b)					(225,173)
Income before income taxes					$ 61,026

(a) 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.

(b) Total other expense includes interest expense, loss on early retirement of debt, foreign currency gain (loss) and other income (expense). Interest expense, loss on early retirement of debt and foreign currency gain (loss) are separately disclosed on our Statement of Operations.

	Feed Ingredients	Food Ingredients	Fuel Ingredients	Corporate	Total
Fiscal Year Ended December 28, 2024					
Total net sales	$ 3,675,609	$ 1,489,101	$ 550,465	$ —	$ 5,715,175
Cost of sales and operating expenses	2,886,125	1,115,348	435,864	—	4,437,337
Gross Margin	789,484	373,753	114,601	—	1,277,838
Gain on sale of assets	(669)	(1,758)	(1,730)	—	(4,157)
Selling, general and administrative expenses	279,095	119,604	32,370	61,036	492,105
Restructuring and asset impairment charges	3,671	2,123	—	—	5,794
Depreciation and amortization	350,141	109,102	35,876	8,706	503,825
Acquisition and integration costs	—	—	—	7,842	7,842
Change in fair value of contingent consideration	(46,706)	—	—	—	(46,706)
Equity in net income of Diamond Green Diesel	—	—	149,082	—	149,082
Segment operating income/(loss)	203,952	144,682	197,167	(77,584)	468,217
Equity in net income of other unconsolidated subsidiaries	11,994	—	—	—	11,994
Segment income/(loss)	215,946	144,682	197,167	(77,584)	480,211
Total other expense (c)					(232,703)
Income before income taxes					$ 247,508

(c) Total other expense includes interest expense, foreign currency gain (loss) and other income (expense). Interest expense and foreign currency gain (loss) are separately disclosed on our Statement of Operations.

	Feed Ingredients	Food Ingredients	Fuel Ingredients	Corporate	Total
Fiscal Year Ended December 30, 2023					
Total net sales	$ 4,472,592	$ 1,752,065	$ 563,423	$ —	$ 6,788,080
Cost of sales and operating expenses	3,385,859	1,310,581	446,620	—	5,143,060
Gross Margin	1,086,733	441,484	116,803	—	1,645,020
Loss/(gain) on sale of assets	814	(8,144)	(91)	—	(7,421)
Selling, general and administrative expenses	310,363	128,464	23,543	80,164	542,534
Restructuring and asset impairment charges	4,026	14,527	—	—	18,553
Depreciation and amortization	360,249	94,991	34,466	12,309	502,015
Acquisition and integration costs	—	—	—	13,884	13,884
Change in fair value of contingent consideration	(7,891)	—	—	—	(7,891)
Equity in net income of Diamond Green Diesel	—	—	366,380	—	366,380
Segment operating income/(loss)	419,172	211,646	425,265	(106,357)	949,726
Equity in net income of other unconsolidated subsidiaries	5,011	—	—	—	5,011
Segment income/(loss)	424,183	211,646	425,265	(106,357)	954,737
Total other expense (d)					(234,780)
Income before income taxes					$ 719,957

(d) Total other expense includes interest expense, foreign currency gain (loss) and other income (expense). Interest expense and foreign currency gain (loss) are separately disclosed on our Statement of Operations.

Long-lived assets related to the Company's operations by geography were as follows (in thousands):

	January 3, 2026	December 28, 2024
	Long-Lived Assets	Long-Lived Assets
North America	$ 5,345,444	$ 5,518,153
Europe	1,429,431	1,344,033
China	119,926	115,152
South America	1,831,571	1,636,246
Other	19,044	17,453
Total	$ 8,745,416	$ 8,631,037

NOTE 23. REVENUE

The Company extends payment terms to its customers based on commercially acceptable practices. The term between invoicing and payment due date is not significant. Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring finished products or performing services, which is generally based on executed agreement or purchase order.

Most of the Company's products are shipped based on the customer specifications. Customer returns are infrequent and not material to the Company. Adjustments to net sales for sales deductions are generally recognized in the same period as the sale or when known. Customers in certain industries or countries may be required to prepay prior to shipment in order to maintain payment protection. These represent short-term prepayment from customers and are not material to the Company. The Company elected to treat shipping and handling as fulfillment costs. Sales, value-add, and other taxes collected concurrently with revenue-producing activities are excluded from revenue and booked on a net basis.

The following tables present the Company revenues disaggregated by geographic area and major product types by reportable segment for the years ended January 3, 2026, December 28, 2024 and December 30, 2023 (in thousands):

	Year Ended January 3, 2026			
	Feed Ingredients	Food Ingredients	Fuel Ingredients	Total
Geographic Area				
North America	$ 3,039,422	$ 416,203	$ —	$ 3,455,625
Europe	457,336	728,393	600,759	1,786,488
China	32,899	228,534	—	261,433
South America	445,132	125,759	—	570,891
Other	15,299	46,141	—	61,440
Total net sales	$ 3,990,088	$ 1,545,030	$ 600,759	$ 6,135,877
Major product types				
Fats	$ 1,596,050	$ 183,545	$ —	$ 1,779,595
Used cooking oil	445,494	—	—	445,494
Proteins	1,409,395	—	—	1,409,395
Bakery	195,444	—	—	195,444
Other rendering	295,700	—	—	295,700
Food ingredients	—	1,253,900	—	1,253,900
Bioenergy	—	—	600,759	600,759
Other	48,005	107,585	—	155,590
Total net sales	$ 3,990,088	$ 1,545,030	$ 600,759	$ 6,135,877

	Year Ended December 28, 2024			
	Feed Ingredients	Food Ingredients	Fuel Ingredients	Total
Geographic Area				
North America	$ 2,847,178	$ 402,693	$ —	$ 3,249,871
Europe	414,839	661,756	550,465	1,627,060
China	28,409	238,059	—	266,468
South America	369,759	134,757	—	504,516
Other	15,424	51,836	—	67,260
Total net sales	$ 3,675,609	$ 1,489,101	$ 550,465	$ 5,715,175
Major product types				
Fats	$ 1,303,828	$ 160,184	$ —	$ 1,464,012
Used cooking oil	351,309	—	—	351,309
Proteins	1,484,581	—	—	1,484,581
Bakery	190,462	—	—	190,462
Other rendering	293,648	—	—	293,648
Food ingredients	—	1,232,521	—	1,232,521
Bioenergy	—	—	550,465	550,465
Other	51,781	96,396	—	148,177
Total net sales	$ 3,675,609	$ 1,489,101	$ 550,465	$ 5,715,175

	Year Ended December 30, 2023			
	Feed Ingredients	Food Ingredients	Fuel Ingredients	Total
Geographic Area				
North America	$ 3,696,423	$ 469,289	$ —	$ 4,165,712
Europe	373,180	754,846	563,423	1,691,449
China	27,433	281,139	—	308,572
South America	362,657	171,425	—	534,082
Other	12,899	75,366	—	88,265
Total net sales	$ 4,472,592	$ 1,752,065	$ 563,423	$ 6,788,080
Major product types				
Fats	$ 1,739,349	$ 164,730	$ —	$ 1,904,079
Used cooking oil	497,657	—	—	497,657
Proteins	1,672,027	—	—	1,672,027
Bakery	255,214	—	—	255,214
Other rendering	243,525	—	—	243,525
Food ingredients	—	1,476,875	—	1,476,875
Bioenergy	—	—	563,423	563,423
Other	64,820	110,460	—	175,280
Total net sales	$ 4,472,592	$ 1,752,065	$ 563,423	$ 6,788,080

Revenue from Contracts with Customers

The Company has two primary revenue streams. Finished product revenues are recognized when control of the promised finished product is transferred to the Company's customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for the finished product. Service revenues are recognized in net sales when the service occurs.

Fats. Fats include the Company's global activities related to the collection and processing of beef, poultry and pork animal by-products into finished products of non-food grade oils and food grade fats. Fats net sales are recognized when the Company ships the finished product to the customer and control has been transferred.

Proteins. Proteins include the Company's global activities related to the collection and processing of beef, poultry and pork animal by-products into finished products of protein meal. Proteins net sales are recognized when the Company ships the finished product to the customer and control has been transferred.

Used Cooking Oil. Used cooking oil includes collection and processing of used cooking oil into finished products of non-food grade fats. Used cooking oil net sales are recognized when the Company ships the finished product to the customer and control has been transferred.

Bakery. Bakery includes collection and processing of bakery residuals into finished product including Cookie Meal®, an animal feed ingredient primarily used in poultry and swine rations. Bakery net sales are recognized when the Company ships the finished product to the customer and control has been transferred.

Other Rendering. Other rendering includes hides, pet food products, and service charges. Hides and pet food net sales are recognized when the Company ships the finished product to the customer and control has been transferred. Service revenues are recognized in net sales when the service has occurred.

Food Ingredients. Food ingredients includes collection and processing of pigskin, hide, bone and fish into finished product. It also includes harvesting, sorting and selling of hog and sheep casings as well as harvesting, purchasing and processing of hog, sheep and beef meat for pet food industry. Collagen and CTH meat and casings net sales are recognized when the Company ships the finished product to the customer and control has been transferred.

Bioenergy. Bioenergy includes Ecoson, which converts organic sludge and food waste into biogas and Rendac, which collects fallen stock and animal waste for a fee and processes these materials into fats and meals that can only be used as low grade energy or fuel for boilers and cement kilns. Net sales are recognized when the finished product is shipped to the customer and control has been transferred. Service revenues are recognized in net sales when the service has occurred.

Other. Other includes grease trap collection and environmental services to food processors in the Feed Ingredients segment and Sonac Bone and Sonac Heparin in the Food Ingredients segment. Net sales are recognized when the Company ships the finished product to the customer and control has been transferred. Service revenues are recognized in net sales when the service has occurred.

Long-Term Performance Obligations. The Company from time to time enters into long-term contracts to supply certain volumes of finished products to certain customers. Revenue recognized in fiscal 2025, 2024 and 2023 under these long-term supply contracts was approximately $143.6 million, $156.3 million, and $171.1 million, respectively, with the remaining performance obligations to be recognized in future periods (generally 2 years) of approximately $579.1 million.

NOTE 24. RELATED PARTY TRANSACTIONS

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, 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, 2026, December 28, 2024 and December 30, 2023, the Company has recorded sales to the DGD Joint Venture of approximately $1.2 billion, $1.0 billion and $1.3 billion, respectively. At January 3, 2026 and December 28, 2024, the Company has approximately $33.7 million and $9.5 million in outstanding receivables due from the DGD Joint Venture, respectively. In addition, the Company has eliminated additional sales of approximately $51.6 million, $50.5 million and $79.4 million for the years ended January 3, 2026, December 28, 2024 and December 30, 2023, respectively to the DGD Joint Venture and deferred 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, 2026, December 28, 2024 and December 30, 2023 of approximately $13.6 million, $3.7 million and $16.1 million, respectively.

Revolving Loan Agreement

On May 1, 2019, Darling through its wholly owned subsidiary Darling Green Energy LLC, (“Darling Green”), and Diamond Alternative Energy, LLC, a wholly owned subsidiary of Valero (“Diamond Alternative” and together with Darling Green, the “DGD Lenders”) entered into a revolving loan agreement (the “2019 DGD Loan Agreement”) with the DGD Joint Venture, pursuant to which the DGD Lenders committed to making loans

available to the DGD Joint Venture in the amount of $50.0 million with each lender committed to $25.0 million of the total commitment. Any borrowings by the DGD Joint Venture under the 2019 DGD Loan Agreement were 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%. On June 15, 2023, the DGD Lenders entered into a new revolving loan agreement (the "2023 DGD Loan Agreement") with the DGD Joint Venture that replaced and superseded in its entirety the 2019 DGD Loan Agreement and pursuant to which the DGD Lenders have committed to making loans available to the DGD Joint Venture in the total amount of $200.0 million with each lender committed to $100.0 million of the total commitment. Any borrowings by the DGD Joint Venture under the 2023 DGD Loan Agreement are at the applicable annum rate equal to the sum of (a) Term SOFR on such day plus (b) 2.50%. The 2023 DGD Loan Agreement expires on June 15, 2026. In December 2022, the DGD Joint Venture borrowed all $50.0 million available under the 2019 DGD Loan Agreement, including the Company's full $25.0 million commitment, which was repaid in fiscal 2023. In January 2024, the DGD Joint Venture borrowed all $200.0 million available under the 2023 DGD Loan Agreement, including the Company's full $100.0 million commitment, which was repaid in March 2024. In November 2025, The DGD Joint Venture borrowed $50.0 million or $25.0 million of the Company's portion of the commitment, which was repaid in December 2025. The DGD Joint Venture paid interest to the Company for the years ended January 3, 2026, December 28, 2024 and December 30, 2023 of approximately $0.1 million, $1.6 million and $0.6 million, respectively. As of January 3, 2026 and December 28, 2024, zero was owed to Darling Green under the 2023 DGD Loan Agreement. This note receivable amount when outstanding is included in other current assets on the balance sheet and is included in investing activities on the cash flow statement.

Guarantee Agreements

In February 2020, in connection with the DGD Joint Venture's expansion project at its St. Charles plant, the Company entered into two agreements (the "IMTT Terminaling Agreements") with International-Matex Tank Terminals ("IMTT"), pursuant to which the DGD Joint Venture will move raw material and finished product to and from the IMTT terminal facility by pipeline, thereby providing better logistical capabilities. As a condition to entering into the IMTT Terminaling Agreements, IMTT required that the Company and Valero guarantee their proportionate share, up to $50 million each, of the DGD Joint Venture's obligations under the IMTT Terminaling Agreements (the "Guarantee"), subject to the conditions provided for in the IMTT Terminaling Agreements. The Company has not recorded any liability as a result of the guarantee, as the Company believes the likelihood of having to make any payments under the guarantee is remote.

In April 2021, in connection with the DGD Joint Venture's expansion project at its Port Arthur plant, the Company entered into two agreements (the "GTL Terminaling Agreements") with GT Logistics, LLC ("GTL"), pursuant to which the DGD Joint Venture will move raw material and finished product to and from the GTL terminal facility by pipeline, thereby providing better logistical capabilities. As a condition to entering into the GTL Terminaling Agreements, GLT required that the Company and Valero guarantee their proportionate share, up to a maximum of approximately $160 million each, of the DGD Joint Venture's obligations under the GTL Terminaling Agreements (the "GTL Guarantee"), subject to the conditions provided for in the GTL Terminaling Agreements. The maximum amount of the GTL Guarantee is reduced over the 20-year initial term of the GTL Terminaling Agreements as the termination fee under such agreements declines. The Company has not recorded any liability as a result of the GTL Guarantee, as the Company believes the likelihood of having to make any payments under the GTL Guarantee is remote.

NOTE 25. CASH FLOW INFORMATION

The following table sets forth supplemental cash flow information and non-cash transactions (in thousands):

	Twelve Months Ended		
	January 3, 2026	December 28, 2024	December 30, 2023
Supplemental disclosure of cash flow information:			
Change in accrued capital expenditures	$ 19,886	$ (19,167)	$ 2,222
Cash paid during the year for:			
Interest, net of capitalized interest	$ 202,957	$ 243,679	$ 261,321
Non-cash operating activities			
Operating lease right of use asset obtained in exchange for new lease liabilities	$ 82,492	$ 73,118	$ 79,462
Non-cash financing activities			
Debt issued for assets	$ 157	$ 362	$ 3,827

The following table is a reconciliation of income tax payments made, net of refunds by the Company's taxing jurisdictions for the fiscal year ended January 3, 2026.

	Twelve Months Ended
	January 3, 2026
Income tax payments (net of refunds):	
United States	
U.S. - Federal	$ (10,421)
U.S. - State and local	(344)
Foreign	
Belgium	8,872
Brazil	38,716
Canada - Federal	7,950
Canada - Ontario	4,009
China	9,987
Netherlands	(9,820)
Poland	2,989
Other	6,487
Total foreign	69,190
Total U.S. and foreign	$ 58,425

Cash payments made for income taxes, net of refunds for the years ended December 28, 2024 and December 30, 2023 was approximately $102.7 million and $152.7 million, respectively.

NOTE 26. NEW ACCOUNTING PRONOUNCEMENTS

In November 2024, the FASB issued ASU No. 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40), which requires entities to disaggregate any relevant expense caption presented on the face of the income statement within continuing operations or in the footnotes. This ASU is effective for fiscal years beginning after December 15, 2026, and interim periods beginning after December 15, 2027. Adoption is either with a prospective method or a fully retrospective method of transition. Early adoption is permitted. The Company is currently evaluating this ASU to determine its impact on the Company's disclosure, but does not expect this update to have a material impact on the Company's consolidated financial statements other than additional information that will be provided in the footnote disclosure.

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740) Improvements to Income Tax Disclosures. The ASU requires the annual financial statements to include consistent categories and greater disaggregation of information in the rate reconciliation, and income taxes paid disaggregated by jurisdiction. ASU 2023-09 is effective for the Company's annual reporting periods beginning after December 15, 2024. Adoption is either with a prospective method or a fully retrospective method of transition. Early adoption is permitted. The Company adopted this ASU in 2025 using the prospective method and the adoption did not have an impact on the Company's consolidated financial statements other than additional information that is provided in the footnote disclosure.

PART II

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures.

As required by Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Company's management, including the Chief Executive Officer and Chief Financial Officer, conducted an evaluation, as of the end of the period covered by this report, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. As defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, disclosure controls and procedures are controls and other procedures of the Company that are designed to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Based on management's evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report.

Internal Control over Financial Reporting.

(a) *Management's Annual Report on Internal Control over Financial Reporting.* Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) promulgated under the Exchange Act. Those rules define internal control over financial reporting as 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 and includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 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
- 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. 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.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of January 3, 2026. In making this assessment, the Company's management used the criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) (2013).

Based on their assessment, management has concluded that the Company's internal control over financial reporting was effective at the reasonable assurance level as of January 3, 2026.

KPMG LLP, the registered public accounting firm that audited the Company's financial statements, has issued an audit report on the effectiveness of internal control over financial reporting, which report is included herein.

(b) *Attestation Report of the Registered Public Accounting Firm.* The attestation report called for by Item 308(b) of Regulation S-K is incorporated herein by reference to Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting, included in Part II, Item 8. "Financial Statements and Supplementary Data" of this report.

(c) *Changes in Internal Control over Financial Reporting*. As required by Exchange Act Rule 13a-15(d), the Company's management, including the Chief Executive Officer and Chief Financial Officer, also conducted an evaluation of the Company's internal control over financial reporting to determine whether any change occurred during the last fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting. Based on that evaluation there has been no change in the Company's internal control over financial reporting during the last fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Rule 10b5-1 Plan Adoptions and Modifications

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this Item with respect to Items 401, 405 and 407 of Regulation S-K will appear in the sections entitled "Election of Directors," "Our Management - Executive Officers and Directors," "Delinquent Section 16 (a) Reports" and "Corporate Governance-Committees of the Board - Audit Committee" included in the Company's definitive Proxy Statement relating to the 2026 annual meeting of stockholders, which will be filed no later than 120 days after January 3, 2026, and such information is incorporated herein by reference.

The Company has adopted the Darling Ingredients Inc. Code of Conduct ("Code of Conduct"), which is applicable to all of the Company's employees, including its senior financial officers, the Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, Controller, Treasurer and General Counsel. A copy of the Company's Code of Conduct has been posted on the "Investor" portion of our web site, at www.darlingii.com/investors. We intend to satisfy the disclosure requirements of the SEC regarding amendments to, or waivers from, the Code of Conduct by posting such information on the same web site.

We have adopted an Insider Trading Policy and procedures governing the purchase, sale and other dispositions of our securities by our directors, officers and employees, and have implemented processes for the Company, that we believe are reasonably designed to promote compliance with insider trading laws, rules and regulations, and listing standards applicable to us. A copy of our Insider Trading Policy is filed as Exhibit 19.1 to this Annual Report on Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item will appear in the sections entitled "Executive Compensation," "Compensation Committee Report" and "Corporate Governance - Compensation Committee Interlocks and Insider Participation" included in the Company's definitive Proxy Statement relating to the 2026 annual meeting of stockholders, which will be filed no later than 120 days after January 3, 2026, and such information is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

EQUITY COMPENSATION PLANS

The following table sets forth certain information as of January 3, 2026, with respect to the Company's equity compensation plans (including individual compensation arrangements) under which the Company's equity securities are authorized for issuance, aggregated by (i) all compensation plans previously approved by the Company's security holders, and (ii) all compensation plans not previously approved by the Company's security holders. The table includes:

- the number of securities to be issued upon the exercise of outstanding options and granted non-vested stock;
- the weighted-average exercise price of the outstanding options and granted non-vested stock; and
- the number of securities that remain available for future issuance under the plans.

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights		(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	3,359,494	(1)	$28.14	—
Equity compensation plans not approved by security holders	—		—	—
Total	3,359,494		$28.14	—

(1) Includes shares underlying options that have been issued and granted non-vested stock pursuant to the Company's 2012 Omnibus Incentive Plan and 2017 Omnibus Incentive Plan, each as approved by the Company's stockholders. See Note 14 of Notes to Consolidated Financial Statements included herein for information regarding the material features of the 2017 Omnibus Incentive Plan.

The information required by this Item with respect to Item 403 of Regulation S-K will appear in the section entitled "Security Ownership of Certain Beneficial Owners and Management" included in the Company's definitive Proxy Statement relating to the 2026 annual meeting of stockholders, which will be filed no later than 120 days after January 3, 2026, and such information is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item will appear in the sections entitled "Transactions with Related Persons, Promoters and Certain Control Persons" and "Corporate Governance - Independent Directors" included in the Company's definitive Proxy Statement relating to the 2026 annual meeting of stockholders, which will be filed no later than 120 days after January 3, 2026, and such information is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this Item will appear in the section entitled "Ratification of Selection of Independent Registered Public Accountant" included in the Company's definitive Proxy Statement relating to the 2026 annual meeting of stockholders, which will be filed no later than 120 days after January 3, 2026, and such information is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as part of this report:

(1) The following consolidated financial statements are included in Item 8.

	Page
Report of Independent Registered Public Accounting Firm on Consolidated Financial Statements	78
Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting	81
Consolidated Balance Sheets - January 3, 2026 and December 28, 2024	83
Consolidated Statements of Operations - Three years ended January 3, 2026	84
Consolidated Statements of Comprehensive Income/(Loss) - Three years ended January 3, 2026	85
Consolidated Statements of Stockholders' Equity - Three years ended January 3, 2026	86
Consolidated Statements of Cash Flows - Three years ended January 3, 2026	87
Notes to Consolidated Financial Statements	88

All other schedules are omitted since the required information is not present or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements and notes thereto.

(3) Exhibits

(With regard to applicable cross-references in the list of exhibits below, the Company's Current, Quarterly and Annual Reports are filed with the Securities and Exchange Commission under File No. 001-13323).

Exhibit No.	
3.1	Amended and Restated Certificate of Incorporation of the Company, effective May 7, 2024 (filed as Exhibit 3.1 to the Company's Form 10-Q filed August 7, 2024 and incorporated herein by reference).
3.2	Amended and Restated Bylaws of the Company dated July 7, 2025 (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed July 7, 2025 and incorporated herein by reference).
4.1	Certificate of Designation, Preferences and Rights of Series A Preferred Stock (filed as Exhibit 4.2 to the Company's Registration Statement on Form S-1 filed May 23, 2002 and incorporated herein by reference).
4.2	Senior Notes Indenture, dated as of June 24, 2025, by and among Darling Global Finance B.V., Darling Ingredients Inc., the subsidiary guarantors party thereto from time to time and Glas Trust Company LLC, as trustee, principal paying agent, principal transfer agent and principal registrar (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed June 27, 2025 and incorporated herein by reference).
4.3	Senior Notes Indenture, dated as of April 3, 2019, by and among Darling Ingredients Inc., the guarantors party thereto from time to time, and Regions Bank, as trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed April 3, 2019 and incorporated herein by reference).
4.4	First Supplemental Indenture, dated as of September 2, 2022, by and among Darling Ingredients Inc., the guarantors party thereto from time to time, and Regions Bank, as trustee (filed as Exhibit 4.5 to the Company's Annual Report on Form 10-K filed February 27, 2023 and incorporated herein by reference).
4.5	Second Supplemental Indenture, dated as of June 20, 2023, by and among Darling Ingredients Inc., the guarantors party thereto from time to time, and Regions Bank, as trustee (filed as Exhibit 4.2 to the Company's Quarterly Report on Form 10-Q filed August 8, 2023 and incorporated herein by reference).
4.6	Senior Notes Indenture, dated as of June 9, 2022, by and among Darling Ingredients Inc., as issuer, the guarantors party thereto from time to time, and Truist Bank, as trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed June 9, 2022 and incorporated herein by reference).
4.7	First Supplemental Indenture, dated as of August 17, 2022, by and among Darling Ingredients Inc., as issuer, the guarantors party thereto from time to time, and Truist Bank, as trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed August 17, 2022 and incorporated herein by reference).
4.8	Second Supplemental Indenture, dated as of September 2, 2022, by and among Darling Ingredients Inc., as issuer, the guarantors party thereto from time to time, and Truist Bank, as trustee (filed as Exhibit 4.8 to the Company's Annual Report on Form 10-K filed February 27, 2023 and incorporated herein by reference).
4.9	Third Supplemental Indenture, dated as of June 20, 2023, by and among Darling Ingredients Inc., as issuer, the guarantors party thereto from time to time, and Truist Bank, as trustee (filed as Exhibit 4.3 to the Company's Quarterly Report on Form 10-Q filed August 8, 2023 and incorporated by reference).
4.10	Description of Registered Securities (filed as Exhibit 4.4 to the Company's Annual Report on Form 10-K filed March 2, 2021 and incorporated by reference).
10.1	Third Amended and Restated Credit Agreement, dated as of June 25, 2025, by and among Darling Ingredients Inc., the other borrowers party thereto from time to time, the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and the other agents from time to time party thereto (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed June 27, 2025 and incorporated herein by reference).
10.2	Fourth Amended and Restated Security Agreement, dated as of June 25, 2025, by and among Darling Ingredients Inc., its subsidiaries signatory thereto and any other subsidiary who may become a party thereto and JPMorgan Chase Bank, N.A, as administrative agent (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed June 27, 2025 and incorporated herein by reference).
10.3	Fourth Amended and Restated Guaranty Agreement, dated as of June 25, 2025, by and among Darling Ingredients Inc., its subsidiaries signatory thereto and any other subsidiary who may become a party thereto and JPMorgan Chase Bank, N.A., as administrative agent (filed as Exhibit 10.3 to the Company's Current Report on Form 8-K filed June 27, 2025 and incorporated herein by reference).

10.4	Fifth Amended and Restated Limited Liability Company Agreement, dated as of February 1, 2026, by and among Diamond Green Diesel Holdings LLC, Darling Green Energy LLC and Diamond Alternative Energy, LLC. (filed herewith).
10.5	Ground Lease, dated as of December 17, 2010, by and between Martom Properties, LLC and Griffin Industries, Inc. (Butler, Kentucky) (filed as Exhibit 10.6 to the Company's Current Report on Form 8-K filed December 20, 2010 and incorporated herein by reference).
10.6	Ground Lease, dated as of December 17, 2010, by and between Martom Properties, LLC and Griffin Industries, Inc. (Henderson, Kentucky) (filed as Exhibit 10.7 to the Company's Current Report on Form 8-K filed December 20, 2010 and incorporated herein by reference).
10.7 *	Darling International Inc. 2012 Omnibus Incentive Plan (filed as Exhibit 99 to the Company's Registration Statement on Form S-8 filed May 31, 2012 and incorporated herein by reference).
10.8 *	Amendment to Darling International Inc. 2012 Omnibus Incentive Plan (filed as Exhibit 10.17 to the Company's Current Report on Form 10-K filed February 28, 2017 and incorporated herein by reference).
10.9 *	Darling Ingredients Inc. 2017 Omnibus Incentive Plan (filed as Exhibit 4.6 to the Company's Registration Statement on Form S-8 filed May 9, 2017 and incorporated herein by reference).
10.10 *	Form of Global Performance Unit Award Agreement under the 2017 Omnibus Incentive Plan effective January 2023 (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed May 9, 2023 and incorporated herein by reference).
10.11 *	Form of Stock Option Notice and Agreement for 2017 awards under the 2017 Omnibus Incentive Plan (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed May 11, 2017 and incorporated herein by reference).
10.12 *	Form of Stock Option Notice and Agreement under the 2017 Omnibus Incentive Plan effective January 2018 (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed May 9, 2018 and incorporated herein by reference).
10.13 *	Form of Global Restricted Stock Unit Award Agreement under the 2017 Omnibus Incentive Plan effective January 2021 (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed May 11, 2021 and incorporated herein by reference).
10.14 *	Form of Notice of Grant of Restricted Stock Unit Award (Non-Employee Directors) under the Darling International Inc. 2012 Omnibus Incentive Plan (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed August 7, 2014 and incorporated herein by reference).
10.15 *	Form of Notice of Grant of Restricted Stock Unit Award (Non-Employee Directors) under the Darling International Inc. 2017 Omnibus Incentive Plan (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed August 9, 2017 and incorporated herein by reference).
10.16 *	Non-Employee Director Compensation Program effective December 2021 (filed as Exhibit 10.28 to the Company's Annual Report on Form 10-K filed March 1, 2022 and incorporated herein by reference).
10.17 *	Non-Employee Director Compensation Program effective May 2023 (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed August 8, 2023 and incorporated herein by reference).
10.18 *	Amended and Restated Employment Agreement, dated as of January 1, 2009, between Darling International Inc. and Randall C. Stuewe (filed as Exhibit 10.01 to the Company's Current Report on Form 8-K filed January 21, 2009 and incorporated herein by reference).
10.19 *	Amendment No. 1, dated as of March 23, 2015, to Amended and Restated Employment Agreement between Darling Ingredients Inc. and Randall C. Stuewe (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed March 25, 2015 and incorporated herein by reference).
10.20 *	Employment Agreement, dated August 21, 2014, between Darling International Netherlands BV and J.M.I.M. (Jan) van der Velden (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed May 9, 2018 and incorporated herein by reference).
10.21 *	Form of Senior Executive Termination Benefits Agreement (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed June 12, 2023 and incorporated herein by reference).

10.22 *	Form of Indemnification Agreement between Darling International Inc. and its directors and executive officers (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed February 25, 2008 and incorporated herein by reference).
10.23 *	General Release Agreement, dated October 6, 2025, by and between Darling Ingredients Inc. and Matt Jansen (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K/A filed October 10, 2025 and incorporated herein by reference).
19.1	Insider Trading Policy (filed herewith).
21	Subsidiaries of the Registrant (filed herewith).
23.1	Consent of KPMG LLP (filed herewith).
23.2	Consent of KPMG LLP (filed herewith).
31.1	Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, of Randall C. Stuewe, the Chief Executive Officer of the Company (filed herewith).
31.2	Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, of Robert W. Day, the Chief Financial Officer of the Company (filed herewith).
32	Written Statement of Chief Executive Officer and Chief Financial Officer furnished pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350) (filed herewith).
97.1	Policy on Recoupment of Incentive Compensation Adopted November 5, 2023 (filed as Exhibit 97.1 to the Company's Annual Report on Form 10-K filed February 28, 2024 and incorporated herein by reference).
99.1	Consolidated Financial Statements of Diamond Green Diesel Holdings LLC and Subsidiary for the year ended December 31, 2025 (filed herewith).
101	Interactive Data Files Pursuant to Rule 405 of Regulation S-T: (i) Consolidated Balance Sheets as of January 3, 2026 and December 28, 2024; (ii) Consolidated Statements of Operations for the years ended January 3, 2026, December 28, 2024 and December 30, 2023; (iii) Consolidated Statements of Comprehensive Income/(Loss) for the years ended January 3, 2026, December 28, 2024 and December 30, 2023; (iv) Consolidated Statements of Stockholders' Equity for the years ended January 3, 2026, December 28, 2024 and December 30, 2023; (v) Consolidated Statements of Cash Flows for the years ended January 3, 2026, December 28, 2024 and December 30, 2023; and (vi) Notes to the Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

The Exhibits are available upon request from the Company.

* Management contract or compensatory plan or arrangement.

ITEM 16. FORM 10-K SUMMARY

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DARLING INGREDIENTS INC.

By: /s/ Randall C. Stuewe
Randall C. Stuewe
Chairman of the Board and
Chief Executive Officer

Date: March 3, 2026

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Randall C. Stuewe Randall C. Stuewe	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	March 3, 2026
/s/ Robert W. Day Robert W. Day	Chief Financial Officer (Principal Financial Officer)	March 3, 2026
/s/ Joseph Manzi Joseph Manzi	Chief Accounting Officer (Principal Accounting Officer)	March 3, 2026
/s/ Charles Adair Charles Adair	Director	March 3, 2026
/s/ Larry A. Barden Larry A. Barden	Director	March 3, 2026
/s/ Linda Goodspeed Linda Goodspeed	Director	March 3, 2026
/s/ Enderson Guimaraes Enderson Guimaraes	Director	March 3, 2026
/s/ Randy L. Hill Randy L. Hill	Director	March 3, 2026
/s/ Gary W. Mize Gary W. Mize	Director	March 3, 2026
/s/ Soren Schroder Soren Schroder	Director	March 3, 2026
/s/ Kurt Stoffel Kurt Stoffel	Director	March 3, 2026

Exhibit 10.4

THE UNITS REPRESENTED BY THIS FIFTH AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY OTHER APPLICABLE SECURITIES LAWS. SUCH UNITS MAY NOT BE SOLD, ASSIGNED, PLEDGED OR OTHERWISE DISPOSED OF AT ANY TIME WITHOUT EFFECTIVE REGISTRATION UNDER SUCH ACT AND LAWS OR EXEMPTION THEREFROM, AND COMPLIANCE WITH THE OTHER RESTRICTIONS ON TRANSFERABILITY SET FORTH HEREIN.

CERTAIN OF THE UNITS REPRESENTED BY THIS FIFTH AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT ARE SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER AS SET FORTH HEREIN.

DIAMOND GREEN DIESEL HOLDINGS LLC

FIFTH AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

Dated to be effective as of February 1, 2026

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DIAMOND GREEN DIESEL HOLDINGS LLC

FIFTH AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT

THIS FIFTH AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT is made and entered into by and among the Company and the Members as of February 1, 2026 (the "Effective Date").

WHEREAS, on October 12, 2009 the Company was formed as a limited liability company under the Delaware Act, pursuant to a Certificate of Formation as filed with the Secretary of State of Delaware (as amended from time to time, the "Certificate");

WHEREAS, on January 21, 2011, the parties hereto entered into the Company's initial limited liability company agreement (the "Initial Agreement");

WHEREAS, on May 31, 2011, the parties hereto entered into an Amended and Restated Limited Liability Company Agreement that amended and restated the Initial Agreement (the "First Amended and Restated LLC Agreement");

WHEREAS, on May 1, 2019, the parties hereto entered into a Second Amended and Restated Limited Liability Company Agreement that amended and restated the First Amended and Restated LLC Agreement (the "Second Amended and Restated LLC Agreement");

WHEREAS, as of November 1, 2022, the parties hereto entered into a Third Amended and Restated Limited Liability Company Agreement that amended and restated the Second Amended and Restated LLC Agreement (the "Third Amended and Restated LLC Agreement");

WHEREAS, as of January 1, 2025, the parties hereto entered into a Fourth Amended and Restated Limited Liability Company Agreement that amended and restated the Third Amended and Restated LLC Agreement (the "Fourth Amended and Restated LLC Agreement"); and

WHEREAS, the Company and the Members wish to amend and restate the Fourth Amended and Restated LLC Agreement in the manner set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I
DEFINITIONS

1.1 Certain Defined Terms. Capitalized terms used but not otherwise defined herein shall have the following meanings:

"Accounting Manager" has the meaning set forth in Section 6.3(a).

"Additional Member" means a Person admitted to the Company as a Member pursuant to Section 3.5.

"Adjusted Capital Account Deficit" means, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(a) credit to such Capital Account any amounts which such Member is obligated to restore pursuant to any provision of this Agreement or is deemed obligated to restore pursuant to Regulations Section 1.704-1(b)(2)(ii)(c) and the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

(b) debit to such Capital Account the items described in Regulations Sections 1.704-1(b)(2)(ii)(*d*)(*4*), 1.704-1(b)(2)(ii)(*d*)(5) and 1.704-1(b)(2)(ii)(*d*)(*6*).

The foregoing definition of "Adjusted Capital Account Deficit" is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Regulations and shall be interpreted consistently therewith.

"Affiliate" of any particular Person means (i) any other Person controlling, controlled by or under common control with such particular Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of in excess of 50% of such Person's voting securities or the ability to seat a majority of the board or other governing body, by contract or otherwise, and (ii) if such Person is a partnership or limited liability company, any general partner or managing member thereof (as applicable) (and in the absence of a managing member, the Person having the ability to seat a majority of the board of managers or equivalent governing body, by contract or otherwise).

"Agreement" means this Fifth Amended and Restated Limited Liability Company Agreement of the Company, as amended or modified from time to time in accordance with the terms hereof.

"Applicable Cure Percentage" has the meaning set forth in Section 3.3(c).

"Applicable Law" means any applicable federal, state, local, municipal, foreign, international, multinational, or other administrative order, constitution, law, rule, ordinance, principle of common law, regulation, statute or treaty.

"Appraiser" has the meaning set forth in Section 11.4(f).

"Approved Sale" has the meaning set forth in Section 11.1(a).

"Approved Sale Notice" has the meaning set forth in Section 11.1(a).

"Approved Sale Report" has the meaning set forth in Section 11.1(c).

"Approved Sale Report Notice" has the meaning set forth in Section 11.1(d).

"Approved Sale Response Notice" has the meaning set forth in Section 11.1(a).

"Authorized Senior Executive Officer" means the natural Person designated in writing from time to time by each of the Darling Member and the Valero Member, respectively, as the authorized senior executive officer to resolve disputes arising from a Deadlock between the Members or Managers as set forth in Section 5.8, and as otherwise contemplated by this Agreement. The initial Authorized Senior Executive Officers for the Darling Member and the Valero Member are set forth on Exhibit A attached hereto.

"Base Rate" means, on any date, a rate per annum (to be determined as of the date the applicable amount is first owed and remain fixed at such rate) equal to the rate of interest most recently published by *The Wall Street Journal* as the "prime rate" at large United States money center banks.

"BBA" means U.S. Public Law 114-74, the Bipartisan Budget Act of 2015.

"Board of Managers" has the meaning set forth in Section 6.1(a).

"Book Item" has the meaning set forth in Section 4.7(a)(i).

"Business" means (i) the business of acquiring raw material and producing biomass-based diesel, biomass-based jet fuel and biomass-based naphtha and byproducts thereof through the use of a hydrotreating plus isomerization process at the Facilities, and marketing and selling such diesel, naphtha and byproducts, and (ii) any other line of business that may be approved by written consent of the Members holding Units representing at least 90% of the Units held by all Members, in accordance with Section 5.7(c).

"Business Day" means any day other than a Saturday, Sunday or a day on which banks in New York, New York are authorized or obligated by Applicable Law or executive order to close.

"Business Plan" means the then-current annual business plan for the Company and its Subsidiaries, including a detailed budget and capital expenditures schedule, as approved by a Supermajority Interest and as it may be amended or revised from time to time, in each case in accordance with Section 5.7.

"Capital Account" means, with respect to any Member, the capital account maintained for such Member in accordance with the following provisions:

(a) to each Member's Capital Account there shall be credited such Member's Capital Contributions, the amount of Net Income and items of income and gain allocated to such Member pursuant to Section 4.3 and Section 4.4, and the amount of any Company liabilities assumed by such Member or which are secured by any property distributed to such Member;

(b) to each Member's Capital Account there shall be debited the amount of cash and the Gross Asset Value of any property distributed to such Member pursuant to any provision of this Agreement, the amount of Net Loss and items of expense and loss allocated to such Member pursuant to Section 4.3 and Section 4.4, and the amount of any

liabilities of such Member assumed by the Company or which are secured by any property contributed by such Member to the Company;

(c) in the event all or a portion of an interest in the Company is Transferred in accordance with the terms of this Agreement, the Transferee shall succeed to the Capital Account of the Transferor to the extent that it relates to the Transferred interest; and

(d) in determining the amount of any liability for purposes of subdivisions (a) and (b) there shall be taken into account Section 752(c) of the Code and any other applicable provisions of the Code and Regulations.

The foregoing provision and other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Section 1.704-1(b) and shall be interpreted and applied in a manner consistent with such Regulations, notwithstanding any different treatment under GAAP (e.g. in the statement of members' equity).

"Capital Contributions" means any cash, cash equivalents, promissory obligations or the Gross Asset Value of other property that a Member contributes to the Company (reduced by the amount of any liabilities of such Member assumed by the Company in connection with such contribution or which are secured by the property contributed) with respect to any Unit or Equity Securities issued pursuant to this Agreement.

"Certificate" has the meaning set forth in the recitals.

"Chairman" has the meaning set forth in Section 6.3(a).

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Commercial Manager" has the meaning set forth in Section 6.3(a).

"Company" means Diamond Green Diesel Holdings LLC, a Delaware limited liability company (formerly known as Diamond Green Fuels Holdings LLC).

"Company Interests" has the meaning set forth in Section 11.2(a).

"Company Loan" has the meaning set forth in Section 3.3(a).

"Company Minimum Gain" has the same meaning as "partnership minimum gain" set forth in Regulations Sections 1.704-2(b)(2) and 1.704-2(d).

"Company Option Period" has the meaning set forth in Section 11.4(b).

"Company Sale" means any transaction or series of related transactions involving the sale or Transfer to any Person of (i) all of the outstanding Units and Equity Securities or (ii) all or substantially all of the Company's assets determined on a consolidated basis with all Subsidiaries of the Company, in each case whether by merger, consolidation, reorganization, reclassification, sale of assets or otherwise, but shall not include a customary pledge of the Company's assets to

secure a term or working capital loan from a commercial lending institution that is not an Affiliate of a Member.

"Covered Person" has the meaning set forth in Section 12.2.

"Culpable Acts" means, with respect to any Person, fraud, bad faith, willful misconduct or misappropriation of funds by such Person, or the breach by such Person of the standard of care set forth in Section 12.1.

"Cured Amount" has the meaning set forth in Section 3.3(c).

"Darling Improvements" has the meaning set forth in Section 10.2(c)(ii)(A).

"Darling Manager" has the meaning set forth in Section 5.2(b)(i)(A).

"Darling Member" means Darling Green Energy LLC, a Delaware limited liability company, and any successor or assign of its Units that is admitted as a Member and designated as the Darling Member on Schedule A.

"Darling Parent" means Darling Ingredients Inc., a Delaware corporation (f/k/a Darling International Inc.), and any successor entity.

"Deadlock" has the meaning set forth in Section 5.8(a).

"Defaulting Member" has the meaning set forth in Section 3.2(c).

"Delaware Act" means the Delaware Limited Liability Company Act, 6 Del. L. § 18-101, et seq., as it may be amended from time to time, and any successor to the Delaware Act.

"Depreciation" means, for each Fiscal Year, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable for United States federal income Tax purposes with respect to an asset for such Fiscal Year, except that (i) with respect to any asset the Gross Asset Value of which differs from its adjusted Tax basis for federal income Tax purposes at the beginning of such Fiscal Year and which difference is being eliminated by use of the "remedial method" as defined by Regulations Section 1.704-3(d), Depreciation for such Fiscal Year shall be the amount of book basis recovered for such Fiscal Year under the rules prescribed by Regulations Section 1.704-3(d)(2) and (ii) with respect to any other asset the Gross Asset Value of which differs from its adjusted Tax basis for federal income Tax purposes at the beginning of such Fiscal Year, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income Tax depreciation, amortization, or other cost recovery deduction for such Fiscal Year bears to such beginning adjusted Tax basis; provided, however, that in the case of clause (ii), if the adjusted Tax basis for federal income Tax purposes of an asset at the beginning of such Fiscal Year is zero, Depreciation shall be an amount determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Board of Managers.

"Depreciation Recapture" has the meaning set forth in Section 4.7(a)(ii)(B).

"DGD" means Diamond Green Diesel LLC, a Delaware limited liability company.

"Directing Member" has the meaning set forth in Section 4.9(a).

"Directing Member Section 45Z Credit Transfer Amount" has the meaning set forth in Section 4.9(a).

"Dispute" has the meaning set forth in Section 13.20.

"Distributive Share of Total Eligible Section 45Z Credits" means, for a particular Member for a particular Fiscal Year or other relevant period with respect to a particular Qualified Facility, an amount equal to (i) such Member's Unit Percentage for such year or period, multiplied by (ii) the total amount of eligible Section 45Z Credits generated by the Company with respect to such Qualified Facility during such year or period.

"Distribution" means each distribution made by the Company to a Member in its capacity as such, whether in cash, property or securities of the Company and whether by liquidating distribution, redemption, repurchase or otherwise; provided that none of the following shall be a Distribution: (i) any recapitalization or exchange of securities of the Company, and any subdivision (by split or otherwise) or any combination (by reverse split or otherwise) of any outstanding Units or Equity Securities; (ii) payments by DGD to Darling Parent or any Affiliate of Darling Parent pursuant to the terms of the Raw Material Supply Agreement, or to Valero Parent or any Affiliate of Valero Parent pursuant to the terms of the Valero Support Agreements; and (iii) payments by DGD to either or both of the Members pursuant to the terms of the Members Working Capital Facility, as such agreements may be amended from time to time.

"Effective Date" has the meaning set forth in the preamble to this Agreement.

"Equity Securities" has the meaning set forth in Section 3.4(b).

"Event of Withdrawal" means the bankruptcy or dissolution of a Member or the occurrence of any other event that terminates the continued membership of a Member in the Company.

"Excess New Securities" has the meaning set forth in Section 9.1(d).

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and applicable rules and regulations thereunder, and any successor to such statute, rules or regulations.

"Facilities" means, collectively, the St. Charles Facility, the Port Arthur Facility and any New Facility the Members may authorize in accordance with the terms of this Agreement at any time after the Effective Date, and "Facility" means any one of the foregoing.

"Failed Contribution Amount" has the meaning set forth in Section 3.3(a).

"Failed Contribution Company Loan" has the meaning set forth in Section 3.3(a).

"Fair Market Value" means, with respect to any publicly traded securities: (i) if the securities are listed on one or more national securities exchanges or a similarly liquid non-United States securities exchange, the fair market value of such securities shall be the volume-weighted average of the closing prices as reported for composite transactions on the primary exchange or

market for such securities during the ten consecutive trading days preceding the trading day immediately prior to the date of valuation; or (ii) if the securities are traded over-the-counter (other than on a liquid non-United States securities exchange), the fair market value of such securities shall be the arithmetic average (for consecutive trading days) of the mean between the highest bid and lowest asked prices as of the close of business during the ten consecutive trading days preceding the trading day immediately prior to the date of valuation, as quoted on the National Association of Securities Dealers Automated Quotation System or equivalent generally accepted reporting service; provided, further, that any security that is publicly traded but is subject to contractual or regulatory restrictions on marketability or transfer shall be valued at such discount from the values described in the foregoing proviso as the Board of Managers deems appropriate, taking into account all restrictions on marketability or transfer of such security. For purposes of determining the fair market value of assets or property other than publicly traded securities addressed in the prior sentence, the term "Fair Market Value" means the most probable price in terms of money that such asset would bring at a fair sale for its highest reasonable use, determined in a commercially reasonable manner, and where the title to such asset will pass from the seller to the buyer with (i) each of the buyer and the seller acting prudently and knowledgeably, (ii) the price not being affected by any undue stimulus, (iii) neither the buyer nor seller being under compulsion to sell or buy such asset, (iv) each of the buyer and the seller being typically motivated, well-informed and advised and acting in what it considers to be its best interests, (v) a reasonable period of time being allowed for exposure of such asset in the open market and (vi) the payment of the purchase price being made in cash. In determining the Fair Market Value of any such asset, there shall be taken into account, as appropriate, all liabilities relating to such asset to the extent that they are secured by a lien on such asset (and such lien is not released prior to the transfer of such assets in connection with the subject transaction) or that would otherwise encumber such asset in the hands of the buyer.

"Family Group" means, for any Person who is a natural person, such Person's spouse, descendants (whether natural or adopted), siblings, parents or spouse's parents, and any trust, limited liability company or partnership solely for the benefit of such Person or such Person's spouse, descendants, siblings, parents or spouse's parents.

"First Anniversary Date" means (i) with respect to a Non-Defaulting Member Company Loan, the first anniversary of the date such Company Loan was deemed made or (ii) with respect to a Failed Contribution Company Loan, the first anniversary of the date the corresponding Non-Defaulting Member Company Loan was deemed made.

"Fiscal Quarter" means each calendar quarter ending March 31, June 30, September 30 and December 31, or such other quarterly accounting period as may be established by the Board of Managers.

"Fiscal Year" means the calendar year or such other annual accounting period as may be established by the Board of Managers and approved pursuant to Section 5.7(a), except that if the Company is required under the Code to use a Taxable Year other than a calendar year or the other annual accounting period so established by the Board of Managers, then Fiscal Year means such Taxable Year.

"Forced Sale Offer" has the meaning set forth in Section 11.2(a).

"Forced Sale Offeror" has the meaning set forth in Section 11.2(a).

"GAAP" means generally accepted accounting principles as used in the United States from time to time, applied on a consistent basis from period to period, and any subsequent system and compilation of accounting principles adopted for general use by registrants filing reports pursuant to the Exchange Act, as it may be amended or supplanted.

"Governmental Entity" means the United States or any other nation, any state, territory or other political subdivision thereof, or any entity exercising executive, legislative, judicial, regulatory or administrative functions of government.

"Gross Asset Value" means, with respect to any asset, the asset's adjusted basis for U.S. federal income tax purposes, except as follows:

(a) the Gross Asset Value of any asset contributed by a Member to the Company is the Fair Market Value of such asset as determined at the time of contribution;

(b) the Gross Asset Value of all Company assets shall be adjusted to equal their respective Fair Market Values, as determined by the Board of Managers, as of the following times: (i) the acquisition of any additional interest in the Company by any new or existing Member in exchange for more than a *de minimis* Capital Contribution; (ii) the distribution by the Company to a Member of more than a *de minimis* amount of property as consideration for an interest in the Company; (iii) the grant of an interest in the Company (other than a *de minimis* interest) as consideration for the provision of services to or for the benefit of the Company by an existing Member acting in a Member capacity, or by a new Member acting in a Member capacity or in anticipation of becoming a Member; and (iv) the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g); provided, however, that the adjustments pursuant to clauses (i) and (ii) above shall be made only if the Board of Managers reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company; and

(c) the Gross Asset Value of any Company asset distributed to any Member shall be adjusted to equal the Fair Market Value of such asset on the date of distribution as determined by the Board of Managers.

If the Gross Asset Value of a Company asset has been determined or adjusted pursuant to clause (a) or (b) above, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Net Income or Net Loss.

"HSR Act" has the meaning set forth in Section 9.2.

"Improvements" has the meaning set forth in Section 10.2(c)(i)(A).

"Imputed Underpayment" has the meaning set forth in Section 7.4(b).

"Initial Agreement" has the meaning set forth in the recitals.

"Intellectual Property" means all intellectual property and industrial property rights and related priority rights throughout the world, whether protected, created or arising under the Applicable Laws of the United States or any other jurisdiction or under any international convention, including all: (i) patents and patent applications, including all continuations, continuations-in-part, divisionals and provisionals and all patents issuing on any of the foregoing, and all reissues, reexaminations, substitutions, renewals and extensions of any of the foregoing ("Patents"); (ii) trademarks, service marks, trade dress, logos, trade names, corporate names and other source or business identifiers (whether registered or unregistered), together with the goodwill associated with any of the foregoing, and all registrations, applications for registration, renewals and extensions of any of the foregoing; (iii) copyrights and works of authorship (whether registered or unregistered) and moral rights, and all registrations, applications for registration, renewals, extensions and reversions of any of the foregoing; (iv) trade secrets and all intellectual property rights in or to confidential and proprietary information, know-how or Technology, in each case excluding any rights in respect of any of the foregoing in this subclause (iv) that comprise or are protected by issued Patents or published Patent applications; and (v) domain names, together with the goodwill associated therewith, and all registrations, applications for registration, renewals and extensions of any of the foregoing.

"Lease Agreements" means, collectively, the Port Arthur Lease and the St. Charles Lease.

"Majority Interest" means the Members holding Units representing more than fifty percent (50%) of the Units held by all of the Members of the Company (expressly excluding any Units held by any Unadmitted Assignee and any Equity Securities that are not Units).

"Management Dispute" has the meaning set forth in Section 5.8(d).

"Manager" has the meaning set forth in Section 6.1(a).

"Mediation" has the meaning set forth in Section 5.8(a).

"Member" means each Person holding Units and any Person admitted to the Company as a Substituted Member or Additional Member, but only for so long as such Person is the owner of one or more Units, and expressly excluding Unadmitted Assignees except as set forth in the following sentence. Solely for purposes of (i) allocations and distributions in Article IV and Section 10.2, (ii) the right to make voluntary loans pursuant to Section 3.9, (iii) the right to receive Tax filing information pursuant to Sections 13.17(b)(i), 13.17(c) and 13.17(d), but only to the extent required for a Tax filing, (iv) the obligation to make Required Additional Capital Contributions under Section 3.2, (v) the right to make Requested Additional Capital Contributions under Section 3.2, and (vi) the restrictions and obligations (but not the rights) with respect to the Transfer of Units pursuant to Articles VIII and XI, the term "Member" shall also include any Unadmitted Assignee.

"Member Loans" means loans made by the Members to DGD under the Members Working Capital Facility.

"Member Nonrecourse Debt" has the same meaning as the term "partner nonrecourse debt" set forth in Regulations Section 1.704-2(b)(4).

"Member Nonrecourse Debt Minimum Gain" means an amount, with respect to each tranche of Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if the Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Regulations Section 1.704-2(i)(3).

"Member Officer" means any Officer who is also a Manager.

"Members Working Capital Facility" means that certain Revolving Loan Agreement dated as of May 1, 2019, among DGD, Darling Member and Valero Member, as the same may be amended, modified, renewed, extended or amended and restated from time to time, together with any replacement revolving loan agreement (or the equivalent) that may hereafter be entered into by all of the Members, as lenders thereunder, and DGD, as borrower thereunder.

"Members' Unit Register" has the meaning set forth in Section 5.5.

"Net Income" and "Net Loss" means, for each Fiscal Year or other period, an amount equal to the Company's Taxable income or loss for such Fiscal Year or period, determined in accordance with Section 703(a) of the Code (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in Taxable income or loss) with the following adjustments:

(a) any income of the Company that is exempt from U.S. federal income Tax and not otherwise taken into account in computing Net Income or Net Loss pursuant to this paragraph, shall be added to such income or loss;

(b) any expenditures of the Company described in Section 705(a)(2)(B) of the Code or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Net Income or Net Loss pursuant to this paragraph, shall be subtracted from such Taxable income or loss;

(c) in the event the Gross Asset Value of any Company asset is adjusted pursuant to subdivisions (b) or (c) of the definition of "Gross Asset Value", the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Net Income or Net Loss;

(d) gain or loss resulting from any disposition of Company property with respect to which gain or loss is recognized for U.S. federal income Tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted Tax basis of such property for U.S. federal income tax purposes differs from its Gross Asset Value;

(e) in lieu of depreciation, amortization, and other cost recovery deductions taken into account in computing such Taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year, computed in accordance with the definition of "Depreciation"; and

(f) any items which are specially allocated pursuant to the provisions of Section 4.4 shall not be taken into account in computing Net Income or Net Loss.

"New Facility" means (i) the Port Arthur Facility, (ii) any other biomass-based transportation fuel manufacturing facility that the Members may hereafter authorize and agree, in accordance with the terms of this Agreement, to cause the Company, DGD or any other Subsidiary of the Company to construct, and (iii) any expansion of a Facility that has been duly authorized by the Members in accordance with the terms of this Agreement, if the estimated cost for the design, construction, installation and placement into service of such expansion will exceed $500,000,000.

"New Securities" means any (i) Units, (ii) Equity Securities or (iii) securities of any other type whatsoever (including securities convertible into Units or Equity Securities, debt obligations (whether or not convertible into Units or Equity Securities) and contractual rights to receive payments, such as "phantom" stock or stock appreciation rights, where the amount thereof is determined by reference to fair market or equity value of the Company or any Units or Equity Securities approved for issuance by a Supermajority Interest); provided that "New Securities" shall not include (A) Units or Equity Securities issued pro rata as a Distribution or split of any Units or Equity Securities of the Company then outstanding, (B) Units or Equity Securities issued as consideration in any merger, amalgamation, consolidation, acquisition or joint venture with or into another business enterprise approved by the Board of Managers or (C) Units issued to the Darling Member or the Valero Member in accordance with Section 3.4(c). As applied to a Subsidiary of the Company, the term "New Securities" shall have a correlative meaning.

"New Securities Price" has the meaning set forth in Section 9.1(a).

"Non-Defaulting Member" has the meaning set forth in Section 3.2(c).

"Non-Defaulting Member Company Loan" has the meaning set forth in Section 3.3(a).

"Non-Triggering Member" has the meaning set forth in Section 11.1(a).

"Nonrecourse Deductions" has the meaning set forth in Regulations Section 1.704-2(b)(1) and 1.704-2(c).

"Nonrecourse Liability" has the meaning set forth in Regulations Section 1.752-1(a)(2).

"Nonsubject Member" has the meaning set forth in Section 11.4(a).

"Officers" has the meaning set forth in Section 6.3(a).

"Operations Agreement" means that certain Operations Agreement of even date herewith between DGD and Diamond Renewable Operations LLC, as amended, modified or amended and restated from time to time.

"Operations Manager" has the meaning set forth in Section 6.3(a).

"Opportunity" has the meaning set forth in Section 5.4(b).

"Order" means any award, decision, injunction, judgment, order, ruling or subpoena issued, made or rendered by any Governmental Entity.

"Owned Intellectual Property" has the meaning set forth in Section 10.2(c).

"Partnership Representative" has the meaning given such term in Section 6223 of the Code.

"Permitted Transferees" has the meaning set forth in Section 8.1(b).

"Person" means an individual, a partnership (including a limited partnership), a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, association or other entity or a Governmental Entity.

"Port Arthur Facility" means the approximately 35,000 barrel per day (design feed) biomass-based diesel, naphtha and synthetic paraffinic kerosene production facility in Port Arthur, Texas.

"Port Arthur Facility Commencement Date" means the date on which the Port Arthur Facility is complete and operational and producing on-specification renewable diesel at planned rates.

"Port Arthur Lease" means that certain Lease Agreement dated February 1, 2021, by and between Premcor and DGD, covering land adjacent to the Port Arthur Refinery on which the Port Arthur Facility is located, as the same may be amended, modified or amended and restated from time to time.

"Port Arthur Product Offtake Agreement" means that certain Product Offtake Agreement of even date herewith between DGD and VMSC, pursuant to which VMSC will periodically purchase light ends produced by the Port Arthur Facility, as the same may be amended, modified or amended and restated from time to time.

"Port Arthur Refinery" means the refinery in Port Arthur, Texas currently owned by Premcor and adjacent to the Premcor Facility.

"Port Arthur Services and Utilities Supply Agreement" means that certain Services and Utilities Supply Agreement dated as of September 1, 2022, by and between DGD and Premcor, pursuant to which Premcor will supply certain utilities and services to DGD and vice-versa, as the same may be amended, modified or amended and restated from time to time.

"Preemptive Exercise Notice" has the meaning set forth in Section 9.1(b).

"Preemptive Notice" has the meaning set forth in Section 9.1(a).

"Premcor" means The Premcor Refining Group Inc., a Delaware corporation, and its successors.

"Product Offtake Agreements" means, collectively, the Port Arthur Product Offtake Agreement and the St. Charles Product Offtake Agreement.

"Project Execution Plan" means DGD's project execution plan for the construction of a New Facility, as approved by a Supermajority Interest and as it may be amended or revised from time to time, in each case in accordance with Section 5.7(c).

"Qualified Facility" has the meaning given such term in Section 45Z(d)(4) of the Code.

"Raw Material Supply Agreement" means that certain Raw Material Supply Agreement date May 31, 2011, by and between DGD and Darling Parent, as amended, modified or amended and restated from time to time.

"Refinery" means either the Port Arthur Refinery or the St. Charles Refinery, as context may require.

"Related Party Agreement" means any contract (whether or not in writing) between the Company or any Subsidiary of the Company, on the one hand, and Darling Parent, Valero Parent or any of their respective Affiliates, on the other hand.

"Regulations" means the Income Tax Regulations promulgated under the Code, as amended from time to time.

"Requested Additional Capital Contribution" has the meaning set forth in Section 3.2(b).

"Requested Additional Capital Contribution Notice" has the meaning set forth in Section 3.2(b).

"Required Additional Capital Contribution" has the meaning set forth in Section 3.2(a).

"Required Additional Capital Contribution Notice" has the meaning set forth in Section 3.2(a).

"Required Interest" means the Members holding the applicable Units required to authorize or approve the relevant act of the Company, including Majority Interest or Supermajority Interest.

"Requisite Public Disclosure" has the meaning set forth in Section 13.16.

"Retained Section 45Z Credits" means any Section 45Z Credits generated by the Company other than Transferred Section 45Z Credits.

"ROFR Acceptance Period" has the meaning set forth in Section 11.2(b).

"ROFR Offer" has the meaning set forth in Section 11.2(b).

"ROFR Offer Notice" has the meaning set forth in Section 11.2(b).

"Sale Contract" has the meaning set forth in Section 11.3(a).

"SEC" means the Securities and Exchange Commission.

"Secretary" has the meaning set forth in Section 6.3(a).

"Separate Agreements Joint Credit Sale" has the meaning set forth in Section 4.9(b).

"Services and Utilities Supply Agreements" means, collectively, the Port Arthur Services and Utilities Supply Agreement and the St. Charles Services and Utilities Supply Agreement.

"Section 45Z Credit" means the tax credit specified in Section 45Z of the Code.

"Section 45Z Credit Transfer" has the meaning set forth in Section 4.9.

"Section 45Z Credit Transferee" has the meaning set forth in Section 4.9(b).

"Section 45Z Credit Transfer Legal Requirements" has the meaning set forth in Section 4.9.

"Section 45Z Credit Transfer Notice" has the meaning set forth in Section 4.9.

"Single Agreement Joint Credit Sale" has the meaning set forth in Section 4.9(b).

"St. Charles Facility" means the approximately 52,000 barrel per day (design feed) biomass-based diesel and naphtha production facility owned by DGD in St. Charles Parish, Louisiana.

"St. Charles Lease" means that certain Amended and Restated Lease Agreement dated August 1, 2021, by and between Valero Refining-New Orleans, L.L.C. and DGD, covering land adjacent to the St. Charles Refinery on which the St. Charles Facility is located, as the same may be amended, modified or amended and restated from time to time.

"St. Charles Product Offtake Agreement" means that certain Product Offtake Agreement dated October 1, 2021, by and between DGD and VMSC, as the same may be amended, modified or amended and restated from time to time.

"St. Charles Refinery" means the refinery in Norco, Louisiana currently owned by Valero Refining-New Orleans, L.L.C. and adjacent to the St. Charles Facility.

"St. Charles Services and Utilities Supply Agreement" means that certain Amended and Restated Services and Utilities Supply Agreement dated October 1, 2021, by and between DGD and Valero Refining-New Orleans, L.L.C., as the same may be amended, modified or amended and restated from time to time.

"Subject Member" has the meaning set forth in Section 11.4(a).

"Subject Units" has the meaning set forth in Section 11.4(a).

"Subsidiary" means, with respect to any Person, any corporation, limited liability company, partnership, association or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof, or (ii) if a limited liability company,

partnership, association or other business entity (other than a corporation), a majority of company, partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more Subsidiaries of such Person or a combination thereof. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association or other business entity (other than a corporation) if such Person or Persons shall be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or shall be or control any managing director or general partner of such limited liability company, partnership, association or other business entity or have, through contract or otherwise, the ability to seat a majority of the board or other governing body of such entity. For purposes hereof, references to a "Subsidiary" of any Person shall be given effect only at such times that such Person has one or more Subsidiaries, and, unless otherwise indicated, the term "Subsidiary" refers to a Subsidiary of the Company.

"Substituted Member" means a Person that is admitted as a Member to the Company pursuant to Section 8.3(a).

"Supermajority Interest" means the Members holding Units representing more than seventy-five percent (75%) of the Units held by all of the Members of the Company (expressly excluding any Units held by any Unadmitted Assignee).

"Tax" or "Taxes" means (i) any federal, state, local or foreign income, gross receipts, franchise, estimated, alternative minimum, add-on minimum, sales, use, transfer, registration, value added, excise, natural resources, severance, stamp, occupation, premium, windfall profit, environmental, customs, duties, real property, personal property, capital stock, social security, unemployment, disability, payroll, license, employee or other withholding, or other tax, of any kind whatsoever, (ii) any interest, penalties or additions to tax or additional amounts imposed by any Taxing Authority in connection with any item described in clause (i), and (iii) any liability in respect of any items described in clause (i) and/or (ii) payable by reason of contract, assumption, successor or transferee liability, operation of law, Treasury Regulations section 1.1502-6(a) (or any predecessor or successor thereof or any analogous or similar provision under Applicable Law) or otherwise.

"Taxable" means, when referring to any item of income, gain, loss or deduction, the amount of such income, gain, loss or deduction computed according to applicable provisions of the Code or, where applicable, state or local law.

"Tax Credit Purchase Agreement" has the meaning set forth in Section 4.9(b).

"Tax Credit Insurance Policy" has the meaning set forth in Section 4.9(h)(i).

"Tax Distribution" has the meaning set forth in Section 4.1(a).

"Tax Loss" means (i) the amount of any reduction in Retained Section 45Z Credits resulting from an adjustment by a Taxing Authority, any interest and penalties related thereto and any tax contest costs (from the IRS examination stage through litigation) relating thereto plus (ii) the amount of any reduction in Transferred Section 45Z Credits resulting from an adjustment by a Taxing Authority with respect to Section 45Z Credit Transferees, any interest and penalties

related thereto and any tax contest costs (from the IRS examination stage through litigation) relating thereto, in each case under this clause (ii) to the extent the Company or a Member is required to reimburse Section 45Z Credit Transferees for such reduction in Section 45Z Credits, interest, penalties and tax contest costs pursuant to the applicable Tax Credit Purchase Agreement. For purposes of determining the amount of interest relating to a reduction in Retained Section 45Z Credits, it will be assumed that such reduction results in a corresponding equal amount of tax underpayment that bears interest at the rate specified in Section 6621(c) of the Code from the last date prescribed for payment of the tax for the year in which the Retained Section 45Z Credit was claimed (as determined by applying the rules under Section 6601(b) of the Code) until the date of reduction in Retained Section 45Z Credits resulting from an adjustment by a Taxing Authority.

"Tax Matters Partner" has the meaning that was set forth in Section 6231 of the Code prior to the amendments to the Code effected by the BBA.

"Taxable Year" means the taxable year of the Company determined under Section 441(b) of the Code or under any comparable provision of state or local law, as applicable.

"Taxing Authority" means the United States Internal Revenue Service or any other Governmental Entity responsible for the administration, assessment or collection of any Tax.

"Technology" means all technology, software (including, without limitation, object code and source code), designs, formulae, algorithms, procedures, methods, discoveries, processes, techniques, ideas, know-how, research and development, technical data, tools, materials, specifications, processes, inventions (whether patentable or unpatentable and whether or not reduced to practice), apparatus, creations, improvements, works of authorship in any media, confidential, proprietary or non-public information and other similar materials, and all recordings, graphs, drawings, reports, analyses and other writings, and other tangible embodiments of any of the foregoing in any form whether or not listed herein.

"Terminating Event" has the meaning set forth in Section 11.4(a).

"Transfer" means any sale, transfer, assignment, pledge, mortgage, exchange, hypothecation, grant of a security interest or other direct or indirect disposition or encumbrance of an interest (whether with or without consideration, whether voluntarily or involuntarily or by operation of law) or the acts thereof. The terms "Transferee," "Transferor," "Transferred" and other forms of the word "Transfer" shall have the correlative meanings.

"Transferred Section 45Z Credits" means any Section 45Z Credits transferred under Section 6418 of the Code pursuant to a Section 45Z Credit Transfer.

"Triggering Member" has the meaning set forth in Section 11.1(a).

"Triggering Member Sale" has the meaning set forth in Section 11.1(a).

"Unadmitted Assignee" has the meaning set forth in Section 3.5(b).

"Units" has the meaning set forth in Section 3.4(a).

"Unit Percentage" means, as to any Member (or Unadmitted Assignee), the percentage obtained by dividing the number of Units owned by such Member (or Unadmitted Assignee) by the total number of Units owned by all Members and Unadmitted Assignees.

"United States" and "U.S." mean the United States of America.

"Unreturned Capital Amount" means, for any Member, as of any time of determination, an amount equal to the excess, if any, of (i) the aggregate Capital Contributions, other than Capital Contributions specified in Section 4.9(d) and Section 4.9(e), made with respect to all Units then held by such Member (whether made by the Member or any predecessor owner of the Units) prior to such time, over (ii) the aggregate amount of Distributions, other than Distributions specified in Section 4.9(f), made (or deemed made) by the Company with respect to such Units (and whether made to such Member or any predecessor owner of the Units) under Section 4.1(b)(i) prior to such time.

"UOP License" has the meaning set forth in Section 10.2(d).

"Valero Support Agreements" means the Lease Agreements, the Product Offtake Agreements, the Services and Utilities Supply Agreements, the Operations Agreement, and any other agreement that may be entered into between DGD or the Company, on the one hand, and the Valero Member or any of its Affiliates, on the other hand, that provides for the Valero Member or its Affiliate to provide services, utilities and/or infrastructure that are critical to the operation of any Facility, provided that the written consent of the Members approving such agreement in accordance with Section 5.7(c) expressly states that the Members intend for such agreement to constitute a Valero Support Agreement hereunder.

"Valero Improvements" has the meaning set forth in Section 10.2(c)(ii)(B).

"Valero Manager" has the meaning set forth in Section 5.2(b)(i)(B).

"Valero Member" means Diamond Alternative Energy, LLC, a Delaware limited liability company, and any successor or assign of its Units that is admitted as a Member and designated as the Valero Member on Schedule A.

"Valero Parent" means Valero Energy Corporation, a Delaware corporation, and any successor entity.

"Venture" has the meaning set forth in Section 5.4(a).

"Venturee" has the meaning set forth in Section 5.4(a).

"Venturer" has the meaning set forth in Section 5.4(a).

"VMSC" means Valero Marketing and Supply Company, a Delaware corporation, and any successor entity.

1.2 Interpretative Matters. In this Agreement, unless otherwise specified or where the context otherwise requires:

(a) the headings of particular provisions of this Agreement are inserted for convenience only and will not be construed as a part of this Agreement or serve as a limitation or expansion on the scope of any term or provision of this Agreement;

(b) words importing any gender shall include other genders;

(c) words importing the singular only shall include the plural and vice versa;

(d) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation";

(e) the words "hereof," "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement;

(f) references to "Articles," "Sections," "Exhibits" or "Schedules" shall be to Articles, Sections, Exhibits or Schedules of or to this Agreement;

(g) references to any Person include the permitted successors and assigns of such Person;

(h) except as otherwise expressly provided herein, wherever a conflict exists between this Agreement and any other agreement referenced herein, this Agreement shall control but solely to the extent of such conflict;

(i) references to any agreement or contract, unless otherwise stated, are to such agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof; and

(j) the parties hereto have participated jointly in the negotiation and drafting of this Agreement; accordingly, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party hereto by virtue of the authorship of any provisions of this Agreement.

ARTICLE II
ORGANIZATIONAL MATTERS

2.1 Formation of the Company. The Company was formed on October 12, 2009 pursuant to the provisions of the Delaware Act.

2.2 Limited Liability Company Agreement. The Members hereby execute this Agreement for the purpose of establishing the affairs of the Company and the conduct of its business in accordance with the provisions of the Delaware Act. The Members hereby agree that during the term of the Company set forth in Section 2.6 the rights and obligations of the Members with respect to the Company will be determined in accordance with the terms and conditions of this Agreement and the Delaware Act.

2.3 Name. The name of the Company shall be "Diamond Green Diesel Holdings LLC". A Supermajority Interest may change the name of the Company at any time and from time to time. Notification of any such change shall be given to all Members. The business of the Company may be conducted under its name or any other name or names deemed advisable by a Supermajority Interest.

2.4 Purpose. The purposes and business of the Company shall be to, directly or indirectly through a Subsidiary, (i) construct, own, develop, operate, maintain, and finance and refinance the Facilities, and engage in the Business, (ii) incur debt and issue notes, the net proceeds of which shall be used to develop, construct and operate the Facilities, (iii) enter into purchase or underwriting agreements, financing documents, and similar or related agreements as required to engage in or related to the activities listed in clauses (i) and (ii) above, (iv) enter into agreements related to or in connection with the foregoing purposes or necessary to carry out the foregoing purposes, (v) exercise all rights and powers granted to the Company under this Agreement and any other agreements contemplated hereby, as the same may be amended from time to time, (vi) exercise powers permitted to limited liability companies under the laws of the State of Delaware that are connected with the foregoing purposes, (vii) conduct such other activities as may be necessary or desirable to further the Business or the foregoing purposes and (viii) engage in any other lawful act or activity for which limited liability companies may be organized under the Delaware Act.

2.5 Principal Office; Registered Office. The principal office of the Company initially shall be located at One Valero Way, San Antonio, Texas 78249 and may be at any such other place as the Board of Managers may from time to time designate. All business and activities of the Company shall be deemed to have occurred at its principal office. The Company may maintain offices at such other place or places as the Board of Managers deems advisable. The address of the registered office of the Company in the State of Delaware shall be Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, and the registered agent for service of process on the Company in the State of Delaware at such registered office shall be The Corporation Trust Company.

2.6 Term. The term of the Company commenced upon the filing of the Certificate in accordance with the Delaware Act and shall continue in existence until termination, winding up, dissolution and liquidation thereof in accordance with the provisions of Article X.

2.7 No State-Law Partnership. The Members intend that the Company not be a partnership (including a limited partnership) or joint venture, and that no Member be a partner or joint venturer of any other Member by virtue of this Agreement, for any purposes other than as set forth in the last sentence of this Section 2.7, and neither this Agreement nor any other document entered into by the Company or any Member relating to the subject matter hereof shall be construed to suggest otherwise. The Members intend that the Company shall be treated as a partnership for U.S. federal and, if applicable, state or local income Tax purposes, and that each Member and the Company shall file all Tax returns and shall otherwise take all Tax and financial reporting positions in a manner consistent with such treatment.

ARTICLE III
CAPITALIZATION; ADMISSION OF MEMBERS; CAPITAL ACCOUNTS

3.1 Capital Contributions. Except as provided in Section 3.2, no Member shall be required to make any additional Capital Contributions to the Company. In addition, except as provided in Section 3.2, no Member shall be permitted to make any additional Capital Contributions to the Company without the approval, consent or determination of the whole Board of Managers.

3.2 Required and Requested Additional Capital Contributions.

(a) Required Additional Capital Contributions. Subject to the limitations set forth in this Section 3.2, the Members shall make the following Capital Contributions, pro rata based on their respective Unit Percentages, to the Company (the "Required Additional Capital Contributions"):

(i) to the extent DGD is unable to fund such amounts out of its then available cash on hand or borrowings, all amounts set forth in the Project Execution Plan to be incurred by DGD to design, construct, install and place in service any New Facility;

(ii) to the extent DGD is unable to fund such amounts out of its then available cash on hand or borrowings, any amounts necessary to fund the initial incremental working capital needed for the operation of any New Facility, as set forth in the operating budget that includes the first 12 months of operation of the New Facility as set forth in the Business Plan as adopted by the Members (it being agreed that any additional working capital that may thereinafter be needed shall not be funded by any Required Additional Capital Contribution but rather by Requested Additional Capital Contributions);

(iii) any amounts necessary to fund capital expenditures required to comply with any Applicable Law or Order;

(iv) any amounts necessary to fund any capital expenditures necessary to address any safety concerns at, and any required capitalized maintenance of, the Facilities (including catalyst replacement); and

(v) any amount necessary to fund a Tax Loss in compliance with Section 4.9(h).

The amount of each Required Additional Capital Contribution shall be determined by the Board of Managers. On each occasion that the Board of Managers determines to make a call for the Members to make a Required Additional Capital Contribution pursuant to this Section 3.2(a), the Board of Managers shall deliver to each such Member a written notice (the "Required Additional Capital Contribution Notice"), which shall include (i) the aggregate amount of Required Additional Capital Contributions required and the respective Member's share thereof (which shall be calculated assuming each Member will participate fully and pro rata based on the Unit Percentage of such Member), (ii) the date by which such Capital Contributions are required to be funded (which date shall be no earlier than 20 Business Days after delivery of the Required

Additional Capital Contribution Notice, (iii) the depositary institution and account of the Company into which such additional Capital Contributions shall be made, and (iv) reasonable detail as to the purpose and intended use of such Capital Contribution. Each such Member shall deposit its Required Additional Capital Contribution, if any, by wire transfer of immediately available funds to the designated depositary institution and account of the Company on or before the date set forth in the Required Additional Capital Contribution Notice.

(b) Requested Additional Capital Contributions. Subject to the limitations set forth in this Section 3.2, the Company may from time to time request that each Member make Capital Contributions to the Company, pro rata based on the Unit Percentage of such Member, when and if a Supermajority Interest determines to call for such Capital Contributions in accordance with this Agreement (each, a "Requested Additional Capital Contribution"). On each occasion that the Board of Managers calls, pursuant to this Section 3.2(b), for the Members to make a Requested Additional Capital Contribution, the Board of Managers shall deliver to each such Member a written notice (the "Requested Additional Capital Contribution Notice"), which shall include (i) the aggregate amount of Requested Additional Capital Contributions requested and the respective Member's share thereof (which shall be calculated assuming each Member will participate fully and pro rata based on the Unit Percentage of such Member), (ii) the date by which such Capital Contributions are required to be funded (which date shall be no earlier than 20 Business Days after delivery of the Requested Additional Capital Contribution Notice), (iii) the depositary institution and account of the Company into which such additional Capital Contributions shall be made, and (iv) reasonable detail as to the purpose and intended use of such Capital Contribution. Each such Member shall deposit its Requested Additional Capital Contribution, if any, by wire transfer of immediately available funds to the designated depositary institution and account of the Company on or before the date set forth in the Requested Additional Capital Contribution Notice.

(c) Defaulting Member. The failure of a Member to make any Required Additional Capital Contribution or Requested Additional Capital Contribution (a "Defaulting Member"), in accordance with the provisions of this Agreement and as set forth in the applicable notice to such Member, shall give the non-defaulting Member (the "Non-Defaulting Member") the right (but not the obligation) to make a Failed Contribution Company Loan as described in and in accordance with Section 3.3. In the event that a Member fails to make any Required Additional Capital Contribution pursuant to Section 3.2(a)(i)-(v), the Company may pursue and enforce all rights and remedies the Company may have against such Defaulting Member with respect thereto, including commencing a lawsuit to collect the overdue amount and any other amount due to the Company with interest calculated thereon at a rate equal to the Base Rate plus five percentage points per annum (computed on the basis of a 360-day year and actual days elapsed, compounded monthly on the first day of each calendar month). The failure of a Member to make a Requested Additional Capital Contribution pursuant to Section 3.2(b) or a Required Additional Capital Contribution pursuant to Section 3.2(a)(vi) or (vii) shall not constitute a default or breach by the Defaulting Member under this Agreement.

(d) Unadmitted Assignees. For purposes of the obligation to make Required Additional Capital Contributions and the obligation to make Requested Additional Capital Contributions in this Section 3.2, the term "Member" shall include any Unadmitted Assignee.

3.3 Company Loan.

(a) If any Member does not fund a Required Additional Capital Contribution in accordance with Section 3.2(a) or a Requested Additional Capital Contribution in accordance with Section 3.2(b), then, provided the Non-Defaulting Member has funded its Required Additional Capital Contribution or Requested Additional Capital Contribution, as the case may be, (i) the entire amount of the Required Additional Capital Contribution or Requested Additional Capital Contribution, as the case may be, made by the Non-Defaulting Member shall be deemed a loan to the Company (such loan is referred to herein as a "Non-Defaulting Member Company Loan"), and (ii) the Non-Defaulting Member (which shall expressly not include any Unadmitted Assignees) shall have the right (but not the obligation) to make a loan to the Company in the amount of the Defaulting Member's entire Required Additional Capital Contribution or Requested Additional Capital Contribution, as the case may be (the amount of the Defaulting Member's failed Capital Contribution is referred to herein as the "Failed Contribution Amount" and any loan made to the Company by the Non-Defaulting Member with respect to such Failed Contribution Amount is referred to herein as a "Failed Contribution Company Loan" and the Failed Contribution Company Loans together with the Non-Defaulting Member Company Loans are referred to herein as the "Company Loans"), in each case with recourse solely to the Company and its assets. Any Company Loan shall be expressly subordinated to all Member Loans and to any senior credit facility of the Company to the extent required by such senior credit facility, and the Defaulting Member shall bear all reasonable and customary costs and expenses related thereto and to the negotiation and documentation thereof, including reasonable fees and expenses of the counsel and accountants of the Company and the Member making such Company Loan. Any Company Loan shall not be treated as a Capital Contribution by the Member making such Company Loan and shall not increase the Capital Account of such Member or result in any adjustment to the number of Units held by any Member unless and until such Company Loan (or portion thereof) is converted to a Capital Contribution in accordance with Section 3.3(b) or 3.3(c). Subject to the earlier conversion of a Company Loan into a Capital Contribution pursuant to Section 3.3(c), each Company Loan shall have an initial term ending on the applicable First Anniversary Date (and no principal or interest shall be prepayable or paid with respect thereto during such initial period other than in connection with the conversion thereof to a Capital Contribution pursuant to Section 3.3(c) or as otherwise consented to by both Members), or longer if determined by the Board of Managers and consented to by the Non-Defaulting Member, and shall bear interest at a rate equal to the Base Rate plus five percentage points per annum (computed on the basis of a 360-day year and actual days elapsed, compounded monthly on the first day of each calendar month). All payments on all Company Loans shall be applied first to accrued interest on all Company Loans, then to unpaid principal. With respect to Company Loans outstanding 12 months or more, (i) payments on account of interest on such Company Loans shall be made on a "last in, first out" basis so that the accrued interest on the most recent Company Loan is paid first and (ii) principal payments on such Company Loans shall be made on a "last in, first out" basis so that the most recent Company Loan is repaid first. Company Loans shall be repaid as quickly as practicable taking into account any restrictions under any then-existing senior credit facility. Notwithstanding anything to the contrary herein, no Member Loan shall constitute a Company Loan.

(b) In the event that a Non-Defaulting Member makes or is deemed to have made a Company Loan in accordance with Section 3.3(a), and such Company Loan remains outstanding, in whole or in part, on the applicable First Anniversary Date, then such Non-Defaulting Member may elect at any time on or after such First Anniversary Date, in its sole discretion by written notice to the Company and the Defaulting Member, to convert all or part of the then-outstanding principal and accrued and unpaid interest of such Company Loan into a

Capital Contribution (thereby increasing such Member's Capital Account) and such Non-Defaulting Member shall be issued additional Units automatically in accordance with Section 3.4(c).

(c) At any time prior to the applicable First Anniversary Date of a Company Loan, the Defaulting Member may cure or partially cure its default with respect to the related Failed Contribution Amount by making one or more payments, in an aggregate amount up to its Failed Contribution Amount plus interest thereon from the date of the related Company Loan at a rate equal to the Base Rate plus five percentage points per annum (computed on the basis of a 360-day year and actual days elapsed, compounded monthly on the first day of each calendar month) (each amount paid by such Defaulting Member is referred to as a "Cured Amount"), as follows:

(i) If the Non-Defaulting Member exercised its right to make a Failed Contribution Company Loan with respect to the default being cured, then the Defaulting Member shall make any such payments of a Cured Amount to the Non-Defaulting Member in exchange for the automatic assignment by such Non-Defaulting Member to the Defaulting Member of the right to receive payment from the Company of a portion of the then-outstanding principal and accrued and unpaid interest under the Failed Contribution Company Loan equal to the applicable Cured Amount. Concurrently with the receipt by the Non-Defaulting Member of each such payment of a Cured Amount, the portion of the then-outstanding principal and accrued and unpaid interest under the Failed Contribution Company Loan assigned to the Defaulting Member in accordance with the preceding sentence shall automatically convert into a Capital Contribution by the Defaulting Member (thereby increasing such Member's Capital Account) and that portion of the then-outstanding principal and accrued and unpaid interest under the related Non-Defaulting Member Company Loan equal to such Cured Amount multiplied by the Applicable Cure Percentage shall automatically convert into a Capital Contribution by the Non-Defaulting Member (thereby increasing such Member's Capital Account) and the Non-Defaulting Member and the Defaulting Member shall be issued additional Units automatically in accordance with Section 3.4(c).

(ii) If the Non-Defaulting Member did not exercise its right to make a Failed Contribution Company Loan with respect to the default being cured, then the Defaulting Member shall make any such payments of a Cured Amount to the Company as a Capital Contribution (thereby increasing such Member's Capital Account). Concurrently with the receipt by the Company of each such payment of a Cured Amount, the portion of the then-outstanding principal and accrued and unpaid interest under the related Non-Defaulting Member Company Loan equal to such Cured Amount multiplied by the Applicable Cure Percentage shall automatically convert into a Capital Contribution by the Non-Defaulting Member (thereby increasing such Member's Capital Account) and the Non-Defaulting Member and the Defaulting Member shall be issued additional Units automatically in accordance with Section 3.4(c). For greater clarity, the deemed Capital Contribution by the Non-Defaulting Member pursuant to the prior sentence shall never

exceed the maximum amount of the then-outstanding principal and accrued and unpaid interest under the related Non-Defaulting Member Company Loan.

"Applicable Cure Percentage" shall mean the amount equal to (i) the Unit Percentage of the Non-Defaulting Member at the time the Non-Defaulting Member Company Loan being then converted was deemed made divided by (ii) the Unit Percentage of the Defaulting Member at the time the Non-Defaulting Member Company Loan being then converted was deemed made. Any cure by the Defaulting Member pursuant to this Section 3.3(c) shall convert the Company Loans to Capital Contributions on a "last in, first out" basis so that the most recent Failed Contribution Amounts (and interest thereon) are cured and the related Company Loans are converted to Capital Contributions first. Further, any payments by the Defaulting Member to the Non-Defaulting Member pursuant to Section 3.3(c)(i), and any conversion of less than all of a Company Loan pursuant to Section 3.3(b) or 3.3(c), shall be allocated first to accrued interest on such Company Loan, then to unpaid principal.

3.4 Ownership and Issuance of Units.

(a) Subject to the terms and conditions of this Agreement (including as set forth in Section 5.7), the Company shall have the authority to issue an unlimited number of Units (the "Units"). Each Member or Unadmitted Assignee owns that number of Units as appears next to its name on Schedule A hereto, as the same may be amended or restated from time to time.

(b) The Board of Managers, subject to the terms and conditions of this Agreement (including as set forth in Section 5.7), shall have the authority to authorize, create and issue additional Units or other equity securities of the Company, including any security or instrument convertible into equity securities of the Company ("Equity Securities"), in such amounts and at such purchase price as determined by the Board of Managers.

(c) Any amounts contributed to the Company by either Member pursuant to Section 3.2(a) or Section 3.2(b), or by the Defaulting Member pursuant to Section 3.3(c), and any amount of any Company Loan converted into a Capital Contribution in accordance with Section 3.3(b) or 3.3(c), shall increase the Capital Contributions and Capital Account of each contributing or converting Member and additional Units shall be issued automatically to each such Member so that the Unit Percentage of each such Member would be equal to (i) such Member's Capital Account (including any Capital Contribution resulting from the conversion of any Company Loan, whether in whole or in part) divided by (ii) the aggregate Capital Accounts of all of the Members (including any Capital Contribution resulting from the conversion of any Company Loan, whether in whole or in part); provided, however, for purposes of issuing Units under this Section 3.4(c) with respect to Capital Contributions made pursuant to Section 3.2(a) or Section 3.2(b), if both Members contribute their respective Capital Contributions on or prior to the due date of such Capital Contribution, then the Units shall be automatically issued on the date the last Member has contributed such Capital Contribution. Schedule A shall be amended automatically to reflect any such additional issuance of Units.

3.5 Additional Members.

(a) Upon written approval of a Supermajority Interest, any Person acquiring newly issued Units may be admitted to the Company as an Additional Member. Each such Additional Member shall execute and deliver a written instrument satisfactory to the Board of Managers, whereby such Additional Member shall become a party to this Agreement, as well as any other documents required by the Board of Managers. Upon execution and delivery of a counterpart of this Agreement and acceptance thereof by the Board of Managers, such Person shall be admitted as a Member. Each such Additional Member shall thereafter be entitled to all the rights and subject to all the obligations of a Member as set forth herein.

(b) Notwithstanding anything to the contrary in this Agreement, a Person that acquires any Units (and any fraction thereof) but that is not admitted as a Member pursuant to Section 3.5(a) or 8.3 (an "Unadmitted Assignee") shall be entitled only to allocations and distributions with respect to such Units (and any fraction thereof) in accordance with Article IV and Section 10.2 (and only for the period such Units are held by such Unadmitted Assignee), and shall have no right to any information or accounting of the affairs of the Company, shall not be entitled to inspect the books or records of the Company, and shall have no other rights of a Member under the Delaware Act or this Agreement, including any voting rights (including voting rights with respect to the merger, consolidation, conversion or dissolution of the Company), preemptive rights and any rights to elect or appoint a Manager. Notwithstanding anything to the contrary in this Agreement, any such Unadmitted Assignee shall be bound by the obligation to make any Required Additional Capital Contribution (with respect to its Unit Percentage as if it were a Member) pursuant to Section 3.2(a) and shall have the right to make any Requested Additional Capital Contribution (with respect to its Unit Percentage as if it were a Member) pursuant to Section 3.2(b) (but such Unadmitted Assignee shall have no right to make a Company Loan), and shall otherwise be bound by the provisions of Section 3.2. Further, all Units (and any fraction thereof) held by such Unadmitted Assignee shall be subject to all of the restrictions applicable to Units held by Members set forth in Article VIII and Article XI.

3.6 Negative Capital Accounts. No Member shall be required to pay to the other Member or the Company any deficit or negative balance that may exist from time to time in such Member's Capital Account (including upon and after dissolution of the Company).

3.7 No Withdrawal. No Person shall be entitled to withdraw any part of such Person's Capital Contributions or Capital Account or to receive any Distribution from the Company, except as expressly provided in this Agreement.

3.8 Amendments to Schedule A. Schedule A shall be amended by the Board of Managers from time to time to reflect any additional Capital Contributions, change in Unit Percentages, issuances, Transfers or assignments of Units or other Equity Securities permitted by this Agreement and admissions, resignations or withdrawals of Members or Unadmitted Assignees pursuant to the terms of this Agreement.

3.9 Voluntary Loans from Members. Loans by Members to the Company shall not be considered Capital Contributions except for Company Loans converted pursuant to Section 3.3(b) or 3.3(c). If any Member shall lend funds to the Company in excess of the

amounts required hereunder to be contributed by such Member to the capital of the Company, the making of such loan shall not result in any increase in the amount of the Capital Account of such Member. The amount of any such loan shall be a debt of the Company to such Member and shall be payable or collectible in accordance with the terms and conditions upon which such loan is made; provided that, except with respect to Company Loans, such terms and conditions are no more favorable to such lending Member than those that would be agreed to in an orderly transaction with a willing, unaffiliated lender in an arm's-length transaction.

3.10 Usury Savings Clause. Any provision herein, or in any other document executed or delivered in connection with any Company Loan, or in any other agreement or commitment, whether written or oral, expressed or implied, to the contrary notwithstanding, neither the Member making a Company Loan nor any other holder of a Company Loan shall in any event be entitled to receive or collect, nor shall or may amounts received hereunder or thereunder be credited, so that such Member or any other holder of a Company Loan shall be paid, as interest, a sum greater than the maximum amount permitted by Applicable Law to be charged to the Company. If any construction of this Agreement, or any other document executed or delivered in connection with any Company Loan, indicates a different right given to such Member to ask for, demand or receive any larger sum as interest, such is a mistake in calculation or in wording which this clause shall override and control, it being the intention of the Company and the Members, including any Member making a Company Loan, that this Agreement and any other documents executed in connection with any Company Loan conform strictly to applicable usury laws. In no event shall the amount treated as the total interest exceed the maximum amount of interest that may be lawfully contracted for, charged, taken, received or reserved by a Member making such Company Loan in accordance with applicable usury laws, taking into account all items that are treated as interest under Applicable Law, computed in the aggregate over the full term of the Company Loan(s) evidenced hereby or by any related agreement or document. In the event that the aggregate of all consideration which constitutes interest under Applicable Law that is taken, reserved, contracted for, charged, or received under this Agreement and any other documents executed in connection with any Company Loan shall ever exceed the maximum nonusurious rate under Applicable Law, any sum in excess thereof shall be applied to the reduction of the unpaid principal balance of the Company Loan(s) and if such unpaid principal balance is paid in full, the remaining excess, if any, shall be paid to the Company.

ARTICLE IV
DISTRIBUTIONS AND ALLOCATIONS

4.1 Distributions.

(a) Tax Distributions. The Board of Managers shall cause the Company to distribute to the Members, out of Company cash flow other than from proceeds from Section 45Z Credit Transfers, an amount designed to assist the Members in satisfying their U.S. federal, state and local income Tax liability attributable to allocations of income, gain, loss, deduction and credit of the Company in any Fiscal Year for which such an allocation is required (a "Tax Distribution").

(i) Amount of Distribution. In determining the amount of any Tax Distribution, it shall be assumed that the items of income, gain, deduction, loss and credit in respect of the Company were the only such items entering into the computation of Tax

liability of the Members for the Fiscal Year in respect of which the Tax Distribution was made and that each Member was subject to Tax at the highest marginal effective rate of U.S. federal, state and local income Tax applicable to any Member, taking account of any difference in rates applicable to ordinary income, capital gains, "qualified dividend income" (as such term is defined in Section 1(h) of the Code) and any allowable deductions in respect of such state and local Taxes in computing such Member's liability for U.S. federal income Taxes. No account shall be taken of any items of deduction or credit attributable to an interest in the Company that may be carried back or carried forward from any other Taxable Year. Additionally, in determining the amount of Tax Distribution to each Member, the amount of Section 45Z Credits taken into account with respect to each Qualified Facility shall be deemed to equal each such Member's Distributive Share of Total Eligible Section 45Z Credits with respect to such Qualified Facility.

(ii) Limitations on Tax Distributions. The amount designated by the Board of Managers as a Tax Distribution in respect of any Fiscal Year shall be computed as if any distribution made pursuant to Section 4.1(b) during such Fiscal Year were a Tax Distribution in respect of such Fiscal Year.

(iii) Determination of the Board of Managers Conclusive. Any determination of the amount of a Tax Distribution made by the Board of Managers pursuant to this Section 4.1(a) shall be conclusive and binding on all Members.

(iv) Effect of Tax Distributions. Any Tax Distributions made pursuant to this Section 4.1(a) shall be considered an advance against the next distributions payable to the Members pursuant to Section 4.1(b) and shall reduce such distributions.

(v) Time for Making Tax Distributions. A Tax Distribution may be made (A) in connection with a distribution made pursuant to Section 4.1(a) in respect of the Tax liability for the Fiscal Year in which the distribution is made, (B) on or before April 15 of any year in respect of the Tax liability for the immediately preceding Fiscal Year or (C) within 30 days after a Taxing authority adjusts the Taxable income or items entering into the computation thereof, in respect of the Tax liability for the Fiscal Year for which the adjustment is made.

(b) Other Distributions. Except as provided in Section 4.9(f), the Company shall make Distributions (x) as provided in Section 4.1(a), (y) as soon as reasonably practicable, as determined by the Board of Managers, after a Company Sale or a sale of assets of the Company, of the proceeds of such sale realized by the Company, after payment or provision for payment of debts, liabilities and obligations of the Company (including any Company Loans and Member Loans), payment of expenses related to such sale and establishment of reserves for contingent liabilities, and subject to the Company's right to use some or all of such proceeds to fund other acquisitions or for other general Company purposes, or (z) at such other times as the Board of Managers may in its discretion determine; provided, however, prior to making any such distributions under clause (z), the Board of Managers shall cause the Company to pay all outstanding Company Loans (unless waived by the Member that made such Company Loan) and make appropriate reserves for contingent liabilities and working capital (after taking into account fluctuations in costs and prices that could impact future working capital needs). All Distributions

made pursuant to clauses (y) and (z) of this Section 4.1(b) shall be made in the following order of priority:

(i) First, to the Members (ratably based upon the aggregate Unreturned Capital Amount of each Member in proportion to the aggregate Unreturned Capital Amount of all Members, immediately prior to such Distribution), until the aggregate Unreturned Capital Amount for all Members is equal to zero; and

(ii) Second, the remainder to the Members on a pro-rata basis based on their respective Unit Percentage.

(c) Distributions In-Kind. To the extent that the Company distributes property in-kind to the Members, then (i) the Company shall be treated as making a distribution equal to the Fair Market Value of such property for purposes of this Section 4.1, such property shall be treated as if it were sold for an amount equal to its Fair Market Value and any resulting gain or loss shall be allocated to the Members' Capital Accounts in accordance with Section 4.2 through Section 4.4, and (ii) to the extent that each Member is entitled to any such distribution in accordance with the foregoing clause (i) and to the extent that such property is so divisible, such property shall be distributed among the Members pro rata in accordance with their respective Unit Percentage.

4.2 General Application. The rules set forth below in this Article IV shall apply for the purposes of determining each Member's general allocable share of the items of income, gain, loss or expense of the Company comprising Net Income or Net Loss of the Company for each Fiscal Year, determining special allocations of other items of income, gain, loss and expense, and adjusting the balance of each Member's Capital Account to reflect the aforementioned general and special allocations. For each Fiscal Year, the special allocations in Section 4.4 shall be made immediately prior to the general allocations of Section 4.3.

4.3 General Allocations.

(a) Hypothetical Liquidation. After making the special allocations specified in Section 4.4, the items of income, expense, gain and loss of the Company comprising Net Income or Net Loss for a Fiscal Year shall be allocated among the Persons who were Members during such Fiscal Year in a manner that will, as nearly as possible, cause the Capital Account balance of each Member at the end of such Fiscal Year to equal the excess (which may be negative) of:

(i) the hypothetical distribution (if any) that such Member would receive if, on the last day of the Fiscal Year, (x) all Company assets, including cash, were sold for cash in an amount equal to their Gross Asset Values, taking into account any adjustments thereto for such Fiscal Year, (y) all Company liabilities were satisfied in cash according to their terms (limited, with respect to each Nonrecourse Liability or Member Nonrecourse Debt in respect of such Member, to the Gross Asset Value of the assets securing such liability), and (z) the net proceeds thereof (after satisfaction of such liabilities) were distributed in full pursuant to Section 4.1(b) and Section 10.2, over

(ii) the sum of (x) the amount, if any, which such Member is obligated to contribute to the capital of the Company, (y) such Member's share of the Company

Minimum Gain determined pursuant to Regulations Section 1.704-2(g), and (z) such Member's share of Member Nonrecourse Debt Minimum Gain determined pursuant to Regulations Section 1.704-2(i)(5), all computed immediately prior to the hypothetical sale described in Section 4.3(a)(i) above.

(b) Determination of Items Comprising Allocations.

(i) In the event that the Company has Net Income for a Fiscal Year,

(A) for any Member as to whom the allocation pursuant to Section 4.3(a) would reduce its Capital Account, such allocation shall be comprised of a proportionate share of each of the Company's items of expense or loss entering into the computation of Net Income for such Fiscal Year; and

(B) the allocation pursuant to Section 4.3(a) in respect of each Member (other than a Member referred to in Section 4.3(b)(i)(A)) shall be comprised of a proportionate share of each Company item of income, gain, expense and loss entering into the computation of Net Income for such Fiscal Year (other than the portion of each Company item of expense and loss, if any, that is allocated pursuant to Section 4.3(b)(i)(A)).

(ii) In the event that the Company has a Net Loss for a Fiscal Year,

(A) for any Member as to whom the allocation pursuant to Section 4.3(a) would increase its Capital Account, such allocation shall be comprised of a proportionate share of the Company's items of income and gain entering into the computation of Net Loss for such Fiscal Year; and

(B) the allocation pursuant to Section 4.3(a) in respect of each Member (other than a Member referred to in Section 4.3(b)(ii)(A)) shall be comprised of a proportionate share of each Company item of income, gain, expense and loss entering into the computation of Net Loss for such Fiscal Year (other than the portion of each Company item of income and gain, if any, that is allocated pursuant to Section 4.3(b)(ii)(A)).

(c) Loss Limitation. Notwithstanding anything to the contrary in this Section 4.3, the amount of items of Company expense and loss allocated pursuant to this Section 4.3 to any Member shall not exceed the maximum amount of such items that can be so allocated without causing such Member to have an Adjusted Capital Account Deficit at the end of any Fiscal Year, unless each Member would have an Adjusted Capital Account Deficit. All such items in excess of the limitation set forth in this Section 4.3(c) shall be allocated first, to Members who would not have an Adjusted Capital Account Deficit, pro rata, in proportion to their Capital Account balances, adjusted as provided in clauses (a) and (b) of the definition of Adjusted Capital Account Deficit, until no Member would be entitled to any further allocation, and thereafter, to all Members pro rata.

(d) Intent of Allocations. The Members intend that the foregoing tax allocation provisions of this Article IV shall produce final Capital Account balances of the

Members that will permit liquidating distributions that are made in accordance with final Capital Account balances in a manner identical to the order of priorities set forth in Section 4.1(b). To the extent that the Tax allocation provisions of this Article IV would fail to provide such final Capital Account balances, such provisions shall be amended by the Board of Managers, to the extent necessary, to produce such results.

4.4 Special Allocations. The following special allocations shall be made in the following order, prior to making the allocations specified in Section 4.3:

(a) Minimum Gain Chargeback. In the event that there is a net decrease during a Fiscal Year in either Company Minimum Gain or Member Nonrecourse Debt Minimum Gain, then notwithstanding any other provision of this Article IV, each Member shall receive such special allocations of items of Company income and gain as are required in order to conform to Regulations Section 1.704-2.

(b) Qualified Income Offset. Subject to Section 4.4(a), but notwithstanding any other provision of this Article IV, items of income and gain shall be specially allocated to the Members in a manner that complies with the "qualified income offset" requirement of Regulations Section 1.704-1(b)(2)(ii)(d)(3).

(c) Deficit Capital Accounts Generally. In the event that a Member has a deficit Capital Account balance at the end of any Fiscal Year which is in excess of the sum of (i) the amount such Member is then obligated to restore pursuant to this Agreement, and (ii) the amount such Member is then deemed to be obligated to restore pursuant to Regulations Section 1.704-1(b)(2)(ii)(c) and the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), respectively, such Member shall be specially allocated items of Company income and gain (consisting of a pro rata portion of each item of income and gain of the Company for such Fiscal Year in accordance with Regulations Section 1.704-1(b)(2)(ii)(d)) in an amount of such excess as quickly as possible, provided that any allocation under this Section 4.4(c) shall be made only if and to the extent that a Member would have a deficit Capital Account balance in excess of such sum after all allocations provided for in this Article IV have been tentatively made as if this Section 4.4(c) were not in this Agreement.

(d) Deductions Attributable to Member Nonrecourse Debt. Nonrecourse Deductions shall be specially allocated to the Members in the manner in which they share the economic risk of loss (as defined in Regulations Section 1.752-2) for Member Nonrecourse Debt.

(e) Allocation of Nonrecourse Deductions. Each Nonrecourse Deduction of the Company shall be specially allocated among all Members in proportion to their respective interest in the Company.

(f) Rules Applicable to Allocations under Subsections (a)-(e). The allocations pursuant to Sections 4.4(a), 4.4(b) and 4.4(c) shall be comprised of a proportionate share of each of the Company's items of income or gain. The amounts of any Company income, gain, loss or deduction available to be specially allocated pursuant to this Section 4.4 shall be determined by applying rules analogous to those set forth in subparagraphs (a) through (e) of the definitions of Net Income and Net Loss.

(g) Allocations Attributable to Section 45Z Credit Transfers.

(i) In accordance with Treasury Regulation Section 1.6418-3(b), each Member that is a Directing Member shall, except as provided in the following sentence, be allocated an amount of tax-exempt income realized by the Company in connection with Section 45Z Credit Transfers with respect to a Qualified Facility during the Fiscal Year or other relevant period equal to (i) the total amount of such tax-exempt income so realized by the Company from Section 45Z Credit Transfers with respect to such Qualified Facility during such year or period, multiplied by (ii) a fraction (A) whose numerator equals (1) the Distributive Share of Total Eligible Section 45Z Credits of such Member with respect to such Qualified Facility for such year or period, minus (2) the amount of Retained Section 45Z Credits with respect to such Qualified Facility allocated to such Member pursuant to Section 4.7(d) for such year or period, and (B) whose denominator equals the total amount of Section 45Z Credit Transfers with respect to such Qualified Facility made by the Company during such year or period. In cases where a Separate Agreements Joint Credit Sale provides for the payment of a different price (per $1.00 of Section 45Z Credits) for each Directing Member, then the amount of tax-exempt income realized by the Company in connection with the Section 45Z Credit Transfers resulting from such Separate Agreements Joint Credit Sale shall be adjusted to the extent necessary to appropriately take into account such differing prices negotiated by each Directing Member.

(ii) To the extent that any Transferred Section 45Z Credits with respect to a Qualified Facility are determined to constitute an excessive credit transfer as defined in Treasury Regulation Section 1.6418-5(b), any tax-exempt income previously allocated among the Members pursuant to this Section 4.4(g) with respect to such excess credits shall be recharacterized/reallocated as taxable income to such Member to the extent so required under Treasury Regulation Section 1.6418-5(a)(3) or the Section 45Z Credit Transfer Legal Requirements.

(iii) Items of loss, expense and deduction resulting from costs, expenses and obligations incurred in connection with a Section 45Z Credit Transfer with respect to a Qualified Facility shall be allocated among the Members in proportion to, and to the extent of, the amount of such costs, expenses and obligations required to be paid or funded by each such Member pursuant to Section 4.9(d).

(h) If any adjustments are made to distributions deemed made by, or items of income, gain, expense, loss or deduction of, the Company as a result of transactions between the Company and a Member or any of its Affiliates, then (i) such adjustments shall not result in any change to the number of Units owned by, or the Unit Percentage of, any Member and (ii) such adjustments (and, if necessary, other items of income, gain, loss and deduction) shall be specially allocated among the Members as needed to cause the Members' Capital Account balances and shares of Net Income and profits of the Company to be in the ratios of the Members' Unit Percentages.

4.5 Allocation of Nonrecourse Liabilities. For purposes of determining each Member's share of Nonrecourse Liabilities, if any, of the Company in accordance with

Regulations Section 1.752-3(a)(3), the Members' interests in Company profits shall be determined in the same manner as prescribed by Section 4.4(e).

4.6 Transfer of Interest. In the event of a Transfer of all or part of a Unit or interest in the Company (in accordance with the provisions of this Agreement) at any time other than the end of a Fiscal Year, or the admission of an Additional Member pursuant to Section 3.5, the shares of items of Company Net Income or Net Loss and specially allocated items allocable to the Unit or interest Transferred shall be allocated between the Transferor and the Transferee in a manner determined by the Board of Managers in its sole discretion that is not inconsistent with the applicable provisions of the Code and Regulations.

4.7 Tax Allocations.

(a) Section 704(b) Allocations.

(i) Each item of income, gain, loss, deduction or credit for U.S. federal income Tax purposes that corresponds to an item of income, gain, loss or expense that is either taken into account in computing Net Income or Net Loss or is specially allocated pursuant to Section 4.4 (a "Book Item") shall be allocated among the Members in the same proportion as the corresponding Book Item is allocated among them pursuant to Section 4.3 or Section 4.4.

(ii) (A) If the Company recognizes Depreciation Recapture (as defined below) in respect of the sale of any Company asset:

(I) the portion of the gain on such sale which is allocated to a Member pursuant to Section 4.3 or Section 4.4 shall be treated as consisting of a portion of the Company's Depreciation Recapture on the sale and a portion of the Company's remaining gain on such sale under principles consistent with Regulations Section 1.1245-1; and

(II) if, for U.S. federal income Tax purposes, the Company recognizes both "unrecaptured Section 1250 gain" (as defined in Section 1(h) of the Code) and gain treated as ordinary income under Section 1250(a) of the Code in respect of such sale, the amount treated as Depreciation Recapture under Section 4.7(a)(ii)(A)(I) shall be comprised of a proportionate share of both such types of gain.

(A) For purposes of this Section 4.7(a)(ii), "Depreciation Recapture" means the portion of any gain from the disposition of an asset of the Company which, for federal income Tax purposes (i) is treated as ordinary income under Section 1245 of the Code, (ii) is treated as ordinary income under Section 1250 of the Code or (iii) is "unrecaptured Section 1250 gain" as such term is defined in Section 1(h) of the Code.

(b) Section 704(c) Allocations. In the event any property of the Company is credited to the Capital Account of a Member at a value other than its Tax basis for U.S. federal income tax purposes (whether as a result of a contribution of such property or a revaluation of

such property pursuant to subdivision (b) of the definition of "Gross Asset Value"), then allocations of Taxable income, gain, loss and deductions with respect to such property shall be made in a manner which will comply with Section 704(b) and Section 704(c) of the Code and the Regulations thereunder. The Company, in the discretion of the Board of Managers, may make, or not make, "curative" or "remedial" allocations (within the meaning of the Regulations under Section 704(c) of the Code) including, but not limited to:

(i) "curative" allocations which offset the effect of the "ceiling rule" for a prior Fiscal Year (within the meaning of Regulations Section 1.704-3(c)(3)(ii)); and

(ii) "curative" allocations from dispositions of contributed property (within the meaning of Regulations Section 1.704-3(c)(3)(iii)(B)).

(c) Tax Items Allocable to Particular Members. If the Company is required to recognize items of income, gain, deduction or loss for U.S. federal and, where applicable, state and/or local income Tax purposes that is attributable to a particular Member, such items shall be allocated to such Member.

(d) Credits. Each Member shall be allocated an amount of Retained Section 45Z Credits of the Company with respect to each Qualified Facility for each Fiscal Year or other relevant period equal to (i) such Member's Distributive Share of Total Eligible Section 45Z Credits with respect to such Qualified Facility for such year or period, minus (ii) such Member's total Directing Member Section 45Z Credit Transfer Amount with respect to such Qualified Facility for such year or period. All other tax credits shall be allocated among the Members as determined by the Board of Managers in its sole and absolute discretion, consistent with Applicable Law.

The Tax allocations made pursuant to this Section 4.7 shall be solely for Tax purposes and shall not affect any Member's Capital Account or share of non-Tax allocations or distributions under this Agreement.

4.8 Unadmitted Assignees. For purposes of the allocations and distributions in this Article IV, the term "Member" shall include any Unadmitted Assignee.

4.9 Section 45Z Credit Transfers. Either Member may, by written notice to the Board of Managers (a "Section 45Z Credit Transfer Notice") direct the Board of Managers to cause the Company to make an election under Section 6418 of the Code, the Treasury Regulations promulgated thereunder and any guidance issued by the Treasury, IRS or any other Governmental Authority that is associated therewith (collectively, the "Section 45Z Credit Transfer Legal Requirements") to cause the Company to transfer part or all of the Directing Member's Distributive Share of Total Eligible Section 45Z Credits generated by the Company with respect to a Qualified Facility to one or more Persons who are not related to the Company within the meaning of Section 267(b) and 707(b)(1) of the Code (a "Section 45Z Credit Transfer"). As of the Effective Date, (i) Darling Member has directed the Company to transfer 100% of Darling Member's Distributive Share of Total Eligible Section 45Z Credits generated by the Company with respect to each Qualified Facility in Section 45Z Credit Transfers and (ii) Valero Member has directed the Company to transfer 0% of Valero Member's Distributive Share

of Total Eligible Section 45Z Credits generated by the Company with respect to each Qualified Facility in Section 45Z Credit Transfers. The foregoing directions shall be treated as a Section 45Z Credit Transfer Notice and shall continue to be followed by the Board of Managers and the Company unless and until the Board of Managers receives a Section 45Z Credit Transfer Notice from a Member with different directions. Any Section 45Z Credit Transfer shall be subject to the following conditions:

(a) The Section 45Z Credit Transfer Notice provided by the Member desiring to effectuate such Section 45Z Credit Transfer (the "Directing Member") may be provided by such Member no more frequently than once per calendar quarter and shall specify, for each Qualified Facility, the percentage of the Directing Member's Distributive Share of Total Eligible Section 45Z Credits generated by the Company with respect to such Qualified Facility which the Directing Member desires to cause the Company to transfer in a Section 45Z Credit Transfer (the product of such specified percentage and the Directing Member's Distributive Share of Total Eligible Section 45Z Credits, the "Directing Member Section 45Z Credit Transfer Amount"). The percentages so specified in the Section 45Z Credit Transfer Notice for each Qualified Facility shall continue to apply to the Directing Member's Distributive Share of Total Eligible Section 45Z Credits generated by the Company until a new Section 45Z Credit Transfer Notice is provided by the Directing Member (which, as indicated above, may be provided no more than once each calendar quarter).

(b) If only one Member is a Directing Member with respect to Section 45Z Credits generated by the Company with respect to a Qualified Facility, such Directing Member shall (i) notify the Board of Managers, in writing, of the identity of the person(s) to whom the Directing Member's share of Section 45Z Credits are to be transferred (each, a "Section 45Z Credit Transferee") and (ii) negotiate on behalf of the Company the definitive Section 45Z Credit purchase and sale agreement entered into with each of its designated Section 45Z Credit Transferees and such other agreements as reasonably necessary to effectuate the Section 45Z Credit Transfer (each, collectively, a "Tax Credit Purchase Agreement") and, so long as the final Tax Credit Purchase Agreement are in form and substance reasonably acceptable to the Board of Managers, the Board of Managers shall cause the negotiated final Tax Credit Purchase Agreement to be executed on behalf of the Company. If both Members are Directing Members, (i) each Directing Member may select the Section 45Z Credit Transferee to whom such Directing Member's share of Section 45Z Credits are to be transferred, (ii) if each Directing Member selects a different Section 45Z Credit Transferee, each Directing Member shall notify the Board of Managers, in writing, of the identity of, and shall negotiate the Tax Credit Purchase Agreement necessary to effectuate the Section 45Z Credit Transfer on behalf of the Company to, its respective Section 45Z Credit Transferee, (iii) if both Directing Members select the same Section 45Z Credit Transferee and agree to cause the Company to enter into a single Tax Credit Purchase Agreement with such Section 45Z Credit Transferee covering the transfer of both Directing Members' Section 45Z Credits (such a transaction, a "Single Agreement Joint Credit Sale"), the Directing Member that is transferring the greater amount of Section 45Z Credits shall negotiate the Tax Credit Purchase Agreement necessary to effectuate the Section 45Z Credit Transfer on behalf of the Company and the other Directing Member shall have the right to participate in such negotiations and (iv) if both Directing Members select the same Section 45Z Credit Transferee but do not agree to cause the Company to enter into a single Tax Credit Purchase Agreement with such Section 45Z Credit Transferee covering the transfer of both Directing Members' Section 45Z Credits, each Directing Member shall negotiate on behalf of the Company a separate Tax Credit Purchase Agreement necessary to effectuate the sale of its

Directing Member Section 45Z Credit Transfer Amount (such a transaction, a "Separate Agreements Joint Credit Sale").

(c) If pursuant to a Tax Credit Purchase Agreement entered into with respect to a Section 45Z Credit Transfer, the Company is provided any rights under such agreement, (i) if only one Member is a Directing Member under such Tax Credit Purchase Agreement, or such Tax Credit Purchase Agreement involves a Separate Agreements Joint Credit Sale, the Directing Member that negotiated such Tax Credit Purchase Agreement on behalf of the Company in accordance with Section 4.9(b) shall be entitled to control the actions of the Company in respect of such rights and (ii) if such Tax Credit Purchase Agreement involves a Single Agreement Joint Credit Sale by the Directing Members, (x) the Directing Member that is transferring the greater amount of Section 45Z Credits shall control the actions of the Company in respect of such rights and shall reasonably confer with the other Directing Member in respect thereof, or (y) if both Directing Members are transferring the same amount of Section 45Z Credits, the Directing Members shall jointly control the actions of the Company in respect of such rights.

(d) Subject to the following two sentences, the Directing Member shall be solely responsible for, and shall either pay directly or make Capital Contributions to the Company to fund, any and all costs or expenses incurred in connection with a Section 45Z Credit Transfer requested by the Directing Member, including (i) any legal, accounting, and other professional fees incurred in connection with the negotiation and implementation of such Section 45Z Credit Transfer and the conduct of due diligence with respect to such Section 45Z Credit Transfer, (ii) premiums and other costs incurred to provide an insurance policy with respect to such Section 45Z Credit Transfer and (iii) any and all claims imposed on or incurred by the Company which relate to or arise out of the inaccuracy, breach or failure of any representation or warranty or covenant made by the Company, or other event giving rise to an indemnity or reimbursement obligation of the Company, under a Tax Credit Purchase Agreement relating to such Section 45Z Credit Transfer (but only to the extent the Company is not otherwise reimbursed for same out of insurance proceeds from an insurance policy obtained with respect to such Section 45Z Credit Transfer or a guaranty provided by the Directing Member or an Affiliate of the Directing Member). For a Single Agreement Joint Credit Sale, the costs described in this Section 4.9(d) shall be borne by the Directing Members in proportion to their respective Directing Member Section 45Z Credit Transfer Amounts. For a Separate Agreements Joint Credit Sale, each Directing Member shall be responsible for and shall either pay directly or make Capital Contributions to the Company to fund, those costs and expenses described in this Section 4.9(d) which are solely attributable to the Section 45Z Credit Transfer and Tax Credit Purchase Agreement effected/negotiated by such Directing Member. Any costs and expenses described in this Section 4.9(d) that benefit more than one Member, whether because they were incurred for goods and/or services used in connection with more than one Single Agreement Joint Credit Sale by more than one Member, or because they were incurred for the benefit of both Members in connection with a Separate Agreements Joint Credit Sale, or for any other reason, shall be borne by all Members benefitting therefrom in proportion to their respective Directing Member Section 45Z Credit Transfer Amounts from all relevant transactions benefitting from such costs and expenses.

(e) In the event that a Directing Member or an Affiliate of the Directing Member directly pays any amount such Directing Member is responsible for pursuant to Section 4.9(d), such direct payment shall be treated as a Capital Contribution by the Directing Member to

the Company. In the event that the Company pays or incurs any cost a Directing Member is responsible for pursuant to Section 4.9(d), the Directing Member shall make a Capital Contribution to the Company upon demand of the Board or Managers (which demand may be made in contemplation of and prior to the payment by the Company of such cost) and, if such Directing Member fails to make such Capital Contribution within five days from such demand, (i) the unpaid portion of such requested Capital Contribution shall accrue interest at a rate equal to the Base Rate plus five percentage points per annum, compounded quarterly, until paid, and (ii) the other Member(s) shall have the right to direct that any distributions otherwise payable to such Directing Member in accordance with Section 4.1 or Section 4.9(f) be retained by the Company until the amount so retained equals the unpaid portion of the requested Capital Contribution plus the interest described in clause (i) accrued thereon. The amount so retained shall be deemed to have been distributed to the Directing Member in accordance with Section 4.1 or Section 4.9(f), as the case may be, the portion thereof that represents the unpaid portion of the Capital Contribution shall be deemed to have been contributed by the Directing Member to the Company as a Capital Contribution, and the portion thereof that represents the interest thereon shall be deemed to have been paid by the Directing Member to the Company as interest (and shall not be treated as a Capital Contribution). The Company shall, prior to making any payment of any cost a Directing Member is responsible for pursuant to Section 4.9(d), provide the applicable Directing Member(s) with notice of the Company's intent to make such payment and shall provide any such Directing Member a reasonable opportunity (but no longer than five (5) Business Days after such notice is provided) to dispute the existence of such payment obligation.

(f) Notwithstanding anything to the contrary in this Agreement, but subject to the following two sentences, the Company shall distribute to the Directing Member 100% of the proceeds received in connection with a Section 45Z Credit Transfer requested by the Directing Member. In the case of a Separate Agreements Joint Credit Sale, the Company shall distribute to each Directing Member 100% of the proceeds received by the Company under the Tax Credit Purchase Agreement effected/negotiated by such Directing Member, unless all Directing Members otherwise agree in writing. In the case of a Single Agreement Joint Credit Sale, the distributions described in this Section 4.9(f) shall be made among the Directing Members in proportion to their respective Directing Member Section 45Z Credit Transfer Amounts covered by the Tax Credit Purchase Agreement; provided, however, if the Single Agreement Joint Credit Sale provides (whether in the Tax Credit Purchase Agreement or in any separate related agreement to which the Members are parties) for the payment of a different price (per $1.00 of Section 45Z Credits) for each Directing Member, then the distributions described in this Section 4.9(f) shall also be adjusted to the extent necessary to appropriately take into account such differing prices negotiated by each Directing Member. In any case, such distributions shall be made within three (3) Business Days of the date such proceeds are received by the Company.

(g) In connection with any Section 45Z Credit Transfer, (i) each Directing Member shall provide to the Board of Managers the necessary information regarding the prospective Section Credit 45Z Transferee(s) designated by each such Directing Member and such other information reasonably requested by the Board of Managers, (ii) the Board of Managers shall cause the Company to timely furnish to each Directing Member, the Section 45Z Credit Transferee and the IRS, as applicable, all information and documentation reasonably

requested and filings necessary (including, without limitation, any pre-filing registration filings and renewals thereof) to elect and effectuate such Section 45Z Credit Transfer in compliance with the Section 45Z Credit Legal Requirements and (iii) the Board of Managers shall otherwise cause the Company to take such actions, complete such process and otherwise effectuate such Section 45Z Credit Transfer in compliance with the Section 45Z Credit Transfer Legal Requirements and the applicable Tax Credit Purchase Agreement(s).

(h) In the event that the Section 45Z Credits claimed by the Company with respect to a Qualified Facility are reduced or disallowed, in whole or in part, as a result of any tax examination or tax audit of the Company or of a Section 45Z Credit Transferee by a Taxing Authority (including resulting administrative and judicial proceedings), the filing of amended or corrected tax returns by the Company or by a Section 45Z Credit Transferee, an adjustment pursuant to the certification process set forth in Section 45Z(f)(1)(A)(i)(II)(AA), or otherwise, that results in a Tax Loss, each Member shall bear such Tax Loss in proportion to such Member's Distributive Share of Total Eligible Section 45Z Credits. Each Member shall fund its share of the Tax Loss based on this Section 4.9(h), which shall be interpreted and applied consistent with the immediately preceding sentence:

(i) Any payments made to the Company or Section 45Z Credit Transferee in respect of a Tax Loss by an insurer under a tax credit insurance policy funded by a Directing Member in connection with a Tax Credit Purchase Agreement ("Tax Credit Insurance Policy") shall be treated as a Tax Loss borne by such Directing Member in the amount of such payment (and, in cases where a particular Tax Credit Insurance Policy is funded by more than one Directing Member, the payments so made by the insurer under such policy to the Company or Section 45Z Credit Transferee shall be treated as a Tax Loss borne by the Directing Members in proportion to the amounts so funded by them).

(ii) With respect to any Transferred Section 45Z Credits, if an indemnity is owed to a Section 45Z Credit Transferee pursuant to a Tax Credit Purchase Agreement, the Directing Member with respect to each such Tax Credit Purchase Agreement shall be responsible for such indemnity payment as specified in Section 4.9(d) (which as provided in Section 4.9(h)(i) may be partially or fully paid by an insurer on behalf of such Directing Member).

(iii) Any payments or deposits (including deposits under Section 6234(b) of the Code) required to be made by the Company as a result of any reduction or disallowance of Retained Section 45Z Credits shall be required to be funded, and any such reduction or disallowance shall be treated as having been borne, by the Members in proportion to the ratios in which the Retained Section 45Z Credits that are the subject of such reduction or disallowance were allocated among the Members pursuant to Section 4.7(d).

(iv) To the extent that Section 4.9(h)(i)-(iii) results in one Member bearing a greater portion of the Tax Loss than required under the first sentence of Section 4.9(h), such Member shall be entitled to reimbursement from the other Member under the procedures provided in Section 4.9(h)(v) as needed to cause the amount of the Tax Loss borne by each Member to be consistent with the first sentence of Section 4.9(h) and any such reimbursement (excluding any tax gross-up reimbursement pursuant to the

penultimate sentence of Section 4.9(h)(vi) below) shall be treated as a Tax Loss borne by the reimbursing Member and shall reduce the Tax Loss deemed borne by the recipient Member. To the extent Retained Section 45Z Credits or Transferred Section 45Z Credits that were initially disallowed or reduced are subsequently increased or restored (pursuant to a refund claim or suit or otherwise), a redetermination shall be made of the Tax Loss borne by each Member after such increase or restoration, and a Member bearing a greater portion of the redetermined Tax Loss than required under the first sentence of Section 4.9(h) shall be entitled to reimbursement from the other Member to cause the amount of the redetermined Tax Loss borne by each Member to be consistent with the first sentence of Section 4.9(h).

(v) Each Member shall be entitled to request a reimbursement payment to which it is entitled pursuant to Section 4.9(h)(iv) once each calendar quarter and at any additional time at which such Member reasonably determines that its reimbursement amount will equal at least one million dollars ($1,000,000). Such request for reimbursement shall be made by a member (the "First Member") by providing written notice to the other Member (the "Second Member") of a "Request for Reimbursement Pursuant to Section 4.9(h)(iv) which (i) details the amount of Tax Loss borne by the First Member cumulatively to the date of such notice pursuant to Section 4.9(h)(i)-(iv) and (ii) sets forth the First Member's determination of the amount of reimbursement owed by the Second Member to the First Member to give effect to the requirements of Section 4.9(h)(iv). Within ten (10) Business days following the receipt of such written notice, the Second Member shall provide to the First Member written notice which (A) details the amount of Tax Loss borne by the Second Member cumulatively to the date of the First Member's written notice pursuant to Section 4.9(h)(i)-(iv) and (B) indicates whether the Second Member agrees with the First Member's determination in clause (ii) above or, alternatively, sets forth the Second Member's determination of the amount of reimbursement owed by the Second Member to the First Member to give effect to the requirements of Section 4.9(h)(i)-(iv), with such amount due and payable within ten (10) Business days of such Second Member's written notice. Each Member shall work in good faith, and shall provide such information as reasonably requested by the other Member, to confirm the information provided by each Member to the other Member pursuant to this Section 4.9(h)(v) and to reach agreement on the amount of reimbursement required pursuant to Section 4.9(h)(i)-(iv).

(vi) Any reimbursement pursuant to this Section 4.9(h) (other than any portion thereof treated as interest) shall be treated as a non-taxable reimbursement, unless the accounting firm that signs the income tax returns or prepares the audited financial statements for the recipient Member is unable to conclude at a "more-likely-than-not" level that the payment is non-taxable. In such a case, the recipient Member shall so notify the paying Member of such fact, and the amount of such reimbursement shall be increased by an amount equal to the excess of (A) (x) the taxable portion of the reimbursement, divided by (y) 100% minus the Assumed Tax Rate, over (B) the taxable portion of the reimbursement. For this purposes, the "Assumed Tax Rate" shall be deemed to equal the maximum U.S. federal income tax rate applicable under Section 11 of the Code to corporations which is in effect for the taxable year that a reduction or

disallowance in Section 45Z Credits is applicable, plus an assumed combined state and local income tax rate of 5%.

(vii) The Board of Managers shall be entitled to give effect to this Section 4.9(h) as permitted under Applicable Law, including through the making of an election under Section 6226 of the Code and/or Treasury Regulation Section 301.6227-2(c) or, notwithstanding anything to the contrary in this Agreement, through required additional capital contributions.

(viii) Any amount owing by a Member pursuant to Section 4.9(h) which is not timely paid by such Member shall accrue interest at a rate equal to the Base Rate plus five percentage points per annum, compounded quarterly, until paid. Additionally, any such unpaid amount may, at the direction of the Member to whom such amount is owed, be withheld from Distributions otherwise payable to such owing Member (in which case, such withheld amounts shall be treated as if distributed to such owing Member and then paid to the Member to whom such amounts are owed).

(i) Notwithstanding anything in Article VIII to the contrary, (i) a Directing Member that Transfers or otherwise disposes of part or all of its Units shall continue to be subject to the obligations set forth in Section 4.9(d), Section 4.9(e) and Section 4.9(h) with respect to the Units that are Transferred or otherwise disposed of (as well as the Units retained), unless the Board of Managers approves the assumption of such obligations by the Transferee of such Units and (ii) each Member shall remain bound by the provisions of this Section 4.9 and all obligations hereunder, which shall survive the termination, dissolution, liquidation, and winding up of the Company or such Member ceasing to be a member of the Company. For purposes of this Section 7.4, the use of the term "Member" or "Members" shall include former Members.

(j) Any Directing Member negotiating a Tax Credit Insurance Policy on behalf of the Company shall use reasonable best efforts to ensure that the Tax Credit Insurance Policy does not include provisions giving one or more insurers consent or approval rights over, or the right to control, the defense, negotiation, compromise or settlement of any tax examination or tax audit involving Retained Section 45Z Credits or any other Section 45Z Credits other than the Transferred Section 45Z Credits associated with such Tax Credit Insurance Policy. The consent of all Members shall be required prior to the Company bringing a claim for a Tax Loss under any Tax Credit Insurance Policy if, and any Member may object to the bringing of such a claim if such Member reasonably believes that, the bringing of such a claim would or could reasonably be expected to give one or more insurers consent or approval rights over, or the right to control, the defense, negotiation, compromise or settlement of any tax examination or tax audit involving Retained Section 45Z Credits or any other Section 45Z Credits other than the Transferred Section 45Z Credits associated with such Tax Credit Insurance Policy. For purposes of the immediately preceding sentence, a Member's consent to the bringing of a claim may be given in the form of an email from an authorized officer or representative of the Member sent to the Partnership Representative and all other Members. The provisions of this Section 4.9(j) shall not operate or be construed to limit any express obligations of the Company under a Tax Credit Purchase Agreement.

(k) Notwithstanding anything in Article III to the contrary, no Units shall be issued to a Member in respect of any Capital Contributions made by such Member pursuant to subsections (d), (e) or (h) of this Section 4.9.

ARTICLE V
RIGHTS AND DUTIES OF MEMBERS

5.1 Power and Authority of Members. Unless delegated such power in accordance with Section 6.4, no Member shall, in its capacity as such, have the authority or power to act for or on behalf of the Company in any manner, to do any act that would be (or could be construed as) binding on the Company, or to make any expenditures on behalf of the Company, and the Members hereby consent to the exercise by the Board of Managers of the powers and rights conferred on it by Applicable Law and by this Agreement.

5.2 Voting Rights; Voting Agreement; Proxy Voting Rights.

(a) Except as otherwise provided in this Section 5.2 or as otherwise required by Applicable Law, each Member shall be entitled to one vote per Unit held by such Member in connection with the election of Managers and on all matters to be voted upon by the Members of the Company.

(b) Voting Agreement.

(i) Composition of the Board of Managers. Each Member shall vote, or cause to be voted, all Units over which such Member has the power to vote or direct the voting, and shall take all other necessary or desirable actions within such Member's control (including attendance at meetings in person or by proxy for purposes of obtaining a quorum and execution of written consents in lieu of meetings) so that the following Persons, and only the following Persons, shall be elected to the Board of Managers:

(A) the Darling Member shall be entitled to designate an aggregate of two Managers if the Darling Member's Unit Percentage is 50% or less (but greater than 0%), three Managers if the Darling Member's Unit Percentage is between 50% and 75% (non-inclusive) and four Managers if the Darling Member's Unit Percentage is 75% or more (each, a "Darling Manager"); and

(B) the Valero Member shall be entitled to designate an aggregate of two Managers if the Valero Member's Unit Percentage is 50% or less (but greater than 0%), three Managers if the Valero Member's Unit Percentage is between 50% and 75% (non-inclusive) and four Managers if the Valero Member's Unit Percentage is 75% or more (each, a "Valero Manager").

(ii) A representative to the Board of Managers designated by a Member in accordance with Section 5.2(b)(i)(A) or (B) shall be removed from the Board of Managers only upon the written request of the Member entitled to designate such representative to the Board of Managers (or automatically at the time such Member no longer has the right to designate such representative) and under no other circumstances.

(iii) In the event any representative designated by any Member or Members in accordance with Section 5.2(b)(i) ceases to serve as a member of the Board of Managers during his or her term of office, the resulting vacancy on the Board of Managers shall be filled only by the Member or Members entitled to appoint the representative who has ceased so to serve.

(iv) The Board of Managers shall designate, from among their number, a Chairman in accordance with Section 6.3(b), who, if present, shall preside at each meeting of the Board of Managers or the Members.

5.3 Liabilities of Members. Except as otherwise required by Applicable Law or as expressly set forth in this Agreement, no Member shall have any personal liability whatever in such Member's capacity as a Member, whether to the Company, to any of the other Members, to the creditors of the Company or to any other third party, for the debts, obligations and liabilities of the Company (including any Company Loan), whether arising in contract, tort or otherwise (including those arising as member, owner or shareholder of another company, partnership or entity). Notwithstanding the prior sentence, the parties hereto acknowledge that, under the Delaware Act, a member of a Delaware limited liability company may, under certain circumstances, be required to return amounts previously distributed to such member. It is the intent of the Members that no Distribution to any Member pursuant to Article IV or Article X shall be deemed to constitute money or other property paid or distributed in violation of the Delaware Act, and the Members agree that each such Distribution shall constitute a compromise of the Members within the meaning of Section 18-502(a) of the Delaware Act, and that the Member receiving such Distribution shall not be required to return to any Person any such money or property. If, however, any court of competent jurisdiction holds that, notwithstanding the provisions of this Agreement, any Member is obligated to make any such payment, such obligation shall be the obligation of such Member and not of the other Member.

5.4 Future Ventures and Conflicts of Interest.

(a) During the period from the date hereof until the fifth anniversary of the Port Arthur Facility Commencement Date, prior to either Member (or any of either Member's Affiliates) initiating, soliciting, or taking any action to facilitate any inquiries with respect to any potential commercial venture involving the business of using animal fats and used cooking oils to produce biomass-based diesel and byproducts thereof in the United States through the use of a hydrotreating plus isomerization process (a "Venture"), the initiating, soliciting or facilitating Member (the "Venturer") agrees to notify the other Member (the "Venturee") of its intention to take such action and to furnish the Venturee with information regarding such Venture or the same information furnished to or proposed to be furnished to, or furnished by, any third party with respect to such Venture. Following receipt of such notice, the Venturee shall have 20 Business Days to agree to participate with the Venturer in such Venture. Such Venture between such Members shall be on terms and conditions, and relative percentages of equity interest, substantially similar to this Agreement and all relevant agreements ancillary hereto (including, where relevant in the context of the applicable Venture, the Raw Material Supply Agreement and each Valero Support Agreement). If the Venturee determines not to participate in such proposed Venture or fails to respond in such time period, the Venturer may pursue such Venture alone or with any third party, as the case may be. The Members expressly acknowledge and agree that

any damages to the other Member or the Company as a result of a failure of the Darling Member or the Valero Member to observe the terms of this Section 5.4(a) will not include (i) any costs incurred by or allocated to the Company or a Member with respect to time spent by employees of the Company or a Member or any of their respective Affiliates or (ii) any treble, exemplary or punitive damages or any other damages that do not flow directly from such failure. For the avoidance of doubt, a Venture shall include, and the requirements of this provision shall apply to, the construction or entering into an arrangement to construct a facility on or otherwise adjacent to either the St. Charles Refinery or the Port Arthur Refinery for the purpose of engaging in the business of using animal fats and used cooking oils to produce biomass-based diesel and byproducts thereof through the use of a hydrotreating plus isomerization process.

(b) The Members acknowledge and agree that the Members, Managers and Member Officers, and their respective Affiliates, are engaged in activities other than the Business, and that the Members, Managers and such Member Officers and their respective Affiliates shall not be expected or required to devote their full-time to the management of the Company. Except as may be expressly restricted in any written agreement between the Company and such party, (i) the relationship between the Company and any Member, Manager or Member Officer (or Affiliate thereof) shall not in any way act as a restraint on the other present or future business activities or investments of any Member, Manager or Member Officer or any of their respective Affiliates, and (ii) a Member, Manager or Member Officer (and their respective Affiliates) may engage in any business or activity and neither the Company nor any Member shall have any right, title or interest in or to any such business or entity. Without limiting the generality of the foregoing and except as required by Applicable Law or under a written agreement, none of the Members, Managers or Member Officers (or their respective Affiliates) are obligated and bound to offer and present to the Company any business opportunity (an "Opportunity") presented or offered to a Member, Manager or Member Officer (or any of their Affiliates) as a prerequisite to the pursuit, acquisition of or investment in such Opportunity by any such Member, Manager or Member Officer (or an Affiliate thereof), directly or indirectly, for his, her or its account or the account of others. Any such business, activity or Opportunity may be undertaken with or without notice to or participation therein by the Company or the Members. Each Member and the Company hereby waives any right or claim that such Member or the Company may have against the other Member, any Manager or Member Officer (or Affiliate thereof) with respect to any such business, activity or Opportunity or the income or profits therefrom.

(c) The Members expressly acknowledge and agree that none of the Members or Managers shall have any liability to the Company or any Member in connection with, arising from or related to the pursuit of any Opportunity or Venture other than as set forth in Section 5.4(a). The Members agree that to the maximum extent permitted by the Delaware Act, no Member (as a Member or otherwise) or Manager shall have any fiduciary, quasi-fiduciary or other duty to the Company or any Member or owe any duty of loyalty to the Company, except as expressly provided in this Agreement, including Section 12.1 hereof, or as may be required by the Delaware Act. Subject to the Delaware Act and this Agreement, each Member (as a Member or otherwise) may act in its sole self-interest and each Manager may act in the sole self-interest of its respective designating Member. A Member shall be deemed to have complied with its duty of good faith and fair dealing with respect to the Company, if applicable, so long as it has complied with this Agreement.

(d) The duties, obligations and other responsibilities of each Member to the Company and the other Member (whether express or implied, created by this Agreement, by Applicable Law or otherwise) are the duties, obligations and responsibilities of the individual Members and not of their Affiliates. The existence of the Company does not create any duties, obligations or other responsibilities of any Member's Affiliate to any other Member. To the extent that this Agreement requires any Affiliate of any Member to take any action or refrain from taking any action, such Member agrees to use its best efforts to cause such Affiliate to take such action or refrain from taking such action, as applicable. Notwithstanding anything to the contrary in this Agreement, no Member shall take any action indirectly through any of its Affiliates or otherwise that such Member is prohibited from taking directly herein.

5.5 Books and Records. The Company shall keep (i) correct and complete books and records of account, in which shall be entered all transactions and other matters relative to the Business, (ii) minutes of the proceedings of meetings of the Members, the Board of Managers and any committee thereof, and (iii) a current list of the Managers and Officers and their residence addresses; and the Company shall also keep at its principal executive office a record containing the names and addresses of all Members, the total number and class of Units held by each Member, and the dates when they respectively became the owners of record thereof (the "Members' Unit Register"). Any of the foregoing books, minutes or records may be in written form or in any other form capable of being converted into written form within a reasonable time. Any Member, in person or by attorney or other agent, shall have the right during the usual hours for business to inspect the Members' Unit Register and the Company's other books and records, and to make copies of extracts therefrom. Any Member, itself or by agent, shall have the right to audit the Members' Unit Register and the Company's other books and records. The Company's books and records shall be prepared in accordance with GAAP consistent with the standards and policies required by the accounting staff of the SEC for a public company that is required to comply with the Sarbanes-Oxley Act of 2002 as an "accelerated filer" or a "large accelerated filer" as such terms are defined in the regulations of the Exchange Act. Notwithstanding the foregoing, the Darling Member shall not have the right to inspect the books and records of the Company, or to make copies of extracts therefrom, regarding the Company's purchases of biomass raw material from any Person (other than the Darling Member or its Affiliates) within 60 days of the date of any such purchase; provided, however, the Darling Member may request that such purchase and transaction information be made available after any such 60-day period. Further, and for the avoidance of doubt, for purposes of determining the Members' Capital Accounts, and in any other instance where this Agreement requires amounts to be determined and records kept in accordance with the Code and/or the Regulations, the amounts determined under the Code and/or Regulations (as applicable) shall govern and control over any different results arising under GAAP.

5.6 Meetings of Members.

(a) Annual Meetings. An annual meeting of the Members may be held each year upon the request of either Member for the purpose of electing Managers and of conducting such proper business as may come before the meeting. The date, time and place of the annual meeting shall be determined by the Board of Managers.

(b) Special Meetings. Special meetings of the Members may be called for any purpose and may be held at such time and place, within or without the State of Delaware, as shall

be stated in a notice of meeting or in a duly executed waiver of notice thereof. Such meetings may be called at any time by (i) the Darling Member, (ii) the Valero Member, (iii) a majority of the Managers or (iv) the holders of not less than a majority of the Units then-outstanding that are entitled to vote on the matter(s) to be considered.

(c) Notice. Whenever Members (or any class of Members) are required or permitted to take action at a meeting, written or printed notice stating the place, date, time and, in the case of special meetings, the purpose or purposes, of such meeting, shall be given to each Member entitled to vote at such meeting and to each Manager, in each case not less than two or more than thirty Business Days before the date of the meeting.

(d) Waiver of Notice. Attendance of a Member at a meeting shall constitute a waiver of notice of such meeting, except when the Member attends for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. A written waiver of notice, signed by the Member or Members entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to notice.

(e) Quorum. The presence of Members holding a Majority Interest of the class or classes of Units entitled to vote, in person or represented by proxy, shall constitute a quorum at all meetings of the Members, and Members holding a Majority Interest of any class, present in person or represented by proxy, shall constitute a quorum at all meetings of such class.

(f) Vote Required. When a quorum is present, the affirmative vote of the Members holding a Majority Interest of the Units entitled to vote on the subject matter shall be the act of the Members, unless the question is one upon which by express provisions of an Applicable Law or of this Agreement a different vote is required, in which case such express provision shall govern and control the decision of such question. Where a separate vote by class of Units is required, the affirmative vote of the Members holding a Majority Interest of such class shall be the act of such class, unless the question is one upon which by express provisions of an Applicable Law or of this Agreement a different vote is required, in which case such express provision shall govern and control the decision of such question.

(g) Proxies. Each Member entitled to vote at a meeting of Members or any class of Members or to express consent or dissent to any action in writing without a meeting may authorize another person or persons to act for such Member by written proxy executed by such Member and setting forth the date of execution, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. At each meeting of Members or any class of Members, and before any voting commences, all proxies filed at or before the meeting shall be submitted to and examined by the Secretary or a person designated by the Secretary, and no Units may be represented or voted under a proxy that has been found to be invalid or irregular after the holder of such Unit has had a reasonable opportunity to cure any defect.

(h) Action by Written Consent. Any action required to be taken at any annual or special meeting of Members, or at any meeting of any class of Members, or any action that may be taken at any annual or special meeting of such Members or class of Members, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in

writing, setting forth the action so taken and bearing the dates of signature of the Members who signed the consent or consents, shall be signed by Members holding not less than the Required Interest that would be necessary to authorize or take such action at a meeting at which all Members entitled to vote thereon were present and voted, and shall be delivered to the Company by delivery to the Company's principal place of business, or an Officer or agent of the Company having custody of the book or books in which proceedings of meetings of the Members are recorded. If action is so taken without a meeting by less than unanimous written consent of the Members or of any class of Members, a copy of such written consent shall be delivered promptly to all Members or all Members of such class who have not consented in writing or whose consent was given pursuant to a proxy. Any action taken pursuant to such written consent or consents of the Members or any class of Members shall have the same force and effect as if taken by the Members at a meeting of the Members or such class of Members.

(i) Record Dates. For purposes of determining the Members entitled to notice of or to vote at a meeting of Members or any class of Members or to give written consent without a meeting, the Board of Managers may, but shall not be required to, set a record date, which shall not be less than two nor more than thirty Business Days before (i) the date of the meeting or (ii) in the event that approvals are sought without a meeting, the date by which Members are requested in writing by the Board of Managers to give such approvals.

(j) Minutes. The minutes of each meeting of the Members shall include the names of all persons present and any determination made by the Members thereat. The minutes of each meeting shall be deemed to be correct as and when approved by the applicable Members. The minutes of each meeting shall be voted upon for approval by the Members no later than at the next succeeding meeting; provided that only the Members who were present at the meeting to which such minutes relate shall be entitled to vote on the approval or correction thereof.

5.7 Approval Rights of Members.

(a) Notwithstanding anything to the contrary in this Agreement, the Company and the Board of Managers shall not, and shall take all action possible to ensure that each Subsidiary of the Company shall not, without the prior written consent of a Majority Interest:

(i) make any Distributions pursuant to clause (z) of Section 4.1(b);

(ii) enter into any disposition of assets or similar transaction (whether by merger or sale of stock or assets or otherwise, and whether in one transaction or a series of related transactions) having a value in the aggregate, on a rolling 12-consecutive months' basis, in excess of five percent of the value of the Company's assets (on a consolidated basis), excluding (i) sales of inventory in the ordinary course and (ii) any disposition of obsolete, excess, damaged or otherwise unusable assets;

(iii) enter into any acquisition of assets, investment or similar transaction (whether by merger or acquisition of stock or assets or otherwise, and whether in one transaction or a series of related transactions) having a value in the aggregate, on a rolling 12-consecutive months' basis, in excess of five percent of the value of the

Company's assets (on a consolidated basis) prior to such acquisition, excluding acquisitions made (i) in accordance with the Business Plan or (ii) in accordance with any Project Execution Plan;

(iv) (1) materially increase the compensation, severance, benefits or equity incentives paid or payable to any employee of the Company or any of its Subsidiaries with a title of manager or more senior employee, (2) enter into, terminate or materially modify any employment agreements or equity incentive agreements with any employee of the Company or any of its Subsidiaries, or (3) pay any bonuses to or issue any equity interests (or commitments based on equity value) in the Company to employees or service providers of the Company or its Subsidiaries; or

(v) change the Fiscal Year of the Company or any of its Subsidiaries or retain or engage independent auditors for the Company or any of its Subsidiaries other than a "big four" accounting firm (as such term is commonly understood at the time);

(b) Notwithstanding anything to the contrary in this Agreement, the Company and the Board of Managers shall not, and shall take all action possible to ensure that each Subsidiary of the Company shall not, without the prior written consent of a Supermajority Interest:

(i) issue any Units or Equity Securities (other than pursuant to Section 3.4(c)) or permit any Capital Contributions, other than Required Additional Capital Contributions or Requested Additional Capital Contributions;

(ii) redeem or repurchase any Units or Equity Securities;

(iii) undertake any debt financing of the Company or any of its Subsidiaries;

(iv) change the size of the Board of Managers;

(v) create a committee of the Board of Managers or determine (or amend) the powers of such a committee;

(vi) change the name of the Company;

(vii) enter into a material licensing agreement involving the acquisition or disposition or granting or receiving of rights to technical know-how;

(viii) approve, adopt or materially modify the Business Plan, except as otherwise provided herein;

(ix) enter into any contract(s) or commitment(s) not contemplated by the Business Plan providing for annual payments to or from the Company and/or its Subsidiaries in excess of ten percent in the aggregate of the Company's then-applicable budget contained in the Business Plan;

(x) make any changes to the then-applicable budget contained in the Business Plan greater than or equal to ten percent for any line item individually or ten percent in the aggregate;

(xi) enter into a partnership, joint venture or sharing agreement;

(xii) amend this Agreement or the operating agreement of any Subsidiary of the Company, except as otherwise provided herein;

(xiii) amend the Certificate;

(xiv) grant an indemnity or guarantee to secure the obligations or liabilities of any Person (other than the Company or a Subsidiary of the Company);

(xv) terminate any or all of the services provided under the Operations Agreement, as set forth therein; provided, however, that termination of the Operations Agreement shall require the consent set forth in Section 5.7(c); or

(xvi) except as permitted under Section 6.7, hereafter enter into, amend, terminate or consent to the assignment any Related Party Agreement;

(c) Notwithstanding anything to the contrary in this Agreement, the Company and the Board of Managers shall not, and shall take all action possible to ensure that each Subsidiary of the Company shall not, without the prior written consent of the Members holding Units representing at least 90% of the Units held by all of the Members (expressly excluding any Units held by any Unadmitted Assignee):

(i) enter into any transaction or series of transactions that would constitute a Company Sale, other than in accordance with Sections 11.1, 11.2 and 11.3;

(ii) enter into a merger, consolidation, reorganization, reclassification or sale of all or substantially all of the assets of the Company and its Subsidiaries taken as a whole, other than in accordance with Sections 11.1, 11.2 and 11.3;

(iii) materially change the Business or enter into any new line of business not within the scope of the Business;

(iv) modify the terms of any Company Loan;

(v) except as permitted under Section 6.7, amend, terminate or consent to the assignment of the Raw Material Supply Agreement or any Valero Support Agreement, or enter into any new agreement to be designated a Valero Support Agreement in the manner contemplated in the definition thereof;

(vi) approve, adopt or materially modify any Project Execution Plan including any modification of a Project Execution Plan in a manner that would expand the scope of the Business or the size of any New Facility;

(vii) dissolve or liquidate the Company or any of its Subsidiaries or file any insolvency proceeding in respect of the Company or any of its Subsidiaries other than as otherwise expressly set forth herein; or

(viii) transfer, assign, pledge or hypothecate, in whole or in part, the Company's interest in DGD.

(d) The Members hereby acknowledge and agree that the determination of the Darling Member and the Valero Member as to whether to consent to any of the actions described in this Section 5.7 shall be made (i) in the sole discretion of the Darling Member and the Valero Member, respectively, acting in their own best interests and (ii) without regard to any fiduciary duty of the Darling Managers or the Valero Managers.

5.8 Deadlock.

(a) In the event that the Darling Member and the Valero Member, or the Darling Managers and the Valero Managers, are deadlocked (a "Deadlock") on any issue or dispute arising from or relating to this Agreement or otherwise related to the Company or its Business and operations (including the interpretation or performance of the Raw Material Supply Agreement or any of the Valero Support Agreements), such issue or dispute shall be referred for resolution to the Members' respective Authorized Senior Executive Officers, who shall attempt to resolve such issue within 15 Business Days after such Deadlock occurs (or, if mutually agreed in writing by such Authorized Senior Executive Officers, a longer period of time, which shall be specified in such writing). If the Authorized Senior Executive Officers are unable to resolve such issue within such time period, the Deadlock shall be mediated (the "Mediation") within 15 days from the date a written request for mediation is made by either Member to the other. The Mediation shall take place in Houston, Texas and be administered by the Houston office of JAMS, unless otherwise agreed to in writing by the Darling Member and the Valero Member. The administration fees and expenses of the Mediation shall be borne equally by the Darling Member and the Valero Member. The Mediation shall be conducted before a single mediator to be agreed upon by the Darling Member and the Valero Member, or in the absence of an agreement, a single mediator admitted to practice law for 10 years or more who specializes in commercial litigation disputes, and appointed by JAMS. Notwithstanding any provision in this Agreement to the contrary, any issues or disputes arising out of or relating to the Members Working Capital Facility shall not be the basis of any Deadlock or otherwise subject to the provisions of this Section 5.8, and each lender thereunder shall be entitled to exercise all rights and pursue all remedies under the Members Working Capital Facility without regard to or compliance with this Section 5.8.

(b) Any resolution of a Deadlock pursuant to this Section 5.8 shall be in writing and, when signed by the respective Authorized Senior Executive Officers, shall be deemed to constitute the approval of the Darling Member and the Valero Member (and the Darling Managers and Valero Managers, if applicable) and shall be binding on all parties thereto.

(c) With respect to any Deadlock involving a Management Dispute, if the Members are unable, in good faith, to resolve in its entirety any Management Dispute after completing the Mediation, then such Management Dispute shall be resolved by binding, expedited arbitration in accordance with Exhibit B attached hereto. The Members acknowledge

that any Deadlock among the Members or Managers regarding decisions to approve or disapprove matters requiring their approval that are not included in the definition of Management Disputes shall not be subject to arbitration.

(d) For purposes of this Section 5.8, a "Management Dispute" means (i) any matter described in clauses (i), (iv) or (v) of Section 5.7(a), (iii), (vii), (viii), (ix) or (x) of Section 5.7(b), or (vii) of Section 5.7(c) or any dispute regarding any Required Additional Capital Contribution or whether to request any Requested Additional Capital Contribution, which, after having been presented for approval of the Members, is not approved or rejected by the Required Interest or (ii) any matter requiring the approval of the Board of Managers which, after having been presented for approval by the Board of Managers, is not approved or rejected by the vote required to approve such matter.

(e) Notwithstanding the provisions of this Section 5.8, in no event shall any Member be required to follow the procedures for Mediation and arbitration set forth herein with respect to (i) the enforcement of any arbitral award under this Section 5.8 or Section 13.20, or (ii) seeking and securing injunctive relief with respect to the enforcement of Section 5.4(a), Section 9.1 and Section 13.19.

5.9 Default Business Plan. To the extent that the applicable Required Interest does not approve the Business Plan for a relevant period and in the absence of resolution of any dispute regarding the Business Plan in accordance with Section 5.8, the Company shall operate using the applicable Business Plan for the prior period, adjusted (without duplication) to reflect increases or decreases resulting from the following events, and which shall govern until such time as the Required Interest approves a new Business Plan, but no later than one year:

(a) the operation of escalation or de-escalation provisions in contracts in effect at such time as a result of the passage of time or the occurrence of events beyond the control of the Company to the extent such contracts are still in effect;

(b) elections made in any prior period under contracts contemplated by the Budget for the prior period regardless of which party to such contracts makes such election;

(c) increases or decreases in expenses attributable to the effect of employee additions or reductions during the prior period contemplated by the Budget for the prior period;

(d) changes in interest expense attributable to any indebtedness of the Company;

(e) increases in overhead expenses in an amount equal to (i) the total of overhead expenses reflected in the budget for the prior period multiplied by (ii) the percent change in the Consumer Price Index for All Urban Consumers, All Items, South Region, published by the Bureau of Labor Statistics of the U.S. Department of Labor, from the month and year in which the Business Plan for the prior period was approved to the month and year in which the default Business Plan is calculated;

(f) the reasonably anticipated incidence of costs during such period for any legal, accounting and other professional fees or disbursements in connection with events or changes not contemplated at the time of preparation of the budget for the prior period; and

(g) decreases in expenses attributable to non-recurring items reflected in the prior period's Business Plan.

To the extent that the applicable Required Interest does not approve a new Business Plan prior to the end of such one-year period, the Company shall operate using the Business Plan in effect for such period (as previously adjusted), adjusted again in accordance herewith to reflect increases or decreases resulting from the events set forth above, and which shall govern until such time as the Required Interest approves a new Business Plan, but no later than one year. The procedure set forth in the immediately preceding sentence shall continue until the applicable Required Interest approves a new Business Plan.

ARTICLE VI
MANAGEMENT OF THE COMPANY

6.1 Board of Managers.

(a) Establishment. There is hereby established a committee of Member representatives (the "Board of Managers") comprised of natural persons (each, a "Manager") having the authority and duties set forth in this Agreement. Except as otherwise expressly set forth in this Agreement, any approvals, consents, determinations or other decisions or actions to be made or taken by the Board of Managers shall require the affirmative vote of the Managers constituting a majority of the number of Manager positions then authorized hereunder (i.e., as if all of the Manager positions had been filled). No Manager or Member Officer acting alone, or with any other Managers or Member Officers, shall have the power to act for or on behalf of, or to bind, the Company without the approval of the Board of Managers (and such other approval of the Members as may be required pursuant to Section 5.7). The Board of Managers, acting as a group, shall be the "Manager" of the Company (as that term is defined in the Delaware Act). No individual Manager, acting alone, shall have the rights and responsibilities of a "Manager" solely by virtue of his or her status as a member of the Board of Managers, nor shall any Manager have any rights or powers beyond the rights and powers granted to such Manager in this Agreement.

(b) Powers. The business and affairs of the Company shall be managed by or under the direction of the Board of Managers, except as otherwise expressly provided in this Agreement. Subject to the approval rights set forth in Section 5.7, the Board of Managers shall have the power on behalf and in the name of the Company to carry out any and all of the objects and purposes of the Company contemplated by this Agreement and to perform all acts which the Board of Managers may deem necessary or advisable in connection therewith, including the following:

(i) authorize any Distribution contemplated by clauses (x) and (y) of Section 4.1(b);

(ii) appoint or remove the Chairman, President and Secretary in accordance with Section 6.3(b), subject to the rights of the Valero Managers and the Darling Managers, as applicable, and appoint or remove any other Officers or any employees of the Company or any officers or employees of any Subsidiary of the Company;

(iii) make changes to the then-applicable budget contained in the Business Plan less than ten percent for any line item individually and less than ten percent in the aggregate;

(iv) enter into, terminate or modify any contract(s) or commitment(s) affecting the Company or any of its Subsidiaries if the amount of annual aggregate receipts or expenditures contemplated in such contract or commitment is less than or equal to ten percent in the aggregate of the Company's then-applicable budget for revenues or expenses (as applicable) contained in the Business Plan;

(v) make, or commit to make, capital expenditures in any Fiscal Year reflected in the budget contained in the Business Plan or any Project Execution Plan;

(vi) make immaterial modifications to the Business Plan that are necessary for the continued operation of the Business;

(vii) make immaterial modifications to any Project Execution Plan in furtherance of completion of a New Facility; and

(viii) take such actions, including delegation or exercise of authority, as set forth in the Operations Agreement.

Notwithstanding any authority granted in this Section 6.1(b), the Board of Managers shall have no authority to act as to matters reserved for Members under Section 5.7.

(c) Composition of the Board of Managers.

(i) The number of Managers shall initially be four, subject to automatic increase, as set forth herein, in the event either the Darling Member or the Valero Member is entitled to designate an aggregate of three or four Managers pursuant to Section 5.2(b). The Managers shall be elected at the annual meeting called pursuant to Section 5.6(a) or at any special meeting called pursuant to Section 5.6(b) for the purpose of electing Managers. Each Darling Manager and each Valero Manager shall be entitled to cast one vote with respect to each matter brought before the Board of Managers (or any committee thereof) for approval. Each Manager elected shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation, or removal as provided in this Agreement.

(ii) Any Manager of the Company may resign at any time by giving written notice to the President or the Secretary and to the Darling Member and the Valero Member. The resignation of any Manager shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

(iii) As of the Effective Date, the Managers designated by the Valero Member are Gary Simmons and Eric D. Honeyman, and the Managers designated by the Darling Member are Robert Day and Carlos Paz.

(d) Meetings of the Board of Managers. Regular meetings of the Board of Managers may be held at such place, within or without the State of Delaware, as shall from time to time be determined by the Board of Managers. Special meetings of the Board of Managers may be called by or at the request of (i) any Darling Manager, (ii) any Valero Manager or (iii) the President and in any event shall be called by the President upon the written request of at least a majority of the Managers. Notice of each such meeting shall be mailed to each Manager, addressed to such Manager at his or her residence or usual place of business, at least two Business Days before the date on which the meeting is to be held, or shall be sent to such Manager at such place by telecopier or other form of electronic transmittal customarily used for communication between the Company and such Manager that permits retention of an electronic copy of such notice and verification of receipt, or delivered personally, not later than two Business Days (or, in the case of meetings held by telephone, one Business Day) before the day on which such meeting is to be held. Each such notice shall state the time and place of the meeting and, in the case of a special meeting, the purposes thereof. A written waiver of notice, signed by the Manager or Managers entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to notice.

(i) Unless otherwise required by Applicable Law or this Agreement, the presence in person or by proxy of Managers constituting a majority of the number of Manager positions then authorized hereunder (i.e., as if all of the Manager positions had been filled) shall be necessary to constitute a quorum for the transaction of business. In the absence of a quorum, a majority of the Managers present may adjourn the meeting from time to time until a quorum shall be present. Notice of any adjourned meeting need not be given. At all meetings of Managers, a quorum being present, all matters shall be decided by the affirmative vote of the Managers constituting a majority of the number of Manager positions then authorized hereunder (i.e., as if all of the Manager positions had been filled), except as otherwise required by Applicable Law or by this Agreement. If a quorum does not exist solely due to the refusal or unwillingness of any Darling Manager or Valero Manager to be present at the applicable meeting and such meeting is adjourned until a later date, then following the failure of any of such Member's designated Managers to appear at such adjourned meeting the other Member may thereafter initiate the deadlock procedures set forth in Section 5.8.

(ii) Any Manager or any member of a committee of the Board of Managers who is present at a meeting shall be conclusively presumed to have waived notice of such meeting except when such Manager or member attends for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Such Manager or member shall be conclusively presumed to have assented to any action taken unless his or her dissent shall be entered in the minutes of the meeting or unless his or her written dissent to such action shall be filed with the person acting as the secretary of the meeting before the adjournment thereof or shall be forwarded by registered mail to the Secretary of the Company immediately after the adjournment of the meeting. Such right to dissent shall not apply to any such Manager or member who voted in favor of such action.

(iii) Members of the Board of Managers and any committee thereof may participate in and act at any meeting of Managers or committee through the use of a

conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in the meeting pursuant to this Section 6.1(d) shall constitute presence in person at the meeting.

(iv) Unless otherwise restricted by this Agreement or the Delaware Act, any action required or permitted to be taken at any meeting of the Board of Managers, or of any committee thereof, may be taken without a meeting if the entire Board of Managers or committee thereof, as the case may be, consents thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Managers or such committee.

(v) Each Manager entitled to vote at a meeting of the Board of Managers or any committee thereof or to express consent or dissent to any action in writing without a meeting may authorize another person to act for such Manager by written proxy executed by such Manager and setting forth the date of execution, but no such proxy shall be voted or acted upon after one year from its date, unless the proxy provides for a longer period. At each meeting of the Board of Managers or any committee thereof, and before any voting commences, all proxies filed at or before the meeting shall be submitted to and examined by the Secretary or a person designated by the Secretary, and no votes may be submitted under a proxy that has been found to be invalid or irregular after the Manager giving such proxy has had a reasonable opportunity to cure any defect.

(vi) The minutes of each meeting of the Board of Managers or any committee thereof shall include the names of all persons present and any determination made by the Managers thereat. The minutes of each such meeting shall be deemed to be correct as and when approved by the applicable Managers. The minutes of each meeting shall be voted upon for approval by the Managers no later than at the next succeeding meeting; provided that only the Managers who were present at the meeting to which such minutes relate shall be entitled to vote on the approval or correction thereof.

(e) Compensation of Managers. Managers who are also Officers of the Company or employees of any of the Members or their Affiliates shall not receive any stated salary from the Company or any of its Subsidiaries for their services; provided however, that nothing herein contained shall be construed to preclude any Manager from serving the Company or any of its Subsidiaries in any other capacity and receiving compensation therefor. Managers who are not also Officers of the Company or employees of any of the Members or their Affiliates may receive a stated salary from the Company for their services as determined from time to time by the Board of Managers. All Managers shall be reimbursed for any expenses related to attendance at each regular or special meeting of the Board of Managers.

6.2 Committees of the Board of Managers.

(a) Creation of Committees. The Board of Managers may by resolution designate from among the Managers one or more other committees (including an audit committee and a compensation committee), each of which shall be composed of two or more Managers, and may designate one or more of the Managers as alternate members of any committee, who may, subject to any limitations imposed by the Board of Managers, replace

absent or disqualified Managers at any meeting of that committee; provided that each of the Darling Member and the Valero Member shall have the right to appoint one of the Darling Managers and one of the Valero Managers, respectively, to any committee established by the Board of Managers; provided, however, that if the Darling Member or the Valero Member owns Units constituting less than 50% of the Units held by all of the Members, then the other Member owning greater than 50% of the Units held by all of the Members shall be entitled to appoint an additional member to the such committee; provided further that if the Darling Member or the Valero Member owns Units constituting less than 5% of the Units held by all of the Members, then such Member shall no longer have the right to appoint a member of such committee (and any committee member previously appointed by such Member may be removed by the other Member). Any such committee, solely to the extent provided in the resolution establishing such committee, shall have and may exercise all of the authority of the Board of Managers, subject to the limitations set forth in the Delaware Act, in this Agreement and in the resolutions establishing such committee. Any members thereof may be removed, or any authority granted thereto may be revoked, at any time for any or no reason by a majority of the Board of Managers in its sole discretion; provided that no Darling Manager or appointee or Valero Manager or appointee may be removed from any such committee without the prior written consent of the Darling Member or the Valero Member, as applicable (other than in connection with the dissolution of such committee by the Board of Managers or as otherwise expressly provided above). Each such committee may fix its own rules of procedure and shall hold its meetings as provided by such rules, except as may otherwise be provided in this Agreement or by a resolution of the Board of Managers designating such committee or thereafter adopted by the Board of Managers.

(b) Compliance with Agreement. Notwithstanding anything to the contrary in this Section 6.2, in no event shall any committee of the Board of Managers have the authority to take any action without complying with the terms and conditions of this Agreement as applicable to the Board of Managers.

6.3 Officers.

(a) General. The officers of the Company (the "Officers") shall consist of a Chairman of the Board of Managers (the "Chairman"), a President (the "President"), a Vice President (the "Vice President"), a Secretary (the "Secretary"), the Commercial Manager (the "Commercial Manager"), an Operations Manager for the Port Arthur Facility and an Operations Manager for the St. Charles Facility (each, an "Operations Manager"), and an Accounting Manager for the Port Arthur Facility and an Accounting Manager for the St. Charles Facility (each, an "Accounting Manager"), and may, at the discretion of the Board of Managers, also consist of one or more other Officers and assistant Officers as may be deemed necessary or desirable by the Board of Managers. One person may hold, and perform the duties of, any two or more of such offices; provided, however, that (i) a person serving as the Commercial Manager may not hold, or perform the duties of, an Operations Manager or an Accounting Manager, and (ii) a person serving as an Accounting Manager may not hold, or perform the duties of, an Operations Manager or the Commercial Manager. Unless otherwise approved by the Board of Managers, the Chairman and President shall be the same person. Compensation of Officers shall be fixed by the Board of Managers or a duly authorized committee thereof. Any Officer may be removed, with or without cause, at any time by the Board of Managers (subject to Section 5.7 and any contractual rights that such Officer may have); provided, however, the Chairman, the

President, the Vice President and the Secretary may only be removed by the Valero Managers, on one hand, or the Darling Managers, on the other, entitled to appoint such applicable Officer at the time of such removal. In their discretion, the Managers may choose not to fill any office for any period as they may deem advisable. No Officer need be a Manager. Officers shall have such powers and duties as may be specified by, or in accordance with, resolutions adopted by the Board of Managers; provided, however, the Officers of the Company shall not have any authority to act as to matters reserved for Members under Section 5.7 including, without limitation, with respect to matters pertaining to the Subsidiaries of the Company. Each Officer shall have the duties and responsibilities attributable to his or her office as set forth below.

(b) Appointment of Chairman, President, Vice President and Secretary. The term of appointment for each Chairman, President, Vice President and Secretary, and any replacement thereof, shall be for a period of 12 consecutive months. The Valero Managers, on one hand, and the Darling Managers, on the other, shall have the right to appoint the Chairman, President, Vice President and Secretary in alternating 12-month periods; provided that the Valero Managers or the Darling Managers, as the case may be, entitled to appoint the Chairman and President for the applicable 12-month period shall not be entitled to appoint the Vice President or Secretary with respect to such 12-month period. As of the Effective Date, the Chairman and President is Eric D. Honeyman, who was appointed by the Valero Managers, the Vice President is Carlos Paz, who was appointed by the Darling Managers, and the Secretary is Robert L. Caldwell, Jr., who was originally appointed by the Valero Managers and reappointed at the request of the Darling Managers with agreement of the Valero Managers. Upon the expiration of the current term of each such Officer, the Darling Managers shall be entitled to appoint the Chairman and President, and the Valero Managers shall be entitled to appoint the Vice President and Secretary. Notwithstanding the foregoing provisions of this Section 6.3(b), (i) each of the above-named Officers serving as of the Effective Date shall continue to serve in his or her identified capacity through December 31, 2026, and thereafter all appointments under this Section 6.3(b) shall be for calendar year terms, (ii) if the Members fail to appoint a new Chairman and President, Vice President and Secretary by January 1 of a given calendar year, the persons then serving in such capacities shall continue to serve until the Members have named their replacements, and (iii) in the event that any Member holds Units representing 75% or more of the Units held by all of the Members, the Managers elected by such Member shall be entitled to appoint the Chairman, President, Vice President and Secretary.

(c) Removal and Replacement of Chairman, President, Vice President and Secretary. Each of the Chairman, President, Vice President and Secretary shall be removed as an Officer only upon the written request of the Managers entitled to appoint such Officer during the applicable 12-month period (or automatically at the time such Managers no longer have the right to appoint such Officer) and under no other circumstances. In the event any of the Chairman, President, Vice President or Secretary ceases to serve as an Officer during his or her term of office, the resulting vacancy shall be filled for the remainder of such term by a person designated by the Managers then entitled to appoint such Officer.

(d) Appointment, Removal and Replacement of Subsidiary Chairman, President, Vice President and Secretary. Notwithstanding any provision in this Agreement to the contrary, the chairman, president, vice president and secretary (or persons holding similar offices) of any Subsidiary of the Company shall be appointed, removed and replaced only by and

with the approval of the Valero Managers or the Darling Managers, as the case may be, entitled to appoint the person of like position of the Company (i.e., Chairman, President or Secretary) with respect to such period.

(e) Chairman of the Board. The Chairman shall be a member of the Board of Managers and shall preside at all meetings of the Board of Managers or the Members, and the Chairman shall have such other powers and perform such other duties as may be specifically assigned to him or her from time to time by the Board of Managers or as may be provided in this Agreement.

(f) President. The President shall be a senior executive officer of the Company and a member of the Board of Managers, and shall have the powers and perform the duties incident to such positions. Subject to the power of the Board of Managers and the approval rights of the Members pursuant to Section 5.7, the President shall have the general and active charge of the entire business and affairs of the Company, shall be its chief executive officer and shall see that all orders and resolutions of the Board of Managers are carried into effect. The President shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the Company, except where required or permitted by Applicable Law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Managers to some other Officer or agent of the Company. The President shall report to the Board of Managers and shall have such other powers and perform such other duties as may be specifically assigned to him or her from time to time by the Board of Managers or as may be provided in this Agreement. At the request of the Board of Managers, the President shall attend meetings of the Board of Managers, but shall not be entitled to cast a vote on any matter discussed thereat (other than in such person's capacity as a member of the Board of Managers).

(g) Vice President. The Vice President shall be a senior executive officer of the Company and a member of the Board of Managers, and shall have the powers and perform the duties incident to such positions. In the absence of the President, or in the event of the President's death, inability or refusal to act, or in the event for any reason it shall be impracticable for the President to act personally, the Vice President shall perform the duties of the President and when so acting shall have all the powers of and be subject to all the restrictions upon the President. In addition, subject to the power of the Board of Managers and the approval rights of the Members pursuant to Section 5.7, the Vice President shall also perform such other duties as may be assigned to him or her by the President or the Board of Managers from time to time. At the request of the Board of Managers, the Vice President shall attend meetings of the Board of Managers, but shall not be entitled to cast a vote on any matter discussed thereat (other than in such person's capacity as a member of the Board of Managers). As between the Company and third parties, the execution of any agreement, document or instrument on behalf of the Company by the Vice President shall be conclusive evidence of such Vice President's authority to act in the stead of the President at the time of such execution.

(h) Commercial Manager. The Commercial Manager shall be an employee of Valero Services, Inc. (or an Affiliate thereof) and, subject to the power of the Board of Managers and the approval rights of the Members pursuant to Section 5.7, the Commercial Manager shall have the general and active charge of purchasing the feedstock and marketing the products with respect to the operations of the Business, and shall see that all orders and resolutions of the

Board of Managers with respect thereto are carried into effect. Except as otherwise directed by the Board of Managers, the Commercial Manager shall report to the President and shall have such other powers and perform such other duties as may be specifically assigned to him or her from time to time by the President or the Board of Managers or as may be provided in this Agreement or the Operations Agreement. At the request of the Board of Managers, the Commercial Manager shall attend meetings of the Board of Managers, but shall not be entitled to cast a vote on any matter discussed thereat.

(i) Operations Managers. Each Operations Manager shall be an employee of Valero Services, Inc. (or an Affiliate thereof) and, subject to the power of the Board of Managers and the approval rights of the Members pursuant to Section 5.7, each Operations Manager shall have the general and active charge of the operations of the Facility to which he or she is assigned, and shall see that all orders and resolutions of the Board of Managers with respect thereto are carried into effect. Except as otherwise directed by the Board of Managers, each Operations Manager shall report to the President and shall have such other powers and perform such other duties as may be specifically assigned to him or her from time to time by the President or the Board of Managers or as may be provided in this Agreement or the Operations Agreement. At the request of the Board of Managers, either or both of the Operations Managers shall attend meetings of the Board of Managers, but neither shall be entitled to cast a vote on any matter discussed thereat.

(j) Accounting Manager. Each Accounting Manager shall be an employee of Valero Services, Inc. (or an Affiliate thereof) and, subject to the power of the Board of Managers and the approval rights of the Members pursuant to Section 5.7, each Accounting Manager shall have the general and active charge of all financial controls and accounting functions of that portion of the Business pertaining to the Facility to which he or she is assigned, and shall see that all orders and resolutions of the Board of Managers with respect thereto are carried into effect. Except as otherwise directed by the Board of Managers, each Accounting Manager shall report to the President and shall have such other powers and perform such other duties as may be specifically assigned to him or her from time to time by the President or the Board of Managers or as may be provided in this Agreement or the Operations Agreement. At the request of the Board of Managers, either or both of the Accounting Managers shall attend meetings of the Board of Managers, but neither shall be entitled to cast a vote on any matter discussed thereat.

(k) Secretary. The Secretary may or may not be a member of the Board of Managers and, if present, shall act as secretary, or designate a person to act as secretary, at all meetings of the Board of Managers and of the Members and keep the minutes thereof in a book or books to be provided for that purpose. The secretary of a meeting need not be a Manager nor need be the same person for each meeting. The Secretary shall, as soon as possible after a meeting, but in any event not to exceed two weeks, circulate copies of such minutes to each Manager or Member, as the case may be. The Secretary shall see that all notices required to be given by the Company are duly given and served. The Secretary shall have charge of the records of Units in the Company and shall see that all reports, statements and other documents required by Applicable Law are properly kept and filed and properly set forth on Schedule A hereto. In general, the Secretary shall perform all the duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the Board of Managers.

(l) Other Officers. Officers, if any, other than those whose duties are provided for in this Agreement, shall have such authority and perform such duties as may from time to time be prescribed by resolution of the Board of Managers.

(m) Compensation of Officers. No Member Officer shall receive any stated salary from the Company or any of its Subsidiaries for his or her services as an Officer unless approved in writing by the Valero Member and the Darling Member.

6.4 Further Delegation of Authority. Subject to Section 5.7, the Board of Managers may, from time to time, delegate to any Person (including any Officer of the Company or any Manager) such authority and powers to act on behalf of the Company as it shall deem advisable in its sole discretion. Any delegation pursuant to this Section 6.4 may be revoked at any time and for any reason or no reason by the Board of Managers in its sole discretion.

6.5 Fiduciary Duties. Subject to, and as limited by the provisions of this Agreement, the Managers and the Member Officers, in the performance of their duties as such, shall owe to the Company and the Members only such fiduciary duties as are required by the Delaware Act. The provisions of this Agreement, to the extent that they expand or limit the duties (including fiduciary duties) and liabilities of a Manager or Member Officer, as compared to those that are set forth in the Delaware Act or otherwise existing at law or in equity, are agreed by the Members to supersede such duties and liabilities of such Manager or Member Officer.

6.6 Performance of Duties; Liability of Managers and Officers. Without limiting Section 12.2, in performing his or her duties, each of the Managers and the Officers shall be entitled to rely in good faith on the provisions of this Agreement and on information, opinions, reports, or statements (including financial statements and information, opinions, reports or statements as to the value or amount of the assets, liabilities, profits or losses of the Company or any facts pertinent to the existence and amount of assets from which Distributions to Members might properly be paid), of the following other Persons or groups: (i) one or more Officers or employees of the Company; (ii) any attorney, independent accountant, or other Person employed or engaged by the Company; or (iii) any other Person who has been selected with reasonable care by or on behalf of the Company, in each case as to matters which such relying Person reasonably believes to be within such other Person's professional or expert competence. The preceding sentence shall in no way limit any Person's right to rely on information to the extent provided in Section 18-406 of the Delaware Act. No individual who is a Manager or an Officer of the Company, or any combination of the foregoing, shall be personally liable under any judgment of a court, or in any other manner, for any debt, obligation, or liability of the Company, whether that liability or obligation arises in contract, tort, or otherwise, solely by reason of being a Manager or an Officer of the Company or any combination of the foregoing. To the fullest extent permitted by the Delaware Act or the Delaware General Corporation Law, as the same may be amended from time to time, as if it were applicable to the Company, with respect to the liability of a director of a corporation incorporated under the laws of the State of Delaware to such corporation or its stockholders, a Manager or a Member Officer shall not be liable to the Company or its Members for monetary damages for a breach of fiduciary duty as a Manager or an Officer.

6.7 Interested Party Transactions.

(a) Contracts Permitted. Neither the Company nor any of its Subsidiaries shall enter into any transaction (or amend, waive or otherwise revise any term of any previously approved agreement) with any Member of the Company or any Affiliate thereof, or any member of the Family Group of an executive officer of such Member, or any Affiliate of any member of the Family Group of an executive officer of such Member, unless such transaction (x) has been approved in writing by a Supermajority Interest (or by Members holding at least 90% of the Units held by all Members (excluding any Units held by any Unadmitted Assignee), where required under Section 5.7(c)), and (y) is on terms and conditions not less favorable to the Company or such Subsidiary than those which would be obtained in a comparable arm's-length transaction with a Person that is not so related to the Company or an Affiliate of a Member. This Section 6.7(a) and Section 5.7(b)(xvi) shall not apply to:

(i) the performance by the Company and its Subsidiaries of its obligations under, or the making of payments as contemplated by, the Raw Material Supply Agreement, any of the Valero Support Agreements existing and in effect on the Effective Date, or the Members Working Capital Facility (all of which the parties acknowledge are arm's-length transactions), or under any other agreement that has, at the time in question, already received the requisite approval of a Supermajority Interest (or approval by Members holding at least 90% of the Units held by all Members (excluding any Units held by any Unadmitted Assignee), if applicable) in accordance with this Section 6.7 and any applicable provisions of Section 5.7;

(ii) transactions between the Company or any of its Subsidiaries and any employee of the Company or any of its Subsidiaries that are approved by (A) a majority of the Board of Managers, (B) at least one Darling Manager and (C) at least one Valero Manager;

(iii) the payment of reasonable Managers' fees (other than to employee Managers) and the provision of customary indemnification to Managers and Officers of the Company and its Subsidiaries;

(iv) any transaction between the Company and any of its wholly-owned Subsidiaries or between any of the Company's wholly-owned Subsidiaries;

(v) any non-material amendment or revision to, or waiver of a non-material provision of, a Related Party Agreement, including any amendment that is (A) needed to correct an unintentional error, changes in applicable law or unforeseen circumstances, or (B) contemplated by the Related Party Agreement, such as amendments needed to update pricing or other terms as a result of (1) changes in or replacement of an underlying index (such as the consumer price index, producer price index or a third party market price index), (2) expansion or modification of a Facility, (3) changes in a party's notice or billing address, or (4) changes to any third party contract terms incorporated into or otherwise impacting the terms of the Related Party Agreement;

(vi) the entering into of a Related Party Agreement (other than a Commercial Agreement as defined below) on commercially reasonable, arms-length terms for goods and/or services of de minimis value, such as, by way of example only and not by way of limitation, (A) sales, leases or loans of equipment or supplies of de minimis value from a Refinery to a Facility or vice-versa, and (B) provision of short-term services of de minimis value;

(vii) the entering into of a Related Party Agreement (other than a Valero Support Agreement or any Commercial Agreement) on commercially reasonable, arms-length terms providing for payments that fall within the then-applicable budget contained within the Business Plan, so long as such Related Party Agreement has a duration no longer than one year and has been approved by at least one Manager appointed by the Member that is not (and none of whose Affiliates are) a party to the Related Party Agreement, which approval must be in writing and may be evidenced by an email or by such Manager's execution of the Related Party Agreement on behalf of the Company or its applicable Subsidiary (if he or she is an Officer or officer of the Subsidiary, as applicable, who has authority to execute similar types of agreements with third parties); or

(viii) the entering into of a Related Party Agreement for the purchase or sale of any feedstocks processed or products produced by the Company or any of its Subsidiaries in the ordinary course of the Business (a "Commercial Contract"), so long as such Commercial Contract is on commercially reasonable, arms-length terms and:

(A) uses flat, index or market pricing and has a term not greater than three months and a quantity of not greater than 375,000 Barrels;

(B) uses index or market pricing and has a term greater than three months but not exceeding one year, *so long as* the Commercial Manager promptly gives written notice (which may be by email) to the President and Vice President that such Commercial Contract has been entered into (unless the President and Vice President approved the Commercial Contract via email or otherwise in writing before it was entered into); or

(C) uses index or market pricing and has a term greater than one year but not exceeding five years, *so long as* such Commercial Contract is approved in advance by the full Board.

(b) Quorum. Interested Managers may be counted in determining the presence of a quorum at a meeting of the Board of Managers or of a committee that authorizes the contract or transaction.

(c) Existing Arrangements. The Members acknowledge that (i) DGD and Darling Parent have entered into the Raw Material Supply Agreement, which provides, among other things, for the payment of fees and certain expenses to Darling Parent, (ii) DGD and Valero Parent and/or an Affiliate thereof have entered into the Valero Support Agreements, which provide, among other things, for the payment of management services fees and certain expenses to Valero Parent and/or Affiliates thereof, and (iii) DGD and both Members have entered into the

Members Working Capital Facility, which provides, among other things, for the repayment of principal and payment of interest by DGD to both Members. Each Member consents to such agreements and the performance by DGD of its obligations thereunder.

6.8 Adverse Matters. Notwithstanding anything to the contrary in this Agreement, the Members hereby agree that with respect to any dispute, claim, litigation, arbitration, mediation or similar adverse action or proceeding between or involving the Company or any of its Subsidiaries, on the one hand, and any Member or any Affiliate of any Member, on the other hand, the Company shall act at the direction of a majority of the Board of Managers excluding for such purpose all Managers nominated by or otherwise Affiliated with such Member or its Affiliate.

ARTICLE VII
TAX MATTERS

7.1 Preparation of Tax Returns. The Tax Matters Partner or Partnership Representative, as applicable, shall arrange for the preparation and timely filing of all returns required to be filed by the Company. Each Member will upon request supply to the Tax Matters Partner or Partnership Representative, as applicable, all pertinent information in its possession relating to the operations of the Company necessary to enable the Company's returns to be prepared and filed. Additionally, the Tax Matters Partner or Partnership Representative, as applicable, shall provide all Members their applicable Form 1065, Schedule K-1 information no later than 90 days after the end of the Fiscal Year, and information regarding estimated Taxable income or loss for U.S. federal and, where applicable, state and local income Tax purposes, no later than 15 days prior to each Member's due date for making the applicable estimate tax payment.

7.2 Tax Elections. Except as provided in Section 4.9 (relating to Section 45Z Credit Transfers) and Section 7.3(a) (relating to the Tax classification of the Company), the Board of Managers may make, or not make, in its sole and absolute discretion, any Tax election provided under the Code, or any provision of state, local or foreign Tax law. All decisions and other matters concerning the computation and allocation of items of income, gain, loss, deduction and credits among the Members, and accounting procedures not specifically and expressly provided for by the terms of this Agreement, shall be determined by the Board of Managers. Any determination made pursuant to this Section 7.2 by the Board of Managers shall be conclusive and binding on all Members.

7.3 Tax Classification of the Company. It is intended that the Company be classified as a partnership for United States federal income Tax purposes.

(a) Certain Tax Elections. The Company shall not file any election pursuant to Regulations Section 301.7701-3(c) to be treated as an entity other than a partnership. The Company shall not elect, pursuant to Section 761(a) of the Code, to be excluded from the provisions of subchapter K of the Code. The Company shall not make an election under Section 168(k)(7) of the Code to not claim the allowance for "bonus" depreciation under Section 168(k)(1) of the Code (i.e., the Company shall claim the allowance for "bonus" depreciation under Section 168(k)(1) of the Code).

(b) Publicly Traded Partnerships. To ensure that interests in the Company are not traded on an established securities market within the meaning of Regulations Section 1.7704-1(b) or readily tradable on a secondary market or the substantial equivalent thereof within the meaning of Regulations Section 1.7704-1(c), notwithstanding anything to the contrary in this Agreement:

(i) the Company shall not participate in the establishment of a market or the inclusion of its interests thereon; and

(ii) the Company shall not recognize any Transfer made on any market by:

(A) redeeming the Transferor Member (in the case of a redemption or repurchase by the Company); or

(B) admitting the Transferee as a Member or otherwise recognizing any rights of the Transferee, such as a right of the Transferee to receive Company distributions (directly or indirectly) or to acquire an interest in the capital or profits of the Company.

7.4 Tax Controversies.

(a) The Valero Member is hereby designated the Tax Matters Partner for all Taxable Years beginning on or before December 31, 2017, and the Partnership Representative for all Taxable Years beginning on or after January 1, 2018, and is authorized and required to represent the Company (at the Company's expense) in connection with all examinations of the Company's affairs by Taxing Authorities, including resulting administrative and judicial proceedings, and to expend Company funds for professional services reasonably incurred in connection therewith. Any Person that the Partnership Representative appoints as the "designated individual" (within the meaning of Treasury Regulation Section 301.6223-1(b)(3)) to interact with the Internal Revenue Service shall be treated as, and subject to the requirements and obligations of, the Partnership Representative for purposes of this Section 7.4. Each Member agrees to cooperate with the Company and to do or refrain from doing any or all things reasonably requested by the Company with respect to the conduct of such proceedings. The Tax Matters Partner and Partnership Representative, as applicable, shall keep all Members reasonably informed of the progress of any examinations, audits or other proceedings. The Tax Matters Partner shall give all Members written notice no less than 15 days prior to taking any action under Sections 6222 through 6232 of the Code, as in effect prior to its amendment by the BBA, and the Partnership Representative shall give all Members written notice no less than 15 days prior to taking any action under Sections 6221 through 6241 of the Code as amended by the BBA, except and to the extent that any action is left to the determination of an individual Member under such sections. If any Member objects in writing to the taking of any such action within ten days of which such notice is given, the Tax Matters Partner or Partnership Representative, as applicable, agrees to consult with such objecting Member on such proposed action. If the Tax Matters Partner or Partnership Representative, as applicable, and any objecting Members remain in disagreement on the taking of any such action after such consultation, the Tax Matters Partner or Partnership Representative, as applicable, shall take the action that is recommended by the Board of Managers; provided, however, in the case of any disagreement on

the taking of any action with respect to the portion of any tax audit, examination or other tax proceeding involving Retained Section 45Z Credits, the Partnership Representative shall take the action that is recommended by the Member with the largest portion Retained Section 45Z Credits that are being adjusted, challenged or questioned in such tax audit, examination or other tax proceeding. Notwithstanding anything to the contrary in this Article VII, but subject to the preceding sentence, the Tax Matters Partner and Partnership Representative shall at all times act at the lawful direction of the Board of Managers.

(b) If the Company or any entity in which the Company owns an equity interest is held directly liable for any additional income Tax, interest, penalty, or additional amount under the Code as a result of an adjustment to the Company's or such entity's federal income Tax returns (such amount, an "Imputed Underpayment"), each Member shall be required, upon five (5) days written demand from the Partnership Representative, to pay the Company its share (as reasonably determined by the Board of Managers) of any such Imputed Underpayment. In connection with a determination of each Member's share of any Imputed Underpayment, the Partnership Representative shall use reasonable efforts to obtain all reductions in any Imputed Underpayment as are legally available under Code Section 6225(c) (as amended by the BBA) in respect of each Member as a result of the Tax status of each Member (and its direct and indirect equity owners) and shall allocate any such Imputed Underpayment, and any applicable reduction under Code Section 6225(c) in such Imputed Underpayment, among the Members in good faith and in a manner which (i) applies the provisions of Section 4.9(h) in the case of an Imputed Underpayment resulting from a reduction or disallowance of Section 45Z Credits and (ii) otherwise takes into account each Member's interest in the Company in the reviewed year, each Member's timely provision of information necessary to reduce under Code Section 6225(c) the amount of the Imputed Underpayment and the Tax status of each Member. For avoidance of doubt, any reduction in any Imputed Underpayment under Code Section 6225(c) resulting from a Member's Tax status or otherwise attributable to a specific Member shall reduce only such Member's allocable share of the total Imputed Underpayment. Any amount not paid by a Member within five (5) days of the date requested by the Partnership Representative under this Section 7.4(b) shall accrue interest at a rate equal to the Base Rate plus five percentage points per annum, compounded quarterly, until paid, and such Member (or former Member) shall also be liable to the Company for any damages resulting from a delay in making such payment when due, and for this purpose the fact that the Company could have paid this amount with other funds shall not be taken into account in determining such damages. Additionally, any such unpaid amounts may, in the discretion of the Board of Managers, be withheld from Distributions otherwise payable to such Member (in which case, such withheld amounts shall be treated as if distributed to such Member and then paid to the Company). Any amounts paid to the Company by a Member pursuant to this Section 7.4(b) shall not be treated as a Capital Contribution for any purposes of this Agreement. The Company shall not elect to apply the partnership audit rules, as added by the BBA, to Taxable Years of the Company earlier than is required (without such election).

(c) Notwithstanding anything to the contrary in this Agreement, each Member shall remain bound by the provisions of this Section 7.4, and all obligations hereunder, which shall survive the termination, dissolution, liquidation, and winding up of the Company or such Member ceasing to be a member of the Company. For purposes of this Section 7.4, the use of the term "Member" or "Members" shall include former Members.

(d) The principles and requirements set forth in this section apply *mutatis mutandis* to any state, local and foreign Tax audit or Tax proceeding regimes to which the Company becomes subject to the extent that such state, local or foreign Tax audit or Tax proceeding regimes have rules similar to the rules of Sections 6221-6241 of the Code as amended by the BBA.

ARTICLE VIII
TRANSFER OF UNITS; SUBSTITUTE MEMBERS

8.1 Restrictions on Transfers of Units.

(a) No Member, nor any Permitted Transferee of any such Member, shall Transfer any interest in its Units, directly or indirectly, except the Transfer of all, but not less than all, of its Units (i) to a Permitted Transferee or (ii) as permitted or required by Article XI.

(b) The restrictions set forth in this Section 8.1 shall not apply with respect to any Transfer (i) of all, but not less than all, of the Units held by the Valero Member to Valero Parent or any direct or indirect wholly-owned Subsidiary of Valero Parent, (ii) of all, but not less than all, of the Units held by the Darling Member to Darling Parent or any direct or indirect wholly-owned Subsidiary of Darling Parent, (iii) indirectly by the Darling Member pursuant to a merger or consolidation of Darling Parent with or into another Person or indirectly by the Valero Member pursuant to a merger or consolidation of Valero Parent with or into another Person, (iv) of all, but not less than all, of the Units held by the Valero Member in connection with the acquisition of, and directly or indirectly to the acquirer of both the St. Charles Refinery and the Port Arthur Refinery; provided that the Valero Member must require such acquirer to expressly assume the obligations of the Valero Member or its applicable Affiliate under the Services and Utilities Supply Agreements, the Lease Agreements, and if required pursuant to the terms of the Product Offtake Agreements, the Product Offtake Agreements, as a condition to the closing of such acquisition, (v) by any Member in the case of a Transfer required under Applicable Law (provided that a Transfer by operation of law (including by merger, consolidation or similar transaction) shall not be permitted except as provided under clause (iii) above), (vi) by any Member to secure institutional indebtedness or to secure indebtedness of the Company or any of its Subsidiaries (including, without limitation, DGD), or (vii) in all other cases, with the prior written consent of a Supermajority Interest (Persons described in clauses (i) - (vii) of this Section 8.1(b) being such Member's "Permitted Transferees" and the Member making any such Transfer being a "Transferring Member"); provided that, in the case of a Transfer to a Permitted Transferee, the restrictions contained in this Section 8.1 shall continue to be applicable to the Units after any such Transfer; provided, further, that any such Transferee shall have agreed in writing to (x) be bound by the provisions of this Agreement affecting the Units so Transferred and the holder thereof, (y) purchase all Company Loans and Member Loans held by the Transferring Member (such purchase to occur simultaneously with the transfer of the Transferring Member's Units to the Transferee), and (z) assume, honor and perform all of the Transferring Member's obligations under the Members Working Capital Facility.

(c) It is the intent of the Members that, unless and until such Units are Transferred pursuant to Article XI or clause (iii) or (iv) of Section 8.1(b), all of the Units issued to the Valero Member will be owned, beneficially and of record, by Valero Parent or a direct or indirect wholly-owned Subsidiary thereof and that all of the Units issued to the Darling Member

will be owned, beneficially and of record, by Darling Parent or a direct or indirect wholly-owned Subsidiary thereof. Notwithstanding the foregoing, the provisions of this Agreement shall not be avoided by any Member through the disposition by a Person of any interest in its Subsidiary owning, directly or indirectly, the Units. Further, except for any transactions permitted by clause (iii) or (iv) of Section 8.1(b) or Article XI, any transaction resulting in the Units being held by a Person that is not then a direct or indirect wholly-owned Subsidiary of Valero Parent or Darling Parent shall be deemed a material breach of this Agreement by the Member that held such Units prior to such transaction and such Person acquiring such Units shall be deemed an Unadmitted Assignee for purposes of this Agreement. In no event shall any Member Transfer any rights or obligations derived from any Unit(s), it being the intention of the Members that any Unit may be Transferred only as a whole with all attendant voting, consent and economic rights.

(d) Should Valero Parent or any of its direct or indirect Subsidiaries enter into an agreement to sell either the St. Charles Refinery or the Port Arthur Refinery, but not both, to a Person that is not a direct or indirect Subsidiary of Valero Parent (a "Refinery Buyer"), and should the Valero Member so request, the Darling Member will not unreasonably withhold, condition or delay its consent to the Transfer (effective upon the closing of such sale) of one-half of the Valero Member's Units to the Refinery Buyer, and the Valero Member and the Darling Member will cooperate in a commercially reasonable manner in an effort to agree, within sixty (60) days after the Valero Member's request, upon the form of an appropriate amendment to, or amendment and restatement of, this Agreement, to be executed by the Valero Member, the Darling Member and the Refinery Buyer (the "New Agreement") that will (i) become effective upon consummation of such sale, (ii) allocate the Units held by the Valero Member prior to such sale equally between the Valero Member and the Refinery Buyer (such that, under the New Agreement, the Unit Percentage of the Valero Member and the Unit Percentage of the Refinery Buyer will be the same, and will equal one-half of the Unit Percentage of the Valero Member hereunder immediately prior to the effectiveness of the New Agreement), and (iii) be based upon and consistent with this Agreement, but with modifications where warranted to reflect the fact that there will be three Members under the New Agreement, each having rights and obligations in proportion to its Unit Percentage thereunder. In connection with, and as a condition to, any Transfer to a Refinery Buyer contemplated by this Section 8.1(d), the Valero Member must require the Refinery Buyer to, simultaneously with the Transfer, (x) expressly assume the obligations of the Valero Member or its applicable Affiliate under the Services and Utilities Supply Agreement and the Lease Agreement for the Refinery being acquired by the Refinery Buyer, and if required pursuant to the terms of the Operations Agreement and/or the Product Offtake Agreement for such Refinery, those agreements as well, (y) purchase a one-half interest in all Company Loans and Member Loans held by the Valero Member, and (z) assume and agree to honor and perform one-half of the Valero Member's obligations under the Members Working Capital Facility.

8.2 Void Transfers. Any Transfer by any Member of any Units or other interest in the Company in contravention of this Agreement shall be void and ineffectual and shall not bind or be recognized by the Company or any other party.

8.3 Substituted Member.

(a) An assignee of any Units or other interest in the Company (or any portion thereof), in accordance with the provisions of this Article VIII, shall become a Substituted

Member entitled to all the rights of a Member with respect to such assigned interest if and only if (i) the assignor gives the assignee such right, (ii) a Supermajority Interest has granted its prior written consent to such assignment and substitution, which consent may be withheld in the sole discretion of the Members, and (iii) the assignee has agreed in writing to be bound by the provisions of this Agreement. Notwithstanding clause (ii) above, (x) any Permitted Transferee pursuant to clauses (i)-(iv) of Section 8.1(b) or any Transferee of Units as permitted or required by Article XI (other than in connection with a Terminating Event pursuant to Section 11.4) shall become a Substituted Member entitled to all the rights of a Member with respect to the assigned Units or other interest in the Company without the consent of the Board of Managers or the Members and (y) any Permitted Transferee pursuant to clauses (v)-(vii) of Section 8.1(b) shall become a Substituted Member entitled to all the rights of a Member with respect to the assigned Units or other interest in the Company with the consent of a Supermajority Interest, which consent shall not be unreasonably withheld.

(b) The Company shall be entitled to treat the record owner of any Units or other interest in the Company as the absolute owner thereof and shall incur no liability for distributions of cash or other property made in good faith to such owner until such time as a written assignment of such Units, which assignment is consented to as required by and is permitted pursuant to the terms and conditions of this Article VIII, has been received by and has been recorded on the books of the Company.

(c) Upon the admission of a Substituted Member, Schedule A shall be amended to reflect the name, address and Units and other interests in the Company of such Substituted Member and to eliminate the name and address of and other information relating to the assigning Member with regard to the assigned Units and other interests in the Company.

(d) Notwithstanding anything to the contrary in this Agreement and unless consented to in writing by a Supermajority Interest (which consent shall not be unreasonably withheld), any Member effectuating a Transfer of its Units, whether or not permitted hereunder, shall remain liable under this Agreement with respect to all of the obligations and responsibilities of a Member related to the Units so Transferred (including the obligation to make Required Additional Capital Contributions).

8.4 Effect of Assignment. Following an assignment of an interest that is permitted under this Article VIII, the Transferee of such interest shall be treated as having made all of the Capital Contributions in respect of, and received all of the distributions received in respect of, such interest, shall succeed to the Capital Account associated with such interest and shall receive allocations and distributions under Article IV and Article X in respect of such interest as if such Transferee were a Member.

8.5 Additional Transfer Restrictions.

(a) Notwithstanding any other provisions of this Article VIII, no Transfer of Units or any other interest in the Company may be made unless in the opinion of counsel (who may be counsel for the Company), satisfactory in form and substance to the Board of Managers and counsel for the Company (which opinion may be waived, in whole or in part, at the discretion of the Board of Managers), such Transfer would not (i) violate any federal securities

laws or any state securities or "blue sky" laws (including any investor suitability standards) applicable to the Company or the interest to be Transferred or any applicable federal or state competition laws, (ii) cause the Company to be required to register as an "investment company" under the Investment Company Act of 1940, as amended, or (iii) cause the Company to be deemed to be a publicly traded partnership as such term is defined in Section 7704(b) of the Code.

(b) The Company may require any Transferee of Units to make representations and warranties to the Company in form satisfactory to the Company, regarding any matters deemed necessary or appropriate for compliance with applicable federal or state law or regulation, as a condition to permitting the associated Transfer.

8.6 Legend. All certificated Units will bear the following legend:

> "THE UNITS REPRESENTED BY THIS CERTIFICATE WERE ORIGINALLY ISSUED [DATE OF ISSUANCE] AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR APPLICABLE STATE SECURITIES LAWS ("STATE ACTS") AND MAY NOT BE SOLD, ASSIGNED, PLEDGED, TRANSFERRED OR OTHERWISE DISPOSED OF WITHOUT AN EFFECTIVE REGISTRATION UNDER THE ACT OR STATE ACTS OR AN EXEMPTION THEREFROM. THE TRANSFER OF THE UNITS REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE CONDITIONS SPECIFIED IN A FIFTH AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT, DATED AS OF FEBRUARY 1, 2026, AS AMENDED AND MODIFIED FROM TIME TO TIME, GOVERNING THE ISSUER (THE "COMPANY") AND BY AND AMONG CERTAIN INVESTORS. A COPY OF SUCH CONDITIONS SHALL BE FURNISHED BY THE COMPANY TO THE HOLDER HEREOF UPON WRITTEN REQUEST AND WITHOUT CHARGE."

8.7 Transfer Fees and Expenses. The Transferor and Transferee of any Units or other interest in the Company shall be jointly and severally obligated to reimburse the Company for all reasonable expenses (including attorneys' fees and expenses) of any Transfer or proposed Transfer, whether or not consummated.

8.8 Date of Effectiveness. Any Transfer and any related admission of a Person as a Member in compliance with this Article VIII shall be deemed effective on such date that the Transferee or successor in interest complies in full with the requirements of this Agreement.

ARTICLE IX
PREEMPTIVE RIGHTS

9.1 Preemptive Rights.

(a) In the event that, at any time, the Company or any of its Subsidiaries shall decide to undertake an issuance of New Securities, the Company shall deliver to each Member written notice of the Company's decision, describing the amount, type and terms of such New Securities (including the exercise price and expiration date thereof in the case of any New Securities in whole or in part in the form of options or warrants), the purchase price per New Security (the "New Securities Price") to be paid by the purchasers of such New Securities and the other terms upon which the Company has decided to issue the New Securities including the expected closing date of such issuance, which will in no event be more than 60 days or less than 30 days after the date upon which such notice is given (the "Preemptive Notice").

(b) Each such Member shall have 30 days from the date on which it receives the Preemptive Notice to agree by written notice to the Company (a "Preemptive Exercise Notice") to purchase up to its pro-rata share of such New Securities at the New Securities Price and upon the general terms specified in the Preemptive Notice and stating in such Preemptive Exercise Notice the maximum quantity of New Securities to be purchased by such Member (including the maximum quantity of New Securities such Member would purchase in the event that another Member does not elect to purchase the full amount of its pro-rata share); provided that if the New Securities Price includes any non-cash consideration, each such Member shall have the option to pay cash in lieu of any such non-cash component equal to its Fair Market Value. In the event that any Member shall for any reason fail or refuse to give such written notice to the Company within such 30-day period, such Member shall, for all purposes of this Section 9.1, be deemed to have refused (in that particular instance only) to purchase any of such New Securities and to have waived (in that particular instance only) all of its rights under this Section 9.1 to purchase any of such New Securities.

(c) For purposes of this Section 9.1, a Member's "pro-rata share" means, at any time, the quotient obtained by dividing the number of Units held by such Member at such time by the aggregate number of Units held by all Members at such time (expressly excluding any Units held by any Unadmitted Assignee).

(d) In the event that any Members do not elect to purchase all of their respective pro-rata shares, the New Securities which were available for purchase by such non-electing Members (the "Excess New Securities") shall automatically be deemed to be accepted for purchase by the Members who indicated in their Preemptive Exercise Notices a desire to participate in the purchase of New Securities in excess of their pro-rata share. Unless otherwise agreed by all such Members participating in the purchase, each Member who indicated a desire to purchase more than its pro-rata share shall purchase a number of Excess New Securities equal to the lesser of (i) the number of Excess New Securities indicated in such Member's Preemptive Exercise Notice, if any, and (ii) such Member's pro-rata share of the Excess New Securities (expressly excluding for purposes of such calculation any Units held by Members not electing to purchase New Securities or Excess New Securities and any Units held by any Unadmitted Assignee).

(e) In the event and to the extent that, subsequent to the procedure set forth in Sections 9.1(a)-(d), any New Securities to be issued by the Company or its Subsidiary, as applicable, are not subject to an agreement by and between the Company and any Member(s) to purchase all of such New Securities, the Company shall be free to issue such New Securities to any Person, provided that (i) the price per New Security at which such New Securities are being issued to and purchased by such Person is not less than the New Securities Price and (ii) the other terms and conditions pursuant to which such Person purchases such New Securities are substantially equivalent to the terms set forth in the Preemptive Notice. Any New Securities not issued or sold within 180 days after the date of the Preemptive Notice shall again be subject to the provisions of this Section 9.1.

9.2 Hart-Scott-Rodino. In the event the Hart-Scott-Rodino Antitrust Improvements Act of l976, as amended, and the rules and regulations promulgated thereunder (the "HSR Act"), are applicable to any Member, the purchase of any New Securities shall not be consummated until such time as the applicable waiting periods (and extensions thereof) under the HSR Act have expired or otherwise been terminated with respect to each such Member and any time periods set forth in this Agreement for such consummation shall be extended accordingly.

ARTICLE X
DISSOLUTION AND LIQUIDATION

10.1 Dissolution. The Company shall not be dissolved by the admission of Additional Members or Substituted Members. The Company shall dissolve, and its affairs shall be wound up upon the first of the following to occur:

(a) the affirmative vote of the Board of Managers together with the consent of the Members holding Units representing 90% of the Units held by all of the Members (expressly excluding any Units held by Unadmitted Assignees);

(b) the sale or other disposition of substantially all of the assets of the Company and the receipt and distribution of all the proceeds therefrom;

(c) upon the occurrence of an event whereby the Business is rendered inoperable for a period of 24 consecutive months by reason of acts of God, strikes, lockouts, unavailability of materials, failure of power, prohibitive governmental laws or regulations, riots, insurrections, war or other reason beyond the Company's reasonable control; provided, however, that the Company shall not be dissolved pursuant to this Section 10.1(c) until, in each of the aforesaid circumstances, the Members have diligently and in good faith sought to abate and remove the circumstances causing such inoperability; and

(d) the entry of a decree of judicial dissolution of the Company under Section 18-802 of the Delaware Act.

Except as otherwise set forth in this Section 10.1, the Company is intended to have perpetual existence. An Event of Withdrawal shall not cause a dissolution of the Company, and the Company shall continue in existence subject to the terms and conditions of this Agreement.

10.2 Liquidation and Termination.

(a) On the dissolution of the Company, the Board of Managers shall act as liquidator or (in its sole discretion) may appoint one or more representatives, Members or other Persons as liquidator(s). The liquidators shall proceed diligently to wind up the affairs of the Company and make final distributions as provided herein and in the Delaware Act. The costs of liquidation shall be borne as a Company expense. Until final distribution, the liquidators shall continue to operate the Company with all of the power and authority of the Board of Managers. The steps to be accomplished by the liquidators are as follows:

(i) the liquidators shall pay, satisfy or discharge from Company funds all of the debts, liabilities and obligations of the Company (including any Member Loans, any Company Loans and any other loans or advances that may have been made by any of the Members to the Company (other than as Capital Contributions including Company Loans that have been converted to a Capital Contribution pursuant to Section 3.3(b) or 3.3(c)) and all expenses incurred in liquidation) or otherwise make adequate provision for payment and discharge thereof (including the establishment of a cash fund for contingent liabilities in such amount and for such term as the liquidators may reasonably determine);

(ii) after payment or provision for payment of all of the Company's liabilities has been made in accordance with Section 10.2(a)(i), a final allocation of all items of income, gain, loss and expense shall be made in accordance with Sections 4.3 and 4.4, proceeds from Section 45Z Credit Transfers then held by the Company, if any, shall be distributed in accordance with Section 4.9(f) and all other remaining assets of the Company shall be distributed in accordance with Section 4.1(b) (subject in each case to the Company's right pursuant to Section 4.9(e) to retain distributions otherwise payable to a Member for costs and expenses for which such Member is responsible pursuant to Section 4.9(d)); and

(iii) any non-cash assets (other than Owned Intellectual Property) which are to be distributed will first be written up or down to their Fair Market Value, thus creating Net Income or Net Loss (if any), which shall be allocated in accordance with Sections 4.3 and 4.4. In making such distributions, the liquidators shall allocate each type of asset (e.g., cash or cash equivalents, securities or other property) among the Members ratably based upon the aggregate amounts to be distributed with respect to the Units held by each such holder.

(b) The distribution of cash or property to a Member in accordance with the provisions of this Section 10.2 constitutes a complete return to the Member of its Capital Contributions and a complete distribution to the Member of its interest in the Company and all the Company's property and constitutes a compromise to which all Members have consented within the meaning of the Delaware Act. To the extent that a Member returns funds to the Company, it has no claim against any other Member for those funds.

(c) Subject to Section 10.2(d), on the dissolution of the Company, any Intellectual Property or Technology owned by the Company or any of its Subsidiaries ("Owned Intellectual Property") will be allocated as follows:

(i) Unless otherwise agreed by the Darling Member and the Valero Member in writing, on the dissolution of the Company, any Owned Intellectual Property will be jointly owned by the Darling Member and the Valero Member. The Company agrees, and agrees to cause its Subsidiaries, to assign, effective as of the dissolution of the Company, to each of the Darling Member and the Valero Member an undivided, one-half interest in and to all Owned Intellectual Property, free and clear of all liens, such that the Darling Member and the Valero Member will each have an undivided one-half ownership interest in and to the Owned Intellectual Property. On the dissolution of the Company, each of the Darling Member and the Valero Member will be free to fully exploit the Owned Intellectual Property (including to (A) make any modifications, derivative works, enhancements or improvements of or to any Owned Intellectual Property ("Improvements"), (B) develop, make, have made, use, offer to sell, sell, import, export, distribute and otherwise dispose of and exploit any products or services incorporating, based on or derived from, in whole or in part, any Owned Intellectual Property and (C) use, practice, reproduce, perform (both internally and publicly), display (both internally and publicly), license and exploit any Owned Intellectual Property, and distribute copies of any copyrightable works and works of authorship included in the Owned Intellectual Property), each to the same extent as the other, without requiring any approval of, or any notification, reporting, accounting or payment to, the other; provided, however, that neither the Darling Member nor the Valero Member (y) may sell, mortgage, encumber or transfer, or grant any exclusive rights in or to, any Owned Intellectual Property, except for a sale, mortgage, encumbrance or transfer solely of, or grant of exclusive rights solely under, its undivided one-half interest in and to any Owned Intellectual Property (and not under the other's undivided one-half interest in and to any Owned Intellectual Property) or (z) inhibit the other's right to freely use and exploit any Owned Intellectual Property as co-owner.

(ii) As between the parties, subject to the joint ownership of any underlying Owned Intellectual Property, (A) the Darling Member will own all right, title and interest in and to any Improvements created, developed or conceived solely by employees or contractors of the Darling Member (either alone or with any third party) after the dissolution of the Company ("Darling Improvements") and (B) the Valero Member will own all right, title and interest in and to any Improvements created, developed or conceived solely by employees or contractors of the Valero Member (either alone or with any third party) after the dissolution of the Company ("Valero Improvements"). The Darling Member will not have any obligation to make any Darling Improvements available to the Valero Member, and the Valero Member will not have any obligation to make any Valero Improvements available to the Darling Member.

(iii) If, after the dissolution of the Company, either the Darling Member or the Valero Member believes that any Owned Intellectual Property is patentable, the Darling Member or the Valero Member, as applicable, will notify the other in writing, and the Darling Member and the Valero Member will thereafter meet or correspond in good faith as necessary to discuss and agree upon all matters regarding the filing and prosecution of any patent applications in or to such Owned Intellectual Property and the subsequent maintenance, enforcement and defense of any patents issuing thereon (including the party responsible for such prosecution, maintenance, enforcement and defense, the jurisdictions in which any such applications will be filed, the sharing of costs

and expenses in connection therewith and the allocation of any recovery in connection with any such enforcement).

(d) The parties acknowledge and agree that, upon dissolution of the Company and DGD, the Valero Parent (or an Affiliate thereof) and the Darling Parent (or an Affiliate thereof) may be entitled to use the rights and assets under or related to any contractual arrangements between the Company and/or DGD (as the successor of Valero Services, Inc.) and UOP, LLC developed for the benefit of the Company and/or DGD, pursuant to this Agreement (the "UOP License"), subject to any required third-party consents; provided, however, that if a party uses the UOP License (the Valero Parent (or an Affiliate thereof) or the Darling Parent (or an Affiliate thereof), as the case may be), such party shall, as a condition to such party's use of the UOP License, reimburse the other party for 50% of the aggregate costs and expenses incurred in connection therewith.

10.3 Cancellation of Certificate. On completion of the distribution of Company assets as provided herein, the Company is terminated (and the Company shall not be terminated prior to such time), and the Board of Managers (or such other Person or Persons as the Delaware Act may require or permit) shall file a certificate of cancellation with the Secretary of State of Delaware, cancel any other filings made pursuant to this Agreement that are or should be canceled and take such other actions as may be necessary to terminate the Company. The Company shall be deemed to continue in existence for all purposes of this Agreement until it is terminated pursuant to this Section 10.3 and otherwise in accordance with the Delaware Act.

10.4 Reasonable Time for Winding Up. A reasonable time shall be allowed for the orderly winding up of the business and affairs of the Company and the liquidation of its assets pursuant to Section 10.2 in order to minimize any losses otherwise attendant upon such winding up.

10.5 Return of Capital. The liquidators shall not be personally liable for the return of Capital Contributions or any portion thereof to the Members (it being understood that any such return shall be made solely from Company assets).

10.6 Material Breach. In the event that any Member materially breaches any covenants or obligations in Article VIII or XI or Section 5.8, or intentionally and willfully causes the Company to breach any of its material covenants or obligations in this Agreement, and fails to cure such breach within 30 days of receipt of written notice of such breach, then, in addition to any other remedies that the Company or the other Members may have against such breaching Member, such breaching Member shall become an Unadmitted Assignee as set forth in Section 3.5(b), with no rights of reinstatement as a Member.

ARTICLE XI
CERTAIN AGREEMENTS

11.1 Approved Sale.

(a) At any time after the 20th anniversary of the Port Arthur Facility Commencement Date, either the Darling Member or the Valero Member (the "Triggering Member") may deliver a notice to the other Member (the "Approved Sale Notice") that it wishes

to effect a Company Sale or a sale of all, but not less than all, of its Units and Equity Securities (in either case, an "Approved Sale") in accordance with this Section 11.1. The Member that did not deliver the Approved Sale Notice pursuant to the previous sentence (whether the Darling Member or the Valero Member) shall be referred to herein as the "Non-Triggering Member". In the event that an Approved Sale Notice is delivered in accordance with this Section 11.1(a), the Non-Triggering Member shall have the right, pursuant to a written notice (the "Approved Sale Response Notice") to the Company and the Triggering Member delivered within 60 days after receipt of the Approved Sale Notice from the Triggering Member, to offer to purchase all, but not less than all, of the outstanding Units and Equity Securities and any Company Loans and Member Loans held by the Triggering Member (the "Triggering Member Sale") at the price and on the terms and conditions set forth in such Approved Sale Response Notice.

(b) If the Non-Triggering Member makes an offer pursuant to and in accordance with Section 11.1(a) and the Triggering Member accepts such offer within the time period set forth in such Approved Sale Response Notice (which such time period shall be no less than 15 days nor more than 30 days), then the Approved Sale Response Notice shall constitute the legally binding obligation of each Member to complete the Triggering Member Sale on the terms and conditions set forth therein. The form of the definitive agreements relating to such Triggering Member Sale shall be mutually agreed upon and contain the terms and conditions set forth in the Approved Sale Response Notice and such other customary representations, warranties and covenants for transactions similar to the Triggering Member Sale. The Members shall fix a closing date, which must be a Business Day not later than 120 days following the date of delivery of the Approved Sale Response Notice. If the closing date is not so fixed, then such date shall automatically be 120 days following the date of delivery of the Approved Sale Response Notice; provided, however, that if such date is not a Business Day, then such date shall be the next Business Day; provided, further, that if the consummation of the Triggering Member Sale requires the approval of any Governmental Entity, then the closing date may be extended to the first Business Day following the receipt of such approval.

(c) If the Non-Triggering Member fails to deliver, or waives its right to deliver, the Approved Sale Response Notice as set forth in Section 11.1(a) or the Triggering Member rejects the Non-Triggering Member's offer as set forth in the Approved Sale Response Notice, then the Non-Triggering Member and the Board of Managers shall, and shall cause the Company and its management to, cooperate in good faith with the Triggering Member to (i) prepare the Company for sale, (ii) engage a financial advisor experienced in the industry and the sale of similar assets to assist in the sale of the Company by drafting an offering memorandum or similar document and soliciting indications of interest from qualified buyers, and (iii) assist such financial advisor in conducting a sale process designed to achieve the highest price possible by actively pursuing such interested and qualified buyers. The Members and the Board of Managers shall cause the Company to provide reasonable access to Company management and facilities and the Company's books and records and outside auditors for the purpose of (x) providing requested information to the Triggering Member and any financial advisor engaged to assist with the Company Sale, (y) attending meetings with prospective buyers and their financing sources, and (z) providing reasonable access to customary due diligence materials requested by prospective buyers. The Triggering Member shall secure customary confidentiality agreements from any prospective buyer and shall be in breach of its own confidentiality obligations to the Company and the other Member if it fails to do so. The Members and the Company shall require the financial adviser engaged to conduct such sale

process to deliver within 90 days (or such other reasonable time period as advised by the financial adviser) of its engagement a report (the "Approved Sale Report") to the Board of Managers setting forth in detail any indications of interest, and the valuations and any restrictions related thereto, from any such qualified buyer.

(d) Within 60 days after delivery of the Approved Sale Report, the Non-Triggering Member shall have the right, pursuant to a written notice (the "Approved Sale Report Notice") to the Company and the Triggering Member delivered within such 60-day period, to offer to purchase all, but not less than all, of the outstanding Units and Equity Securities and any Company Loans and Member Loans held by the Triggering Member at a price and on terms and conditions based on the indications of interest and the related valuations of the Company in the Approved Sale Report. If the Triggering Member accepts the Non-Triggering Member's offer as set forth in the Approved Sale Report Notice, then the Approved Sale Report Notice shall constitute the legally binding obligation of each Member to complete the proposed purchase of such Units and Equity Securities and any Company Loans and Member Loans held by the Triggering Member on the terms and conditions set forth therein. The Members shall fix a closing date, which must be a Business Day not later than 120 days following the date of delivery of the Approved Sale Report Notice. If the closing date is not so fixed, then such date shall automatically be 120 days following the date of delivery of the Approved Sale Report Notice; provided, however, that if such date is not a Business Day, then such date shall be the next Business Day; provided, further, that if the consummation of such sale requires the approval of any Governmental Entity, then the closing date may be extended to the first Business Day following the receipt of such approval.

(e) If the Non-Triggering Member fails to deliver, or waives its right to deliver, the Approved Sale Report Notice as set forth in Section 11.1(d) or the Triggering Member rejects the Non-Triggering Member's offer as set forth in the Approved Sale Report Notice, then the Members may mutually agree in writing to pursue a Company Sale and the Company and each Member shall use its commercially reasonable efforts to effect such Company Sale to a third party as promptly as practicable based on the indications of interest and the related valuations of the Company set forth in the Approved Sale Report and upon the terms and conditions negotiated by the Company and such third party, which shall be reasonably acceptable to each Member and no less favorable to the Triggering Member than the Non-Triggering Member's offer as set forth in the Approved Sale Report Notice, if any. The Members and the Company shall fix an outside closing date, which must be a Business Day not later than 120 days (or such other time period agreed to in writing by the Members) following the date of delivery of the Approved Sale Report. If the closing date is not so fixed, then such date shall automatically be 120 days following the date of delivery of the Approved Sale Report; provided, however, that if such date is not a Business Day, then such date shall be the next Business Day; provided, further, that if the consummation of such Company Sale requires the approval of any Governmental Entity, then the closing date may be extended to the first Business Day following the receipt of such approval. The Non-Triggering Member may, at any time, withdraw from the pursuit of a Company Sale pursuant to this Section 11.1(e) and the Triggering Member shall then be entitled to pursue such Company Sale pursuant to Section 11.1(f).

(f) Subject to the Non-Triggering Member's rights set forth in Section 11.2, if following delivery of an Approved Sale Notice, the Darling Member and the Valero Member do

not consummate an Approved Sale or sale of all of the outstanding Units and Equity Securities and any Company Loans held by the Triggering Member pursuant to and in accordance with any of Section 11.1(b), (d) or (e), as applicable, then the Triggering Member shall have the right to require the Non-Triggering Member and the Company to effect a Company Sale to a third party; provided, however, that such Company Sale must be based on the indications of interest by bidders with demonstrable access to funds and at a cash purchase price equal to or higher than the median of the valuations relating to such indications of interest and on customary terms and conditions reasonably acceptable to each Member, but no less favorable to the Triggering Member than the Non-Triggering Member's offer as set forth in the Approved Sale Response Notice or the Approved Sale Report Notice, if any. Such third party buyer must have demonstrable access to funds allowing it to effect such purchase in cash and must otherwise be qualified to consummate such transaction within the timeframe specified.

(g) If an Approved Sale to a third party is not consummated within one year from the date of delivery of an Approved Sale Notice, the Company shall terminate the sale process for a period of at least six months before the Triggering Member may again exercise its rights under Section 11.1(a); provided, further, that the foregoing termination of the sale process shall not affect or apply to any binding agreement to consummate an Approved Sale to a third party entered into prior to the one-year anniversary of the date of the delivery of an Approved Sale Notice.

11.2 Right of First Refusal.

(a) If, as a result of the Triggering Member's rights set forth in Section 11.1(f), the Company or the Triggering Member receives a bona fide, binding (as to the Forced Sale Offeror) and fully-negotiated offer, in cash, meeting the requirements set forth in such Section 11.1(f) (the "Forced Sale Offer") from a Person (the "Forced Sale Offeror") to effect a Company Sale, the Company and the Members shall be required to effect such Company Sale to the Forced Sale Offeror only after the Non-Triggering Member has first been offered the opportunity to purchase the Triggering Member's Units, Equity Securities and any outstanding Company Loans and Member Loans held by the Triggering Member ("Company Interests") in the manner provided in this Section 11.2.

(b) If the Triggering Member wishes to effect the Company Sale pursuant to the Forced Sale Offer, then the Triggering Member shall give written notice thereof (the "ROFR Offer Notice") to the Non-Triggering Member, which such ROFR Offer Notice shall include all of the material terms of the Forced Sale Offer, including the purchase price, payment terms and closing date and related documentation. The ROFR Offer Notice shall constitute an offer (the "ROFR Offer") by the Triggering Member to sell its Company Interests to the Non-Triggering Member upon substantially the same terms and conditions as those set forth in the ROFR Offer Notice, modified only in so far as is necessary to reflect a sale of the Triggering Member's Company Interests rather than the entire Company. The Non-Triggering Member may accept the ROFR Offer only by written notice given within 30 Business Days after delivery of the ROFR Offer Notice (the "ROFR Acceptance Period").

(c) If the Non-Triggering Member fails to accept the ROFR Offer within the ROFR Acceptance Period, or if prior to the expiration of the ROFR Acceptance Period, the Non-

Triggering Member rejects the ROFR Offer, then the Triggering Member shall have the right to require the Non-Triggering Member and the Company to effect a Company Sale to the Forced Sale Offeror in accordance with the Forced Sale Offer. If the Triggering Member wishes to effect the Company Sale to the Forced Sale Offeror on terms materially more beneficial to the Forced Sale Offeror than set forth in the Forced Sale Offer, the Triggering Member shall be required to notify the Non-Triggering Member of such modified terms in accordance with Section 11.2(b) and the Non-Triggering Member will be entitled to exercise its right of first refusal (as set forth in this Section 11.2) as to such amended terms.

(d) If the Non-Triggering Member accepts the ROFR Offer, then the Triggering Member and the Non-Triggering Member shall consummate the sale of the Triggering Member's Company Interests pursuant to the terms of the ROFR Offer, including on the closing date set forth therein. If the closing date is not set forth in the ROFR Offer, then such date shall automatically be 90 days following the date of delivery of the ROFR Offer Notice; provided, however, that if such date is not a Business Day, then such date shall be the next Business Day; provided, further, that if the consummation of the such sale requires the approval of any Governmental Entity, then the closing date may be extended to the first Business Day following the receipt of such approval. The Members Working Capital Facility shall be terminated and all Member Loans outstanding thereunder shall be paid off prior to or concurrent with the closing of the sale of the Triggering Member's Company Interests to the Non-Triggering Member.

(e) If the Non-Triggering Member accepts the ROFR Offer, but fails to timely consummate the sale within the time period set forth in Section 11.2(d), (i) all rights granted to the Non-Triggering Member under this Section 11.2 shall, ab initio, be null, void and of no force or effect and (ii) all rights of the Non-Triggering Member under this Section 11.2 shall fully and completely terminate, and, accordingly, the Triggering Member shall have no further obligation to send, and the Non-Triggering Member shall have no further rights to receive, any ROFR Offer Notice, such that the Triggering Member may solicit and accept offers from any Persons free of any rights of the Non-Triggering Member, except as set forth in the proviso in Section 11.1(f) and Section 11.3.

11.3 Approved Sale Requirements.

(a) If an Approved Sale is a Company Sale pursuant to Section 11.1(e) or (f) or Section 11.2 and such Company Sale is structured as a sale of assets, merger or consolidation, then each Member shall vote for or consent to, and waive any dissenters' rights, appraisal rights or similar rights in connection with, such sale, merger or consolidation. If such Company Sale is structured as a Transfer of Units, then each Member shall Transfer all of its Units and rights to acquire Units. Each Member shall take all reasonably necessary or desirable actions in connection with the consummation of such Company Sale, including executing a document or documents in customary form required to effect such sale (a "Sale Contract").

(b) The obligations of the Members with respect to a Company Sale pursuant to Section 11.1(e) or (f) or Section 11.2 are subject to the satisfaction of the following conditions: (i) each Member shall receive the same form of consideration or, if any holders of a class or type of Units are given an option as to the form or amount of consideration to be received, each holder of such class or type of Units shall be given the same option; (ii) each

holder of then currently exercisable rights to acquire Units shall be given an opportunity to exercise such rights prior to the consummation of such Company Sale and participate in such sale as a holder of such Units; (iii) the consideration payable upon consummation of such Company Sale to all Members in respect of their Units shall be apportioned (subject to adjustment, deduction and/or holdback for Company expenses, purchase price adjustments, escrow amounts, purchase price holdbacks, indemnity obligations and other similar items) among the Members in respect of their Units that are subject to such Company Sale in accordance with the distribution priorities set forth in this Agreement, after giving effect to all prior Distributions; (iv) the final terms and conditions of such Company Sale shall be no less favorable to the Members than those set forth in the Approved Sale Response Notice or the ROFR Offer Notice, if any; and (v) representations and warranties made by each Member shall be limited to (A) its due authorization to enter into a Sale Contract and (B) its ownership of its Units, free and clear of all liens, claims and encumbrances. Further, as a condition to each Member's obligation to consummate a Company Sale, the Members Working Capital Facility will be terminated and all Member Loans outstanding thereunder will be paid off prior to or concurrent with the closing of such transaction.

(c) Each Member shall pay its pro-rata share of the reasonable expenses incurred in connection with an Approved Sale and shall be obligated to join in any customary indemnification, escrow, holdback or other obligations that the Triggering Member agrees to provide or undertake in connection with a Company Sale pursuant to Section 11.1(e) or (f) or Section 11.2 (other than any such obligations that relate specifically to a particular Member such as indemnification with respect to representations and warranties given by a Member regarding such Member's title to and ownership of Units); provided that no Member shall be obligated in connection with any Approved Sale to agree to indemnify or hold harmless the purchaser(s) with respect to an amount in excess of the net cash proceeds paid to such Member in connection with such Approved Sale.

11.4 Involuntary Transfers.

(a) Upon the occurrence of any actual involuntary Transfer including, without limitation, pursuant to foreclosure or similar Transfer pursuant to a pledge, mortgage or other encumbrance of a Unit or other interest in the Company to secure a debt or other obligation, or pursuant to a judicial order, legal process, execution or attachment or in connection with any proceeding by or against any Member under any bankruptcy or insolvency law (a "Terminating Event"), then such Member (or its transferee if such Transfer has occurred, the "Subject Member") shall promptly deliver written notice of such event to the Company and the other Member (the "Nonsubject Member") and be deemed as of the date of occurrence of such Terminating Event to have made an offer to sell, and the Company and the Nonsubject Member shall have the right to purchase, such Member's Units and Equity Securities (collectively, the "Subject Units") and such Subject Member shall be bound to sell to the Company and/or the Nonsubject Member, for the Fair Market Value of such Subject Units.

(b) Commencing with the date of such notice, the Company shall have the first option for a period of 30 days (the "Company Option Period") to agree in writing to purchase all or any portion of the Subject Units, subject to the remaining provisions of this Section 11.4. The Company shall have the right to assign its rights under this Section 11.4 to any other Person.

(c) If the Company does not enter into a written agreement to purchase the Subject Units within the applicable time period described above, or if it enters into a written agreement to purchase less than all of the Subject Units, the Company shall notify the Nonsubject Member on or before the expiration of the Company Option Period of the Nonsubject Member's option to purchase all of or the remaining Subject Units, as the case may be. Commencing with the date of such notice, the Nonsubject Member shall have the option for a period of 30 days to agree in writing to purchase all or any portion of the Subject Units as to which the Company has not exercised its option, subject to the remaining provisions of this Section 11.4.

(d) If the Company and/or the Nonsubject Member elect to purchase a portion or all of the Subject Units, a closing of all such purchases and sales shall be held on or before the date that is 60 days after the date of the Company's notice to the Nonsubject Member pursuant to Section 11.4(c). At such closing, the Subject Member will transfer the Subject Units to be sold to the Company and/or the Nonsubject Member, free and clear of any encumbrances.

(e) Notwithstanding anything to the contrary in this Section 11.4, if, at the end of the option periods described above, less than all of the Subject Units have been purchased by the Company and/or the Nonsubject Member, then the right to exercise such options shall expire as to the Subject Units not purchased by the Company and/or the Nonsubject Member. The Subject Member and any Person who holds the Subject Units after application of this Section 11.4 (other than the Nonsubject Member that purchased pursuant to its rights as set out above) shall comply with the applicable requirements set forth in this Agreement relating to Transfers of Units. In no event shall the Person who then holds the Subject Units be admitted as a Member without the consent of a Supermajority Interest.

(f) Within 15 days after receipt of notice of a Terminating Event, the Company shall appoint an independent appraiser for the Subject Units (the "Appraiser"). The Appraiser shall be an expert who is generally recognized as being experienced in the industry and as having current competence in the valuation of assets similar to the Subject Units. The Appraiser shall be independent and shall not have had recent engagements with the Company, the Subject Member or the Nonsubject Member. The fees and expenses of the Appraiser shall be paid by the Subject Member. The Appraiser shall be instructed to determine, within 45 days of its appointment, the Fair Market Value of the Subject Units being appraised. The Members and the Board of Managers shall cause the Company to provide reasonable access to Company management and facilities and the Company's books and records and outside auditors for the purpose of providing requested information to the Appraiser. The Fair Market Value determination of the Appraiser shall constitute the Fair Market Value of the Subject Units for purposes of any written agreement to purchase such Subject Units. The Appraiser shall furnish the Company, the Subject Member and the Nonsubject Member with a written report of its determination within the 45-day period referenced above. Notwithstanding anything to the contrary in this Section 11.4, any written agreement to purchase any or all of the Subject Units shall be conditioned upon the applicable purchaser's approval of the Appraiser's Fair Market Value determination of such Subject Units; provided, that if the applicable purchaser does not agree to the Appraiser's Fair Market Value valuation, the Subject Member shall not be required to sell such Subject Units hereunder and the provisions of Section 11.4(e) shall apply.

11.5 Performance; Cooperation. In connection with any specific performance remedy available under this Article XI and Applicable Law, each Member agrees that the judge presiding over the court having jurisdiction over the specific performance remedy shall be entitled to order the appropriate Member or other Person to execute all necessary documents and to further appoint an appropriate Person to be authorized to execute such documents on behalf of the defaulting Member or other Person. Each Member agrees to (and to cause its Affiliates to) cooperate and to take all reasonable actions and execute all documents reasonably necessary or appropriate to facilitate and accomplish any of the transactions described in or contemplated under this Article XI.

11.6 Non-Solicitation. Except as set forth herein, (i) each Member, by and on behalf of itself and its respective controlled Affiliates, covenants that it shall not, and its controlled Affiliates shall not, directly or indirectly for so long as such Member remains a Member without the written consent of the other Member and for a period of two years thereafter, solicit, encourage to leave employment, or hire any employee of the Company or any employee of the other Member and such other Member's Affiliates and (ii) the Company shall not, and the Members shall not permit the Company to, directly or indirectly, solicit, encourage to leave employment, or hire any officer or employee of any Member or such Member's Affiliates, for so long as a Member remains a Member and for a period of two years thereafter; provided, however, that the foregoing shall not prohibit (i) the Company, any Member or any of their respective Affiliates from soliciting or employing any individual who has received notice of termination from, or has ceased to be employed by, the Company, any Member or any Affiliates of a Member prior to the first time such individual discussed employment by such party with any representative of the Company, any Member or any of their respective Affiliates, and (ii) the Company, any Member or any of their respective Affiliates from employing an individual who responds to a general solicitation of employment by such party.

11.7 Insurance. The Members agree to cause the Company to acquire and maintain insurance coverage of the types and in the amounts as may be required to be obtained by the Company's lenders and/or landlord from time to time, and in any event shall be at least of types and amounts, on forms of policies and endorsed, from issuers having minimum ratings, as obtained by similar manufacturing businesses operating in similar locations using prudent business practices, as determined by the current market.

11.8 Required Payments and Actions. All payments and other actions or documents required to be paid, delivered, received or taken on or prior to a specified date herein shall be so paid, delivered, received or taken on or prior to the specified or required date unless such date is extended in writing by the Member entitled to such performance or payment and failure to make such payment or performance by such date shall be a default under this Agreement by such party. The applicable non-defaulting party shall be entitled to all available legal and equitable remedies against the defaulting party, including specific performance of the defaulting party's obligations and recovery of all losses of the non-defaulting party caused by the applicable default (including attorney's fees, costs, expenses and disbursements paid or incurred in any legal or equitable action).

ARTICLE XII
STANDARD OF CARE; EXCULPATION; INDEMNIFICATION

12.1 Standard of Care. In the performance of their respective duties under this Agreement, and with respect to any action taken by the Members, Managers or Officers on behalf of or with respect to the Company, the Members, Managers and Officers shall use reasonable, good faith efforts to conduct the business of the Company in a good and businesslike manner. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE MEMBERS, MANAGERS AND MEMBER OFFICERS OF THE COMPANY SHALL NOT HAVE ANY DUTIES (FIDUCIARY OR OTHERWISE), OBLIGATIONS OR LIABILITIES TO THE COMPANY OR ANY OF THE MEMBERS EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT OR AS EXPRESSLY SET FORTH IN ANY OTHER WRITTEN AGREEMENT BETWEEN OR AMONG ANY OF THEM.

12.2 Exculpation. No Manager, Officer, Member, Affiliate of a Member, any of their respective direct or indirect officers, directors, equityholders, employees or managers or any liquidating trustee or fiduciary of the Company (each a "Covered Person") shall be liable to the Company or any Member under any theory of law, including tort, contract or otherwise (INCLUDING A COVERED PERSON'S OWN NEGLIGENCE OR GROSS NEGLIGENCE) for any loss, damage or claim incurred by reason of any act or omission by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of authority conferred on such Covered Person by this Agreement, including any such loss, damage or claim attributable to errors in judgment, negligence or gross negligence or other fault of such Covered Person, except that a Covered Person shall be liable for any such loss, damage or claim incurred by reason of Culpable Acts of such Covered Person. A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Person as to matters the Covered Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits, losses or any other facts pertinent to the existence and amount of assets from which distributions to Members might properly be paid. IN NO EVENT WILL A COVERED PERSON BE LIABLE TO THE COMPANY OR ANY MEMBER FOR CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, OR ANY OTHER NON-DIRECT DAMAGES INCLUDING, WITHOUT LIMITATION, LOST PROFITS OR FUTURE REVENUES, COST OF CAPITAL, LOSS OF BUSINESS REPUTATION OR OPPORTUNITY OR ANY CLAIM OR DEMAND AGAINST THE COMPANY BY ANY OTHER PARTY DUE TO ANY CAUSE WHATSOEVER (INCLUDING, WITHOUT LIMITATION, THE COVERED PERSON'S OWN NEGLIGENCE OR GROSS NEGLIGENCE), EVEN IF A COVERED PERSON HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

12.3 Indemnification.

(a) Third Party Actions, Suits and Proceedings. Each Covered Person who was or is made a party or is threatened to be made a party to or is involved in or participates as a witness with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Company), by reason of the fact that

he, she or it or a Person of whom he, she or it is the legal representative, is or was a Member, Manager or Officer of the Company, or is or was serving at the request of the Company as a manager, director, officer, employee, fiduciary, or agent of another limited liability company or of a corporation, partnership, joint venture, trust or other enterprise (hereinafter a "proceeding"), shall be indemnified and held harmless by the Company at all times to the fullest extent permitted by the Delaware General Corporation Law, as if it were applicable to the Company and as in effect from time to time, against all expenses (including attorneys', experts' and consultants' fees and disbursements), judgments, fines and amounts paid in settlement actually and reasonably incurred by such Person in connection with such proceeding if such Person acted in good faith and in a manner such Person reasonably believed to be in compliance with the provisions of this Agreement and Applicable Law, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such Person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the Person did not act in good faith and in a manner which such Person reasonably believed to be in compliance with the provisions of this Agreement or Applicable Law, or, with respect to any criminal action or proceeding that the Person had reasonable cause to believe that his, her or its conduct was unlawful. THE FOREGOING INDEMNITY IS INTENDED TO INDEMNIFY EACH COVERED PERSON FOR SUCH PERSON'S OWN ACTS OR OMISSIONS, INCLUDING NEGLIGENCE (WHICH SHALL INCLUDE GROSS NEGLIGENCE), AND SHALL APPLY IRRESPECTIVE OF ANY CLAIM OF CONCURRENT OR CONTRIBUTORY NEGLIGENCE ON THE PART OF SUCH COVERED PERSON.

(b) Actions by the Company. The Company shall indemnify at all times to the fullest extent permitted by the Delaware General Corporation Law, as if it were applicable to the Company and as in effect from time to time, any Covered Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Company to procure a judgment in its favor by reason of the fact that such Covered Person is or was a Member, Manager or Officer of the Company, or is or was serving at the request of the Company as a manager or director, officer, employee, fiduciary or agent of another limited liability company or of a corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys', experts' and consultants' fees and disbursements) actually and reasonably incurred by such Covered Person in connection with the defense or settlement of such action or suit if such Covered Person acted in good faith and in a manner such Covered Person reasonably believed to be in compliance with the provisions of this Agreement and Applicable Law and except that no indemnification shall be made in respect of any claim, issue or matter as to which such Covered Person shall have been finally adjudged to be liable to the Company unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such Person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

(c) Rights Non-Exclusive. The rights to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Section 12.3 shall not be exclusive of any other right that any Person may have or hereafter

acquire under any statute, provision of this Agreement, any other agreement, any vote of Members or disinterested Managers, or otherwise.

(d) Insurance. The Company shall maintain insurance, at its expense, on its own behalf and on behalf of any Person who is or was a Covered Person or was serving at the request of the Company as a manager, officer, employee or agent of another limited liability company, corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him, her or it and incurred by him, her or it in any such capacity, whether or not the Company would have the power to indemnify such Person against such liability under this Section 12.3.

(e) Expenses. Expenses incurred by any Covered Person described in Section 12.3(a) or Section 12.3(b) in defending a proceeding shall be paid by the Company in advance of such proceeding's final disposition upon receipt of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be found in a final, non-appealable decision of a court of competent jurisdiction that he, she or it is not entitled to be indemnified by the Company. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board of Managers deems appropriate.

(f) Employees and Agents. Individuals who are not covered by the foregoing provisions of this Section 12.3 and who are or were employees or agents of the Company, or who are or were serving at the request of the Company as employees or agents of another limited liability company, corporation, partnership, joint venture, trust or other enterprise, may be indemnified to the extent authorized at any time or from time to time by the Board of Managers.

(g) Contract Rights. The provisions of this Section 12.3 shall be deemed to be a contract right between the Company and each Covered Person who serves in any such capacity at any time while this Section 12.3 and the relevant provisions of the Delaware Act or other Applicable Law are in effect, and any repeal or modification of this Section 12.3 or any such law shall not affect any rights or obligations then existing with respect to any state of facts or proceeding then existing. The indemnification and other rights provided for in this Section 12.3 shall inure to the benefit of the successors, assigns, heirs, executors and administrators of any Covered Person entitled to such indemnification. The Company shall indemnify any such Covered Person seeking indemnification in connection with a proceeding initiated by such Covered Person only if such proceeding was authorized by the Board of Managers.

(h) Merger or Consolidation; Other Enterprises. For purposes of this Section 12.3, references to "the Company" shall include, in addition to the resulting company, any constituent company (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its members, managers, directors, officers, fiduciaries and employees or agents, so that any Person who is or was a member, manager, director, officer, fiduciary, employee or agent of such constituent company, or is or was serving at the request of such constituent company as a member, manager, director, officer, fiduciary, employee or agent of another company, partnership, joint venture, trust or other enterprise, shall stand in the same position under this Section 12.3 with respect to the resulting or surviving company as he, she or it would have with respect to such constituent company if its separate existence had continued. For purposes of this

Section 12.3, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a Person with respect to any employee benefit plan; and references to "serving at the request of the Company" shall include any service as a member, manager, director, officer, fiduciary, employee or agent of the Company that imposes duties on, or involves services by, such member, manager, director, fiduciary, officer, employee, or agent with respect to an employee benefit plan, its participants or beneficiaries; and a Person who acted in good faith and in a manner such Person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Company" as referred to in this Section 12.3.

(i) No Member Recourse. Notwithstanding anything to the contrary in this Agreement, any indemnity by the Company relating to the matters covered in this Section 12.3 shall be provided out of and to the extent of Company assets only and no Member (unless such Member otherwise agrees in writing or is found in a final, non-appealable decision of a court of competent jurisdiction to have personal liability on account thereof) or any Member's officers, directors, stockholders, members, partners, employees or Affiliates shall have personal liability on account thereof or shall be required to make additional Capital Contributions to help satisfy such indemnity of the Company.

ARTICLE XIII
GENERAL PROVISIONS

13.1 Power of Attorney. Each Member hereby constitutes and appoints the Board of Managers and any duly appointed liquidating trustee, with full power of substitution, as its true and lawful agent and attorney-in-fact, with full power and authority in its name, place and stead, to execute, swear to, acknowledge, deliver, file and record in the appropriate public offices: (i) this Agreement, all certificates and other instruments and all amendments thereof in accordance with the terms hereof which the Board of Managers deems appropriate or necessary to form, qualify, or continue the qualification of, the Company as a limited liability company in the State of Delaware and in all other jurisdictions in which the Company may conduct business or own property; (ii) all instruments which the Board of Managers deems appropriate or necessary to reflect any amendment, change, modification or restatement of this Agreement in accordance with its terms; (iii) all conveyances and other instruments or documents which the Board of Managers or any duly appointed liquidating trustee deems appropriate or necessary to reflect the dissolution and liquidation of the Company pursuant to the terms of this Agreement and Applicable Law, including a certificate of cancellation; and (iv) all instruments relating to the admission, withdrawal or substitution of any Member pursuant to Article III, Article VIII and Article XI. The foregoing power of attorney is irrevocable and coupled with an interest, and shall survive the death, disability, incapacity, dissolution, bankruptcy, insolvency or termination of any Member and the Transfer of all or any portion of its Units and shall extend to such Member's permitted successors and assigns.

13.2 Amendments. Except as otherwise expressly provided herein, including Section 5.7(b), this Agreement may be amended, modified or waived only by the Company with the written consent of a Supermajority Interest; provided, however, that any amendment, modification or waiver that materially and adversely affects a Member disproportionately as compared to the other Member (based solely on the respective number of Units held by such Member as compared to the other Member) shall require the prior written consent of the Member

so adversely affected. Any such amendment, modification or waiver in accordance with this Section 13.2 shall be binding on all Members.

13.3 No Right of Partition. No Member shall have the right to seek or obtain partition by court decree or operation of law of any Company property or the right to own or use particular or individual assets of the Company.

13.4 Remedies. Subject to Sections 5.8 and 13.20, each Member shall have all rights and remedies set forth in this Agreement and all rights and remedies which such Person has been granted at any time under any other agreement or contract and all of the rights which such Person has under any Applicable Law. Any Person having any rights under any provision of this Agreement shall be entitled to enforce such rights specifically (without posting a bond or other security), to recover damages by reason of any breach of any provision of this Agreement and, subject to Sections 5.8 and 13.20, to exercise all other rights granted by Applicable Law.

13.5 Successors and Assigns. All covenants and agreements contained in this Agreement shall bind and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors, legal representatives and permitted assigns, whether so expressed or not.

13.6 Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under Applicable Law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any Applicable Law in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or the effectiveness or validity of any provision in any other jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

13.7 Counterparts. This Agreement may be executed simultaneously in two or more separate counterparts, any one of which need not contain the signatures of more than one party, but each of which will be an original and all of which together shall constitute one and the same agreement binding on all the parties hereto.

13.8 Applicable Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

13.9 Addresses and Notices. All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given or made when (i) delivered personally to the recipient, (ii) telecopied to the recipient with confirmation of delivery or delivered by other form of electronic transmittal customarily used for such communication that permits retention of an electronic copy of such notice and verification of receipt (in each case with hard copy sent to the recipient by reputable overnight courier service (charges prepaid) that same day) if telecopied or so delivered electronically before 5:00 p.m. New York, New York time on a Business Day, and otherwise on the next Business Day, or (iii) one Business Day after being sent to the recipient by

reputable overnight courier service (charges prepaid). Such notices, demands and other communications shall be sent to the address for such recipient set forth in the Company's books and records, or to such other address or to the attention of such other Person as the recipient party has specified by prior written notice to the sending party. Any notice to the Board of Managers or the Company shall be deemed given if received by the Board of Managers at the principal office of the Company designated pursuant to Section 2.5.

13.10 Creditors. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditors of the Company or any of its Affiliates, and no creditor who makes a loan to the Company or any of its Affiliates may have or acquire (except pursuant to the terms of a separate agreement executed by the Company in favor of such creditor) at any time as a result of making the loan any direct or indirect interest in Company profits, losses, Distributions, capital or property other than as a secured creditor.

13.11 Waiver. No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy upon a breach thereof shall constitute a waiver of any such breach or any other covenant, duty, agreement or condition.

13.12 Further Action. The parties agree to execute and deliver all documents, provide all information and take or refrain from taking such actions as may be necessary or appropriate to achieve the purposes of this Agreement.

13.13 Entire Agreement. This Agreement and those documents expressly referred to herein that have been entered into prior to or concurrently herewith embody the complete agreement and understanding among the parties with respect to the subject matter hereof, and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way. Notwithstanding the foregoing and for the avoidance of doubt, any actions taken by any Officer, the Board or the Members after the Effective Date under and/or with reference to the Fourth Amended and Restated LLC Agreement are hereby ratified and affirmed and are valid and in full force and effect as fully as if they had been made under and/or with reference to this Agreement.

13.14 Delivery Electronically. This Agreement, the agreements referred to herein, and each other agreement or instrument entered into in connection herewith or therewith or contemplated hereby or thereby, and any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine, an image in .pdf format transmitted via email, or other form of electronic transmission producing a facsimile of the signing party's signature, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine, email, or other form of electronic communication to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine, email, or other form of electronic communication as a defense to the formation or enforceability of a contract and each such party forever waives any such defense.

13.15 Survival. Sections 6.6, 12.2, 12.3, 13.9 and 13.20 shall survive and continue in full force in accordance with its terms notwithstanding any termination of this Agreement, the dissolution of the Company or any withdrawal or resignation of any Officer or other Covered Person.

13.16 Public Disclosures. The Company shall not, nor shall it permit any Subsidiary to, disclose any Member's name or identity as an investor in the Company or any Subsidiary in any press release or other public announcement or in any document or material filed with any Governmental Entity, without the prior written consent of such Person (which consent shall not be unreasonably withheld or delayed), unless such disclosure is required by Applicable Law or by order of a court of competent jurisdiction (a "Requisite Public Disclosure"), in which case prior to making such disclosure the Company shall use its reasonable best efforts (which may include the incurrence of reasonable expenses) to give written notice to such Person describing in reasonable detail the proposed content of such disclosure and to permit such Person a reasonable period of time given the circumstances and requirements of such Requisite Public Disclosure to review and comment upon the form and substance of such disclosure.

13.17 Reports.

(a) The Company shall use reasonable efforts to deliver or cause to be delivered to each Member the following:

(i) Within 25 days after the end of each calendar month, unaudited monthly consolidated balance sheets and statements of income for the Company and its Subsidiaries;

(ii) Within 25 days after the end of each of the first, second and third Fiscal Quarters of each Fiscal Year, an unaudited consolidated balance sheet, statement of operations and statement of cash flows of the Company and its Subsidiaries as of and for the applicable Fiscal Quarter;

(iii) Within 45 days after the end of each subsequent Fiscal Year, an audited consolidated balance sheet, statement of operations and statement of cash flows of the Company and its Subsidiaries as of and for such Fiscal Year, together with an annual report containing a statement of changes in such Member's equity and the Member's Capital Account balance for such Fiscal Year (if any);

(iv) Copies of all written materials (including copies of meeting minutes) given to Managers in connection with any meeting of the Board of Managers or any committee thereof, at the time any such materials are delivered to such Managers; and

(v) A copy of the Business Plan promptly upon its approval.

Reports delivered pursuant to this Section 13.17 may be delivered either in hard copy form or, in the Board of Manager's discretion, electronically; provided that any Member may, upon request, specify that such reports shall be delivered to it in hard copy form.

(b) The Company shall use reasonable best efforts to deliver or cause to be delivered:

(i) within 40 days after the end of each Fiscal Year, to each Person who was a Member at any time during such Fiscal Year, all information necessary for the preparation of such Person's United States federal and state income Tax returns; and

(ii) within 40 days after the end of each Fiscal Year, to each Person who was a Member at any time during such Fiscal Year (other than any Member entitled to receive such information pursuant to Section 13.17(a)(iii)) an annual report containing a statement of changes in such Member's equity and such Member's Capital Account balance for such Fiscal Year (if any).

(c) The Company will provide each Member with all information such Member may reasonably require in order to file Tax returns in jurisdictions other than the United States solely as a result of such Members' participation in the Company.

(d) The Company will use commercially reasonable efforts to inform the Members of the amount of Taxes paid, if any, by the Company, during any calendar year, to countries other than the United States that are attributable to income allocated to Members as a result of the Members' participation in the Company. The Company will use commercially reasonable efforts to provide such information to the Members within ten days of the date of any such payment.

13.18 Exclusive Jurisdiction. Subject to Section 13.20 and without waiving the same, each of the parties hereto hereby submits to the exclusive jurisdiction of any state court sitting in Houston, Texas, in any action arising out of or relating to this Agreement and agrees that all claims in respect of such action may be heard and determined in any such court. Each party hereto also agrees, subject to Section 13.20 and only to the extent expressly permitted herein, not to bring any action arising out of or relating to this Agreement in any other court. Each of the parties hereto waives any defense of inconvenient forum to the maintenance of any action so brought and waives any bond, surety, or other security that might be required of any other party with respect thereto.

13.19 Confidentiality.

(a) The provisions of this Agreement (including the exhibits and schedules hereto), any mediation or arbitration proceedings pursuant hereto (including any outcome thereof or awards related thereto) and all proprietary information pertaining to the Business, financial condition, strategies, plans, policies, inventions, trade secrets, Intellectual Property, computer programs, projections, pricing, or processes of the Company or provided or disclosed by the Company to a Member, or by one Member to another Member or by the Company or a Member to such Member's or the other Member's directors, officers, partners, employees, advisors or agents, shall be confidential, and shall not be disclosed or otherwise released to any other Person without the unanimous written consent of the Members; provided, however, that any Member may disclose any such information, on a "need to know" basis, to (i) the members, managers, directors, officers, partners, employees, counsel, auditors, consultants, lenders, liquidators, trustees, fiduciaries, insurance providers and brokers of such Member and its Affiliates, and to

credit rating agencies, (ii) its institutional financing sources and (iii) as required in order to file such Member's applicable Tax returns.

(b) The obligations of a Member under Section 13.19(a) shall not apply to confidential information (i) that is received by such Member from a Person who is not a Member or related to a Member and who has the right to give the information to such Member and who does not require that such Member keep such information confidential, (ii) that is or becomes public knowledge through no fault of such Member, (iii) the disclosure of which is required by Applicable Law or (iv) that a Member is required to disclose pursuant to the rules and regulations of the SEC; provided, that prior to disclosing confidential information pursuant to clause (iii) of this Section 13.19(b), such Member shall give timely notice to the Company and the other Member, which shall describe the information proposed to be disclosed and state the basis upon which such disclosing Member believes the information is required to be disclosed, all so that the Company may seek an appropriate protective order or other remedy and/or waive compliance with the provisions of this Agreement, and the Member will cooperate with the Company (at the Member's sole cost and expense) to obtain such protective order or other appropriate remedy. In the event that such protective order or other remedy is not obtained or the Company waives compliance with the relevant provisions of this Agreement, the Member will disclose only that portion of the above referenced information which, in the reasonable opinion of its legal counsel, is legally required to be disclosed and the Member will use its reasonable efforts to obtain assurances that confidential treatment will be accorded to such information.

(c) The covenants and undertakings contained in this Section 13.19 relate to matters which are of a special, unique and extraordinary character and a violation of any of the terms of this Section 13.19 will cause irreparable injury to the non-breaching Member, the amount of which will be impossible to estimate or determine and which cannot be adequately compensated. Accordingly, the remedy at law for any breach of this Section 13.19 will be inadequate. Therefore, the non-breaching Member will be entitled to entry of an injunction, a restraining order or other equitable relief from any court of competent jurisdiction in the event of any breach of this Section 13.19 without the necessity of proving actual damages or posting any bond whatsoever. The rights and remedies provided by this Section 13.19 are cumulative and in addition to any other rights and remedies which the non-breaching Member may have hereunder or at law or in equity.

(d) The obligations of the Members under this Section 13.19 shall (i) survive any withdrawal or resignation of a Member and (ii) terminate upon the termination of the Company in accordance with Section 2.6, except as to the Company's Intellectual Property, which shall continue indefinitely.

13.20 Arbitration; Dispute Resolution. Except (i) as specifically provided otherwise in Section 5.8, (ii) as necessary to enforce any arbitral award, or (iii) as necessary to secure injunctive relief with respect to the enforcement of Section 5.4(a), Section 9.1 and Section 13.19, any controversy or claim, whether based on contract, tort, statute or other legal or equitable theory (including any claim of fraud, misrepresentation or fraudulent inducement or any question of validity or effect of this Agreement including this Section 13.20) arising out of or related to this Agreement (excluding only the matters covered by Section 5.8(c)), or the breach or termination of this Agreement (any such controversy or claim, a "Dispute") will be resolved in accordance with the terms, conditions, rules and procedures set forth on Exhibit C attached

hereto. The Members acknowledge and agree that this Section 13.20 is intended to cover controversies and claims that could otherwise be resolved through litigation and is not intended as a dispute resolution for conflicts among the Members or Managers regarding decisions to approve or disapprove matters requiring such approval.

13.21 Waiver of Jury Trial. EACH OF THE PARTIES TO THIS AGREEMENT WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY DISPUTE OF ANY NATURE WHATSOEVER THAT MAY ARISE BETWEEN THEM, INCLUDING THOSE DISPUTES RELATING TO OR INVOLVING, IN ANY WAY THE CONSTRUCTION, PERFORMANCE OR BREACH OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN THE PARTIES, THE PROVISIONS OF ANY FEDERAL, STATE OR LOCAL LAW, REGULATION OR ORDINANCE NOTWITHSTANDING. By execution of this Agreement, each of the parties hereto acknowledges and agrees that such party has had an opportunity to consult with legal counsel and that such party knowingly and voluntarily waives any right to a trial by jury of any dispute pertaining to or relating in any way to the transactions contemplated by this Agreement, the provisions of any Applicable Law notwithstanding.

[*Signatures begin on the following page*]

IN WITNESS WHEREOF, the undersigned have executed or caused to be executed on their behalf this Agreement as of the Effective Date.

DIAMOND GREEN DIESEL HOLDINGS LLC

By: /s/ Eric D. Honeyman

Name: Eric D. Honeyman

Title: Chairman and President

MEMBERS:

DARLING GREEN ENERGY LLC

By: /s/ Carlos Paz
Name: Carlos Paz

Title: Executive Vice President

DIAMOND ALTERNATIVE ENERGY, LLC

By: /s/ Eric D. Honeyman

Name: Eric D. Honeyman

Title: Vice President

SCHEDULE A

Member	Number of Units Held	Unit Percentage
Darling Member Darling Green Energy LLC	10,509,386.32	50%
Valero Member Diamond Alternative Energy, LLC	10,509,386.32	50%

EXHIBIT A

AUTHORIZED SENIOR EXECUTIVE OFFICERS

Darling Member:

The then current Chief Executive Officer of Darling Ingredients Inc.

Valero Member:

The then current Chief Executive Officer of Valero Energy Corporation.

EXHIBIT B

EXPEDITED ARBITRATION PROCEDURES

1. **Rules**. Any dispute to which this Exhibit B applies will be conducted pursuant to the then current CPR Institute Rules for Non-Administered Arbitration of Business Disputes and this Exhibit B. In the event of a conflict between the CPR Rules and this Exhibit B, this Exhibit B will govern. The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. §§ 1-16, to the exclusion of any provision of Applicable Law inconsistent therewith or which would produce a different result, and judgment upon the award rendered by the arbitrator may be entered by any court having jurisdiction in accordance with Section 13.18 of this Agreement.

2. **Disputes**. If a dispute arises to which this Exhibit B applies, any Member may send an Arbitration Notice with respect thereto to the other applicable parties, with a copy thereof to the regional office of the CPR Institute covering Houston, Texas. The Arbitration Notice shall contain a brief description of the nature of the dispute, the name of an arbitrator proposed by the Member sending such Arbitration Notice, and any business, personal or other relationship or affiliation between such Member and the proposed arbitrator.

3. **Selection of Arbitrator**. If any party receiving the Arbitration Notice objects for any reason to the arbitrator proposed therein, such party may, on or before the fifth Business Day following delivery of the Arbitration Notice, notify the sending Member of such objection. The parties shall attempt to agree upon a mutually acceptable arbitrator, but for each arbitrator nominated, each party shall promptly disclose to the other any business, personal or other relationship or affiliation that may exist between such party and such proposed arbitrator. If they are unable to mutually agree on an arbitrator within five Business Days following delivery of such notice of objection, either party may request the regional office of the CPR Institute covering Houston, Texas to promptly designate the arbitrator. If the regional office of the CPR Institute covering Houston, Texas has not designated an arbitrator within ten Business Days following delivery of a request from either party, either disputing party may request in writing the judge of the United States District Court for the Southern District of Texas senior in term of service to promptly appoint an arbitrator. If the arbitrator so chosen shall die, resign or otherwise fail or becomes unable to serve as arbitrator, a replacement arbitrator shall be chosen in accordance with this Exhibit B. The arbitrator shall be qualified by his or her education, experience and training to resolve the disputed matters. The arbitrator may not be a current or former employee of either disputing party or any Affiliate thereof or otherwise have a stake in the outcome of the dispute.

4. **Conduct of Arbitration**. Any arbitration hearing shall be held in Houston, Texas. The arbitrator shall fix a reasonable time and place for the hearing and shall determine the matters submitted to it pursuant to the provisions of this Agreement in a timely manner; provided, however, if the arbitrator shall fail to conclude the hearing to determine the issue in dispute within 30 Business Days after the selection of the arbitrator, then either party shall have the right to require a new arbitrator to be selected pursuant to this Exhibit B unless such party's action shall have substantially contributed to the delay.

5. Except as expressly provided to the contrary in this Agreement, the arbitrator shall have the reasonable and necessary power (i) to gather such materials, information, testimony and

evidence as it deems relevant to the dispute before it (and each party will provide such materials, information, testimony and evidence reasonably requested by the Arbitrator, except to the extent any information so requested is subject to an attorney-client or other statutory or legally-recognized privilege), (ii) to issue or cause to be issued subpoenas (but, the arbitrator will only be entitled to issue a subpoena directed to a third party to the extent material and relevant to a determination of a dispute under Section 13.20 of this Agreement for the attendance of witnesses and for the production of books, records, documents and other evidence, (iii) to establish the limits and timing of any discovery between the parties in question on a reasonable, expedited basis (e.g., the number of interrogatories and requests for admission to be answered, the number and duration of any depositions to be taken, the type and number of documents to be produced or disclosed, etc.), and (iv) to administer oaths. Subpoenas so issued shall be served, and upon application to the court by a party or the arbitrator, enforced, in the manner provided by Applicable Law for the service and enforcement of subpoenas in a civil action.

6. The parties may also retain, with the consent of the arbitrator, one or more experts to assist the arbitrator. Each party may also retain one or more experts. Each party shall identify and produce a report from any experts from whom it will produce testimony and/or evidence at the arbitration hearing at least ten Business Days prior to the commencement of the hearing. Rebuttal experts shall be named at least ten Business Days prior to the commencement of the hearing.

7. At least ten Business Days prior to the commencement of the hearing, the parties shall exchange witness lists containing the names, addresses and phone numbers of the witnesses the party expects to call. Except for good cause, only those individuals who appear on a witness list may be called as a witness.

8. The parties shall exchange copies of exhibits and designated deposition testimony at least five Business Days prior to the commencement of the hearing.

9. The arbitrator shall render a written decision within five Business Days of the conclusion of the hearing. The arbitrator shall have jurisdiction and authority to interpret and apply the provisions of this Agreement only insofar as shall be necessary in the determination of the dispute, but the arbitrator shall not have jurisdiction or authority to add to or alter in any way the provisions of this Agreement. The arbitrator's decision shall govern and shall be final, nonappealable (except to the extent provided in the Federal Arbitration Act) and binding on the parties hereto pursuant to the United States Arbitration Act and the arbitrator's written decision may be entered in any court having appropriate jurisdiction. THE ARBITRATOR AND ANY COURT ENFORCING THE AWARD OF THE ARBITRATOR SHALL NOT HAVE THE RIGHT OR AUTHORITY TO AWARD CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES TO EITHER DISPUTING PARTY EXCEPT TO THE EXTENT SUCH DAMAGES CONSTITUTE REIMBURSEMENT OF AMOUNTS DUE BY ONE DISPUTING PARTY TO THE OTHER AS A RESULT OF THE FORMER'S INDEMNIFICATION OBLIGATIONS UNDER THE PROVISIONS OF THIS AGREEMENT.

10. The responsibility for paying the costs and expenses of the arbitration, including compensation to the arbitrator, shall be allocated among the parties in a manner determined by

the arbitrator to be fair and reasonable under the circumstances. Each party shall be responsible for the fees and expenses of its respective counsel, consultants and witnesses, unless the arbitrator determines that compelling reasons exist for allocating all or a portion of such costs and expenses otherwise.

EXHIBIT C

DISPUTE RESOLUTION

1. **Applicability**. Any dispute to which this Exhibit C applies shall be settled by arbitration in accordance with the then current CPR Institute Rules for Non-Administered Arbitration of Business Disputes and this Exhibit C. In the event of a conflict between the CPR Rules and this Exhibit C, this Exhibit C will govern. The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. §§ 1-16, to the exclusion of any provision of Applicable Law inconsistent therewith or which would produce a different result, and judgment upon the award rendered by the arbitrator may be entered by any court having jurisdiction.

2. **Disputes**. If a dispute arises to which this Exhibit C applies, any Member may send an Arbitration Notice with respect thereto to the other applicable parties, with a copy thereof to the regional office of the CPR Institute covering Houston, Texas. The Arbitration Notice shall contain a brief description of the nature of the dispute and the name of the arbitrator appointed by the Member sending such Arbitration Notice.

3. **Selection of Arbitrator**.

(A) Within five days after delivery of the Arbitration Notice, the other Member shall appoint an arbitrator in writing to the other parties, with a copy thereof to the regional office of the CPR Institute covering Houston, Texas. The two arbitrators so appointed shall, within five days after the second of them has been appointed, appoint a third arbitrator and such arbitrators shall constitute the arbitrator panel (the "Arbitrator Panel"). If the two arbitrators initially appointed are unable to agree on the third arbitrator within such five-day period, either disputing party may request the regional office of the CPR Institute covering Houston, Texas to designate the third arbitrator. If the regional office of the CPR Institute covering Houston, Texas has not designated an arbitrator within ten Business Days following delivery of a request from either party, either disputing party may request in writing the judge of the United States District Court for the Southern District of Texas senior in term of service to appoint the third arbitrator. If the disputing party receiving the Arbitration Notice fails to appoint an arbitrator as set forth above, the arbitrator appointed by the other Member shall be deemed to constitute the Arbitrator Panel. If any arbitrator so chosen shall die, resign or otherwise fail or becomes unable to serve as an arbitrator, the party that appointed such arbitrator shall appoint a replacement arbitrator within five days after receiving notice of such arbitrator's death, resignation or inability to serve.

(B) Each arbitrator shall be qualified by his or her education, experience and training to resolve the disputed matters. None of the arbitrators may be a current or former employee of either disputing party or any Affiliate thereof or otherwise have a stake in the outcome of the Dispute.

4. Conduct of Arbitration.

(A) Any arbitration hearing shall be held in Houston, Texas. The Arbitrator Panel shall fix a reasonable time and place for the hearing and shall determine the matters submitted to it pursuant to the provisions of this Agreement in a timely manner; provided, however, if the Arbitrator Panel shall fail to conclude the hearing to determine the issue in dispute within six months after the selection of the Arbitrator Panel, then either disputing party shall have the right to require a new Arbitrator Panel to be selected pursuant to this Exhibit C unless such party's action shall have substantially contributed to the delay.

(B) Except as expressly provided to the contrary in this Agreement, the Arbitrator Panel shall have the reasonable and necessary power (i) to gather such materials, information, testimony and evidence as it deems relevant to the dispute before it (and each party will provide such materials, information, testimony and evidence reasonably requested by the Arbitrator Panel, except to the extent any information so requested is subject to an attorney-client or other statutory or legally-recognized privilege), (ii) to grant injunctive relief and enforce specific performance, (iii) to issue or cause to be issued subpoenas (including subpoenas directed to third parties) for the attendance of witnesses and for the production of books, records, documents and other evidence, and (iv) to administer oaths. Subpoenas so issued shall be served, and upon application to the court by a party or the Arbitrator Panel, enforced, in the manner provided by Applicable Law for the service and enforcement of subpoenas in a civil action.

(C) In advance of the arbitration hearing, the disputing parties may conduct discovery in accordance with the Federal Rules of Civil Procedure. Such discovery may include, but is not limited to: (i) the taking of oral and videotaped depositions and depositions on written questions; (ii) serving interrogatories, document requests and requests for admission; and (iii) any other form and/or method of discovery provided for under the Federal Rules of Civil Procedure. The Arbitrator Panel shall, if requested by a party, order the other disputing party to produce other relevant documents, to answer up to twenty-five interrogatories (including subparts), to respond to up to twenty-five requests for admissions (which shall be deemed admitted if not denied) and to produce for deposition and, if requested, at the hearing all witnesses that such party has listed and up to four other persons within such party's control. Any additional discovery of a disputing party shall only occur by agreement of the parties or as ordered by the Arbitrator Panel upon a finding of good cause. Any objections and/or responses to such discovery shall be due on or before 15 Business Days after service. The disputing parties shall attempt in good faith to resolve any discovery disputes that may arise. If the disputing parties are unable to resolve any such disputes, the disputing parties may present their objections to the Arbitrator Panel who shall resolve the objections in accordance with the Federal Rules of Civil Procedure. The Arbitrator Panel may, if requested by a party, order that a trade secret or other

confidential research, development or commercial information not be revealed or be revealed only in a designated way. All discovery shall be completed at least 15 Business Days prior to the hearing commencement date.

(D) The disputing parties may also retain, with the consent of the Arbitrator Panel, one or more experts to assist the Arbitrator Panel in resolving the Dispute. The disputing parties may also retain one or more experts for their own account and at their sole respective cost. The disputing parties shall identify and produce a report from any experts who will give testimony and/or evidence at the arbitration hearing at least 60 days prior to the commencement of the hearing. Rebuttal experts shall be named at least 45 days prior to the commencement of the hearing. Any testifying experts identified shall be made available for deposition in advance of any arbitration hearing.

(E) At least 45 days prior to the commencement of the hearing, the parties shall exchange witness lists containing the names, addresses and phone numbers of the witnesses the party expects to call. Except for good cause, only those individuals who appear on a witness list may be called as a witness.

(F) The disputing parties shall exchange copies of exhibits and designated deposition testimony at least seven Business Days prior to the commencement of the hearing.

(G) The Arbitrator Panel shall render a written decision within 15 Business Days of the conclusion of the hearing. The Arbitrator Panel shall have jurisdiction and authority to interpret and apply the provisions of this Agreement only insofar as shall be necessary in the determination of the matter in dispute, but the Arbitrator Panel shall not have jurisdiction or authority to add to or alter in any way the provisions of this Agreement. The Arbitrator Panel's decision shall govern and shall be final, nonappealable (except to the extent provided in the Federal Arbitration Act) and binding on the disputing parties hereto pursuant to the United States Arbitration Act and the Arbitrator Panel's written decision may be entered in any court having appropriate jurisdiction. THE ARBITRATOR PANEL AND ANY COURT ENFORCING THE AWARD OF THE ARBITRATOR PANEL SHALL NOT HAVE THE RIGHT OR AUTHORITY TO AWARD CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES TO EITHER DISPUTING PARTY EXCEPT TO THE EXTENT SUCH DAMAGES CONSTITUTE REIMBURSEMENT OF AMOUNTS DUE BY ONE DISPUTING PARTY TO THE OTHER AS A RESULT OF THE FORMER'S INDEMNIFICATION OBLIGATIONS UNDER THE PROVISIONS OF THIS AGREEMENT.

(H) The responsibility for paying the costs and expenses of the arbitration, including compensation to the Arbitrator Panel, shall be allocated among the disputing parties in a manner determined by the Arbitrator Panel to be fair and reasonable under the circumstances. Each disputing party shall be

responsible for the fees and expenses of its respective counsel, consultants and witnesses, unless the Arbitrator Panel determines that compelling reasons exist for allocating all or a portion of such costs and expenses otherwise.

Exhibit 19.1

DARLING INGREDIENTS INC. INSIDER TRADING POLICY

The Darling Ingredients Inc. (the "***Company***") Insider Trading Policy ("***Policy***") is designed to prevent trading of securities when you are aware of material nonpublic information. Trading while aware of material nonpublic information is a crime. Penalties for insider trading can include significant fines, monetary damages and imprisonment. In the United States, the Securities and Exchange Commission and the Department of Justice oversee these matters. They dedicate significant resources and use sophisticated electronic surveillance techniques to identify illegal trading activities. In addition, Company employees are subject to discipline up to and including termination of employment for cause for violations of this Policy. The Company is also required to comply with applicable securities laws and stock exchange listing standards when it trades the Company's securities.

1. Persons Subject to this Policy

This Policy applies to directors and employees of the Company and its subsidiaries (all such persons hereinafter may be referred to as "***you***"). This Policy also applies to people who live with you, people who are financially dependent on you, and people or entities whose transactions in securities are directed by you or are subject to your influence or control, such as business entities, trusts, partnerships and foundations (collectively, "***Covered Persons***").

You and your Covered Persons are prohibited from (i) trading the Company's securities while in possession of material nonpublic information about the Company; (ii) giving "tips" based on material nonpublic information about the Company to any other person so that the other person may trade Company securities; and (iii) trading in the securities of another company at any time when in possession of material nonpublic information about such company. Material nonpublic information about another company may be learned via a business relationship, such as a customer relationship or joint venture relationship involving the Company, or could include the Company's plan for a major transaction with another company (such as an acquisition).

2. Trading Activities Subject to this Policy.

Trading activities subject to this Policy include sales, purchases and gifts of Company securities. Company securities include its common stock, stock options, preferred stock, bonds and other debt securities, convertible debentures, warrants and any other types of securities that the Company may issue, as well as derivative securities not issued by the Company such as exchange-traded put or call options or swaps relating to Company securities.

3. Definitions of "Material" and "Nonpublic" Information

It is difficult to describe exhaustively what constitutes "***Material***" information, but you should assume that any information, positive or negative, which might be of significance to an investor, as part of the total mix of available information, in determining whether to purchase,

sell or hold Company securities is material. Information may be significant for this purpose even if it would not alone determine the investor's decision. Examples include:

- the Company's financial results
- internal projections that differ substantially from external expectations about the Company's financial results
- changes in the Company's sales, earnings or dividends
- important financing transactions
- stock splits or other transactions relating to Company securities
- significant proposed or pending acquisitions, mergers, dispositions, or tender offers
- major purchases or sales of assets
- major management changes
- sales or purchases by the Company of its own securities (other than pursuant to publicly announced plans or programs)
- major litigation or regulatory developments
- major transactions with other companies or entities, such as joint ventures or licensing agreements
- the extent to which external events, including but not limited to pandemics, have had or will have a material impact on the Company's operating results
- major cybersecurity incidents

Note that this list is merely illustrative and not exhaustive.

"***Nonpublic***" information is any information that has not yet been disclosed generally to the market. General disclosures to the market could include disclosures within a report filed with the U.S. Securities and Exchange Commission, issuance of a press release, or announcement of the information in *The Wall Street Journal* or other similar news publication. Further, following such general disclosure to the market, at least one full Trading Day must elapse before you are permitted to trade Company securities. For this Policy, a "***Trading Day***" shall mean any day on which the New York Stock Exchange is open for trading. For example, if the Company issues a press release containing material information at 6:00 p.m. on a Tuesday, and the New York Stock Exchange is open for trading on Wednesday, persons subject to this Policy are not permitted to trade Company securities until Thursday. If the Company issues a press release containing material information at 6:00 a.m. (before the market is open for the day) on a Friday, and the New York Stock Exchange is open for trading on Friday, persons subject to this Policy are not permitted to trade Company securities until Monday.

4. Pre-clearance; Blackout Periods

The Company's directors and Designated Employees (please reference the attached **Exhibit A** for job titles subject to this requirement) and their respective Covered Persons must first obtain pre-clearance from the Company's Treasurer or General Counsel before engaging in any transaction in securities of the Company. A request for pre-clearance should be submitted to the Treasurer and General Counsel at least 48 hours in advance of the proposed transaction. If a proposed transaction receives pre-clearance, the pre-cleared trade must be made within five (5) business days of receipt of pre-clearance. If you become aware of material nonpublic

information before the trade is executed, the pre-clearance is void and the trade must not be completed. If your request for pre-clearance is denied, you are prohibited from trading the Company's securities and must not disclose the restriction to others.

From time to time, the Company may impose event-specific special blackout periods during which some or all directors and employees are prohibited from trading Company securities. If you request pre-clearance and are notified that you are subject to special blackout period, you are not permitted to trade Company securities and you may not communicate such restriction to any other person who is not also subject to the special blackout period.

5. Trading Windows; Reporting Trades

This Section 5 is limited to the Company's directors, executive officers who are subject to Section 16 under the Securities Exchange Act of 1934 ("***Executive Officers***"), employees who are exposed to material nonpublic information (such as global financial results prior to public disclosure), and their respective Covered Persons. Such persons are typically Designated Employees and require pre-clearance as provided in Section 4 above, but are also subject to trading restrictions in that they may only trade Company securities during an open trading window ("***Trading Window***"). The Company's Trading Window opens after one full Trading Day following the Company's release of quarterly results and closes at the end of the Trading Day on the first Friday in the third calendar month of the fiscal quarter in which such quarterly results were released. Further, for the avoidance of doubt, persons subject to this Section 5 may not trade Company securities—even during an open Trading Window—if such person is subject to a special blackout or possesses material nonpublic information that has not been publicly disclosed for at least one full Trading Day.

All directors and Executive Officers are required to submit to the Company's Treasurer and General Counsel a copy of any trade order or confirmation relating to any trade of Company securities within one business day of the trade. This information is required for reporting to the
U.S. Securities and Exchange Commission under Section 16 of the Securities Act of 1934. **Your adherence to this requirement is vital to ensure legally required reporting.**

6. Permitted Transactions

The transactions described in this Section 6 are not subject to certain restrictions in this Policy, as further detailed in each subpart.

A. Rule 10b5-1 Trading Plans

The trading restrictions set forth in this Policy do not apply to any trades made pursuant to properly qualified and adopted Rule 10b5-1 trading plans. Rule 10b5-1 under the Securities Exchange Act of 1934 provides an affirmative defense against a claim of insider trading. Employees and directors may make trades pursuant to a Rule 10b5-1 plan provided that such plan meets the requirements of Rule 10b5-1 and this Policy, as detailed in **Exhibit B**. Trades made pursuant to Rule 10b5-1 plans by directors and Executive Officers must be reported to the Company's Treasurer and General Counsel within one business day for reporting to the U.S.

Securities and Exchange Commission under Section 16 of the Securities Act of 1934, as detailed in the second paragraph of Section 5 above.

B. Exercise of Stock Options

You may exercise Company-granted stock options at any time. If you exercise such stock options outside of a Trading Window (if applicable to you), during a special blackout period (if applicable to you) or while you are aware of material nonpublic information about the Company (each, a "***Restricted Period***"), you may forfeit option shares to cover the exercise price and associated taxes (if you do not pay cash to cover), but are not permitted to sell any Company securities received in the option exercise. Further, you are not permitted to engage in broker-assisted cashless exercises of stock options during any applicable Restricted Period, because such exercises, with broker involvement, would include sales of Company securities that are prohibited during the Restricted Period.

C. Long-Term Incentive Plan Vesting

If a Company-granted stock award vests during an applicable Restricted Period, you are permitted to forfeit shares received in the grant to pay for the income taxes associated with the vesting, but are not permitted to sell any shares received in the grant due to the Restricted Period.

7. Prohibited Transactions

A. Hedging, Short-Selling and Other Such Transactions

You and your Covered Persons may not purchase financial instruments (including puts, calls, prepaid variable forward contracts, equity swaps, collars, and exchange funds), or otherwise engage in transactions that hedge or offset, or are designed to hedge or offset, any change in the market value of the Company's securities. Also, you and your Covered Persons may not sell "short" Company securities. These types of transactions or bets on price movements in the Company's securities can result in the perception that you no longer have the same interests as the Company's other stockholders and therefore are prohibited.

B. Margin Accounts and Pledging

You and your Covered Persons may not hold Company securities in a margin account or pledge Company securities as collateral for a loan. Securities held in a margin account or pledged as collateral for a loan may be sold without your consent by the broker if you fail to meet a margin call or by the lender in foreclosure if you default on the loan. A margin or foreclosure sale that occurs when you are aware of material nonpublic information may, under some circumstances, result in unlawful insider trading.

8. Duration of Policy's Applicability

If your employment or directorship with the Company ends at a time when you have material nonpublic information about the Company or other public companies engaged in business transactions with the Company, you and your Covered Persons may not trade Company

securities or the securities of such other public companies until the information has been publicly disclosed for one Trading Day or is no longer material. In addition, when your employment or directorship with the Company ends, if you are subject to a special blackout period, you and your Covered Persons may not trade Company securities until the special blackout period ends. For the avoidance of doubt, unless any of the foregoing apply, after your employment or directorship ends, you and your Covered Persons are no longer subject to the requirements of this Policy, including with respect to pre-clearance, Trading Windows and special blackout periods.

9. Modification

This Policy is subject to modification from time to time as the Company's Board of Directors deems necessary or advisable.

10. Annual Compliance Notification

You will receive annual reminders of this Policy and your compliance obligation.

* * *

THESE ARE VERY SERIOUS MATTERS. INSIDER TRADING IS ILLEGAL AND CAN RESULT IN JAIL SENTENCES AS WELL AS CIVIL PENALTIES, INCLUDING TREBLE DAMAGES. EMPLOYEES WHO VIOLATE THIS POLICY MAY BE SUBJECT TO DISCIPLINARY ACTION BY THE COMPANY, INCLUDING DISMISSAL FOR CAUSE. IF YOU HAVE ANY QUESTION OR DOUBT ABOUT THE APPLICABILITY OR INTERPRETATION OF THIS POLICY OR THE PROPRIETY OF ANY DESIRED ACTION, PLEASE SEEK CLARIFICATION FROM OUR TREASURER OR GENERAL COUNSEL. DO NOT TRY TO RESOLVE UNCERTAINTIES ON YOUR OWN.

Exhibit A Designated Employees

Employees holding any of the following titles shall be considered "***Designated Employees***" for purposes of the Darling Ingredients Inc. Insider Trading Policy and are therefore subject to the pre-clearance requirement contained therein:

Chief Executive Officer President
Chief Financial Officer Chief Operating Officer Chief
Administrative Officer Chief Accounting Officer Executive
Vice President Senior Vice President
Vice President
Director (for purposes of this Exhibit A, refers to an internal employee title, not membership on the Board of Directors)
Controller
Assistant Controller
Any other Executive Officer not designated above (designated as an "officer" pursuant to Rule 16 of the Securities Exchange Act of 1934)
Any other employee who receives notification that such employee is a Designated Employee

Exhibit B

Guidelines for Rule 10b5-1 Trading Plans

Capitalized terms not defined herein have the meanings ascribed to them in the Darling Ingredients Inc. Insider Trading Policy

To be effective, a Rule 10b5-1 trading plan must:

1. Include representations certifying that (a) you are not aware of material nonpublic information at the time of adoption and (b) you are entering into the plan in good faith, and not as part of a plan or scheme to shield trades that would otherwise be considered violations of insider trading laws;

2. Specify the beginning and end dates for the Rule 10b5-1 trading plan;

3. Specify either (a) the amount and price of the Company securities to be purchased or sold and the dates for such purchases or sales or (b) a formula that determines the amount and price of the Company securities to be purchased or sold and the dates for such purchases or sales;

4. Be established only during an open Trading Window and when you are not otherwise subject to a special blackout period;

5. Be reviewed and approved by the Treasurer or General Counsel before the Rule 10b5-1 trading plan is put in place;

6. Be put in place only at a broker acceptable to the Treasurer or General Counsel;

7. If modified, meet all requirements of a newly adopted plan, as if adopted on the date of modification;

8. If terminated before the end of its term and a new plan is put into place, meet all requirements of a newly adopted plan;

9. If terminated, notify the Treasurer and General Counsel within one business day;

10. Comply (new plans and modifications to existing plans) with the following "cooling-off" periods:

    a. For the Company's directors and Executive Officers, provide that no trade under a Rule 10b5-1 trading plan may occur until the later of (i) the 91st day after the adoption of the plan or (ii) the third business day after the filing date of the Company's Form 10-Q (or Form 10-K for any plan executed during the fourth fiscal quarter) for the fiscal quarter in which the plan was adopted, up to a maximum of 120 days after adoption of the plan; or

b. For other insiders, provide that no trade may occur until the 31st day after the adoption of the Rule 10b5-1 trading plan;

11. Be the sole outstanding Rule 10b5-1 trading plan for such insider; and

12. Be, if such Rule 10b5-1 trading plan is a single-trade plan, the sole single-trade plan within any consecutive 12-month period.

Additionally, the Company requires that you act in good faith with respect to the Rule 10b5-1 plan for the entire duration of the plan.

Exhibit 21

Darling Ingredients Inc.

List of Significant Subsidiaries of the Registrant

The following are the significant subsidiaries of Darling Ingredients Inc. and the relevant jurisdiction in which they are organized.

Name	Where Organized
Craig Protein Division, Inc.	Georgia
CTH US Inc.	Delaware
Darling Global Holdings Inc.	Delaware
Darling Green Energy LLC	Delaware
Darling National LLC	Delaware
DarPro Storage Solutions LLC	Delaware
Enviroflight, LLC	Delaware
EV Acquisition LLC	Arkansas
Gelnex Inc.	New York
Griffin Industries LLC	Kentucky
Rousselot Dubuque Inc.	Delaware
Rousselot Inc.	Delaware
Rousselot Peabody Inc.	Massachusetts
Sonac USA LLC	Delaware
Valley Proteins LLC	Virginia
Valley Proteins (DE), LLC	Delaware
AEM Federhen Partipações Ltda.	Brazil
Agroindustrial São Francisco Ltda.	Brazil
Aquiraz Industria e Comercio de Gorduras e Proteínas Ltda.	Brazil
Araguaia Indústria de Óleos e Proteinas Ltda.	Brazil
B.V. CTH Groep	The Netherlands
Base Indústria e Comércio de Óleos e Proteínas Ltda.	Brazil
Best Commodity Trade B.V.	The Netherlands
Céu de Minas Nutrição Animal Ltda.	Brazil
Changchun Sonac Biotechnology Co. Ltd	China
China Millers Ltd	United Kingdom
Cordeiro Indústria e Comércio de Farinha e Gordura Animal Ltda	Brazil
CTH B.V.	The Netherlands
CTH België BV	Belgium
CTH France SAS	France
CTH GmbH	Germany
CTH Hunan Co., Ltd	China
CTH Porto - Industria Alimentar Unipessoal Lda	Portugal
Darling Global Finance B.V.	The Netherlands

Darling Ingredients Belgium Holding BV	Belgium
Darling Ingredients Belgium R&S Holding BV	Belgium
Darling Ingredients Germany Holding GmbH	Germany
Darling Ingredients International Holding B.V.	The Netherlands
Darling Ingredients International Rendering and Specialties B.V.	The Netherlands
Darling Ingredients Nederland B.V.	The Netherlands
Darling Ingredients Nederland Holding B.V.	The Netherlands
Darling International Canada Inc.	Canada
Darling International Netherlands B.V.	The Netherlands
Darling International NL Holdings B.V.	The Netherlands
Darling (Shanghai) Management Co. Ltd	China
De Jong Sint Nicolaasga BV	The Netherlands
Dynergy BV	Belgium
Ecoson B.V.	The Netherlands
Ecoson Brzeg Dolny Sp. Z.o.o.	Poland
Ecoson Burgum BV	The Netherlands
Ecoson Energy BV	Belgium
Ecoson Energy Materials & Treatment BV	Belgium
Ecoson Materials BV	Belgium
Ecoson Nutrients BV	Belgium
Ecoson Recycling BV	Belgium
Ecoson Świdnica Sp. Z.o.o.	Poland
Farfri Indústria e Comércio Ltda.	Brazil
Faros Indústria de Farinha de Ossos Ltda.	Brazil
Faros Transporte e Comercio Ltda	Brazil
FASA América Latina Participações Societárias Ltda.	Brazil
FASA Carambeí Indústria de Óleos e Proteínas Ltda.	Brazil
FASA Comercial Exportadora Ltda.	Brazil
FASA RS Participações Ltda.	Brazil
FASAHO Holding Ltda.	Brazil
FASALA LA.AM Participações Ltda.	Brazil
FRR Participações Societárias Ltda. (90.48%)	Brazil
Gel Holdings II B.V.	The Netherlands
Gelnex Industria e Comercio Ltda.	Brazil
Gelnex Industria Y Comercio S.A.	Paraguay
Gelnex, S.A. de C.V.	Mexico
Global Ceramic Materials Ltd	United Kingdom
GREENTRADE Sp. Z.o.o.	Poland
Harimex do Brazil Ltda	Brazil
Haripro SpA (50%)	Italy
Hepac B.V.	The Netherlands
HR-Service Nederland B.V.	The Netherlands
Hunan Teijsen Casings & Food Co. Ltd	China
IT Services B.V.	The Netherlands

LARU GmbH	Germany
Macherio Sp. Z.o.o.	Poland
Miropasz Sp. Z.o.o	Poland
Olense Kippeverwerking BV	Belgium
Ossotuba Ind. E Comércio de Óleos e Proteínas Ltda.	Brazil
Petfar Indústria de Proteína Animal Ltda.	Brazil
Pomarolo Sp. Z.o.o.	Poland
Qionglai Sonac Biotechnology Co. Ltd	China
Rendac BV	Belgium
Rendac CES SA	Luxemburg
Rendac Icker GmbH & Co. KG	Germany
Rendac Jagel GmbH	Germany
Rendac Rotenburg GmbH	Germany
Rendac Son B.V.	The Netherlands
Rendac Transport BV	Belgium
Rendac UDES BV	Belgium
Rendac Udes Transport BV	Belgium
Revada BV	Belgium
Rio Verde Indústria de Gorduras e Proteínas Ltda.	Brazil
Rousselot (Da'an) Gelatin Co. Ltd (75%)	China
Rousselot (Guangdong) Gelatin Co. Ltd (75%)	China
Rousselot (M) SDN.BHD	Malaysia
Rousselot (Whenzou) Gelatin Co. Ltd (70%)	China
Rousselot Angouleme SAS	France
Rousselot Argentina SA	Argentina
Rousselot B.V.	The Netherlands
Rousselot BV	Belgium
Rousselot Gelatin SL	Spain
Rousselot Gelatinas do Brasil Ltda	Brazil
Rousselot GmbH	Germany
Rousselot Isle sur La Sorgue SAS	France
Rousselot Japan KK	Japan
Rousselot SAS	France
RR Marinho Participações Ltda. (50%)	Brazil
Santa Rita Indústria de Óleos e Proteínas Ltda.	Brazil
São Domingos Indústria de Óleos e Proteínas S/A	Brazil
Senha Farinha e Óleo Ltda.	Brazil
Siping Sonac Biotechnology Co. Ltd	China
Sobel Luxembourg Sarl	Luxemburg
Sonac (China) Biology Co. Ltd	China
Sonac (Guangdong) Biotechnology Co. Ltd	China
Sonac (Luohe) Biotechnology Co. Ltd	China
Sonac Almere BV	The Netherlands
Sonac Australia PTY, Ltd	Australia

Sonac Bad Bramstedt GmbH	Germany
Sonac België BV	Belgium
Sonac Brünen GmbH	Germany
Sonac Burgum B.V.	The Netherlands
Sonac Eindhoven B.V.	The Netherlands
Sonac Elsholz GmbH	Germany
Sonac Erolzheim GmbH	Germany
Sonac Functional Products B.V.	The Netherlands
Sonac Gent BV	Belgium
Sonac Harlingen B.V.	The Netherlands
Sonac Kiel GmbH	Germany
Sonac Lingen GmbH	Germany
Sonac Loenen B.V.	The Netherlands
Sonac Lubien Kujawski spolka z ograniczona odpowiedzialnoscia (sp.z.o.o.)	Poland
Sonac Mering GmbH	Germany
Sonac Osetnica Sp.z o.o.	Poland
Sonac Son B.V.	The Netherlands
Sonac Usnice Sp.z o.o.	Poland
Sonac Versmold GmbH	Germany
Sonac Vuren B.V.	The Netherlands
Thor Maquinas e Montagens Ltda.	Brazil
Treuhand SNP Icker GmbH	Germany
Triperia CTH Espana SL	Spain
Valley Proteins Asia Pte Ltd.	Singapore
Vital Administradora de Imoveis Ltda.	Brazil
Zafe Alimentos Ltda	Brazil
Zhejiang Sonac Biotechnology Co. Ltd	China

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (Nos. 333-125875, 333-181786, 33-99866, 33-99868, 333-217802) on Form S-8 of our reports dated March 3, 2026, with respect to the consolidated financial statements of Darling Ingredients Inc. and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

Dallas, Texas
March 3, 2026

Exhibit 23.2

Consent of Independent Auditors

We consent to the incorporation by reference in the registration statements (Nos. 333-125875, 333-181786, 33-99866, 33-99868, and 333-217802) on Form S-8 of Darling Ingredients Inc. of our report dated February 9, 2026, with respect to the consolidated financial statements of Diamond Green Diesel Holdings LLC, which report appears in the Form 10-K of Darling Ingredients Inc. dated March 3, 2026.

/s/ KPMG LLP

San Antonio, Texas
March 3, 2026

EXHIBIT 31.1

CERTIFICATION

I, Randall C. Stuewe, certify that:

1. I have reviewed this annual report on Form 10-K of Darling Ingredients Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 3, 2026

/s/ Randall C. Stuewe

Randall C. Stuewe
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Robert W. Day, certify that:

1. I have reviewed this annual report on Form 10-K of Darling Ingredients Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 3, 2026

/s/ Robert W. Day

Robert W. Day
Chief Financial Officer

EXHIBIT 32

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Darling Ingredients Inc. (the "Company") on Form 10-K for the period ending January 3, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Randall C. Stuewe, Chief Executive Officer of the Company, and Robert W. Day, Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002 (the "Act"), that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certification is being furnished solely for purposes of compliance with the Act.

/s/ Randall C. Stuewe
Randall C. Stuewe
Chief Executive Officer
Date: March 3, 2026

/s/ Robert W. Day
Robert W. Day
Chief Financial Officer
Date: March 3, 2026

Exhibit 99.1

DIAMOND GREEN DIESEL HOLDINGS LLC AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

Independent Auditors' Report

Board of Managers
Diamond Green Diesel Holdings LLC:

Opinion

We have audited the consolidated financial statements of Diamond Green Diesel Holdings LLC and its subsidiary (the Company), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of income, comprehensive income, members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

/s/ KPMG LLP

San Antonio, Texas
February 9, 2026

DIAMOND GREEN DIESEL HOLDINGS LLC AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
(thousands of dollars)

	December 31,	
	2025	**2024**
ASSETS		
Current assets:		
Cash	$ 195,765	$ 353,446
Receivables, net	276,279	311,573
Receivables – due from related party	89,752	154,081
Inventories	731,014	650,475
Prepaid expenses and other	102,149	21,692
Total current assets	1,394,959	1,491,267
Property, plant, and equipment, at cost	4,594,225	4,556,960
Accumulated depreciation	(891,971)	(688,017)
Property, plant, and equipment, net	3,702,254	3,868,943
Deferred charges and other assets, net	139,765	100,307
Total assets	$ 5,236,978	$ 5,460,517
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities:		
Current portion of debt and finance lease obligations	$ 26,406	$ 26,832
Current portion of debt and finance lease obligations – due to related party	3,081	2,977
Accounts payable	226,288	227,468
Accounts payable – due to related party	74,014	51,419
Taxes other than income taxes	9,035	12,573
Other accrued expenses	22,919	28,228
Total current liabilities	361,743	349,497
Finance lease obligations, less current portion	615,563	641,969
Finance lease obligations, less current portion – due to related party	62,108	65,189
Deferred income tax liabilities	1,993	927
Other long-term liabilities	15,755	16,268
Commitments		
Members' equity:		
Members' capital	2,109,606	1,460,878
Retained earnings	2,052,304	2,932,037
Accumulated other comprehensive income (loss)	17,906	(6,248)
Total members' equity	4,179,816	4,386,667
Total liabilities and members' equity	$ 5,236,978	$ 5,460,517

See Notes to Consolidated Financial Statements.

DIAMOND GREEN DIESEL HOLDINGS LLC AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME
(thousands of dollars)

	Year Ended December 31,	
	2025	**2024**
Revenues (a)	$ 4,596,830	$ 5,065,592
Cost of sales:		
Cost of materials and other	4,776,747	5,225,043
Lower of cost or market (LCM) inventory valuation adjustment	(140,085)	175,934
Operating expenses (excluding depreciation, amortization, and accretion expense reflected below) (b)	308,253	352,905
Depreciation, amortization, and accretion expense	266,887	264,992
Low carbon tax credits	(598,695)	(1,281,705)
Total costs of sales	4,613,107	4,737,169
Other operating expenses	149	61
General and administrative expenses – related party	13,944	13,464
Operating income (loss)	(30,370)	314,898
Other income, net	9,321	22,114
Interest and debt expense:		
Incurred (c)	(46,635)	(48,271)
Capitalized	295	9,598
Interest and debt expense, net	(46,340)	(38,673)
Income (loss) before income tax expense	(67,389)	298,339
Income tax expense	1,066	175
Net income (loss)	$ (68,455)	$ 298,164

Supplemental information – each income statement line item reflected below includes revenues and expenses provided by related party as follows:		
(a) Revenues – related party	$ 2,094,693	$ 2,656,326
(b) Operating expenses (excluding depreciation, amortization, and accretion expense) – related party	95,550	94,719
(c) Interest and debt expense incurred – related party	(2,608)	(5,561)

See Notes to Consolidated Financial Statements.

DIAMOND GREEN DIESEL HOLDINGS LLC AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(thousands of dollars)

	Year Ended December 31,	
	2025	**2024**
Net income (loss)	$ (68,455)	$ 298,164
Net gain (loss) on cash flow hedges	24,154	(87,132)
Comprehensive income (loss)	$ (44,301)	$ 211,032

See Notes to Consolidated Financial Statements.

DIAMOND GREEN DIESEL HOLDINGS LLC AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY
(thousands of dollars)

	Diamond Alternative Energy, LLC	Darling Green Energy LLC	Total Members' Equity
Balance as of December 31, 2023	$ 2,174,313	$ 2,180,964	$ 4,355,277
Net income	149,082	149,082	298,164
Members' contributions	90,000	90,000	180,000
Cash distributions to members	(179,821)	(179,821)	(359,642)
Other comprehensive loss	(43,566)	(43,566)	(87,132)
Balance as of December 31, 2024	2,190,008	2,196,659	4,386,667
Net loss	(19,685)	(48,770)	(68,455)
Members' contributions	320,500	328,228	648,728
Cash distributions to members	(129,549)	(367,699)	(497,248)
Noncash distributions to members	(314,030)	—	(314,030)
Other comprehensive income	12,077	12,077	24,154
Balance as of December 31, 2025	$ 2,059,321	$ 2,120,495	$ 4,179,816

See Notes to Consolidated Financial Statements.

DIAMOND GREEN DIESEL HOLDINGS LLC AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(thousands of dollars)

	Year Ended December 31,	
	2025	**2024**
Cash flows from operating activities:		
Net income (loss)	$ (68,455)	$ 298,164
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation, amortization, and accretion expense	266,887	264,992
LCM inventory valuation adjustment	(140,085)	175,934
Deferred income tax expense	1,066	175
Low carbon tax credit noncash benefit	(314,030)	—
Other noncash items	1,435	2,104
Decrease in receivables, net	59,448	71,328
(Increase) decrease in receivables – due from related party	64,329	(33,933)
Decrease in inventory	64,711	42,143
(Increase) decrease in prepaid expenses and other	(80,457)	163,193
Increase in accounts payable	21,733	63,809
Increase (decrease) in accounts payable – due to related party	22,778	(177,195)
Increase (decrease) in taxes other than income taxes	(3,538)	783
Increase (decrease) in other accrued expenses	(5,233)	19,951
Decrease in deferred charges and other assets	(313)	(2,605)
Net cash provided by (used in) operating activities	(109,724)	888,843
Cash flows from investing activities:		
Capital expenditures	(71,278)	(250,163)
Deferred turnaround and catalyst costs	(98,479)	(71,266)
Other investing activities, net	133	7,482
Net cash used in investing activities	(169,624)	(313,947)
Cash flows from financing activities:		
Proceeds from borrowings	650,000	310,000
Proceeds from borrowings – related party	50,000	200,000
Repayments of debt and finance lease obligations	(676,836)	(585,726)
Repayments of debt and finance lease obligations – related party	(52,977)	(202,876)
Members' contributions	648,728	180,000
Members' distributions	(497,248)	(359,642)
Net cash provided by (used in) financing activities	121,667	(458,244)
Net increase (decrease) in cash	(157,681)	116,652
Cash at beginning of period	353,446	236,794
Cash at end of period	$ 195,765	$ 353,446

See Notes to Consolidated Financial Statements.

1. BUSINESS DESCRIPTION

Diamond Green Diesel Holdings LLC (DGD Holdings) was formed on January 21, 2011 as a joint venture between Diamond Alternative Energy, LLC, a wholly owned subsidiary of Valero Energy Corporation (Valero), and Darling Green Energy LLC, a subsidiary of Darling Ingredients Inc. (Darling). Diamond Alternative Energy, LLC and Darling Green Energy LLC are collectively referred to herein as the "Members."

DGD Holdings, through its wholly owned subsidiary Diamond Green Diesel LLC (DGD), operates two renewable diesel plants. The first plant began operations in 2013 and is located next to Valero's St. Charles Refinery in Norco, Louisiana (the DGD St. Charles Plant). The second plant began operations in 2022 and is located next to Valero's Port Arthur Refinery in Port Arthur, Texas (the DGD Port Arthur Plant, and together with the DGD St. Charles Plant, the DGD Plants). The DGD Plants produce renewable diesel, renewable naphtha, and synthetic paraffinic kerosene (SPK). Renewable diesel is a low-carbon liquid transportation fuel that is interchangeable with petroleum-based diesel. Renewable naphtha can be used as a gasoline blendstock to produce renewable gasoline or as a feedstock for producing low-carbon petrochemicals that then can be used to produce renewable plastics. These products are produced from waste and renewable feedstocks using a pre-treatment process and an advanced hydroprocessing-isomerization process. SPK is a renewable blending component produced using the Hydrotreated Esters and Fatty Acids (HEFA) process. SPK is also commonly referred to as "neat sustainable aviation fuel (SAF)." Current aviation regulations allow SPK to be blended up to 50 percent with conventional jet fuel to produce SAF for use in an aircraft. This blend is commonly referred to as "SAF" or "blended SAF." DGD sells these products primarily in the United States (U.S.), Canada, and Europe. DGD Holdings and DGD are collectively referred to herein as the "Company."

The DGD St. Charles Plant has a production capacity of approximately 700 million gallons of renewable diesel and approximately 30 million gallons of renewable naphtha per year. The DGD Port Arthur Plant has a production capacity of approximately 470 million gallons of renewable diesel and approximately 20 million gallons of renewable naphtha per year. The Company's combined renewable diesel and renewable naphtha production capacities is approximately 1.2 billion gallons and 50 million gallons, respectively, per year.

The SAF project at the DGD Port Arthur Plant commenced operations in the fourth quarter of 2024. The project provides the plant the optionality to upgrade approximately 50 percent of its renewable diesel annual production capacity to neat SAF.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Consolidation

General

These consolidated financial statements were prepared in conformity with U.S. generally accepted accounting principles (GAAP). Intercompany items and transactions have been eliminated in consolidation.

Reclassifications

Certain prior year amounts in the consolidated statements of cash flows have been reclassified to conform to the 2025 presentation. The changes were due to the separate presentation of amounts that were previously aggregated in "increase in other accrued expenses and other operating activities, net."

Subsequent Events

Management has evaluated subsequent events through February 9, 2026, the date these consolidated financial statements were issued. Any material subsequent events that occurred during this time have been properly recognized or disclosed in these consolidated financial statements.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. On an ongoing basis, management reviews its estimates based on currently available information. Changes in facts and circumstances may result in revised estimates.

Receivables

Trade receivables are carried at amortized cost, which is the original invoice amount adjusted for cash collections. The Company maintains an allowance for credit losses, which is adjusted based on the Company's assessment of its customers' historical collection experience, known or expected credit risks, and industry and economic conditions. Interest income on outstanding receivables from the Internal Revenue Service (IRS) related to the blender's tax credit is accrued based on the balance owed by the IRS at the end of the period.

Inventories

The cost of feedstocks (i.e., waste and renewable feedstocks, predominantly animal fats, used cooking oils, vegetable oils, and inedible distillers corn oils (DCOs)) and products is determined under the last-in, first-out (LIFO) method using the dollar-value LIFO approach, with any increments valued based on average purchase prices for feedstocks and cost build-up prices for finished products during the year. The LIFO inventory is carried at the lower of cost or market. The cost of supplies is determined principally under the weighted-average cost method. The non-LIFO inventory is carried at the lower of cost or net realizable value.

In determining the market value of its inventories, the Company assumes that feedstocks are converted into products, which requires it to make estimates regarding the products expected to be produced from those feedstocks and the conversion costs required to convert those feedstocks into products. The Company also estimates the usual and customary transportation costs required to move the inventory from its plants to the appropriate points of sale. The Company then applies an estimated selling price to its inventories. If the aggregate market value of its LIFO inventories is less than the related aggregate cost, the Company recognizes a loss for the difference in its statements of income. To the extent the aggregate market value of the LIFO inventories subsequently increases, the Company recognizes an increase to the value of its inventories (not to exceed cost) and a gain in the statements of income.

Property, Plant, and Equipment

The cost of property, plant, and equipment (property assets) purchased or constructed, including betterments of property assets, is capitalized. However, the cost of repairs to and normal maintenance of property assets is expensed as incurred. Betterments of property assets are those that extend the useful life, increase the capacity or improve the operating efficiency of the asset, or improve the safety of the Company's operations. The cost of property assets constructed includes interest and certain overhead costs allocable to the construction activities.

The Company's operations are highly capital intensive. Each of the DGD Plants comprises a base of property assets, consisting of interconnected, highly integrated and interdependent feedstock processing facilities and supporting infrastructure (Units) and other property assets that support the Company's business. Improvements consist of the addition of new Units and other property assets and betterments of those Units and assets.

Depreciation of processing facilities is recorded on a straight-line basis over the estimated useful lives of these assets using the composite method of depreciation. The Company maintains a separate composite group of property assets for each of the DGD Plants. The estimated useful lives of the composite groups are 20 years.

Under the composite method of depreciation, the historical cost of a minor property asset (net of salvage value) that is retired or replaced is charged to accumulated depreciation and no gain or loss is recognized. However, a gain or loss is recognized for a major property asset that is retired, replaced, sold, or for an abnormal disposition of a property asset (primarily involuntary conversions). Gains and losses are reflected in "depreciation, amortization, and accretion expense," unless such amounts are reported separately due to materiality.

Depreciation of the administrative buildings and other assets is recorded on a straight-line basis over the estimated useful lives of the related assets using the component method of depreciation. Precious metals, which are used as a catalyst in the Units to process feedstock into finished products, are not depreciated, but the cost of precious metals not recovered from the reclamation process is charged to "depreciation, amortization, and accretion expense."

Leasehold improvements associated with leases between entities under common control are amortized over the economic life of the assets, regardless of the lease term. The Company's assets are built on land leased from Valero. As a result, all additional improvements placed in service after the initial construction of the DGD Plants are amortized over the economic life of the assets, typically 20 years, and are not limited by the lease term. See Note 6 for balances associated with the Company's leasehold improvements and Note 12 for additional discussion of the Company's land leases with Valero. Finance lease right-of-use assets are amortized as discussed below under "*Leases*."

Deferred Charges and Other Assets

"Deferred charges and other assets, net" primarily include the following:

- turnaround costs, which are incurred in connection with planned major maintenance activities, are deferred when incurred and amortized on a straight-line basis over the period of time estimated to lapse until the next turnaround occurs;
- fixed-bed catalyst costs, representing the cost of the catalyst that is changed out at periodic intervals when the quality of the catalyst has deteriorated beyond its prescribed function, are deferred when incurred and amortized on a straight-line basis over the estimated useful life of the specific catalyst;
- licenses acquired, which provide for the amount of feedstock that can be processed at the DGD Plants per calendar year, are capitalized as intangible assets and amortized over their estimated useful lives; and
- operating lease right-of-use assets are amortized as discussed below under "*Leases*."

Leases

The Company evaluates if a contract is or contains a lease at inception of the contract. If the Company determines that a contract is or contains a lease, the Company recognizes a right-of-use (ROU) asset and lease liability at the commencement date of the lease based on the present value of lease payments over the lease term. The present value of the lease payments is determined by using the implicit rate when readily determinable. If not readily determinable, the Company uses an incremental borrowing rate based on quoted interest rates obtained from financial institutions. The rate used is for a term similar to the duration of the lease based on information available at the commencement date. Lease terms include options to extend or terminate the lease when it is reasonably certain that the Company will exercise those options.

The Company recognizes ROU assets and lease liabilities for leasing arrangements with terms greater than one year. The Company accounts for lease and nonlease components in a contract as a single lease component for all classes of underlying assets.

Expense for an operating lease is recognized as a single lease cost on a straight-line basis over the lease term and is reflected in the appropriate income statement line item based on the leased asset's function. Amortization expense of a finance lease ROU asset is recognized on a straight-line basis over the lesser of the useful life of the leased asset or the lease term. However, if the lessor transfers ownership of the finance lease ROU asset to the Company at the end of the lease term, the finance lease ROU asset is amortized over the useful life of the leased asset. Amortization expense is reflected in "depreciation, amortization, and accretion expense." Interest expense is incurred based on the carrying value of the lease liability and is reflected in "interest and debt expense, net."

Impairment of Assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. A long-lived asset is not deemed recoverable if

its carrying amount exceeds the sum of the undiscounted cash flows expected to result from its use and eventual disposition. If a long-lived asset is not deemed recoverable, an impairment loss is recognized for the amount by which the carrying amount of the long-lived asset exceeds its fair value, with fair value determined based on discounted estimated net cash flows or other appropriate methods.

Asset Retirement Obligations

The Company records a liability, which is referred to as an asset retirement obligation, at fair value for the estimated cost to retire a tangible long-lived asset at the time that the Company incurs that liability, which is generally when the asset is purchased, constructed, or leased. The Company records the liability when there is a legal obligation to incur costs to retire the asset and when a reasonable estimate of the fair value of the liability can be made.

Revenue Recognition

The Company's revenues are primarily generated from contracts with customers for the sale of products. Revenues are recognized when the Company satisfies its performance obligation to transfer products to its customers, which typically occurs at a point in time upon shipment of the products, and for an amount that reflects the transaction price that is allocated to the performance obligation.

The customer is able to direct the use of, and obtain substantially all of the benefits from, the products at the point of shipment. As a result, the Company considers control to have transferred upon shipment because there is a present right to payment at that time, the customer has legal title to the asset, the Company has transferred physical possession of the asset, and the customer has significant risks and rewards of ownership of the asset.

Contracts with customers state the final terms of the sale, including the description, quantity, and price for goods sold. Payment is typically due in full within three to five days from the date of invoice. In the normal course of business, the Company generally does not accept product returns.

The transaction price is the consideration that the Company expects to be entitled to in exchange for its products. The transaction price for substantially all of the contracts is based on commodity market pricing (i.e., variable consideration). As such, this market pricing may be constrained (i.e., not estimable) at the inception of the contract but will be recognized based on the applicable market pricing, which will be known upon transfer of the goods to the customer.

The Company has elected to exclude from the measurement of the transaction price all taxes assessed by government authorities that are both imposed on and concurrent with a specific revenue-producing transaction and collected from a customer (e.g., sales tax and use tax).

Cost of Materials and Other

Cost of materials and other primarily includes the cost of materials that are a component of products sold. These costs include (i) the direct cost of materials (such as animal fats, used cooking oils, vegetable oils, and inedible DCOs) that are a component of products sold; (ii) costs related to the delivery of feedstock supplied; and (iii) gains and losses on commodity derivative instruments.

During the year ended December 31, 2025, the Company was subject to a number of new tariffs and duties on renewable feedstocks imported into the U.S. A significant portion of the tariffs and duties incurred are eligible for recovery through duty drawback claims. The impact of these tariffs and duties, net of amounts claimed through duty drawbacks, are included in cost of materials and other.

Operating Expenses

Operating expenses (excluding "depreciation, amortization, and accretion expense") consist of costs charged to the Company by Valero in accordance with the Operations Agreement for day-to-day operations of the DGD Plants, as further described in Note 12. In addition, operating expenses include chemicals, waste disposal services, maintenance, operating supplies, property taxes, and insurance.

Depreciation, Amortization, and Accretion Expense

"Depreciation, amortization, and accretion expense" associated with the Company's operations is separately presented in the statements of income as a component of cost of sales.

Low Carbon Tax Credits

Clean Fuel Production Credit

Effective January 1, 2025, Section 45Z of the Internal Revenue Code Section of 1986, as amended, provides a federal income tax credit to producers for qualifying sales of clean transportation fuels produced domestically. The credit amount is based on an emissions factor that reflects the relative carbon intensity of the fuel. Additional bonus rates are available if prevailing wage and apprenticeship requirements are satisfied. The Company is eligible to claim the clean fuel production credit for the sale of qualifying renewable diesel, renewable naphtha, and neat SAF produced at the DGD Plants through December 31, 2029. During the year ended December 31, 2025, the Company recognized a benefit of $598.7 million for the value of these credits, net of market price adjustments of $21.4 million and selling costs incurred of $7.7 million.

Clean fuel production credits are nonrefundable, transferable tax credits, and the Company has elected to account for them as government grants. As discussed below under "Income Taxes," the Company is not a tax paying entity for U.S. federal income tax purposes. As a result, the Company's Members may elect to either (i) receive the tax credits attributable to their ownership interest to claim on their U.S. federal income tax return or (ii) have the Company sell the tax credits to third parties and receive cash distributions from the proceeds of those sales.

For the year ended December 31, 2025, Valero elected to receive its share of the tax credits as a noncash distribution whereas Darling elected to have the Company sell its share of the tax credits and receive cash proceeds from those sales. See Note 10 for additional discussion of these distributions. As a result of Darling's election, the market price adjustments and selling costs incurred by the Company discussed above are fully attributed to its ownership interest.

Clean fuel production credits that have not been distributed or sold as of the balance sheet date are reflected in "prepaid expenses and other" in the balance sheet as of December 31, 2025. Clean fuel production credits that are expected to be sold are recorded at fair value based on the expected sales price. See Note 15 for disclosures regarding fair value measurement.

Blender's Tax Credit

Prior to January 1, 2025, biodiesel blenders registered with 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 at least 0.1 percent diesel fuel. Only blenders that produced and sold or used the qualified biodiesel mixture as a fuel in their trade or business were eligible for the tax credit. As a blender, the Company recognized a benefit of $1.3 billion during the year ended December 31, 2024. The blender's tax credit expired on December 31, 2024.

Other Operating Expenses

Other operating expenses include costs, if any, incurred that are not associated with cost of sales.

General and Administrative Expenses

General and administrative expenses consist primarily of fees for administrative services provided by Valero.

Income Taxes

The Company is a limited liability corporation and is not a taxpaying entity for U.S. federal or Louisiana state income tax purposes. Accordingly, no provision for U.S. federal or Louisiana state income taxes is made in these consolidated financial statements. Income from the Company is taxable to the Members in their individual U.S. federal and Louisiana state tax returns.

The Company is a taxable entity in the state of Texas and is subject to the Texas state franchise tax due to the operations of the DGD Port Arthur Plant. The Texas state franchise tax is applicable to an entity's gross margin, based on apportionment of activities between states, and is accounted for as an income tax.

Deferred tax 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 amounts are measured using enacted tax rates expected to apply to taxable income in the year those temporary differences are expected to be settled.

Derivatives and Hedging

All derivative instruments, not designated as normal purchases or sales, are recognized in the balance sheets as either assets or liabilities measured at their fair values with changes in fair value recognized currently in income or in other comprehensive income as appropriate. Cash flow hedges and economic hedges are used to manage commodity price risk. The cash flow effects of the derivative instruments are reflected in operating activities in the statements of cash flows. See Note 16 for additional discussion.

Concentration Risk

During the year ended December 31, 2025, the Company sold a majority of its products to three major customers, including Valero, which accounted for 45 percent of the Company's sales. The other two third-party customers accounted for 15 percent and 10 percent of sales. During the year ended December 31, 2024, the Company sold 54 percent of its products to Valero and 13 percent and 11 percent to two third-party customers.

The Company purchased 27 percent and 21 percent of its raw materials from Darling during the years ended December 31, 2025 and 2024, respectively. The Company purchased 11 percent from a third-party supplier during the year ended December 31, 2024.

See Note 12 for additional discussion of the Company's contracts with Valero and Darling.

3. RECEIVABLES

Receivables consisted of the following (in thousands):

	December 31,	
	2025	2024
Receivables from contracts with customers	$ 266,200	$ 175,161
Receivable for duty drawback claims	50,607	11,751
Blender's tax credit receivable	23,505	268,067
Commodity derivative contract receivables (see Note 15)	21,864	10,700
Other receivables	3,880	—
Receivables before allowance for credit losses	366,056	465,679
Allowance for credit losses	(25)	(25)
Receivables after allowance for credit losses	366,031	465,654
Less: Receivables - due from related party	89,752	154,081
Receivables, net	$ 276,279	$ 311,573

4. INVENTORIES

Inventories consisted of the following (in thousands):

	December 31,	
	2025	2024
Feedstocks	$ 407,397	$ 552,114
Finished products	401,661	319,856
Supplies	18,676	15,310
Inventories, before LCM inventory valuation reserve	827,734	887,280
LCM inventory valuation reserve	(96,720)	(236,805)
Inventories	$ 731,014	$ 650,475

The market values of the feedstocks and finished products inventories fell below their historical LIFO inventory costs as of December 31, 2024, and as a result, the Company recorded an LCM inventory valuation reserve of $236.8 million in order to state the inventories at market. As of December 31, 2025, the Company's LCM inventory valuation reserve was $96.7 million. The change in the Company's LCM inventory valuation reserve resulted in a net benefit of $140.1 million to the results of operations during the year ended December 31, 2025.

5. LEASES

General

The Company has entered into leasing arrangements for the right to use various classes of underlying assets as follows:

- *Pipelines, Terminals, and Tanks* includes facilities and equipment used in the storage and transportation of feedstock and the production and sale of products;
- *Real Estate* includes land and rights-of-way associated with the DGD Plants; and
- *Other* includes machinery, equipment, and various facilities used in plant operations; and short-term time charters for coastal vessels.

In addition to fixed lease payments, some arrangements contain provisions for variable lease payments. Certain leases for pipelines, terminals, and tanks provide for variable lease payments based on, among other things, throughput volumes in excess of a base amount. Additionally, if the rental increases are not scheduled in the lease, such as an increase based on subsequent changes in the index or rate, those rents are considered variable lease payments. In all instances, variable lease payments are recognized in the period in which the obligation for those payments is incurred.

Lease Costs and Other Supplemental Information

The Company's total lease cost comprises costs that are included in the statements of income, as well as costs capitalized as part of an item of property, plant, and equipment or inventory. Total lease cost was as follows (in thousands):

	Pipelines, Terminals, and Tanks	Real Estate	Other	Total
Year ended December 31, 2025				
Finance lease cost:				
Amortization of ROU assets	$ 40,716	$ 3,482	$ 63	$ 44,261
Interest on lease liabilities	35,434	2,062	4	37,500
Operating lease cost	—	1,295	34	1,329
Variable lease cost	11,196	4	(6)	11,194
Short-term lease cost	6,883	—	11,975	18,858
Total lease cost	$ 94,229	$ 6,843	$ 12,070	$ 113,142
Year ended December 31, 2024				
Finance lease cost:				
Amortization of ROU assets	$ 40,716	$ 3,482	$ 190	$ 44,388
Interest on lease liabilities	36,661	2,155	16	38,832
Operating lease cost	—	1,373	103	1,476
Variable lease cost	14,237	2	7	14,246
Short-term lease cost	11,021	—	7,674	18,695
Total lease cost	$ 102,635	$ 7,012	$ 7,990	$ 117,637

	Related Party	Third Party	Total
Year ended December 31, 2025			
Finance lease cost:			
Amortization of ROU assets	$ 3,705	$ 40,556	$ 44,261
Interest on lease liabilities	2,331	35,169	37,500
Operating lease cost	1,275	54	1,329
Variable lease cost	—	11,194	11,194
Short-term lease cost	—	18,858	18,858
Total lease cost	$ 7,311	$ 105,831	$ 113,142
Year ended December 31, 2024			
Finance lease cost:			
Amortization of ROU assets	$ 3,705	$ 40,683	$ 44,388
Interest on lease liabilities	2,432	36,400	38,832
Operating lease cost	1,354	122	1,476
Variable lease cost	—	14,246	14,246
Short-term lease cost	—	18,695	18,695
Total lease cost	$ 7,491	$ 110,146	$ 117,637

The following table presents additional information related to the Company's operating and finance leases (in thousands, except for lease terms and discount rates):

	December 31, 2025		December 31, 2024	
	Operating Leases	Finance Leases	Operating Leases	Finance Leases
Supplemental balance sheet information				
ROU assets, net reflected in the following balance sheet line items:				
Property, plant, and equipment, net	$ —	$ 680,457	$ —	$ 724,714
Deferred charges and other assets, net	14,057	—	14,815	—
Total ROU assets, net	$ 14,057	$ 680,457	$ 14,815	$ 724,714
Current lease liabilities reflected in the following balance sheet line items:				
Current portion of debt and finance lease obligations	$ —	$ 26,406	$ —	$ 26,832
Current portion of debt and finance lease obligations – due to related party	—	3,081	—	2,977
Other accrued expenses	571	—	647	—
Noncurrent lease liabilities reflected in the following balance sheet line items:				
Finance lease obligations, less current portion	—	615,563	—	641,969
Finance lease obligations, less current portion – due to related party	—	62,108	—	65,189
Other long-term liabilities	14,129	—	14,699	—
Total lease liabilities	$ 14,700	$ 707,158	$ 15,346	$ 736,967
Other supplemental information				
Weighted-average remaining lease term	15.7 years	16.6 years	16.5 years	17.5 years
Weighted-average discount rate	4.3%	5.5%	4.3%	5.5%

Supplemental cash flow information related to the Company's operating and finance leases is presented in Note 14.

Maturity Analysis

As of December 31, 2025, the remaining minimum lease payments due under the Company's long-term leases were as follows (in thousands):

	Operating Leases			Finance Leases		
	Related Party	Third Party	Total	Related Party	Third Party	Total
2026	$ 1,142	$ 20	$ 1,162	$ 5,308	$ 60,293	$ 65,601
2027	$ 1,159	$ 20	$ 1,179	5,308	58,504	63,812
2028	$ 1,177	$ 20	$ 1,197	5,308	58,504	63,812
2029	$ 1,194	$ 20	$ 1,214	5,308	58,504	63,812
2030	$ 1,212	$ 20	$ 1,232	5,308	58,504	63,812
Thereafter	$ 14,140	$ 20	$ 14,160	58,778	682,474	741,252
Total undiscounted lease payments	20,024	120	20,144	85,318	976,783	1,062,101
Less: Amount associated with discounting	5,432	12	5,444	20,129	334,814	354,943
Total lease liabilities	$ 14,592	$ 108	$ 14,700	$ 65,189	$ 641,969	$ 707,158

6. PROPERTY, PLANT AND EQUIPMENT

Major classes of property, plant, and equipment, including assets held under finance leases, consisted of the following (in thousands):

	December 31,	
	2025	2024
Processing units	$ 3,524,703	$ 3,506,391
Finance lease ROU assets (see Note 5)	844,126	844,292
Administrative buildings	109,110	108,255
Precious metals	69,574	46,196
Capital spares	15,282	13,077
Computer hardware and software	6,408	5,119
Other	8,187	7,779
Asset retirement obligations	1,336	1,336
Construction in progress	15,499	24,515
Property, plant, and equipment, at cost	4,594,225	4,556,960
Accumulated depreciation	(891,971)	(688,017)
Property, plant, and equipment, net	$ 3,702,254	$ 3,868,943

Depreciation expense for the years ended December 31, 2025 and 2024 was $211.0 million and $200.9 million, respectively. In 2024, the DGD St. Charles Plant received a rebate of $12.4 million under the Louisiana Quality Jobs Program, which provided cash incentives to companies that created well-paid jobs and promoted economic development in the state of Louisiana. The rebate was primarily related to the

expansion of the DGD St. Charles Plant in 2021 and was recorded as a reduction of capitalized property, plant, and equipment. Valero entered into a contract with the state of Louisiana for participation in the program and transferred any cash rebates received on DGD's behalf to the Company.

7. DEFERRED CHARGES AND OTHER ASSETS

"Deferred charges and other assets, net" consisted of the following (in thousands):

	December 31,	
	2025	2024
Deferred turnaround and catalyst costs, net	$ 100,445	$ 57,765
Intangible asset, net	24,099	25,539
Operating lease ROU assets, net (see Note 5)	14,057	14,815
Other	1,164	2,188
Deferred charges and other assets, net	$ 139,765	$ 100,307

Amortization expense for deferred turnaround and catalyst costs and intangible assets was $61.0 million and $66.4 million for the years ended December 31, 2025 and 2024, respectively.

8. OTHER ACCRUED EXPENSES

Other accrued expenses consisted of the following (in thousands):

	December 31,	
	2025	2024
Contract liabilities from contracts with customers (see Note 13)	$ 11,216	$ —
Refund payable to customer – related party	9,099	—
Refund payable to customer	749	24,397
Current operating lease liabilities (see Note 5)	571	647
Other	1,284	3,184
Other accrued expenses	$ 22,919	$ 28,228

9. DEBT AND FINANCE LEASE OBLIGATIONS

Debt, at stated values, and finance lease obligations consisted of the following (in thousands):

	Final Maturity	December 31, 2025	December 31, 2024
Revolver	2026	$ —	$ —
Loan Agreement – due to related party	2026	—	—
Total debt		—	—
Finance lease obligations (see Note5)		641,969	668,801
Finance lease obligations (see Note 5) – due to related party		65,189	68,166
Total debt and fiance lease obligations		707,158	736,967
Less:			
Current portion		26,406	26,832
Current portion – due to related party		3,081	2,977
Debt and finance lease obligations, less current portion		$ 677,671	$ 707,158

Revolver

The Company has a $400.0 million unsecured revolving credit facility (the Revolver) with a syndicate of financial institutions that matures in June 2026. The Company has the option to increase the aggregate commitments under the Revolver to $550.0 million, subject to certain restrictions. The Revolver also provides for the issuance of letters of credit of up to $150.0 million.

Outstanding borrowings under the Revolver generally bear interest, at the Company's option, at (i) an alternate base rate, (ii) an adjusted term secured overnight financing rate (SOFR), or (iii) an adjusted daily simple SOFR as allowed under the terms of the agreement for the applicable interest period in effect from time to time, plus the applicable margins. The Revolver also requires payments for customary fees, including unused commitment fees, letter of credit fees, and administrative agent fees.

In January 2026, the Company borrowed a total of $250.0 million under the Revolver. As of the borrowing dates, the variable interest rate on the Revolver was approximately 5.52 percent.

Loan Agreement

The Company has an unsecured revolving loan agreement with the Members with a maturity date of June 2026. Under this agreement, each Member has committed $100.0 million, resulting in aggregate commitments of $200.0 million.

Outstanding borrowings under the Loan Agreement bear interest at a term SOFR for the applicable interest period in effect from time to time plus the applicable margin. Principal and accrued interest are due one month after each borrowing unless the Company provides at least two days prior written notice of its election to extend repayment to the next month.

Summary of Credit Facilities

The Company had outstanding borrowings, letters of credit issued, and availability under the credit facilities as follows (in thousands):

			December 31, 2025		
	Facility Amount	Maturity Date	Outstanding Borrowings	Letters of Credit Issued (a)	Availability
Committed facilities:					
Revolver	$ 400,000	June 2026	$ —	$ 29,000	$ 371,000
Loan Agreement	200,000	June 2026	—	—	200,000
Uncommitted facility:					
Letter of credit facility	n/a	n/a	n/a	65,927	n/a

(a) Letters of credit issued as of December 31, 2025 expire at various times in 2026.

The Company is charged letter of credit issuance fees under the uncommitted short-term bank credit facility. This uncommitted credit facility has no commitment fee or compensating balance requirement.

Activity under the Company's credit facilities was as follows (in thousands):

	Year Ended December 31,	
	2025	2024
Borrowings:		
Revolver	$ 650,000	$ 310,000
Loan Agreement	50,000	200,000
Repayments:		
Revolver	(650,000)	(560,000)
Loan Agreement	(50,000)	(200,000)

10. MEMBERS' CONTRIBUTIONS AND DISTRIBUTIONS

Pursuant to the Diamond Green Diesel Holdings LLC Amended and Restated Limited Liability Company Agreement, contributions are made based on the percentage of units held by each Member. Each Member holds 10,509,386 units, and therefore, owns a 50 percent ownership interest in DGD Holdings. Each Member receives one vote per unit. Net income or loss of the Company for a fiscal year is allocated between the Members based on the proportionate share of the Members' ownership interests. See Note 2 for details regarding the allocation between the Members of market price adjustments and selling costs incurred by the Company in connection with the sale of clean fuel production credits.

During the year ended December 31, 2025, each Member made cash contributions of $320.5 million to the Company, for a total of $641.0 million. During the year ended December 31, 2024, each Member made cash contributions of $90.0 million to the Company, for a total of $180.0 million. The Company distributed $259.1 million and $359.6 million to the Members during the years ended December 31, 2025 and 2024, respectively.

Clean Fuel Production Credits

As a result of Darling's election for the Company to sell the clean fuel production credits attributable to its ownership interest, Darling made additional cash contributions totaling $7.7 million to reimburse the Company for selling expenses incurred in connection with such sales during the year ended December 31, 2025.

During the year ended December 31, 2025, the Company distributed proceeds of $238.2 million from the sale of clean fuel production credits to Darling. In addition, the Company made a noncash distribution to Valero of the clean fuel production credits attributable to its ownership interest valued at $314.0 million.

11. INCOME TAXES

For the years ended December 31, 2025 and 2024, the Company had tax losses and did not record a current benefit for state income taxes. In 2025 and 2024, deferred taxes were recorded as a result of operations in Texas.

Income Statement Components

Income tax expense for the years ended December 31, 2025 and 2024 consisted entirely of state deferred income tax expense of $1.1 million and $0.2 million, respectively.

Deferred Income Tax Assets and Liabilities

The Company has not recorded deferred income tax assets, as tax losses cannot be carried forward under the Texas state franchise tax law. The tax effects of significant temporary differences representing state deferred income tax liabilities were comprised primarily of property, plant, and equipment. The reported basis in fixed assets and inventory exceeds tax basis by approximately $1.9 billion, resulting in a state deferred tax liability of $2.0 million.

Other Disclosures

As of December 31, 2025 and 2024, the Company had no liability reported for unrecognized tax benefits.

12. RELATED PARTY AGREEMENTS AND TRANSACTIONS

Overview

The Company does not have any employees. It has entered into agreements with its Members, primarily Valero, to provide day-to-day operations, management, and administrative functions. These related party transactions cannot be presumed to be carried out on an arm's length basis as the requisite conditions of competitive, free-market dealings may not exist. The following is a description of various agreements between the Company and its Members.

Loan Agreement

In 2024, the Company entered into a $200.0 million revolving loan agreement with the Members. As of December 31, 2025 and 2024, there were no borrowings under this agreement. See Note 9 for further discussion.

Raw Material Supply Agreement

Under the Raw Material Supply Agreement, Darling is obligated to offer to the Company a portion of its feedstock requirements at market pricing. However, the Company is not obligated to purchase all or any part of its feedstock from Darling and will pursue the most optimal feedstock supply available. The agreement expires on June 30, 2033 and will automatically renew for successive periods of five years each on an evergreen basis, unless terminated by one of the parties. For the years ended December 31, 2025 and 2024, the Company purchased $1.2 billion and $981.5 million, respectively, of raw materials from Darling.

Agreements with Valero

Lease Agreements

The Company has lease agreements with Valero as follows:

- The Company has two operating lease agreements with Valero for the land on which the DGD St. Charles Plant and the DGD Port Arthur Plant are located. The leases expire on December 31, 2041 and January 31, 2041, respectively, and include four optional renewal periods of five years each.

- The Company has a finance lease agreement with Valero for the use of rail loading facilities and related land at the DGD St. Charles Plant. The lease expires on December 31, 2041 and includes four optional renewable periods of five years each.

See Note 5 for the lease cost and maturity analyses related to the Company's leases with Valero.

Service Agreements

The Company has three service agreements with Valero. The agreements expire on December 31, 2042 and will automatically renew for successive periods of five years each on an evergreen basis, unless terminated by one of the parties. Below is a description of the agreements.

Operations Agreement

Pursuant to the Operations Agreement, Valero operates the DGD Plants and performs certain day-to-day operations and management functions for the Company as an independent contractor. Valero charges for all dedicated personnel costs and certain other expenses on a reimbursable basis and for other routine and non-routine services in accordance with the contractual billing rates, which are adjusted for inflation annually on January 1. The Company recorded $60.3 million and $61.1 million of operating expenses charged under the Operations Agreement for the years ended December 31, 2025 and 2024, respectively.

Product Offtake Agreement

Under the Product Offtake Agreement, Valero is required to purchase certain light ends recovered from byproduct streams produced at the DGD Plants. For the years ended December 31, 2025 and 2024, the Company sold $37.6 million and $30.7 million, respectively, of recovered light ends liquid to Valero, which is recorded in revenues.

Services and Utilities Supply Agreement

Under the Services and Utilities Supply Agreement, Valero provides the Company with hydrogen, water, steam, natural gas, power, and certain industrial gases which are produced or otherwise available at

Valero's St. Charles Refinery and Valero's Port Arthur Refinery, and certain services, such as water treatment and terminaling services that are needed for the operation of the DGD Plants. Prices charged by Valero are at prevailing market rates. The Company supplies Valero with fuel gas and steam produced at the DGD Plants and charges Valero at prevailing market rates. For the years ended December 31, 2025 and 2024, the Company's net purchases of industrial gases and other services from Valero were $174.4 million and $157.0 million, respectively.

The agreement allows these charges to be netted each month with a net receivable from or payable to Valero each period, which is settled 15 days after receipt of the invoice.

Other Transactions

The Company has entered into agreements with Valero to sell renewable diesel and neat SAF to Valero in varying amounts through 2026 and 2027, respectively. These sales are recorded in revenues.

The following table provides the Company's sales to Valero by product (in thousands):

	Year Ended December 31,	
	2025	2024
Renewable diesel	$ 1,439,733	$ 2,572,327
Neat SAF	613,177	47,307
Product sales to Valero	$ 2,052,910	$ 2,619,634

In addition, for the years ended December 31, 2025 and 2024, the Company purchased $227.0 million and $192.6 million of feedstock from Valero, respectively.

13. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of Revenue

Revenue is presented in the table below disaggregated by product because this is the level of disaggregation that management has determined to be beneficial to users of the financial statements.

Contract Balances

Contract balances were as follows (in thousands):

	Year Ended December 31,	
	2025	2024
Receivables from contracts with customers, included in receivables and "receivables – due from related party" (see Note 3)	$ 266,200	$ 175,161
Contract liabilities, included in other accrued expenses (see Note 8)	11,216	—

Remaining Performance Obligations

The majority of the Company's contracts with customers are term contracts. The Company does not disclose remaining performance obligations for contracts that have terms of one year or less. The transaction price for the remaining term contracts includes a fixed component and variable consideration

(i.e., a commodity price), both of which are allocated entirely to a wholly unsatisfied promise to transfer a distinct good that forms part of a single performance obligation. The fixed component is not material and the variable consideration is highly susceptible to commodity market volatility that is outside the Company's influence. Therefore, as of December 31, 2025, the Company has not disclosed the aggregate amount of the transaction price allocated to the Company's remaining performance obligations.

The following table provides a disaggregation of revenues by product (in thousands):

	Year Ended December 31,	
	2025	2024
Renewable diesel	$ 3,513,021	$ 4,888,005
Neat SAF	904,758	47,307
Renewable naphtha	137,280	93,603
Recovered light ends liquid	37,567	30,713
Fuel gas	4,204	5,964
Total revenues	$ 4,596,830	$ 5,065,592

14. SUPPLEMENTAL CASH FLOW INFORMATION

Cash flows related to interest were as follows (in thousands):

	Year Ended December 31,	
	2025	2024
Cash interest payments	$ 46,272	$ 48,304
Capitalized interest	295	9,598

Supplemental cash flow information related to the Company's operating and finance leases was as follows (in thousands):

	December 31, 2025		December 31, 2024	
	Operating Leases	Finance Leases	Operating Leases	Finance Leases
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows	$ 1,223	$ 37,500	$ 1,348	$ 38,832
Financing cash flows	—	29,813	—	28,602
Changes in lease balances resulting from new and modified leases	(43)	24	567	(150)

Noncash investing activities were as follows (in thousands):

	Year Ended December 31,	
	2025	2024
Accrued capital expenditures	$ 3,272	$ 30,091
Accrued turnaround and catalyst expenditures	12,335	8,598

Noncash financing activities for the year ended December 31, 2025 included the noncash distribution to Valero of the clean fuel production credits attributable to its ownership interest valued at $314.0 million, as described in Note 10. There were no significant noncash financing activities for the year ended December 31, 2024, except as noted in the table above.

15. FAIR VALUE MEASUREMENTS

General

GAAP requires or permits certain assets and liabilities to be measured at fair value on a recurring basis in the Company's balance sheets, and those assets and liabilities are presented below under "*Recurring Fair Value Measurements.*" Assets and liabilities measured at fair value on a recurring basis, such as derivative financial instruments, are measured at fair value at the end of each reporting period. There were no assets or liabilities that were measured at fair value on a nonrecurring basis as of December 31, 2025 and 2024.

GAAP also requires the disclosure of the fair values of financial instruments when an option to elect fair value accounting has been provided, but such election has not been made. A debt obligation is an example of such a financial instrument. The disclosure of the fair values of financial instruments not recognized at fair value in the balance sheets is presented below under "*Financial Instruments.*"

GAAP provides a framework for measuring fair value and establishes a three-level fair value hierarchy that prioritizes inputs to valuation techniques based on the degree to which objective prices in external active markets are available to measure fair value. The following is a description of each of the levels of the fair value hierarchy.

- *Level 1* – Observable inputs, such as unadjusted quoted prices in active markets for identical assets or liabilities.
- *Level 2* – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
- *Level 3* – Unobservable inputs for the asset or liability. Unobservable inputs reflect the Company's own assumptions about what market participants would use to price the asset or liability. The inputs are developed based on the best information available in the circumstances, which might include occasional market quotes or sales of similar instruments or the Company's own financial data such as internally developed pricing models, discounted cash flow methodologies, as well as instruments for which the fair value determination requires significant judgment.

Recurring Fair Value Measurements

The following tables present information (in thousands) about the Company's assets and liabilities recognized at their fair values in the balance sheets categorized according to the fair value hierarchy of the inputs utilized by the Company to determine the fair values as of December 31, 2025 and 2024.

The Company has elected to offset the fair value amounts recognized for multiple similar derivative contracts executed with the same counterparty, including any related cash collateral assets or obligations as shown below; however, fair value amounts by hierarchy level are presented in the following tables on a gross basis. The Company does not have any derivative contracts that are subject to master netting arrangements that are reflected gross in the balance sheets.

	December 31, 2025							
	Fair Value Hierarchy			Total Gross Fair Value	Effect of Counter-party Netting	Effect of Cash Collateral Netting	Net Carrying Value on Balance Sheet	Cash Collateral Paid or Received Not Offset
	Level 1	Level 2	Level 3					
Assets								
Commodity derivative contracts	$ 98,285	$ —	$ —	$ 98,285	$ (69,240)	$ (7,181)	$ 21,864	$ —
Clean fuel production credits	—	—	54,523	54,523	n/a	n/a	54,523	n/a
Total	$ 98,285	$ —	$ 54,523	$ 152,808	$ (69,240)	$ (7,181)	$ 76,387	
Liabilities								
Commodity derivative contracts	$ 69,240	$ —	$ —	$ 69,240	$ (69,240)	$ —	$ —	$ —

	December 31, 2024							
	Fair Value Hierarchy			Total Gross Fair Value	Effect of Counter-party Netting	Effect of Cash Collateral Netting	Net Carrying Value on Balance Sheet	Cash Collateral Paid or Received Not Offset
	Level 1	Level 2	Level 3					
Assets								
Commodity derivative contracts	$ 43,952	$ —	$ —	$ 43,952	$ (43,952)	$ —	$ —	$ —
Liabilities								
Commodity derivative contracts	$ 53,558	$ —	$ —	$ 53,558	$ (43,952)	$ (9,606)	$ —	$ (10,700)

A description of the assets and liabilities recognized at fair value along with the valuation methods and inputs used to develop their fair value measurements are as follows:

- Commodity derivative contracts consist primarily of exchange-traded futures, which are used to reduce the impact of price volatility on the Company's results of operations and cash flows as discussed in Note 16. These contracts are measured at fair value using the market approach based

on quoted prices from the commodity exchange and are categorized in Level 1 of the fair value hierarchy.

- Clean fuel production credits represent the fair value of the tax credits that the Company intends to sell on behalf of Darling. These tax credits are categorized in Level 3 of the fair value hierarchy and are measured at fair value using a market approach based on historical sales prices and third-party consultant estimates. Significant unobservable inputs used in the valuation include the expected market discount per $1.00 of credit value.

Financial Instruments

The Company's financial instruments include cash, receivables, payables, debt obligations, operating and finance lease obligations, and commodity derivative contracts. The estimated fair values of cash, receivables, payables, and operating and finance lease obligations approximate their carrying amounts; there was no debt (excluding finance lease obligations) outstanding as of December 31, 2025 and 2024.

Commodity derivative contracts are recognized at their fair values as shown in "*Recurring Fair Value Measurements*" above.

16. PRICE RISK MANAGEMENT ACTIVITIES

General

The Company is exposed to market risks related to the volatility in the price of commodities and enters into derivative instruments to manage some of these risks. This includes derivative instruments related to the various commodities the Company purchases or produces, as described below under "*Risk Management Activities.*" These derivative instruments are recorded as either assets or liabilities measured at their fair values (see Note 15), as summarized below under "*Fair Values of Derivative Instruments.*" The effect of these derivative instruments on income and other comprehensive income (loss) is summarized below under "*Effect of Derivative Instruments on Income and Other Comprehensive Income (Loss).*"

Risk Management Activities

The Company is exposed to market risks related to the volatility in the price of feedstocks and products it produces. To reduce the impact of price volatility on the Company's results of operations and cash flows, the Company uses commodity derivative instruments, such as futures and options. The Company's positions in commodity derivative instruments are monitored and managed on a daily basis by the risk control group to ensure compliance with the Company's stated risk management policy.

The Company uses commodity derivative instruments as cash flow hedges and economic hedges. The objectives for entering into each type of hedge is described below.

- *Cash flow hedges* – The objective of the Company's cash flow hedges is to lock in the price of forecasted product sales at existing market prices that the Company deems favorable.

- *Economic hedges* – The Company's objectives for holding economic hedges are to (i) manage price volatility in certain feedstock and product inventories and (ii) lock in the price of forecasted

feedstock purchases and/or product sales, including the low carbon premium, at existing market prices that the Company deems favorable.

As of December 31, 2025, the Company had the following outstanding commodity derivative instruments that were used as cash flow hedges and economic hedges, which mature in 2026. The information presents the notional volume of outstanding contracts by type of instrument (volumes in thousands of barrels, except low carbon credit contracts that are presented in thousands of credits).

	Notional Contract Volumes
Derivatives designated as cash flow hedges:	
Renewable products:	
Futures - short	2,720
Derivatives designated as economic hedges:	
Renewable products:	
Futures - long	4,848
Futures - short	5,670
Low carbon credits:	
Futures - long	500

Fair Values of Derivative Instruments

The following table provides information about the fair values of the Company's derivative instruments as of December 31, 2025 and 2024 (in thousands) and the line items in the balance sheets in which the fair values are reflected. See Note 15 for additional information related to the fair values of the Company's derivative instruments.

As indicated in Note 15, the Company nets fair value amounts recognized for multiple similar derivative contracts executed with the same counterparty under master netting arrangements, including cash collateral assets and obligations. The following table, however, is presented on a gross asset and gross liability basis, which results in the reflection of certain assets in liability accounts and certain liabilities in asset accounts:

		December 31, 2025		December 31, 2024	
	Balance Sheet Location	Asset Derivatives	Liability Derivatives	Asset Derivatives	Liability Derivatives
Derivatives designated as hedging instruments:					
Commodity contracts	Receivables, net	$ 31,300	$ 6,870	$ 11,972	$ 13,072
Derivatives not designated as hedging instruments:					
Commodity contracts	Receivables, net	$ 66,985	$ 62,370	$ 31,980	$ 40,486

Market Risk

The Company's price risk management activities involve the receipt or payment of fixed price commitments into the future. These transactions give rise to market risk, which is the risk that future changes in market conditions may make an instrument less valuable. The Company closely monitors and manages its exposure to market risk on a daily basis in accordance with its policies. Market risks are monitored by the Company's risk control group to ensure compliance with the stated risk management policy. The Company does not require any collateral or other security to support derivative instruments into which the Company enters. The Company also does not have any derivative instruments that require it to maintain a minimum investment-grade credit rating.

Effect of Derivative Instruments on Income and Other Comprehensive Income (Loss)

The following table provides information about the gain (loss) recognized in income and other comprehensive income (loss) due to fair value adjustments of the Company's cash flow hedges (in thousands):

Derivatives in Cash Flow Hedging Relationships	Location of Gain (Loss) Recognized in Income on Derivatives	Year Ended December 31, 2025	Year Ended December 31, 2024
Commodity contracts:			
Gain recognized in other comprehensive income (loss)	n/a	$ 3,257	$ 30,051
Gain (loss) reclassified from accumulated other comprehensive income (loss) into income	Revenues	(20,897)	117,183

For cash flow hedges, no component of any derivative instrument's gain or loss was excluded from the assessment of hedge effectiveness for the years ended December 31, 2025 or 2024. The cash flow hedges primarily related to forecasted sales of renewable diesel, with $17.9 million of cumulative gains and $6.2 million of cumulative losses on cash flow hedges remaining in accumulated other comprehensive income (loss) as of December 31, 2025 and 2024, respectively. The Company estimates that this deferred gain as of December 31, 2025 will be reclassified into income over the next three months as a result of hedged transactions that are forecasted to occur. For the years ended December 31, 2025 and 2024, there were no amounts reclassified from accumulated other comprehensive income (loss) into income as a result of the discontinuance of cash flow hedge accounting.

The following table provides information about the gain (loss) recognized in income on the Company's derivative instruments with respect to the economic hedges and the line items in the statements of income in which such gains (losses) are reflected (in thousands):

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized in Income on Derivatives	Year Ended December 31, 2025	Year Ended December 31, 2024
Commodity contracts	Revenues	$ 1,676	$ (369)
Commodity contracts	Cost of materials and other	3,486	(9,730)