DARLING INTERNATIONAL INC
Form DEF 14A
April 06, 2010
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a)

OF THE SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant x

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement
x Definitive Proxy Statement
¨ Definitive Additional Materials
¨ Soliciting Material Pursuant to Rule 14a-12

¨ **CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14A-6(E)(2))**

Darling International Inc.

(Name of Registrant as Specified in Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

x No fee required.

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(1) Title of each class of securities to which transaction applies:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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251 O Connor Ridge Boulevard, Suite 300

Irving, Texas 75038

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD MAY 11, 2010

To the Stockholders of Darling International Inc.:

An Annual Meeting of Stockholders of Darling International Inc. (the Company) will be held on Tuesday, May 11, 2010, at 10:00 a.m., local time, at the Omni Mandalay Hotel at Las Colinas, 221 E. Las Colinas Blvd., Irving, Texas 75039, for the following purposes (which are more fully described in the accompanying Proxy Statement):

1. To elect as directors of the Company the seven nominees named in the accompanying proxy statement to serve until the next annual meeting of stockholders (Proposal 1);

2. To ratify the selection of KPMG LLP, independent registered public accounting firm, as the Company s independent registered public accountant for the fiscal year ending January 1, 2011 (Proposal 2);

3. To reapprove the performance measures under the Darling International Inc. 2004 Omnibus Incentive Plan (Proposal 3); and

4. To transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof in accordance with the provisions of the Company s bylaws.

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

The Board has fixed the close of business on March 22, 2010, as the record date for the determination of stockholders entitled to notice of and to vote at the Annual Meeting and any adjournment or postponement thereof.

You are cordially invited to attend the Annual Meeting. However, whether or not you expect to attend the Annual Meeting, to assure your shares are represented at the Annual Meeting, please date, execute and mail promptly the enclosed proxy in the enclosed envelope, for which no additional postage is required.

A copy of our Annual Report for the year ended January 2, 2010 is enclosed for your convenience.

By Order of the Board,

John F. Sterling
Secretary

Irving, Texas

April 6, 2010

Your vote is important.

Please execute and return promptly the enclosed proxy card in the envelope provided.

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251 O Connor Ridge Boulevard, Suite 300

Irving, Texas 75038

PROXY STATEMENT

FOR AN ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD MAY 11, 2010

This Proxy Statement is provided to the stockholders of Darling International Inc. (Darling, we or our company) in connection with the solicitation of proxies by our Board of Directors (the Board) to be voted at an Annual Meeting of Stockholders to be held at the Omni Mandalay Hotel at Las Colinas, 221 E. Las Colinas Blvd., Irving, Texas 75039, at 10:00 a.m., local time, on Tuesday, May 11, 2010, and at any adjournment or postponement thereof. This Proxy Statement and the enclosed proxy is first being sent or given to stockholders on or about April 6, 2010. This Proxy Statement provides information that should be helpful to you in deciding how to vote on the matters to be voted on at the Annual Meeting.

We are asking you to elect the seven nominees identified in this proxy statement as directors of Darling until the next annual meeting of stockholders, to ratify our selection of KPMG LLP as our registered public accounting firm for our fiscal year ending January 1, 2011, and to reapprove the performance measures under the Darling International Inc. 2004 Omnibus Incentive Plan.

QUESTIONS AND ANSWERS ABOUT VOTING

What am I voting on?

There are three matters scheduled for a vote:

- the election of the seven nominees identified in this proxy statement as directors, each for a term of one year (Proposal 1);
- the ratification of the selection of KPMG LLP as our independent registered public accounting firm for our fiscal year ending January 1, 2011 (Proposal 2); and
- the reapproval of the performance measures under the Darling International Inc. 2004 Omnibus Incentive Plan (Proposal 3).

Who is entitled to vote at the Annual Meeting?

You are entitled to vote your shares of Darling common stock at the Annual Meeting and any adjournment or postponement thereof if our records show that you owned your shares at the close of business on March 22, 2010. A total of 82,442,206 shares of common stock are outstanding and eligible to vote at the Annual Meeting. Each share of common stock is entitled to one vote on each matter properly brought before the Annual Meeting. The enclosed proxy card shows the number of shares you are entitled to vote at the Annual Meeting.

How do I vote?

Your shares may only be voted at the Annual Meeting if you are present in person or are represented by proxy. Whether or not you plan to attend the Annual Meeting, we encourage you to vote by proxy to assure that your shares will be represented. To vote by proxy, complete the enclosed proxy card and mail it in the postage-paid envelope provided, or you may vote by using the telephone or the Internet in accordance with the instructions provided on the enclosed proxy card.

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You may revoke your proxy at any time before it is exercised by timely submission of a written revocation to our Secretary, submission of a properly executed later-dated proxy or by timely voting by ballot at the Annual Meeting. Voting by proxy will in no way limit your right to vote at the Annual Meeting if you later decide to attend in person. Attendance at the Annual Meeting will not by itself constitute a revocation of your proxy you must vote at the Annual Meeting.

If your shares are held in the name of a bank, broker or other holder of record (i.e., a street name), you will receive instructions from the holder of record that you must follow in order for your shares to be voted.

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

Who may attend the Annual Meeting?

All stockholders that were stockholders of Darling as of the record date March 22, 2010, or their authorized representatives, may attend the Annual Meeting. Admission to the Annual Meeting will be on a first-come, first-served basis. If your shares are held in the name of a bank, broker or other holder of record and you plan to attend the Annual Meeting, you should bring proof of ownership to the Annual Meeting, such as a bank or brokerage account statement, to ensure your admission.

How will votes be counted?

The Annual Meeting will be held if a quorum, consisting of a majority of the outstanding shares entitled to vote, is represented in person or by proxy. Abstentions and broker non-votes will be counted as present and entitled to vote for purposes of determining a quorum. A broker non-vote occurs when a nominee, such as a bank or broker, holding shares for a beneficial owner, does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner. Under the rules of the New York Stock Exchange (the NYSE), absent instructions from the beneficial owners, banks and brokers who hold shares in street name for beneficial owners have the authority to vote on routine corporate matters. The ratification of the selection of our independent registered public accounting firm and the reapproval of the performance measures under the Darling International Inc. 2004 Omnibus Incentive Plan are considered to be routine matters, while the election of directors is not.

With respect to the nominees for director listed under Proposal 1 Election of Directors, to be elected, each nominee must receive a majority of all votes cast (assuming a quorum is present) with respect to that nominee s election. A majority of votes cast means that the number of votes cast for a nominee s election must exceed the number of votes cast against such nominee s election. Each nominee receiving more votes for his election than votes against his election will be elected. In the election of directors, you may vote FOR, AGAINST or ABSTAIN with respect to each nominee. If you elect to abstain in the election of directors, the abstention will not impact the election of directors. In tabulating the voting results for the election of directors, only FOR and AGAINST votes are counted. Broker non-votes will not be counted as a vote cast with respect to a nominee and will therefore not affect the outcome of the vote on Proposal 1.

With respect to the other items of business (Proposal 2 Ratification of Selection of Independent Registered Public Accountant and Proposal 3 Reapproval of the Performance Measures Under the Darling International Inc. 2004 Omnibus Incentive Plan), the affirmative vote of a majority of shares present in person or represented by proxy and entitled to vote is required for approval of such items. For each of these items, you may ote FOR, AGAINST or ABSTAIN. If you abstain from voting, it will have the same effect as a vote against these items. If you hold your shares through a broker and you do not instruct the broker on how to vote on these items, your broker may exercise its discretionary authority to vote your shares in favor of these items.

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Who will count the votes?

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

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

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

Who can help answer my other questions and to whom should I send a request for copies of certain material?

If you have more questions about voting, wish to obtain another proxy card or wish to receive a copy of our Annual Report on Form 10-K for the fiscal year ended January 2, 2010 without charge, you should contact:

John F. Sterling

General Counsel and Secretary

Darling International Inc.

251 O Connor Ridge Boulevard, Suite 300

Irving, Texas 75038

Telephone: 972.717.0300 Fax: 972.281.4475

E-mail: corporatesecretary@darlingii.com

Important Notice Regarding the Availability of Proxy Materials for

the Stockholder Meeting to Be Held on May 11, 2010

The Proxy Statement and the 2009 Annual Report to security holders are available at

www.edocumentview.com/DAR

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CORPORATE GOVERNANCE

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

Independent Directors

The Board has determined that each of O. Thomas Albrecht, C. Dean Carlson, Marlyn Jorgensen, Charles Macaluso, John D. March and Michael Urbut meet the independence requirements of the NYSE and the Securities and Exchange Commission (the SEC).

Meetings of the Board

During the fiscal year ended January 2, 2010, the Board held five regular meetings and seven special meetings. Each of the directors attended at least 75% of all meetings held by the Board and all meetings of each committee of the Board on which the applicable director served during the fiscal year ended January 2, 2010.

Communications with the Board

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

It is a policy of the Board to encourage directors to attend each annual meeting of stockholders. The Board s attendance allows for direct interaction between stockholders and members of the Board. All of our directors attended our 2009 annual meeting of stockholders.

Board Leadership Structure

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

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

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

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

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The Board s Role in Risk Oversight

The Board and each of its committees are involved in overseeing risk associated with our company. In its oversight role, the Board annually reviews our company s strategic plan, which addresses, among other things, the risks and opportunities facing our company. While the Board has the ultimate oversight responsibility for the risk management process, it has delegated certain risk management oversight responsibilities to the Board committees. One of the primary purposes of the audit committee, as set forth in its charter, is to act on behalf of the Board in fulfilling its responsibilities to oversee company processes for the management of business/financial risk and for compliance with applicable legal, ethical and regulatory requirements. Accordingly, as part of its responsibilities as set forth in its charter, the audit committee is charged with (i) inquiring of management and our company s outside auditors about significant risks and exposures and assessing the steps management has taken or needs to take to minimize such risks and (ii) overseeing our company s policies with respect to risk assessment and risk management, including the development and maintenance of an internal audit function to provide management and the audit committee with ongoing assessments of our company s risk management processes and internal controls. In connection with these risk oversight responsibilities, the audit committee has regular meetings with our company s management, internal auditors and independent, outside auditors. The nominating and corporate governance committee annually reviews our company s corporate governance guidelines and their implementation. The compensation committee considers risks related to the attraction and retention of talented senior management and other employees as well as risks relating to the design of compensation programs and arrangements. Each committee provides the Board with regular, detailed reports regarding committee meetings and actions. In addition, our company employs Michael Rath as our Executive Vice President Commodities and Risk Management. Mr. Rath reports directly to our CEO and provides regular updates and reports to our CEO and Board regarding all of our company s commodity risk positions.

Committees of the Board

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

Nominating and Corporate Governance Committee. The nominating and corporate governance committee currently consists of Messrs. Macaluso (Chairman), Jorgensen and Urbut, each of whom is independent under the rules of the NYSE and the SEC. The nominating and corporate governance committee met twice during the fiscal year ended January 2, 2010. The nominating and corporate governance committee is generally responsible for:

- identifying, reviewing, evaluating and recommending potential candidates to serve as directors of our company;
- recommending to the Board the number and nature of standing and special committees to be created by the Board;
- recommending to the Board the members and chairperson for each Board committee;
- developing, recommending and annually reviewing and assessing our Corporate Governance Guidelines and Code of Business Conduct and making recommendations for changes to the Board;
- establishing and annually re-evaluating and recommending to the Board the standards for criteria for membership for, and the process of selection of, new and continuing directors for the Board;
- communicating with our stockholders regarding nominees for the Board and considering whether to recommend these nominees to the Board;
- evaluating annually the status of Board compensation in relation to comparable U.S. companies and reporting its findings to the Board, along with its recommendation of general principles to be used in determining the form and amount of director compensation;

periodically reviewing corporate governance matters generally and recommending

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- action to the Board where appropriate;
- reviewing and addressing any potential conflicts of interest of our directors and executive officers;
- developing criteria for and assisting the Board in its annual self-evaluation; and
- overseeing the annual evaluation of management of our company, including oversight of the evaluation of our Chief Executive Officer by the compensation committee.

The Board has adopted a written charter for the nominating and corporate governance committee.

Audit Committee. The audit committee currently consists of Messrs. Urbut (Chairman), Albrecht, Carlson and March, each of whom is independent under the rules of the NYSE and the SEC. The audit committee continued its long-standing practice of meeting directly with our internal audit staff to discuss the current year s audit plan and to allow for direct interaction between the audit committee members and our internal auditors. The audit committee met four times during the fiscal year ended January 2, 2010. The audit committee is generally responsible for:

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

- preparing the report of the audit committee required to be included in our proxy statement; and

- creating and periodically reviewing our whistleblower policy.

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

The Board has adopted a written charter setting out the audit-related functions that the audit committee is to perform.

Please see page 38 of this Proxy Statement for the Report of the Audit Committee.

Compensation Committee. The compensation committee currently consists of Messrs. Albrecht (Chairman), Carlson, Jorgensen and March, each of whom is independent under the rules of the NYSE and the SEC. The compensation committee met three times during the fiscal year ended January 2, 2010. The compensation committee is generally responsible for:

- establishing and reviewing our overall compensation philosophy and policies;
- determining and approving the compensation level of our Chief Executive Officer;
- reviewing and approving corporate goals and objectives relevant to the compensation of our executive officers;
- evaluating at least annually the performance of our Chief Executive Officer and other executive officers in light of the approved goals and objectives;
- examining and making recommendations to the Board with respect to the overall compensation program for managerial level employees;
- reviewing and recommending to the Board for approval new compensation programs;
- reviewing our incentive compensation, equity-based and other compensation plans and perquisites on a periodic basis;
- reviewing employee compensation levels generally;
- drafting and discussing our Compensation Discussion and Analysis required to be included in our annual proxy statement and recommending its inclusion to the Board; and
- preparing the report of the compensation committee for inclusion in our annual proxy statement.

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

Please see page 21 of this Proxy Statement for the Compensation Committee Report.

Code of Business Conduct

The Board has adopted a Code of Business Conduct that applies to all of our employees, including our Chief Executive Officer, chief financial officer and principal accounting officer. The Code includes guidelines relating to the ethical handling of actual or potential conflicts of interest, compliance with laws, accurate financial reporting and procedures for promoting compliance with, and reporting violations of, the Code.

Governance Documents

Copies of the Corporate Governance Guidelines, the Board committee charters and the Code of Business Conduct are available on our website at http://www.darlingii.com/investors.aspx. Stockholders may request copies of these documents free of charge by writing to Darling International Inc., 251 O Connor Ridge Blvd., Suite 300, Irving, Texas 75038, Attn: Investor Relations.

Compensation Committee Interlocks and Insider Participation

During the fiscal year ended January 2, 2010, Messrs. Albrecht, Carlson, Jorgensen, Macaluso, March and Urbut served on the compensation committee at various times during the year. No compensation committee member (i) was an officer or employee of Darling, (ii) was formerly an officer of Darling or (iii) had any relationship requiring disclosure under the SEC s rules governing disclosure of related person transactions. During the fiscal year ended January 2, 2010, we had no interlocking relationships in which (i) an executive officer of Darling served as a member of the compensation committee of another entity, one of whose executive officers served on the compensation committee of Darling, (ii) an executive officer of Darling served as a director of another

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entity, one of whose executive officers served on the compensation committee of Darling, or (iii) an executive officer of Darling served as a member of the compensation committee of another entity, one of whose executive officers served as a director of Darling.

PROPOSAL 1 ELECTION OF DIRECTORS

Introduction

Our current Board consists of seven members. At the Annual Meeting, seven directors are to be elected to hold office. The nominees for election as directors are: O. Thomas Albrecht, C. Dean Carlson, Marlyn Jorgensen, Charles Macaluso, John D. March, Randall C. Stuewe and Michael Urbut.

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

Name	Age	Principal Occupation
Randall C. Stuewe	47	Mr. Stuewe has served as our Chairman and Chief Executive Officer since February 2003. From 1996 to 2002, Mr. Stuewe worked for ConAgra Foods, Inc. as executive vice president and most recently as president of Gilroy Foods. Prior to serving at ConAgra Foods, he spent twelve years in management, sales and trading positions at Cargill, Incorporated.
		Mr. Stuewe brings a seasoned set of management and operating skills to Darling s Board. The Company believes Mr. Stuewe s 25 plus years of experiences at various agriculture processing businesses qualifies him to be both Chairman and Chief Executive Officer.
O. Thomas Albrecht	63	Mr. Albrecht was employed by McDonald s Corporation from 1977 until his retirement in March 2001. Most recently, from 1995 until March 2001, Mr. Albrecht served as a senior vice president and chief purchasing officer of McDonald s Corporation. Since March 1, 2007, Mr. Albrecht has served as President of R&J Construction Supply, Inc. Mr. Albrecht has served as a director of our company since May 2002.
		Mr. Albrecht brings an array of talents and experiences from his long tenure at McDonald s Corporation, a world leader in the food service industry. A proven senior executive, Mr. Albrecht provides a wealth of experience, both domestic and internationally, in areas such as supply and vendor management and strategic planning and implementation. Mr. Albrecht serves as Chairman of our compensation committee and brings a thorough understanding of compensation systems necessary to retain and attract talent.

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Name	Age	Principal Occupation
C. Dean Carlson	72	Mr. Carlson served as chairman of National By-Products, LLC (NBP) from January 1990 until May 2006. He also served as NBP s President and Chief Executive Officer from January 1990 until January 2001. He served in several other positions at NBP from 1964 through 1989. Mr. Carlson has served as a director of our company since May 2006.
		Mr. Carlson brings substantial rendering industry experience derived from his successful tenure at NBP. Mr. Carlson led the leveraged buyout and take private transaction of NBP prior to facilitating the sale to Darling in 2006.
Marlyn Jorgensen	70	Mr. Jorgensen served as a director of NBP from 1990 until May 2006. Since 1974, Mr. Jorgensen has been a member of the American Soybean Association and served as its president in 1990. He is also a member of the Iowa Farm Bureau and Iowa Producers Cooperative, in each of which he has held numerous positions. Mr. Jorgensen has served as a director of our company since May 2006.
		Mr. Jorgenson brings to Darling s Board a wealth of agriculture production knowledge with special emphasis on livestock production which is critical to Darling s core business. In addition he has significant board experience having served on many public, private and not for profit boards and commissions. Mr. Jorgensen also has a particular knowledge in the area of agriculture and public policy with special emphasis at the federal level where he has helped secure passage of several pieces of national legislation.
Charles Macaluso	66	Since 1998, Mr. Macaluso has been a principal of Dorchester Capital, LLC, a management consulting and corporate advisory service firm focusing on operational assessment, strategic planning and workouts. From 1996 to 1998, he was a partner at Miller Associates, Inc., a workout, turnaround partnership focusing on operational assessment, strategic planning and crisis management. Mr. Macaluso currently serves as a director of the following companies: Global Crossing Ltd. (NASDAQ: GLBC), where he serves on the audit committee; Lazy Days RV SuperCenters, Inc., where he serves on the audit and compensation committees; GEO Specialty Chemicals, where he serves as the chairman of the board; Global Power Equipment Group Inc., where he serves as chairman of the board; Wellman Inc., where he serves as chairman of the board; and Pilgrim s Pride Corporation (NYSE: PPC), where he serves on the audit committee. Mr. Macaluso has served as a director of our company since May 2002.

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Name	Age	Principal Occupation
		Mr. Macaluso brings substantial experience from both private equity and public company exposure. His extensive experience serving on the boards of directors of numerous public companies brings to our Board valuable experience in dealing with the complex issues facing boards of directors today and makes him duly qualified to serve as our Lead Director.
John D. March	62	Mr. March was employed by Cargill, Incorporated from 1971 until his retirement in December 2007, where he held a variety of managerial positions throughout his career. Most recently, from January 2000 until December 2007, Mr. March served as Corporate Vice President Platform Leader Cargill Grain and Oilseed Supply Chain; Cargill Food Ingredients North America. Mr. March currently serves as a director of BioFuel Energy Corp. Mr. March has served as a director of our company since March 2008.
		Through his long tenure at Cargill, Incorporated, a world leading producer and marketer of food, agricultural, financial and industrial products and services, Mr. March brings our Board tenured executive experience in global agriculture, food ingredients, biofuels and fats and oils.
Michael Urbut	61	Mr. Urbut has served as a director of FSB Global Holdings, Inc. or its predecessor Fresh Start Bakeries, Inc. since May 1999 and currently serves as chair of its audit committee. Previous to 1999, Mr. Urbut worked in various management capacities at several foodservice-related companies. Mr. Urbut has served as a director of our company since May 2005.
		Mr. Urbut brings extensive experience as an executive in the foodservice and rendering industries. In addition, Mr. Urbut has spent a significant portion of his professional career as a financial executive. Mr. Urbut s financial certification and education along with his current and past experiences as a Chief Financial Officer qualify him to be the Chairman of our audit committee and to serve as its financial expert.

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Director Nomination Process

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

The Board has a policy of considering director nominees recommended by our stockholders. A stockholder who wishes to recommend a prospective board nominee for the nominating and corporate governance committee s consideration can write to the Nominating and Corporate Governance Committee, c/o Secretary, Darling International Inc., P.O. Box 141481, Irving, Texas 75014-1481. In addition to considering nominees recommended by stockholders, our nominating and corporate governance committee also considers prospective board nominees recommended by current directors, management and other sources. Our nominating and corporate governance committee evaluates all prospective board nominees in the same manner regardless of the source of the recommendation.

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

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

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

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

Required Vote

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

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Recommendation of the Board

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

OUR MANAGEMENT

Executive Officers and Directors

Our executive officers and directors, their ages and their positions as of March 22, 2010, are as follows. Our executive officers serve at the discretion of the Board.

Name	Age	Position
Randall C. Stuewe	47	Chairman of the Board and Chief Executive Officer
John O. Muse	61	Executive Vice President Finance and Administration
Neil Katchen	64	Executive Vice President Operations
Michael L. Rath	45	Executive Vice President Commodities and Risk Management
Robert H. Seemann	59	Executive Vice President Sales and Services
John F. Sterling	46	Executive Vice President General Counsel and Secretary
O. Thomas Albrecht (1) (2)	63	Director
C. Dean Carlson (1) (2)	72	Director
Marlyn Jorgensen (2) (3)	70	Director
Charles Macaluso (3)	66	Director
John D. March (1) (2)	62	Director
Michael Urbut (1) (3) (4)	61	Director

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

For a description of the business experience of Messrs. Stuewe, Albrecht, Carlson, Jorgensen, Macaluso, March and Urbut, see Proposal 1 Election of Directors.

John O. Muse has served as our Executive Vice President Finance and Administration since February 2000.

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Neil Katchen has served as our Executive Vice President Operations since January 2010. Mr. Katchen has been an Executive Vice President of the Company since November 2001. From November 2001 to January 2010, he served under the titles of Executive Vice President Operations and Executive Vice President Chief Operating Officer, Retail and Service. From October 1997 to November 2001, he served as Vice President of our Eastern Region.

Michael L. Rath has served as our Executive Vice President Commodities and Risk Management since June 2009. Prior to that, Mr. Rath spent in excess of twenty years at Archer-Daniels-Midland Company (ADM) during which he held various marketing and management positions, including most recently General Manager of Renewable Industrial Chemicals, with responsibility for the commercialization of ADM s glycerin/sorbitol to propylene glycol. Prior to that, Mr. Rath was in ADM s Industrial Oils Group with a main focus on the commercialization of ADM s global biodiesel platform.

Robert H. Seemann has served as our Executive Vice President Sales and Services since August 2004. From 2003 to 2004, Mr. Seemann served as Vice President of International and Foodservice of ConAgra Food Ingredients. From 2001 to 2003, Mr. Seemann served as Vice President Sales and Marketing of Gilroy Foods, a division of ConAgra.

John F. Sterling has served as our Executive Vice President General Counsel and Secretary since August 2007. From 1997 to July 2007, Mr. Sterling worked for Pillowtex Corporation, where he served as Vice President, General Counsel and Secretary since 1999. Pillowtex Corporation filed for bankruptcy protection under Chapter 11 of the United States Bankruptcy Code on July 30, 2003.

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EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

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

Overview of Darling s Compensation Program

The compensation committee (for purposes of this analysis, the committee) of the Board oversees various executive and employee compensation plans and programs. It also has responsibility for continually monitoring these plans and programs to ensure that they adhere to our company s compensation philosophy and objectives. The committee determines the appropriate compensation levels of all executives, including the named executive officers whose compensation is discussed below, taking into account all forms of compensation, including retirement and post-retirement benefits and fringe benefits. In determining various long-term and short-term compensation components, the committee considers our company s performance, the current operating environment, relative shareholder return, and market compensation for similarly-situated executives. The committee believes that the total compensation paid to the Chief Executive Officer, Executive Vice President Finance and Administration (our principal financial officer) and the named executive officers should be fair, reasonable and competitive, taking the above factors into account. Throughout this Proxy Statement, our Chief Executive Officer and Executive Vice President Finance and Administration, as well as the other individuals included in the Summary Compensation Table, are referred to as the named executive officers.

The committee also evaluates and makes recommendations to the Board regarding our officer and director compensation plans, policies and programs, and reviews benefit plans for officers and employees. The committee s charter, which can be found on our website at http://www.darlingii.com/Investors.aspx, reflects the above-mentioned and other responsibilities. The committee and the Board periodically review and, as appropriate, revise the charter.

The committee s membership is determined by the Board and is composed entirely of independent directors, as defined under SEC rules and the listing standards of the NYSE. Additionally, each member of the committee is an outside director within the meaning of Section 162(m) of the Internal Revenue Code. The committee meets as often as appropriate, but not less than twice annually, and it may also consider and take action by written consent. Mr. Albrecht, the committee chairman, reports on committee actions and recommendations from time to time at Board meetings. In addition, the committee has the authority to engage the services of outside advisers, experts and others to assist the committee.

This year, the committee again has been particularly mindful of the troubled state of the U.S. and world economies and the sensitivities of the public (including our stockholders) to compensation awards that are not tied to performance. In addition, the committee had discussed with the Board and our executives our continued emphasis on conservative management and our compensation philosophy, which is designed to minimize excessive risk-taking by allocating a significant portion of executive compensation to long-term incentives, as discussed more fully below. The committee notes that despite a challenging economy our company had $597.8 million in net sales in fiscal 2009 and fiscal 2009 net income of $41.8 million.

Use of Consultant. During fiscal 2004, pursuant to the independent authority provided in its charter, the committee first engaged Hewitt Associates (Hewitt), an outside global human resources consulting firm, to review executive compensation and our company s incentive programs. The committee, together with Hewitt, developed the Darling International Inc. 2004 Omnibus Incentive Plan (the 2004 Omnibus Plan), which our stockholders subsequently approved. Under the 2004 Omnibus Plan, the committee has the discretion to create additional subplans. In 2005, the committee, in collaboration with Hewitt, adopted a Long-Term Incentive Program Policy Statement (the 2005 LTIP Program) to use as guidance in issuing long-term incentive compensation to our executive officers pursuant to the 2004 Omnibus Plan. The committee continues to consult with Hewitt from time to time in connection with its periodic review and refinement of our compensation programs (including those for our outside directors). Hewitt provided no other services to our company during fiscal 2009.

Development of 2009 Executive Compensation Program. The committee periodically reviews our comprehensive executive compensation program to ensure that it remains competitive and is providing the proper mix of cash, equity, long-term and short-term incentive compensation for our executives. During the review, the committee also analyzes its compensation philosophy and considers refinements to ensure continuing alignment of the elements of the program with stockholder interests. Therefore, during 2008, the committee engaged Hewitt to assist the committee in conducting a thorough review of our company s executive compensation program, including our company s incentive programs. As a result of this review, Hewitt made various recommendations to the committee for refinements to our company s executive compensation program. On January 15, 2009, the committee adopted an Executive Compensation Program Policy Statement (the 2009 Compensation Policy), which supersedes the 2005 LTIP Program for fiscal 2009 and beyond. The 2009 Compensation Policy, as further described below, differs from the prior year program in several respects, including the identification of three new comparison groups and a change in the financial objective component of the annual cash incentive and long-term incentive awards from an EBITDA target to a measurement of our company s yearly return on gross investment (or ROGI). The committee concluded that a ROGI financial goal would better reflect the Board s current and long-term strategic and financial objectives by evaluating our company s relative performance to a comparison group over an extended period of time.

Compensation Program Objectives

The committee believes that the most effective executive compensation program is one that is designed to reward the achievement of specific annual, long-term and strategic goals and to align executives interests with those of our stockholders by rewarding performance above established goals with the ultimate objective of improving stockholder value. In addition, the committee evaluates both performance and compensation to ensure that we maintain the ability to attract and retain superior employees in key positions and that compensation provided to key employees remains competitive relative to the compensation paid to similarly situated executives in the Comparison Group (as discussed below). To achieve these objectives, the committee believes that executive compensation packages provided by our company to our executives, including the named executive officers, should include both cash and stock-based compensation that reward performance as measured against established goals. The executive compensation program is designed to encourage executive officers to pursue strategies that serve the interests of our company and stockholders, and not to promote excessive risk taking by our executives.

Setting Executive Compensation

Based on the foregoing objectives, the committee has structured our company s annual and long-term incentive-based cash and non-cash executive compensation to motivate executives to achieve the business goals set by our company and to reward the executives for achieving those goals. Moreover, each year the committee reviews the executive compensation policies to ensure a nexus between executive compensation and the creation of stockholder value. Therefore, each executive s compensation is linked directly to our company s performance through our use of a bonus structure that rewards exceptional performance, based upon the achievement of pre-established financial and operational goals and individual management objectives. The committee considers both long-term and near-term strategic and financial objectives in designing our company s overall compensation programs. Each element of the program is addressed in the context of competitive conditions. In determining competitive compensation levels, the committee considers annual guidance from Hewitt, particularly analysis provided by Hewitt with respect to total compensation and each element of compensation for executives for selected peer companies (collectively, the Comparison Group), and reviews of executive compensation paid by comparably-sized public companies. In the course of its review of our executive compensation program, Hewitt considered the appropriate Comparison Group to be used for this analysis, taking into consideration the lack of any publicly traded direct competitors and the cyclical nature of our business due to the fluctuation in commodity prices. As a result, for the 2009 Compensation Policy, Hewitt recommended, and the Committee adopted, the use of three separate Comparison Groups in the analysis of our executive compensation program. With respect to a market assessment of the total compensation paid to our executives, the Comparison Group used was comprised of a general industry group of companies available from Hewitt s Total Compensation Measurement database. For

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2009, this included 59 companies with a median revenue level of approximately $1.0 billion. Further, the market data was developed and analyzed using regression analysis, based on our company s 2008 annual revenue size of $807 million. With respect to compensation structure (i.e., pay mix and plan design), the Comparison Group used was comprised of a group of 31 companies selected by Hewitt due to their similar characteristics to our company, including companies in the agricultural, animal slaughtering and meat processing, waste product and renewable energy industries. With respect to the setting of performance standards, the Comparison Group used is comprised of a multi-industry group of 126 companies selected by Hewitt. This group includes companies in cyclical industries as well as companies included in the compensation structure group.

The committee compares numerous elements of executive compensation (i.e., base salaries, annual incentive compensation, long-term incentive compensation, retirement benefits and certain material perquisites) to establish whether our company s proposed compensation programs are competitive with those offered by members of the Comparison Group. The committee generally sets total compensation for the named executive officers at or near the 50th percentile of total compensation paid to similarly situated executives of the companies comprising the Comparison Group. Variations from the 50th percentile level may occur, as dictated by the experience level of the individual and market factors. Further, the 50th percentile compensation target may be exceeded for a year in which performance significantly exceeds goals. For fiscal 2009, the committee believes that the total compensation set for the named executive officers was at or near the 50th percentile of total compensation paid to similarly situated executives of the companies comprising the Comparison Group.

A significant percentage of total compensation is allocated to incentive compensation that rewards exceptional performance as a result of the objectives mentioned above. The committee reviews information provided by Hewitt to determine the appropriate level and mix of incentive compensation, based on the Comparison Group and best practices employed by consistently high-performing companies. Incentive compensation is paid as a result of the performance of our company and/or the individual, depending on the type of award, compared to established goals. Although performance levels are established at levels that are reasonably obtainable, executive officers must attain better than expected planned performance in order to earn a significant percentage of available incentive compensation and no incentive based compensation will be paid for years in which we do not obtain the pre-established performance goals.

Role of Executive Officers in Compensation Decisions

The committee makes all compensation decisions for the named executive officers. The Chief Executive Officer annually reviews the performance of each named executive officer (other than himself, as his performance is reviewed by the committee). The conclusions reached by the Chief Executive Officer and recommendations based on these reviews, including with respect to salary adjustments and annual award amounts, are presented to the committee. The committee then exercises its discretion in modifying any recommended adjustments or awards to executives.

Elements of Compensation for Fiscal 2009

For fiscal 2009, the elements of compensation for the named executive officers were:

- base salary;
- annual incentive bonus;
- long-term incentive compensation;
- retirement benefits; and
- perquisites and other personal benefits.

In addition, the employment agreement with our Chief Executive Officer and Senior Executive Termination Benefits Agreements with certain other named executive officers provide for potential payments upon termination of employment for a variety of reasons. Each of the elements of our company s executive compensation program for fiscal 2009 is discussed in the following paragraphs.

Base Salary. Our company provides named executive officers and other employees with a base salary to compensate them for services rendered during each fiscal year. Base salary ranges for named executive officers are

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determined for each executive based on his position and responsibility by using market data supplied by Hewitt. Base pay is designed to be competitive compared with median prevailing market rates at general industrial companies that have similar total revenue and market capitalization and/or compete with our company for management talent. The committee, in consultation with Hewitt, periodically reviews base salaries of senior executives, in addition to those established by employment agreements, to determine if adjustment is necessary based on competitive practices and economic conditions. Base salary for senior executives will also be reviewed and adjustment may be made based on individual performance and the individual s skills, experience and background.

Annual Incentive Bonus. The 2009 Compensation Policy provides for an annual incentive bonus opportunity for each of our executives, including the named executive officers. In determining the amount of the target annual incentive bonus under the 2009 Compensation Policy, the committee considered several factors, including the desire to ensure that a substantial portion of potential total compensation is performance based and the advice of Hewitt as to compensation practices at other companies in the Comparison Group, as well as general information on best practices among high-performing companies.

In the 2009 Compensation Policy, the committee established the target components of the annual incentive bonus with specific elements in both financial and business objective areas. The financial objective component of the annual incentive bonus is based on our company s yearly return on gross investment (or ROGI), which is defined as earnings before interest, taxes, depreciation and amortization divided by the sum of total assets plus accumulated depreciation minus other liabilities (other than those incurred to financing institutions), including, but not limited to, accounts payable, accrued expenses, pension liabilities, other non-current liabilities and deferred income taxes. The committee has the ability to adjust annual ROGI based on extraordinary events. The business objective component of the annual incentive bonus is predicated on both our company s achievement of a minimum ROGI target and a program participant s achievement of specific strategic, personal and operational goals (SOPs). A program participant may receive between 0% and 100% of his target payout with respect to the SOPs component depending on such participant s performance for the fiscal year. Each program participant must achieve a minimum of 75% of his SOPs to receive any payout for the business component of the annual incentive bonus. Incentive compensation earned under each component is calculated independently and then aggregated to determine the total amount of a participant s annual incentive bonus. Assuming our company s achievement of 100% of targeted ROGI and the participant s achievement of 100% of his SOPs, the financial objective component would make up 75% and the business objective component would make up 25% of a participant s total annual incentive bonus. The committee set incentive award levels with reference to competitive conditions and to motivate executives by providing substantial bonus payments for the achievement of both our company s and individual goals.

The committee selected ROGI as the relevant company financial goal in the 2009 Compensation Policy because the committee believes that a ROGI financial goal will better reflect our Board s current and long-term strategic and financial objectives by evaluating our company s relative performance to a comparison group over an extended period of time.

The SOPs were established based on objective factors. The types and relative importance of the SOPs varied among our executives depending upon their positions and the particular operations or functions for which they were responsible and included:

- achieving pre-established levels of selling, general and administrative expenses;
- achieving certain per unit operating costs;
- achieving sales growth;
- achieving safety goals; and
- achieving certain strategic initiatives.

Following the end of the year, the committee analyzed each executive s performance to determine to what extent the SOPs were met during the year. Following a recommendation from our Chief Executive Officer (except as to himself), the committee determined a payout percentage for each executive, including the Chief Executive Officer, based on its assessment of the achievement of these goals.

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Pursuant to the 2009 Compensation Program, a program participant will receive 100% of his target payout with respect to the financial measure component of the annual incentive award if our company attains an annual ROGI for the fiscal year equal to the 50th percentile of the Comparison Group (the target ROGI) as calculated by Hewitt. For fiscal 2009, Hewitt calculated this target ROGI as 15.2%. In addition, in accordance with the terms of the 2009 Compensation Program, the committee also set a threshold and maximum ROGI for each program participant between which the participant would receive a percentage of target payout between 25% (for achievement of the 25th percentile of the Comparison Group ROGI) and 400% (for achievement of the 90th percentile of the Comparison Group ROGI) depending on the actual ROGI achieved. Each program participant is eligible for receipt of the SOPs component of the annual incentive award upon our company s achievement of the 25th percentile of the Comparison Group ROGI and achievement of at least 75% of the SOPs. The threshold, target and maximum annual incentive bonus opportunity for each of the named executive officers is shown in the Estimated Future Payouts Under Non-Equity Incentive Plan Awards column of the fiscal year 2009 Grants of Plan Based Awards Table included elsewhere in this Proxy Statement.

Our company exceeded the target ROGI for fiscal 2009, and, therefore, an annual incentive bonus was awarded to each of the named executive officers. The amount of the bonus for each named executive officer is included in the Non-Equity Incentive Plan Compensation column of the fiscal year 2009 Summary Compensation Table included elsewhere in this Proxy Statement.

Long-Term Incentive Compensation. The principal purpose of the long-term incentive portion (LTIP) of our executive compensation program is to encourage our executives to enhance the value of our company and, hence, the price of our company s stock and the stockholders return. The long-term incentive component of the compensation system is also designed to create retention incentives for the individual and to provide an opportunity for increased equity ownership by executives through the granting of long-term equity based awards. We also believe that long-term equity based awards disincentivize excessive risk-taking by our executives by aligning our executives interests with our company s and our stockholders long-term interests. Under the 2004 Omnibus Plan, the committee may grant various types of equity based awards, including performance based restricted stock and stock options. The long term incentive element of the 2009 Compensation Policy provides for annual equity grant award opportunities for each of our named executives, which awards are composed of 75% restricted stock and 25% stock options and are subject to our company meeting certain financial objectives for the relevant fiscal year. The committee sets a target grant dollar value for each participant, which may range from 20% to 70% of the participant s base salary. In making that determination, the committee considers the impact of the grant in the context of each executive s aggregate compensation package. A program participant will receive 100% of his target grant dollar value if our company attains the target ROGI, which as stated above was calculated by Hewitt to be 15.2%. The actual amount of the award will be based on our company s actual trailing five-year ROGI average and may range from between 50% (for achievement of from the 5th percentile to the 25th percentile of the Comparison Group ROGI) and 150% (for achievement of the 75th percentile or higher of the Comparison Group ROGI) of the target grant dollar value. This program is designed to ensure that the program participants will receive some level of equity grant annually so long as our company is profitable, which the committee believes maximizes the retention element of our company s long term incentive program.

Performance Based Restricted Stock. Performance based restricted stock awarded under the 2009 Compensation Policy does not have an exercise price and vests over a period of three years, with 25% vesting immediately upon issuance and 25% vesting on each of the next three anniversaries of the grant date. In accordance with the terms of the 2009 Compensation Policy, such restricted stock is granted on the fourth business day after the Company releases its annual financial results, and the number of shares of restricted stock granted is determined using the fair market value of our company s common stock on the third business day after the company releases its annual financial results. As stated above, our company exceeded the target ROGI for fiscal 2009, and, therefore, restricted stock was granted and issued to the program participants on March 9, 2010. The number of shares of restricted stock issued to the participants was determined based on the closing price of our common stock on the NYSE on March 8, 2010. The number of shares of restricted stock issued to the named executive officers is shown in the Estimated Future Payouts Under Equity Incentive Plan Awards column of the fiscal year 2009 Grants of Plan-Based Awards Table included elsewhere in this Proxy Statement.

Stock Options. Stock options awarded under the 2009 Compensation Policy are granted on the fourth business day after our company releases its annual financial results and vest over a period of three years, with

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25% vesting immediately upon issuance and 25% vesting on each of the next three anniversaries of the grant date. The number of stock options granted is determined using the fair market value of our company s common stock on the third business day after the company releases its annual financial results. In addition, in accordance with the terms of the 2009 Compensation Policy, the exercise price of the stock options is equal to the fair market value of our company s common stock on the third business day after the company releases its annual financial results. As stated above, our company exceeded the target ROGI for fiscal 2009, and, therefore, stock options were granted to the program participants on March 9, 2010. The number of stock options issued to the participants and the exercise price of such stock options was determined based on the closing price of our common stock on the NYSE on March 8, 2010. The number of stock options issued to the named executive officers is shown in the All Other Option Awards column of the fiscal year 2009 Grants of Plan-Based Awards Table included elsewhere in this Proxy Statement.

Additional Awards. The committee periodically evaluates the advisability of grants of long-term incentives to our executives and other employees. The committee will make additional awards as it determines are appropriate, advisable and in the best interests of our company, all in accordance with the 2004 Omnibus Plan.

Practices Regarding the Grant of Options and Other Equity-Based Awards. If applicable, our company generally makes grants to our named executive officers and other senior management on a once-a-year basis. The committee typically approves equity award opportunities at the beginning of a fiscal year in connection with its adoption of an executive compensation program for such upcoming fiscal year. The grants of the equity awards then generally occur during the first quarter of the following fiscal year once it has been determined that, and the committee certifies that, the applicable performance measures have been met. From time to time the committee makes discretionary grants of equity awards to other employees who do not participate in the executive compensation program. These grants are generally made at the same time that the grants are made to participants in the executive compensation program, based on recommendations by management and performance of such nonexecutive employees during the prior fiscal year.

Our company does not have a program, plan or practice to time annual or ad hoc grants of stock options or other equity-based awards in coordination with the release of material non-public information or otherwise. Our company does not have any program, plan or practice of awarding options and setting the exercise price based on the stock s price on a date other than the grant date or the business day immediately preceding the grant date. Our company does not have a practice of determining the exercise price of option grants by using average prices or lowest prices of our common stock in a period preceding, surrounding or following the grant date.

Retirement Benefits. Our company s Salaried Employees Retirement Plan is a non-contributory defined benefit plan. Office and supervisory employees not covered under another plan automatically become participants in the Salaried Employee s Retirement Plan on the earlier of January 1 or July 1 following completion of 1,000 hours of service in a consecutive twelve-month period. Upon meeting the eligibility requirement, employees are recognized as participants from the date of commencement of their service with our company. Eligible employees become fully vested in their benefits after completing five years of service. Benefits under the Salaried Employee s Retirement Plan are calculated on average monthly pay based upon the highest 60 consecutive months of the latest 120 months (and subject to the limitations discussed above) and the years of service completed.

As part of a comprehensive overhaul of our company s retirement benefit programs, the pension benefit accrued by participants in the Salaried Employee s Retirement Plan was changed effective January 1, 2008. All participants are entitled to their accrued benefit as of December 31, 2007. The basic pension benefit up until December 31, 2007 was equal to 45% of the employee s average monthly pay, reduced proportionally for years of service less than 25 years, with such multiple increasing by 0.5% per year for years of service in excess of 25 years to a maximum of 15 additional years. Effective January 1, 2008, for service years earned going forward, the benefit accrual will be 0.25% per year. Benefits are not subject to reduction for Social Security benefits or any other offset. In addition, our company offers a 401(k) plan to all of its eligible salaried employees. The 401(k) plan includes an employer contribution ranging from 2% to 5% of a participant s base salary, based on age.

Perquisites and Other Personal Benefits. Our company provides named executive officers with perquisites and other personal benefits, reflected in the All Other Compensation column in the Summary Compensation Table included elsewhere in this Proxy Statement, that our company and the committee believe are reasonable and

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consistent with our overall compensation program to better enable our company to attract and retain superior employees for key positions. The committee periodically reviews the levels of perquisites and other personal benefits provided to named executive officers.

These perquisites include automobile allowances and/or use of company automobiles, club dues and participation in the plans and programs described above.

Employment Arrangements and Post-Termination Compensation. Our company has entered into an employment agreement with our Chief Executive Officer and Senior Executive Termination Benefits Agreements with certain other of our officers, including each of the named executive officers, that provide for, among other things, potential payments and other benefits upon termination of employment for a variety of reasons. In addition, our company entered into a Separation and Consulting Agreement with Mark Myers following his retirement from the company on January 3, 2010. See Mr. Stuewe s Employment Agreement and Potential Payments upon Termination or Change-in-Control included elsewhere in this Proxy Statement for a description of these agreements, including the severance benefits thereunder.

The committee believes that these severance arrangements are an important part of overall compensation for our named executive officers. The committee approved specific change of control provisions in certain of these agreements to provide reasonable personal protection to our senior executives in the context of an actual or potential change of control of our company. In addition, the committee views these arrangements as preventing management distraction during the critical periods prior to and immediately following a change of control. The committee also believes that severance and change of control arrangements are important as a recruitment and retention device, as most of the companies with which we compete for executive talent have similar agreements in place for their senior employees.

Tax and Accounting Implications

Deductibility of Executive Compensation. Section 162(m) of the Internal Revenue Code places a limitation on tax deductions of any publicly-held corporation for individual compensation to certain executives of that corporation exceeding $1,000,000 in any taxable year, unless the compensation is performance-based. The committee uses, where practical, compensation policies and programs that preserve the tax deductibility of executive compensation; however, the committee at its sole discretion may approve payment of nondeductible compensation from time to time if the committee determines that it is in the best interest of our company to do so.

Accounting for Stock Based Compensation. Our company s stock option grant policies have been impacted by the implementation of SFAS No. 123R, which we adopted in the first quarter of fiscal 2006. Under this accounting pronouncement, we are required to value unvested stock options granted prior to our adoption of SFAS No. 123R under the fair value method and expense those amounts in the income statement over the stock option s remaining vesting period.

COMPE NSATION COMMITTEE REPORT

The compensation committee of the Board has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on that review and those discussions, the compensation committee recommends to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

THE COMPENSATION COMMITTEE

O. Thomas Albrecht, Chairman
C. Dean Carlson
Marlyn Jorgensen
John D. March

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Summary Compensation Table

The following table sets forth certain information with respect to the total compensation paid or earned by each of our named executive officers for our fiscal years 2009, 2008 and 2007.

Name and Principal Position	Year	Salary	Bonus	Stock Awards	Option Awards	Non-Equity Incentive Plan Compen- sation (5)	Change in Pension Value and Nonqualified Deferred Compen- sation Earnings (6)	All Other Compen- sation	Total
Randall C. Stuewe Chairman and Chief Executive Officer	2009	$ 675,000		$ 531,563(2)	$ 103,509	$ 889,196	$ 13,047	$ 37,537(7)	$ 2,249,852
	2008	637,000		373,000(3)		2,278,620	15,843	32,941	3,337,404
	2007	600,000	$ 505,902(1)	373,000(4)		1,197,003	17,019	24,734	2,717,658
John O. Muse Executive Vice President Finance and Administration	2009	336,000		189,000(2)	36,802	309,858	41,386	36,118(8)	949,164
	2008	331,250		144,000(3)		844,688	62,258	33,766	1,415,962
	2007	309,000	336,425(1)	144,000(4)		440,326	55,276	20,991	1,306,018
Neil Katchen Executive Vice President Chief Operations Officer	2009	269,000		136,181(2)	26,519	246,390	(6,280)	21,136(9)	692,946
	2008	265,000		134,000(3)		413,069	6,799	27,971	846,839
	2007	250,000	126,476(1)	134,000(4)		253,124	38,870	10,737	813,207
Mark A. Myers(12) Executive Vice President COO, Midwest Rendering	2009	450,000				293,764	13,074	79,271(10)	836,109
	2008	445,403				489,888	4,732	24,755	964,778
	2007	427,215	126,476(1)			317,741		32,561	903,993
John F. Sterling (13) Executive Vice President General Counsel and Secretary	2009	258,000		130,613(2)	25,430	242,764	3,839	23,708(11)	684,354
	2008	253,000		100,000(3)		410,751	11,058	19,951	794,760
	2007								

(1) Represents cash payments made in fiscal 2007 pursuant to a discretionary plan relating to the successful integration of NBP.

(2) Represents the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 of the performance based restricted stock award granted on March 9, 2010 pursuant to the 2009 LTIP. See Elements of Compensation for Fiscal 2009 Long-Term Incentive Compensation on page 19. See Note 12 of the consolidated financial statements in our Annual Report for the fiscal year ended January 2, 2010 regarding assumptions underlying valuation of equity awards.

(3) Represents the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 of the performance based restricted stock award granted on March 10, 2009.

(4) Represents the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 of the performance based restricted stock award granted on March 3, 2008.

(5) The amounts reported in the Non-Equity Incentive Plan Compensation column reflect the amounts earned and payable to each named executive officer for fiscal 2009, 2008 and 2007, as the case may be, under the applicable annual incentive plan. For fiscal 2009, these amounts are the actual amounts earned under the awards described in the fiscal 2009 Grants of Plan-Based Awards table on page 24. For fiscal 2009, payments under the annual incentive plan were calculated as described in Elements of Compensation for Fiscal 2009 Annual Incentive Bonus on page 18.

(6) The item for fiscal 2009 represents the change in the actuarial present value of the named executive officers accumulated benefits under the Darling International Inc. Salaried Employees Retirement Plan from January 3, 2009 to January 2, 2010. This change is the difference between the fiscal 2008 and fiscal 2009

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measurements of the present value, assuming that benefit is not paid until age 65. Historically, our company has used an October 1 measurement date for its defined benefit plans. Our company changed to a fiscal year end measurement date at the end of fiscal 2008 as required by SFAS 158, *Employers Accounting for Defined Benefit Pension and Other Post-Retirement Plans an Amendment of FASB Statements No. 87, 88, 106 and 132(R)*. Thus, the item for fiscal 2008 represents the change in the actuarial present value of the named executive officers accumulated benefits under the Darling International Inc. Salaried Employees Retirement Plan from October 1, 2007 to January 3, 2009. This change is the difference between the fiscal 2007 and fiscal 2008 measurements of the present value, assuming that benefit is not paid until age 65. The item for fiscal 2007 represents the change in the actuarial present value of the named executive officers accumulated benefits from October 1, 2006 to October 1, 2007. This change is the difference between the fiscal 2006 and fiscal 2007 measurements of the present value, assuming that benefit is not paid until age 65. Each of these amounts was computed using the same assumptions used for financial statement reporting purposes under FAS 87, *Employers Accounting for Pensions* as described in Note 13 of the consolidated financial statements in our Annual Report for the fiscal year ended January 2, 2010.

(7) Represents $13,301 in personal auto use, $6,000 in auto allowance, $6,096 in club dues paid by our company, $2,340 in group life and $9,800 in employer contributions and employer discretionary contributions to our company s 401(k) plan.

(8) Represents $10,500 in auto allowance, $5,992 in club dues paid by our company, $4,926 in group life and $14,700 in employer contributions and employer discretionary contributions to our company s 401(k) plan.

(9) Represents $2,571 in personal auto use, $3,865 in group life and $14,700 in employer contributions and employer discretionary contributions to our company s 401(k) plan.

(10) Represents $12,000 in auto allowance, $4,386 in group life and $12,250 in employer contributions and employer discretionary contributions to our company s 401(k) plan. Also includes an additional $50,635 paid to Mr. Myers on March 9, 2010 in accordance with the terms of his separation and consulting agreement, which amount represents the cash award in lieu of any equity grants under our company s 2009 LTIP. See Potential Payments upon Termination or Change of Control beginning on page 28 for a description of Mr. Myers separation and consulting agreement.

(11) Represents $9,247 in personal auto use, $3,822 in club dues paid by our company, $839 in group life and $9,800 in employer contributions and employer discretionary contributions to our company s 401(k) plan.

(12) As previously noted, Mr. Myers retired from the Company effective January 3, 2010.

(13) Mr. Sterling did not become a named executive officer until fiscal 2008. Accordingly, no information is given in this table for fiscal years prior to 2008.

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Grants of Plan-Based Awards

The following table sets forth certain information with respect to the plan-based awards granted to the named executive officers during the fiscal year ended January 2, 2010.

Name		Estimated Future Payouts Under Non-Equity Incentive Plan Awards (2)			Estimated Future Payouts Under Equity Incentive Plan Awards						
	Grant Date (1)	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#) (3)	Maximum (#)	All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Under-lying Options (#) (4)	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Option Awards
Randall C. Stuewe	1/15/09	$ 206,719	$ 472,500	$ 1,535,625		64,746			21,581	$ 8.21	$ 531,563(6) $ 103,509(7)
John O. Muse	1/15/09	$ 73,500	$ 168,000	$ 546,000		23,021			7,673	$ 8.21	$ 189,000(6) $ 36,802(7)
Neil Katchen	1/15/09	$ 58,844	$ 134,500	$ 437,125		16,587			5,529	$ 8.21	$ 136,181(6) $ 26,519(7)
Mark A. Myers (5)	1/15/09	$ 68,906	$ 157,500	$ 511,875							
John F. Sterling	1/15/09	$ 56,438	$ 129,000	$ 419,250		15,909			5,302	$	