

GOVERNMENT REGULATIONS

Darling Ingredients Inc. is subject to the rules and regulations of various federal, state, local and foreign governmental agencies. Material rules and regulations and the applicable agencies include:

UNITED STATES

- **The Food and Drug Administration ("FDA")**, which regulates pharmaceutical products and food and feed safety. Effective August 1997, the FDA promulgated a rule prohibiting the use of mammalian proteins, with some exceptions, in feeds for cattle, sheep and other ruminant animals (21 C.F.R. 589.2000, referred to herein as the "BSE Feed Rule") to prevent further spread of bovine spongiform encephalopathy, commonly referred to as "mad cow" disease ("BSE"). With respect to BSE in the United States, on October 26, 2009, the FDA began enforcing new regulations intended to further reduce the risk of spreading BSE (the "Enhanced BSE Rule"). These new regulations included amending the BSE Feed Rule to prohibit the use of tallow having more than 0.15% insoluble impurities in feed for cattle or other ruminant animals. In addition, the FDA implemented rules that prohibit the use of brain and spinal cord material from cattle aged 30 months and older or the carcasses of such cattle, if the brain and spinal cord are not removed, in the feed or food for all animals. Management believes we are in compliance with the provisions of these rules. See Item 1A "Risk Factors - Our business may be affected by the impact of BSE and other food safety issues," for more information regarding certain FDA rules that affect our business, including changes to the BSE Feed Rule.
- **The United States Department of Agriculture ("USDA")**, which regulates our collection and production methods. Within the USDA, two agencies exercise direct regulatory oversight of our activities:




On December 30, 2003, the Secretary of Agriculture announced new beef slaughter/meat processing regulations to assure consumers of the safety of the meat supply. These regulations prohibit non-ambulatory animals from entering the food chain, require removal of specified risk materials at slaughter and prohibit carcasses from cattle tested for BSE from entering the food chain until the animals are shown negative for BSE.

On November 19, 2007, APHIS implemented revised import regulations that allowed Canadian cattle over 30 months of age and born after March 1, 1999 and bovine products derived from such cattle to be imported into the United States for any use. Imports of Canadian cattle younger than 30 months of age have been allowed since March 2005. Imports of specialized risk material ("SRM") from Canadian born cattle slaughtered in Canada are not permitted. On March 16, 2012, APHIS proposed amending import regulations for all countries to establish a system for classifying regions as to BSE risk that is consistent with international standards set by the World Organization for Animal Health ("OIE") and to base 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 USDA announced the finalization of the proposed rule on November 1, 2013, which will become effective on March 4, 2014.

- The **U.S. Environmental Protection Agency ("EPA")**, which regulates air and water discharge requirements, as well as local and state agencies governing air and water discharge.
- **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 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 safety and health legislation.
- The **Securities and Exchange Commission ("SEC")**, which regulates securities and information required in annual, quarterly and other reports filed by publicly traded companies.

CANADA

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- 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**, 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.
 - The **Canadian Technical Standards and Safety Authority ("TSSA")**, a non-profit organization that regulates the safety of fuels and pressure vessels and boilers.

EUROPEAN UNION AND THE UNITED KINGDOM

- The **European Commission, Directorate for Health and Consumer**, which addresses regulations for food, feed, human and animal health, technical uses of animal by-products and packaging.
- The **European Medicine Agency**, which establishes guidance for pharmaceutical products, bovine products and metal residues.
- The **European Directorate for the Quality for Medicine**, which certifies pharmaceutical products.
- The **European Pharmacopeia**, which establishes requirements for pharmaceutical products.

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

CHINA

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

BRAZIL

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

ARGENTINA

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

AUSTRALIA

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

Note: As reported in the Company's Form 10-K, filed with the SEC on _____