

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of Earliest Event Reported): **April 23, 2008**

Dynamic Materials Corporation

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

0-8328
(Commission File Number)

84-0608431
(I.R.S. Employer Identification No.)

5405 Spine Road
Boulder, Colorado 80301
(Address of Principal Executive Offices, Including Zip Code)

(303) 665-5700
(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 **Entry into a Material Definitive Agreement**

Beginning on April 24, 2008, Dynamic Materials Corporation (the "Company") entered into Indemnification Agreements with each of its directors and named executive officers (the "Indemnification Agreements"). The Indemnification Agreements require the Company, with certain exceptions, to indemnify its directors and named executive officers against liabilities that may arise by reason of their status or service as directors or officers. They also require the Company to advance any expenses incurred by the directors or named executive officers as a result of any proceeding against them as to which they could be indemnified and to obtain directors' and officers' insurance, if available on reasonable terms.

This summary of the terms of the Indemnification Agreements is qualified in its entirety by reference to a form-of Indemnification Agreement which is filed as Exhibit 10.1 to this report.

Item 5.02 **Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On April 23, 2008, the Company entered into new employment agreements with each of its named executive officers (the "Employment Agreements"). The Employment Agreements are effective as of January 1, 2008 through December 31, 2008, unless earlier terminated, and supersede earlier employment agreements. Pursuant to the Employment Agreements, the Company may terminate the officer's employment at any time for cause (as defined in the Employment Agreements, copies of which are attached as exhibits 10.2, 10.3 and 10.4 to this Form 8-K) effective immediately upon written notice to the officer. The Employment Agreements also provide that the Company may terminate the officer for any reason other than for cause upon the payment of (a) one year's salary, payable in twelve monthly payments, plus (b) a bonus for such period based on the average bonus paid to the officer for the two years preceding his termination.

The Employment Agreements provide for salaries and incentive bonuses as set forth below. Both the non-discretionary and discretionary bonuses will be determined based on performance goals and rules established by the compensation committee of the Company's board of directors. The bonuses, if any, will be payable before March 15, 2009.

<u>Name and Title</u>	<u>2008 Salary</u>	<u>2008 Non-Discretionary Bonus</u>	<u>2008 Discretionary Bonus</u>
Yvon Pierre Cariou, President & Chief Executive Officer	\$ 440,000	2.5% of the Company's 2008 net income	Up to 25% of 2008 salary
Richard A. Santa, Senior Vice President & Chief Financial Officer	\$ 275,000	1% of the Company's 2008 net income	Up to 20% of 2008 salary
John G. Banker, Senior Vice President Customers & Technology	\$ 275,000	1% of the Company's 2008 net income	Up to 20% of 2008 salary

Under the Employment Agreements, each of the named executive officers is also eligible to receive awards of restricted shares of Company common stock under the Company's 2006 Stock Incentive Plan, subject to the terms and conditions of such plan and as granted by the compensation

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committee of the Company's board of directors (information regarding the Company's 2006 Stock Incentive Plan is hereby incorporated by reference to the Company's quarterly report on Form 10-Q filed with the Securities and Exchange Commission on November 2, 2006). The Employment Agreements also contain customary non-competition and non-solicitation provisions.

This summary of the terms of the Employment Agreements is qualified in its entirety by reference to the Employment Agreements which are filed as Exhibits 10.2, 10.3 and 10.4 to this report.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
10.1	Form of Indemnification Agreement.
10.2	Employment Agreement dated as of April 23, 2008, between the Company and Yvon Pierre Cariou.
10.3	Employment Agreement dated as of April 23, 2008, between the Company and Richard A. Santa.
10.4	Employment Agreement dated as of April 23, 2008, between the Company and John G. Banker.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DYNAMIC MATERIALS CORPORATION

Dated: April 28, 2008

By: /s/ Richard A. Santa
Richard A. Santa
Vice President and Chief Financial Officer

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EXHIBIT INDEX

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INDEMNIFICATION AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of April 2008 by and between Dynamic Materials Corporation, a Delaware corporation (the "Corporation"), and _____ ("Agent").

RECITALS

WHEREAS, Agent performs a valuable service to the Corporation in his capacity as [Director][Officer Title] of the Corporation;

WHEREAS, the stockholders of the Corporation have adopted bylaws (the "Bylaws") providing for the indemnification of the directors, officers, employees and other agents of the Corporation, including persons serving at the request of the Corporation in such capacities with other corporations or enterprises, as authorized by the Delaware General Corporation Law, as amended (the "Code");

WHEREAS, the Bylaws and the Code, by their non-exclusive nature, permit contracts between the Corporation and its agents, officers, employees and other agents with respect to indemnification of such persons; and

WHEREAS, in order to induce Agent to continue to serve as [Director][Officer Title] of the Corporation, the Corporation has determined and agreed to enter into this Agreement with Agent.

NOW, THEREFORE, in consideration of Agent's continued service as [Director][Officer Title] after the date hereof, the parties hereto agree as follows:

AGREEMENT

1. **Services to the Corporation.** Agent will serve, at the will of the Corporation or under separate contract, if any such contract exists, as [Director][Officer Title] of the Corporation or as a director, officer or other fiduciary of an affiliate of the Corporation (including any employee benefit plan of the Corporation) faithfully and to the best of his ability so long as he is duly elected and qualified in accordance with the provisions of the Bylaws or other applicable charter documents of the Corporation or such affiliate; *provided, however*, that Agent may at any time and for any reason resign from such position (subject to any contractual obligation that Agent may have assumed apart from this Agreement) and that the Corporation or any affiliate shall have no obligation under this Agreement to continue Agent in any such position.

2. **Right to Indemnification.** To the fullest extent permitted by the Code:

(a) The Corporation shall indemnify Agent if Agent was or is a party or is threatened to be made a party to any threatened, pending or completed proceeding (including any investigations) by reason of the fact that Agent is or was or has agreed to serve at the request of the Corporation as a director, officer, employee or agent (which for purposes hereof, shall

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include a trustee, partner or manager or similar capacity) of the Corporation, or while serving as a director or officer of the Corporation, is or was serving or has agreed to serve at the request of the Corporation as a director, officer, employee or agent (which, for purposes hereof, shall include a trustee, partner or manager or similar capacity) of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, or by reason of any action alleged to have been taken or omitted in such capacity. For the avoidance of doubt, the foregoing indemnification obligation includes, without limitation, claims for monetary damages against Agent in respect of an alleged breach of fiduciary duties, to the fullest extent permitted under Section 102(b)(7) of the Code as in existence on the date hereof.

(b) The indemnification provided by this Section 2 shall be from and against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by Agent or on Agent's behalf in connection with such proceeding and any appeal therefrom, but shall only be provided if Agent acted in good faith and in a manner Agent reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal proceeding, had no reasonable cause to believe Agent's conduct was unlawful.

(c) Notwithstanding the foregoing provisions of this Section 2, in the case of any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that Agent is or was a director, officer, employee or agent of the Corporation, or while serving as a director or officer of the Corporation, is or was serving or has agreed to serve at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, Agent shall be entitled to the rights of indemnification provided for herein in connection with such action or suit if the Agent acted in good faith and in a manner the Agent reasonably believed to be in or not opposed to the best interests of the Corporation; provided, however, if applicable law so provides, no indemnification shall be made in respect of any such claim, issue or matter as to which Agent shall have been finally adjudged to be liable to the Corporation unless, and only to the extent that, the Delaware Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Agent is fairly and reasonably entitled to indemnity for such expenses which the Delaware Court of Chancery or such other court shall deem proper.

(d) The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not create a presumption that Agent did not act in good faith and in a manner which Agent reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that Agent's conduct was unlawful.

(e) The indemnification and contribution provided for herein will remain in full force and effect regardless of any investigation made by or on behalf of Agent or any officer, director, employee, agent or controlling person of Agent.

3. **Determination That Indemnification Is Proper.** Any indemnification hereunder shall (unless otherwise ordered by a court) be made by the Corporation unless a

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determination is made that indemnification of such person is not proper in the circumstances because he or she has not met the applicable standard of conduct set forth in Section 2(b) hereof. Any such determination shall be made:

- (a) by a majority vote of the directors who are not parties to the proceeding in question ("disinterested directors"), even if less than a quorum;
- (b) by a majority vote of a committee of disinterested directors designated by majority vote of disinterested directors, even if less than a quorum;
- (c) by a majority vote of a quorum of the outstanding shares of stock of all classes entitled to vote on the matter, voting as a single class, which

quorum shall consist of stockholders who are not at that time parties to the proceeding in question;

- (d) by independent legal counsel; or
- (e) by a court of competent jurisdiction.

4. Limitations on Additional Indemnity. Notwithstanding any other provision herein to the contrary, no indemnity pursuant to Section 2 hereof shall be paid by the Corporation:

- (a) on account of any proceeding with respect to which final judgment is rendered against Agent for an accounting of profits made from the purchase or sale by Agent of securities of the Corporation pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934 and amendments thereto or similar provisions of any federal, state or local statutory law;
- (b) for which payment is actually made to Agent under a valid and collectible insurance policy or under a valid and enforceable indemnity clause, bylaw or agreement, except in respect of any excess beyond payment under such insurance, clause, bylaw or agreement;
- (c) if indemnification is not lawful (and, in this respect, both the Corporation and the Agent have been advised that the Securities and Exchange Commission believes that indemnification for liabilities arising under the federal securities laws is against public policy and is, therefore, unenforceable and that claims for indemnification should be submitted to appropriate courts for adjudication); or
- (d) in connection with any proceeding (or part thereof) initiated by Agent, or any proceeding by Agent against the Corporation or its directors, officers, employees or other agents, unless (i) such indemnification is expressly required to be made by law, (ii) the proceeding was authorized by the Board of Directors of the Corporation, (iii) such indemnification is provided by the Corporation, in its sole discretion, pursuant to the powers vested in the Corporation under the Code, or (iv) the proceeding is initiated pursuant to Section 10 hereof.

5. Continuation of Indemnity. All agreements and obligations of the Corporation contained herein shall continue during the period Agent is a director, officer, employee or other

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agent of the Corporation (or is or was serving at the request of the Corporation as a director, officer, employee or other agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise) and shall continue thereafter so long as Agent shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether civil, criminal, arbitration, administrative or investigative, by reason of the fact that Agent was serving in the capacity referred to herein.

6. Successful Defense; Partial Indemnification.

- (a) To the extent that Agent has been successful on the merits or otherwise in defense of any proceeding referred to in Section 2 hereof or in defense of any claim, issue or matter therein, Agent shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred in connection therewith. For purposes of this Agreement and without limiting the foregoing, if any proceeding is disposed of, on the merits or otherwise (including a disposition without prejudice), without:
 - (i) the disposition being adverse to Agent;
 - (ii) an adjudication that Agent was liable to the Corporation;
 - (iii) a plea of guilty or *nolo contendere* by Agent;
 - (iv) an adjudication that Agent did not act in good faith and in a manner Agent reasonably believed to be in or not opposed to the best interests of the Corporation; and
 - (v) with respect to any criminal proceeding, an adjudication that Agent had reasonable cause to believe Agent's conduct was unlawful,

Agent shall be considered for the purposes hereof to have been wholly successful with respect thereto.

- (b) If Agent is entitled under any provision of this Agreement to indemnification by the Corporation for a portion of the expenses (including attorneys' fees), witness fees, damages, judgments, fines and amounts paid in settlement and any other amounts that Agent becomes legally obligated to pay in connection with any action, suit or proceeding referred to in Section 2 hereof even if not entitled hereunder to indemnification for the total amount thereof, and the Corporation shall indemnify Agent for the portion thereof to which Agent is entitled.

7. Notification and Defense of Claim. Not later than thirty (30) days after receipt by Agent of notice of the commencement of any action, suit or proceeding, Agent will, if a claim in respect thereof is to be made against the Corporation under this Agreement, notify the Corporation of the commencement thereof; but the omission so to notify the Corporation will not relieve the Corporation from any liability which it may have to Agent hereunder, except to the extent the Corporation is prejudiced in its defense of such proceeding as a result of such failure. With respect to any such action, suit or proceeding as to which Agent notifies the Corporation of the commencement thereof:

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- (a) the Corporation will be entitled to participate therein at its own expense;

- (b) except as otherwise provided below, the Corporation may, at its option and jointly with any other indemnifying party similarly notified and electing to assume such defense, assume the defense thereof, with counsel reasonably satisfactory to Agent. After notice from the Corporation to Agent of its election to assume the defense thereof, the Corporation will not be liable to Agent under this Agreement for any legal or other expenses subsequently incurred by Agent in connection with the defense thereof except for reasonable costs of investigation or otherwise as provided below. Agent shall have the right to employ separate counsel in such action, suit or proceeding but the fees and expenses of such counsel incurred after notice from the Corporation of its assumption of the defense thereof shall be at the expense of Agent unless (i) the employment of counsel by Agent has been authorized by the Corporation, (ii) counsel to the Corporation or Agent shall have reasonably concluded that there may be a conflict of interest between the Corporation and Agent in the conduct of the defense of such action or (iii) the Corporation shall not in fact have employed counsel to assume the defense of such action, in each of which cases the fees and expenses of Agent's separate counsel shall be at the expense of the Corporation. The Corporation shall not be entitled to assume the defense of any action, suit or proceeding brought by or on behalf of the Corporation or as to which counsel for the Corporation or Agent shall have made the conclusion provided for in clause (ii) above; and

(c) the Corporation shall not be liable to indemnify Agent under this Agreement for any amounts paid in settlement of any action or claim effected without its written consent, which shall not be unreasonably withheld. The Corporation shall be permitted to settle any action except that it shall not settle any action or claim in any manner which would impose any penalty or limitation on Agent without Agent's written consent, which may be given or withheld in Agent's sole discretion.

8. Procedure for Indemnification.

(a) To obtain indemnification, Agent shall promptly submit to the Corporation a written request, including therein or therewith such documentation and information as is reasonably available to Agent and is reasonably necessary to determine whether and to what extent Agent is entitled to indemnification. The Corporation shall, promptly upon receipt of such a request for indemnification, advise the Board of Directors in writing that Agent has requested indemnification.

(b) The Corporation's determination whether to grant Agent's indemnification request shall be made promptly, and in any event within 45 days following receipt of a request for indemnification pursuant to Section 8(a).

(c) The Agent shall be presumed to be entitled to indemnification under this Agreement upon submission of a request for indemnification pursuant to this Section 8, and the Corporation shall have the burden of proof in overcoming that presumption in reaching a determination contrary to that presumption. Such presumption shall be used as a basis for a determination of entitlement to indemnification unless the Corporation overcomes such presumption by clear and convincing evidence.

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9. Expenses. The Corporation shall advance, prior to the full disposition of any proceeding, promptly following request therefor, all expenses incurred by Agent in connection with such proceeding upon receipt of an undertaking by or on behalf of Agent to repay said amounts if it shall be determined ultimately that Agent is not entitled to be indemnified under the provisions of this Agreement, the Bylaws, the Code or otherwise.

10. Enforcement. Any right to indemnification or advances granted by this Agreement to Agent shall be enforceable by or on behalf of Agent in any court of competent jurisdiction if (i) the claim for indemnification or advances is denied by the Corporation, in whole or in part, or (ii) no disposition of such claim is made within ninety (90) days of request therefor. The Agent's expenses (including attorneys' fees) incurred in connection with successfully establishing Agent's right to indemnification, in whole or in part, in any such proceeding or otherwise shall also be indemnified by the Corporation. It shall be a defense to any action for which a claim for indemnification is made under Section 2 hereof (other than an action brought to enforce a claim for expenses pursuant to Section 9 hereof, *provided* that the required undertaking has been tendered to the Corporation) that Agent has not met the standard of conduct set forth in Section 2 hereof or is not entitled to indemnification because of the limitations set forth in Section 4 hereof but the burden of proving such defense by clear and convincing evidence shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such enforcement action that indemnification of Agent is proper in the circumstances, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel or its stockholders) that such indemnification is improper shall be a defense to the action or create a presumption that Agent is not entitled to indemnification under this Agreement or otherwise.

11. Insurance and Subrogation.

(a) The Corporation shall purchase and maintain insurance in reasonable amounts from established and reputable insurers on behalf of Agent (which shall include so called "tail" coverage) who is or was or has agreed to serve at the request of the Corporation as a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against any liability asserted against, and incurred by, Agent or on Indemnitee's behalf in any such capacity, or arising out of Agent's status as such, whether or not the Corporation would have the power to indemnify Agent against such liability under the provisions of this Agreement. If the Corporation has such insurance in effect at the time the Corporation receives from Agent any notice of the commencement of a proceeding, the Corporation shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the policy. The Corporation shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Agent, all amounts payable as a result of such proceeding in accordance with the terms of such policy.

(b) In the event of payment by the Corporation under this Agreement, the Corporation shall be subrogated to the extent of such payment to all of the rights of recovery of Agent with respect to any insurance policy, who shall execute all documents required and shall

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do all acts that may be necessary to secure such rights and to enable the Corporation effectively to bring suit to enforce such rights in accordance with the terms of such insurance policy.

12. Non-Exclusivity of Rights. The rights conferred on Agent by this Agreement shall not be exclusive of any other right which Agent may have or hereafter acquire under any statute, provision of the Corporation's Certificate of Incorporation or Bylaws, agreement, vote of stockholders or directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding office.

13. Survival of Rights.

(a) The rights conferred on Agent by this Agreement shall continue after Agent has ceased to be a director, officer, employee or other agent of the Corporation or to serve at the request of the Corporation as a director, officer, employee or other agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise and shall inure to the benefit of Agent's heirs, executors and administrators.

(b) The Corporation shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Corporation, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Corporation would be required to perform if no such succession had taken place.

14. Separability. Each of the provisions of this Agreement is a separate and distinct agreement and independent of the others, so that if any provision hereof shall be held to be invalid for any reason, such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof. Furthermore, if this Agreement shall be invalidated in its entirety on any ground, then the Corporation shall nevertheless indemnify Agent to the fullest extent provided by the Bylaws, the Code or any other applicable law.

15. Governing Law. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Delaware.

16. Amendment and Termination. No amendment, notification, termination or cancellation of this Agreement shall be effective unless in writing signed by both parties hereto.

17. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute but one and the same Agreement. Only one such counterpart need be produced to evidence the existence of this Agreement.

18. Headings. The headings of the sections of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction hereof.

19. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given (i) upon delivery if delivered by hand to the party to whom such communication was directed or (ii) upon the third business day

after the date on which such communication was mailed if mailed by certified or registered mail with postage prepaid:

- (a) If to Agent, at the address indicated on the signature page hereof.
- (b) If to the Corporation, to:

Dynamic Materials Corporation
5405 Spine Road
Boulder, Colorado 80301
Attn: Secretary

or to such other address as may have been furnished to Agent by the Corporation.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first above written.

DYNAMIC MATERIALS CORPORATION

By: _____

Agent Print Name and Address

Name

Address

Signature

EMPLOYMENT AGREEMENT

This Employment Agreement and its Exhibits (this "Agreement"), entered into the 23rd day of April, 2008, effective as of January 1, 2008, is by and between Dynamic Materials Corporation, a Delaware corporation (the "Company"), and Yvon Cariou, a resident of the State of Colorado ("Executive") (together, the "parties").

Recitals

- A. Executive has significant experience in the management of companies and is willing to serve the Company on the terms and subject to the conditions hereinafter set forth.
- B. The Company desires to secure the continued services of Executive subject to the terms and conditions hereinafter set forth.
- C. This agreement replaces, in its entirety, that certain Employment Agreement between the Company and Executive dated March 3, 2005.

Agreement

In consideration of the foregoing and the mutual covenants and promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Employment.** The Company hereby employs Executive as President and Chief Executive Officer of the Company reporting to the board of directors of the Company, and Executive hereby accepts such employment and agrees to perform such duties and responsibilities as are assigned to him from time-to-time by the board of directors of the Company.

2. **Full-time Best Efforts.** Executive shall devote his full and exclusive professional time and attention to the performance of his obligations under this Agreement, and will at all times faithfully, industriously and to the best of his ability, experience and talent, perform all of this obligations hereunder. Executive shall not, without the express written consent of the Company, directly or indirectly, engage, alone or with others, in any other enterprises or business concerns, nor render professional services to, own, control, manage, consult with, be employed by, or otherwise have an interest in, any such enterprises or concerns, during the term of his continued employment with the Company. Without limiting the generality of any other provision herein, transactions in securities of publicly traded companies and other passive investment activities shall not be considered prohibited by the foregoing sentence, except as such transactions and activities may violate the Company's conflict of interest policy, if any, in place from time to time.

3. **Term of Agreement.** This agreement shall be effective on January 1, 2008 (the "Effective Date") and shall continue until December 31, 2008 (the "Term"), unless otherwise terminated by either party pursuant to Section 5 below.

4. **Compensation Reimbursement.**

(a) **Salary.** During the term of this Agreement, the Company shall pay Executive an annual salary ("Salary") of \$440,000 payable in accordance with the Company's standard payroll practices for similarly situated employees. The compensation committee of the Company's board of directors (the "Compensation Committee") will review Executive's Salary at least annually and may increase (but not reduce) Executive's Salary in its sole discretion. All compensation paid to Executive hereunder is subject to all deductions required by law.

(b) **Bonus.** Executive shall be eligible to receive a non-discretionary annual bonus equal to 2.5% of the Company's 2008 net income. Executive shall also be eligible to receive a discretionary annual bonus in an amount up to 25% of Executive's Salary. The discretionary bonus will be determined based on performance goals and rules established by the Compensation Committee. The bonus and discretionary bonus, if any, will be payable before March 15, 2009. Executive is not guaranteed any bonus payment.

(c) **Stock Incentives.** Executive shall be eligible to receive restricted shares of the common stock of the Company under the Company's 2006 Stock Incentive Plan (the "Incentive Plan") subject to the terms and conditions of such plan and as granted by the Compensation Committee. If the Company terminates Executive's employment for any reason other than Cause pursuant to Section 5(b), all restricted stock held by Executive shall immediately vest, subject to the terms and conditions of the Incentive Plan.

(d) **Benefits.** Executive shall receive the following Company benefits:

- (i) term life insurance coverage in the amount of \$750,000 which is in addition to the standard term life insurance provided in the Company's standard benefit plan;
- (ii) participation in the Company's executive long-term disability plan, subject to any waiting periods or exclusions required by the insurance provider;
- (iii) five weeks of vacation per year until such time as Executive's length of service entitles Executive to additional vacation;
- (iv) participation in the Company's standard benefit programs including health and dental insurance, term life insurance, accidental death and dismemberment insurance, short and long term disability, paid holidays and certain other standard benefits provided by the Company;
- (v) participation in the Company's 401(k) retirement plan; and
- (vi) reimbursement of up to \$5,000 of professional service fees for a financial planning and/or tax consultant to advise Executive.

(e) **Expense Reimbursement.** The Company shall reimburse Executive for all travel expenses and other disbursements incurred by Executive for or on behalf of the Company in the performance of his duties hereunder, subject to and in accordance with the Company's expense reimbursement policies and procedures, as in effect from time-to-time.

5. **Termination.**

- (a) The Company may terminate Executive's employment at any time for Cause (as hereinafter defined), effective immediately upon written notice to

Executive. Such notice shall specify that a termination is being made for Cause and shall state the basis therefor. Any termination under this subparagraph shall serve to relieve Executive of all his duties and authority on behalf of the Company as of the date such notice states the termination is to take effect. All obligations of the Company to Executive hereunder shall terminate as of the effective date of any such termination, except for obligations accrued prior to such effective date. For purposes of this Agreement, termination for "Cause" shall include any of the following that detrimentally affect the Company:

- (i) a willful and substantial breach by Executive of the terms of this Agreement or any written agreement between Executive and the Company that has a materially adverse effect on the business and affairs of the Company;
- (ii) the failure by Executive to substantially perform, or the gross negligence in the performance of, his duties hereunder for a period of fifteen days after the Board of the Company has made a written demand for performance which specifically identifies the manner in which he believes that Executive has not substantially performed his duties;
- (iii) the commission by Executive of a willful act or failure to act of misconduct which is injurious to the Company, including, but not limited to, material violations of any Company policy (such as the Code of Ethics);
- (iv) a conviction or a plea of guilty or nolo contendere in connection with fraud or any crime that constitutes a felony in the jurisdiction involved; or
- (v) an act of failure to act constituting fraud or dishonesty that compromises Executive's ability to act effectively as a high-level executive of the Company.

(b) The Company may terminate Executive's employment for any reason other than Cause at any time upon the payment to Executive of (i) an amount equal to one year's Salary, which amount shall be payable in twelve monthly payments (the "Termination Payments"), plus (ii) a bonus for such period, based on the average bonus (if any) paid to Executive for the two years preceding the termination; provided, that Executive shall execute a release, prepared by the Company, releasing the Company from all claims as a condition of receiving the Salary and bonus (if any) pursuant to this Agreement. Such amounts received under this provision shall be reduced to the extent that Executive accepts other employment prior to the receipt of the final Termination Payment. Any termination under this subparagraph shall serve to relieve Executive of all his duties and authority on behalf of the Company as of the date such notice states the termination is to take effect. All obligations of the Company to Executive under this Agreement shall terminate as of the effective date of any such termination, except for obligations accrued prior to such effective date.

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(c) Upon the termination of Executive's employment hereunder, neither Executive nor Executive's beneficiary or estate shall have any further rights or claims against the Company under this Agreement except the right to receive:

- (i) the unpaid portion of the earned Salary computed on a pro rata basis to the date of termination;
- (ii) any unpaid bonus owing under Section 4(b) or 5(b); and
- (iii) reimbursement for any expenses for which Executive shall not have theretofore been reimbursed as provided in Section 4(e).

(d) Notwithstanding any other provision of this Section 5, Executive shall have the right to terminate his employment at any time upon sixty days' written notice to the Company (or upon such shorter notice as the Company may agree in writing in connection with such termination). Any such termination by Executive shall be deemed effective upon receipt by the Company of such notice. Any termination under this subparagraph shall be effective as of the date stated in the notice and shall serve to relieve both parties from all their duties and obligations to one another hereunder after such date, except for obligations accrued prior to such effective date.

(e) If Executive dies during the term of his employment hereunder, this Agreement shall automatically terminate as of the date of his death and the parties shall be relieved from their respective duties and obligations to one another as of the effective date of any such termination. Executive's estate or designated beneficiaries shall receive any accrued but unpaid portion of Executive's Salary and the bonus, if any, he would have received in respect of the portion of the fiscal year prior to his termination, payable at the same time as bonuses are paid to other executives and any other amounts owing to Executive under Section 5(c). If Executive is unable to fully and satisfactorily perform any of the essential functions of his position by reason of disability, with or without reasonable accommodation as may be required under law, for a period of at least ninety consecutive calendar days, this Agreement and Executive's employment hereunder may be terminated at the election of the Company, effective upon sixty days' written notice given at any time after such consecutive ninety day period of continuous disability elapses, provided Executive continues to be suffering from such disability at the time notice of such termination is given by the Company. In the event of termination under the previous sentence, the parties shall be relieved from their respective duties and obligations to one another from and after the date such termination takes effect. Executive shall receive any accrued but unpaid portion of Executive's Salary and the bonus, if any, he would have received in respect of the portion of the fiscal year prior to his termination, payable at the same time as bonuses are paid to other executives and any other amounts owing to Executive under Section 5(c). Should Executive's disability, if any, be of an intermittent nature, the disability shall nonetheless be considered to be continuing during any period of time that the disability abates for seven or less consecutive calendar days, but any such intermittent periods during which the disability has abated for seven or less consecutive calendar days shall not be counted for purposes of determining the consecutive ninety day period of "continuous" disability following which the Company may elect to give notice of termination.

4

For purposes of this subparagraph (e), "disability" shall mean that Executive is unable, by reason of physical or mental sickness or illness, injury, or incapacity, to perform any of the essential functions of his regular employment by the Company. Executive shall be considered to be suffering from a disability if he is determined to be disabled by any disability insurer insuring Executive on the date the condition of disability commenced. In the event there is no disability determination made by a relevant insurer, Executive shall be considered to be suffering from a disability if, in the opinion of a qualified physician selected by mutual agreement of Executive and the Company, Executive is determined to be unable to perform any of the essential functions of his regular employment by the Company by reason of any physical or mental sickness, injury, or incapacity. In the event Executive and the Company cannot agree upon the selection of a qualified physician, each party shall appoint a qualified physician of his or her choice and the two physicians so appointed shall mutually select a qualified physician to render the subject opinion as to whether or not Executive is suffering from a disability as defined above. A "qualified physician" shall mean a person who is licensed to practice medicine and prescribe and administer prescription drugs and/or to perform surgery in the state of Executive's residence at the time of the commencement of the believed disability (or is so licensed in such other state as the parties shall reasonably agree is a convenient place in which to examine Executive and/or review his medical records) and who is acting within the scope of his/her medical license and qualified by his/her licensure, certification, training or experience to render the subject opinion.

(f) In the event of any termination of this Agreement in connection with which Executive is entitled by law or is allowed by the Company to continue his coverage under the Company's health, dental, eye and other medical insurance policies, Executive shall be responsible for paying the cost of all insurance premiums and charges necessary to keep such coverage in force during any period of time that such coverage is so continued following termination.

6. **Proprietary Information and Non-Competition Agreements.** Executive shall be bound by the terms of the Company's standard form of the Key Employee Proprietary Information and Inventions Agreement, attached hereto as Exhibit A, and the Non-Competition and Non-Solicitation Agreement, attached hereto as Exhibit B, from and after the date hereof.

7. **Miscellaneous.**

(a) **Judicial Limitation.** In the event that any provision of this Agreement is more restrictive than permitted by the law of the jurisdiction in which the Company seeks enforcement thereof, the provisions of this Agreement shall be limited only to that extent that a judicial determination finds the same to be unreasonable or otherwise enforceable. Such invalidity or unenforceability shall not affect any other terms herein, but such term shall be deemed deleted, and such deletion shall not affect the validity of the other terms thereof. In addition, if any one or more of the terms contained in this Agreement shall for any reason be held to be excessively broad or of an overly long duration, that term shall be construed in a manner to enable it to be enforced to the extent compatible with applicable law. Moreover, notwithstanding any judicial determination that any provision of this Agreement is not specifically enforceable the parties intend that the Company shall nonetheless be entitled to recover monetary damages as a result of any breach hereof.

5

(b) **Injunctive Relief.** In view of the nature of the rights in goodwill, business reputation and prospects of the Company to be protected under this Agreement, Executive understands and agrees that the Company could not be reasonably or adequately compensated in damages in an action at law for Executive's breach of his obligations hereunder. Accordingly, Executive specifically agrees that the Company shall be entitled to temporary and permanent injunctive relief to enforce the provisions of this Agreement and that such relief may be granted without the necessity of proving actual damages. This provision with respect to injunctive relief shall not, however, diminish the right of the Company to claim and recover damages in addition to injunctive relief.

(c) **Waiver.** The failure of the Company to enforce at any time of the provisions of this Agreement or to require any performance by Executive of the provisions hereof shall in no way be construed to be a waiver of such provisions or to affect either the validity of this Agreement, or any part hereof, or the right of the Company thereafter to enforce each and every provision in accordance with the terms of this Agreement.

(d) **Severability.** The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

(e) **Binding Effect.** This Agreement shall be binding upon the parties, their successors, executors and heirs.

(f) **Assignability.** This Agreement shall be freely assignable by the Company and shall inure to the benefit of its successors and assigns.

(g) **Entire Agreement.** This Agreement, including the Key Employee Proprietary Information and Inventions Agreement and the Non Competition Agreement referred to herein, and which are incorporated herein and made a part hereof by reference, embody the entire agreement and understanding of the parties hereto and supersede all prior agreements or understanding (whether written or oral) with respect to the subject matter hereof.

(h) **Governing Law and Venue.** The validity of this Agreement and any of its terms and provisions, as well as the rights and duties of the parties hereunder, shall be governed by the laws of the State of Colorado (without regard to its conflicts of law doctrines) and the venue for any action to enforce or to interpret this Agreement shall be in a court of competent jurisdiction located in the State of Colorado and each of the parties consent to the jurisdiction of such court in any such action or proceeding and waives any objection to venue laid therein.

(i) **Amendments.** This agreement may not be amended, altered or modified other than by a written agreement between the parties hereto.

(j) **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall together constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof shall bear the signatures of all the parties indicated as the signatories hereto.

6

(k) **Notices.** All notices, requests, demands and other communications under the Agreement shall be given in writing and shall be served either personally, by facsimile or delivered by first class mail, registered or certified, return receipt requested, postage prepaid and properly addressed to the parties as noticed herein. Notice shall be deemed received upon the earliest of actual receipt, confirmed facsimile or three (3) days following mailing pursuant to this section.

If to Executive:

Yvon Cariou
[Home Address]

If to the Company:

Dynamic Materials Corporation
Attention: Chief Financial Officer
5405 Spine Road
Boulder, CO 80301
Facsimile: (303) 604-1897

(l) **Interpretation.** Each party has had the opportunity and has reviewed and revised this Agreement (and has had an opportunity to consult with counsel if desired) and, therefore, the rule of construction requiring that any ambiguity be resolved against the drafting party shall not be employed in the interpretation of this Agreement. The section headings contained in this Agreement are for convenience and reference purposes only and shall not affect in any way the meaning and interpretation of this Agreement.

(m) **Attorney's Fees and Costs.** If either party shall commence any action or proceeding against the other to enforce the provisions hereof, or to recover damages as a result of the alleged breach of any provisions hereof, the prevailing party therein shall be entitled to recover all reasonable costs incurred in connection therewith, including reasonable attorney's fees.

[Signature Page Follows]

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Acknowledgment

Each party's signature below acknowledges that the party has read this document fully, that the party fully understands and agrees to its contents and effect, that the party understands that it is a legally binding document, that the party is mentally and physically competent and capable of reading, understanding and signing this Agreement, and that the party has signed this document voluntarily and of its own free will, and not as a result of any pressure or coercion. Each party's signature below further acknowledges that the party has had the opportunity to consult with an attorney about the meaning and effect of the terms of this Agreement and that each party has in fact consulted with an attorney of the party's own choosing about this Agreement.

This Agreement is executed as of the date first set above:

DYNAMIC MATERIALS CORPORATION

By: /s/ Richard A. Santa
Richard A Santa
Senior Vice President and Chief Financial Officer

EXECUTIVE

/s/ Yvon Cariou
Yvon Cariou

[Signature Page to Cariou Employment Agreement]

EMPLOYMENT AGREEMENT

This Employment Agreement and its Exhibits (this "Agreement"), entered into the 23rd day of April, 2008, effective as of January 1, 2008, is by and between Dynamic Materials Corporation, a Delaware corporation (the "Company"), and Richard A. Santa, a resident of the State of Colorado ("Executive") (together, the "parties").

Recitals

- A. Executive has significant experience in the management of companies and is willing to serve the Company on the terms and subject to the conditions hereinafter set forth.
- B. The Company desires to secure the continued services of Executive subject to the terms and conditions hereinafter set forth.
- C. This agreement replaces, in its entirety, that certain Employment Agreement between the Company and Executive dated March 3, 2005.

Agreement

In consideration of the foregoing and the mutual covenants and promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Employment.** The Company hereby employs Executive as Senior Vice President and Chief Financial Officer of the Company reporting to the Chief Executive Officer of the Company, and Executive hereby accepts such employment and agrees to perform such duties and responsibilities as are assigned to him from time-to-time by the Chief Executive Officer of the Company.
2. **Full-time Best Efforts.** Executive shall devote his full and exclusive professional time and attention to the performance of his obligations under this Agreement, and will at all times faithfully, industriously and to the best of his ability, experience and talent, perform all of his obligations hereunder. Executive shall not, without the express written consent of the Company, directly or indirectly, engage, alone or with others, in any other enterprises or business concerns, nor render professional services to, own, control, manage, consult with, be employed by, or otherwise have an interest in, any such enterprises or concerns, during the term of his continued employment with the Company. Without limiting the generality of any other provision herein, transactions in securities of publicly traded companies and other passive investment activities shall not be considered prohibited by the foregoing sentence, except as such transactions and activities may violate the Company's conflict of interest policy, if any, in place from time to time.
3. **Term of Agreement.** This agreement shall be effective on January 1, 2008 (the "Effective Date") and shall continue until December 31, 2008 (the "Term"), unless otherwise terminated by either party pursuant to Section 5 below.

4. Compensation Reimbursement.

- (a) **Salary.** During the term of this Agreement, the Company shall pay Executive an annual salary ("Salary") of \$275,000 payable in accordance with the Company's standard payroll practices for similarly situated employees. The compensation committee of the Company's board of directors (the "Compensation Committee") will review Executive's Salary at least annually and may increase (but not reduce) Executive's Salary in its sole discretion. All compensation paid to Executive hereunder is subject to all deductions required by law.
- (b) **Bonus.** Executive shall be eligible to receive a non-discretionary annual bonus equal to 1.0% of the Company's 2008 net income. Executive shall also be eligible to receive a discretionary annual bonus in an amount up to 20% of Executive's Salary. The discretionary bonus will be determined based on performance goals and rules established by the Compensation Committee. The bonus and discretionary bonus, if any, will be payable before March 15, 2009. Executive is not guaranteed any bonus payment.
- (c) **Stock Incentives.** Executive shall be eligible to receive restricted shares of the common stock of the Company under the Company's 2006 Stock Incentive Plan (the "Incentive Plan") subject to the terms and conditions of such plan and as granted by the Compensation Committee. If the Company terminates Executive's employment for any reason other than Cause pursuant to Section 5(b), all restricted stock held by Executive shall immediately vest, subject to the terms and conditions of the Incentive Plan.

(d) Benefits. Executive shall receive the following Company benefits:

- (i) term life insurance coverage in the amount of \$415,000 which is in addition to the standard term life insurance provided in the Company's standard benefit plan;
- (ii) participation in the Company's executive long-term disability plan, subject to any waiting periods or exclusions required by the insurance provider;
- (iii) five weeks of vacation per year until such time as Executive's length of service entitles Executive to additional vacation;
- (iv) participation in the Company's standard benefit programs including health and dental insurance, term life insurance, accidental death and dismemberment insurance, short and long term disability, paid holidays and certain other standard benefits provided by the Company;
- (v) participation in the Company's 401(k) retirement plan; and
- (vi) reimbursement of up to \$5,000 of professional service fees for a financial planning and/or tax consultant to advise Executive.

(e) **Expense Reimbursement.** The Company shall reimburse Executive for all travel expenses and other disbursements incurred by Executive for or on behalf of the Company in the performance of his duties hereunder, subject to and in accordance with the Company's expense reimbursement policies and procedures, as in effect from time-to-time.

5. Termination.

- (a) The Company may terminate Executive's employment at any time for Cause (as hereinafter defined), effective immediately upon written notice to

Executive. Such notice shall specify that a termination is being made for Cause and shall state the basis therefor. Any termination under this subparagraph shall serve to relieve Executive of all his duties and authority on behalf of the Company as of the date such notice states the termination is to take effect. All obligations of the Company to Executive hereunder shall terminate as of the effective date of any such termination, except for obligations accrued prior to such effective date. For purposes of this Agreement, termination for "Cause" shall include any of the following that detrimentally affect the Company:

- (i) a willful and substantial breach by Executive of the terms of this Agreement or any written agreement between Executive and the Company that has a materially adverse effect on the business and affairs of the Company;
- (ii) the failure by Executive to substantially perform, or the gross negligence in the performance of, his duties hereunder for a period of fifteen days after the Chief Executive Officer of the Company has made a written demand for performance which specifically identifies the manner in which he believes that Executive has not substantially performed his duties;
- (iii) the commission by Executive of a willful act or failure to act of misconduct which is injurious to the Company, including, but not limited to, material violations of any Company policy (such as the Company's code of ethics);
- (iv) a conviction or a plea of guilty or nolo contendere in connection with fraud or any crime that constitutes a felony in the jurisdiction involved; or
- (v) an act of failure to act constituting fraud or dishonesty that compromises Executive's ability to act effectively as a high-level executive of the Company.

(b) The Company may terminate Executive's employment for any reason other than Cause at any time upon the payment to Executive of (i) an amount equal to one year's Salary, which amount shall be payable in twelve monthly payments (the "Termination Payments"), plus (ii) a bonus for such period, based on the average bonus (if any) paid to Executive for the two years preceding the termination; provided, that Executive shall execute a release, prepared by the Company, releasing the Company from all claims as a condition of receiving the Salary and bonus (if any) pursuant to this Agreement. Such amounts received under this provision shall be reduced to the extent that Executive accepts other employment prior to the receipt of the final Termination Payment. Any termination under this subparagraph shall serve to relieve Executive of all his duties and authority on behalf of the Company as of the date such notice states the termination is to take effect. All obligations of the Company to Executive under this Agreement shall terminate as of the effective date of any such termination, except for obligations accrued prior to such effective date.

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(c) Upon the termination of Executive's employment hereunder, neither Executive nor Executive's beneficiary or estate shall have any further rights or claims against the Company under this Agreement except the right to receive:

- (i) the unpaid portion of the earned Salary computed on a pro rata basis to the date of termination;
- (ii) any unpaid bonus owing under Section 4(b) or 5(b); and
- (iii) reimbursement for any expenses for which Executive shall not have theretofore been reimbursed as provided in Section 4(e).

(d) Notwithstanding any other provision of this Section 5, Executive shall have the right to terminate his employment at any time upon sixty days' written notice to the Company (or upon such shorter notice as the Company may agree in writing in connection with such termination). Any such termination by Executive shall be deemed effective upon receipt by the Company of such notice. Any termination under this subparagraph shall be effective as of the date stated in the notice and shall serve to relieve both parties from all their duties and obligations to one another hereunder after such date, except for obligations accrued prior to such effective date.

(e) If Executive dies during the term of his employment hereunder, this Agreement shall automatically terminate as of the date of his death and the parties shall be relieved from their respective duties and obligations to one another as of the effective date of any such termination. Executive's estate or designated beneficiaries shall receive any accrued but unpaid portion of Executive's Salary and the bonus, if any, he would have received in respect of the portion of the fiscal year prior to his termination, payable at the same time as bonuses are paid to other executives and any other amounts owing to Executive under Section 5(c). If Executive is unable to fully and satisfactorily perform any of the essential functions of his position by reason of disability, with or without reasonable accommodation as may be required under law, for a period of at least ninety consecutive calendar days, this Agreement and Executive's employment hereunder may be terminated at the election of the Company, effective upon sixty days' written notice given at any time after such consecutive ninety day period of continuous disability elapses, provided Executive continues to be suffering from such disability at the time notice of such termination is given by the Company. In the event of termination under the previous sentence, the parties shall be relieved from their respective duties and obligations to one another from and after the date such termination takes effect. Executive shall receive any accrued but unpaid portion of Executive's Salary and the bonus, if any, he would have received in respect of the portion of the fiscal year prior to his termination, payable at the same time as bonuses are paid to other executives and any other amounts owing to Executive under Section 5(c). Should Executive's disability, if any, be of an intermittent nature, the disability shall nonetheless be considered to be continuing during any period of time that the disability abates for seven or less consecutive calendar days, but any such intermittent periods during which the disability has abated for seven or less consecutive calendar days shall not be counted for purposes of determining the consecutive ninety day period of "continuous" disability following which the Company may elect to give notice of termination.

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For purposes of this subparagraph (e), "disability" shall mean that Executive is unable, by reason of physical or mental sickness or illness, injury, or incapacity, to perform any of the essential functions of his regular employment by the Company. Executive shall be considered to be suffering from a disability if he is determined to be disabled by any disability insurer insuring Executive on the date the condition of disability commenced. In the event there is no disability determination made by a relevant insurer, Executive shall be considered to be suffering from a disability if, in the opinion of a qualified physician selected by mutual agreement of Executive and the Company, Executive is determined to be unable to perform any of the essential functions of his regular employment by the Company by reason of any physical or mental sickness, injury, or incapacity. In the event Executive and the Company cannot agree upon the selection of a qualified physician, each party shall appoint a qualified physician of his or her choice and the two physicians so appointed shall mutually select a qualified physician to render the subject opinion as to whether or not Executive is suffering from a disability as defined above. A "qualified physician" shall mean a person who is licensed to practice medicine and prescribe and administer prescription drugs and/or to perform surgery in the state of Executive's residence at the time of the commencement of the believed disability (or is so licensed in such other state as the parties shall reasonably agree is a convenient place in which to examine Executive and/or review his medical records) and who is acting within the scope of his/her medical license and qualified by his/her licensure, certification, training or experience to render the subject opinion.

(f) In the event of any termination of this Agreement in connection with which Executive is entitled by law or is allowed by the Company to continue his coverage under the Company's health, dental, eye and other medical insurance policies, Executive shall be responsible for paying the cost of all insurance premiums and charges necessary to keep such coverage in force during any period of time that such coverage is so continued following termination.

6. Proprietary Information and Non-Competition Agreements. Executive shall be bound by the terms of the Company's standard form of the Key Employee Proprietary Information and Inventions Agreement, attached hereto as Exhibit A, and the Non-Competition and Non-Solicitation Agreement, attached hereto as Exhibit B, from and after the date hereof.

7. **Miscellaneous.**

(a) **Judicial Limitation.** In the event that any provision of this Agreement is more restrictive than permitted by the law of the jurisdiction in which the Company seeks enforcement thereof, the provisions of this Agreement shall be limited only to that extent that a judicial determination finds the same to be unreasonable or otherwise enforceable. Such invalidity or unenforceability shall not affect any other terms herein, but such term shall be deemed deleted, and such deletion shall not affect the validity of the other terms thereof. In addition, if any one or more of the terms contained in this Agreement shall for any reason be held to be excessively broad or of an overly long duration, that term shall be construed in a manner to enable it to be enforced to the extent compatible with applicable law. Moreover, notwithstanding any judicial determination that any provision of this Agreement is not specifically enforceable the parties intend that the Company shall nonetheless be entitled to recover monetary damages as a result of any breach hereof.

5

(b) **Injunctive Relief.** In view of the nature of the rights in goodwill, business reputation and prospects of the Company to be protected under this Agreement, Executive understands and agrees that the Company could not be reasonably or adequately compensated in damages in an action at law for Executive's breach of his obligations hereunder. Accordingly, Executive specifically agrees that the Company shall be entitled to temporary and permanent injunctive relief to enforce the provisions of this Agreement and that such relief may be granted without the necessity of proving actual damages. This provision with respect to injunctive relief shall not, however, diminish the right of the Company to claim and recover damages in addition to injunctive relief.

(c) **Waiver.** The failure of the Company to enforce at any time of the provisions of this Agreement or to require any performance by Executive of the provisions hereof shall in no way be construed to be a waiver of such provisions or to affect either the validity of this Agreement, or any part hereof, or the right of the Company thereafter to enforce each and every provision in accordance with the terms of this Agreement.

(d) **Severability.** The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

(e) **Binding Effect.** This Agreement shall be binding upon the parties, their successors, executors and heirs.

(f) **Assignability.** This Agreement shall be freely assignable by the Company and shall inure to the benefit of its successors and assigns.

(g) **Entire Agreement.** This Agreement, including the Key Employee Proprietary Information and Inventions Agreement and the Non Competition Agreement referred to herein, and which are incorporated herein and made a part hereof by reference, embody the entire agreement and understanding of the parties hereto and supersede all prior agreements or understanding (whether written or oral) with respect to the subject matter hereof.

(h) **Governing Law and Venue.** The validity of this Agreement and any of its terms and provisions, as well as the rights and duties of the parties hereunder, shall be governed by the laws of the State of Colorado (without regard to its conflicts of law doctrines) and the venue for any action to enforce or to interpret this Agreement shall be in a court of competent jurisdiction located in the State of Colorado and each of the parties consent to the jurisdiction of such court in any such action or proceeding and waives any objection to venue laid therein.

(i) **Amendments.** This agreement may not be amended, altered or modified other than by a written agreement between the parties hereto.

(j) **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall together constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof shall bear the signatures of all the parties indicated as the signatories hereto.

6

(k) **Notices.** All notices, requests, demands and other communications under the Agreement shall be given in writing and shall be served either personally, by facsimile or delivered by first class mail, registered or certified, return receipt requested, postage prepaid and properly addressed to the parties as noticed herein. Notice shall be deemed received upon the earliest of actual receipt, confirmed facsimile or three (3) days following mailing pursuant to this section.

If to Executive:

Richard A. Santa
[Home Address]

If to the Company:

Dynamic Materials Corporation
Attention: Chief Executive Officer
5405 Spine Road
Boulder, CO 80301
Facsimile: (303) 604-1897

(l) **Interpretation.** Each party has had the opportunity and has reviewed and revised this Agreement (and has had an opportunity to consult with counsel if desired) and, therefore, the rule of construction requiring that any ambiguity be resolved against the drafting party shall not be employed in the interpretation of this Agreement. The section headings contained in this Agreement are for convenience and reference purposes only and shall not affect in any way the meaning and interpretation of this Agreement.

(m) **Attorney's Fees and Costs.** If either party shall commence any action or proceeding against the other to enforce the provisions hereof, or to recover damages as a result of the alleged breach of any provisions hereof, the prevailing party therein shall be entitled to recover all reasonable costs incurred in connection therewith, including reasonable attorney's fees.

[Signature Page Follows]

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Acknowledgment

Each party's signature below acknowledges that the party has read this document fully, that the party fully understands and agrees to its contents and effect, that the party understands that it is a legally binding document, that the party is mentally and physically competent and capable of reading, understanding and signing this Agreement, and that the party has signed this document voluntarily and of its own free will, and not as a result of any pressure or coercion. Each party's signature below further acknowledges that the party has had the opportunity to consult with an attorney about the meaning and effect of the terms of this Agreement and that each party has in fact consulted with an attorney of the party's own choosing about this Agreement.

This Agreement is executed as of the date first set above:

DYNAMIC MATERIALS
CORPORATION

By: /s/ Yvon Cariou
Yvon Cariou
President and Chief Executive Officer

EXECUTIVE

/s/ Richard A. Santa
Richard A. Santa

[Signature Page to Santa Employment Agreement]

EMPLOYMENT AGREEMENT

This Employment Agreement and its Exhibits (this "Agreement"), entered into the 23rd day of April, 2008, effective as of January 1, 2008, is by and between Dynamic Materials Corporation, a Delaware corporation (the "Company"), and John G. Banker, a resident of the State of Colorado ("Executive") (together, the "parties").

Recitals

- A. Executive has significant experience in the management of companies and is willing to serve the Company on the terms and subject to the conditions hereinafter set forth.
- B. The Company desires to secure the continued services of Executive subject to the terms and conditions hereinafter set forth.
- C. This agreement replaces, in its entirety, that certain Employment Agreement between the Company and Executive dated March 3, 2005.

Agreement

In consideration of the foregoing and the mutual covenants and promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Employment.** The Company hereby employs Executive as Senior Vice President, Customers and Technology of the Company reporting to the Chief Executive Officer of the Company, and Executive hereby accepts such employment and agrees to perform such duties and responsibilities as are assigned to him from time-to-time by the Chief Executive Officer of the Company.
2. **Full-time Best Efforts.** Executive shall devote his full and exclusive professional time and attention to the performance of his obligations under this Agreement, and will at all times faithfully, industriously and to the best of his ability, experience and talent, perform all of his obligations hereunder. Executive shall not, without the express written consent of the Company, directly or indirectly, engage, alone or with others, in any other enterprises or business concerns, nor render professional services to, own, control, manage, consult with, be employed by, or otherwise have an interest in, any such enterprises or concerns, during the term of his continued employment with the Company. Without limiting the generality of any other provision herein, transactions in securities of publicly traded companies and other passive investment activities shall not be considered prohibited by the foregoing sentence, except as such transactions and activities may violate the Company's conflict of interest policy, if any, in place from time to time.
3. **Term of Agreement.** This agreement shall be effective on January 1, 2008 (the "Effective Date") and shall continue until December 31, 2008 (the "Term"), unless otherwise terminated by either party pursuant to Section 5 below.

4. Compensation Reimbursement.

- (a) **Salary.** During the term of this Agreement, the Company shall pay Executive an annual salary ("Salary") of \$275,000 payable in accordance with the Company's standard payroll practices for similarly situated employees. The compensation committee of the Company's board of directors (the "Compensation Committee") will review Executive's Salary at least annually and may increase (but not reduce) Executive's Salary in its sole discretion. All compensation paid to Executive hereunder is subject to all deductions required by law.
- (b) **Bonus.** Executive shall be eligible to receive a non-discretionary annual bonus equal to 1.0% of the Company's 2008 net income. Executive shall also be eligible to receive a discretionary annual bonus in an amount up to 20% of Executive's Salary. The discretionary bonus will be determined based on performance goals and rules established by the Compensation Committee. The bonus and discretionary bonus, if any, will be payable before March 15, 2009. Executive is not guaranteed any bonus payment.
- (c) **Stock Incentives.** Executive shall be eligible to receive restricted shares of the Common Stock of the Company under the Company's 2006 Stock Incentive Plan (the "Incentive Plan") subject to the terms and conditions of such plan and as granted by the Compensation Committee. If the Company terminates Executive's employment for any reason other than Cause pursuant to Section 5(b), all restricted stock held by Executive shall immediately vest, subject to the terms and conditions of the Incentive Plan.
- (d) **Benefits.** Executive shall receive the following Company benefits:
- (i) term life insurance coverage in the amount of \$415,000 which is in addition to the standard term life insurance provided in the Company's standard benefit plan;
 - (ii) participation in the Company's executive long-term disability plan, subject to any waiting periods or exclusions required by the insurance provider;
 - (iii) five weeks of vacation per year until such time as Executive's length of service entitles Executive to additional vacation;
 - (iv) participation in the Company's standard benefit programs including health and dental insurance, term life insurance, accidental death and dismemberment insurance, short and long term disability, paid holidays and certain other standard benefits provided by the Company;
 - (v) participation in the Company's 401(k) retirement plan; and
 - (vi) reimbursement of up to \$5,000 of professional service fees for a financial planning and/or tax consultant to advise Executive.

(e) **Expense Reimbursement.** The Company shall reimburse Executive for all travel expenses and other disbursements incurred by Executive for or on behalf of the Company in the performance of his duties hereunder, subject to and in accordance with the Company's expense reimbursement policies and procedures, as in effect from time-to-time.

5. Termination.

- (a) The Company may terminate Executive's employment at any time for Cause (as hereinafter defined), effective immediately upon written notice to

Executive. Such notice shall specify that a termination is being made for Cause and shall state the basis therefor. Any termination under this subparagraph shall serve to relieve Executive of all his duties and authority on behalf of the Company as of the date such notice states the termination is to take effect. All obligations of the Company to Executive hereunder shall terminate as of the effective date of any such termination, except for obligations accrued prior to such effective date. For purposes of this Agreement, termination for "Cause" shall include any of the following that detrimentally affect the Company:

- (i) a willful and substantial breach by Executive of the terms of this Agreement or any written agreement between Executive and the Company that has a materially adverse effect on the business and affairs of the Company;
- (ii) the failure by Executive to substantially perform, or the gross negligence in the performance of, his duties hereunder for a period of fifteen days after the Chief Executive Officer of the Company has made a written demand for performance which specifically identifies the manner in which he believes that Executive has not substantially performed his duties;
- (iii) the commission by Executive of a willful act or failure to act of misconduct which is injurious to the Company, including, but not limited to, material violations of any Company policy (such as the Company's code of ethics);
- (iv) a conviction or a plea of guilty or nolo contendere in connection with fraud or any crime that constitutes a felony in the jurisdiction involved; or
- (v) an act of failure to act constituting fraud or dishonesty that compromises Executive's ability to act effectively as a high-level executive of the Company.

(b) The Company may terminate Executive's employment for any reason other than Cause at any time upon the payment to Executive of (i) an amount equal to one year's Salary, which amount shall be payable in twelve monthly payments (the "Termination Payments"), plus (ii) a bonus for such period, based on the average bonus (if any) paid to Executive for the two years preceding the termination; provided, that Executive shall execute a release, prepared by the Company, releasing the Company from all claims as a condition of receiving the Salary and bonus (if any) pursuant to this Agreement. Such amounts received under this provision shall be reduced to the extent that Executive accepts other employment prior to the receipt of the final Termination Payment. Any termination under this subparagraph shall serve to relieve Executive of all his duties and authority on behalf of the Company as of the date such notice states the termination is to take effect. All obligations of the Company to Executive under this Agreement shall terminate as of the effective date of any such termination, except for obligations accrued prior to such effective date.

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(c) Upon the termination of Executive's employment hereunder, neither Executive nor Executive's beneficiary or estate shall have any further rights or claims against the Company under this Agreement except the right to receive:

- (i) the unpaid portion of the earned Salary computed on a pro rata basis to the date of termination;
- (ii) any unpaid bonus owing under Section 4(b) or 5(b); and
- (iii) reimbursement for any expenses for which Executive shall not have theretofore been reimbursed as provided in Section 4(e).

(d) Notwithstanding any other provision of this Section 5, Executive shall have the right to terminate his employment at any time upon sixty days' written notice to the Company (or upon such shorter notice as the Company may agree in writing in connection with such termination). Any such termination by Executive shall be deemed effective upon receipt by the Company of such notice. Any termination under this subparagraph shall be effective as of the date stated in the notice and shall serve to relieve both parties from all their duties and obligations to one another hereunder after such date, except for obligations accrued prior to such effective date.

(e) If Executive dies during the term of his employment hereunder, this Agreement shall automatically terminate as of the date of his death and the parties shall be relieved from their respective duties and obligations to one another as of the effective date of any such termination. Executive's estate or designated beneficiaries shall receive any accrued but unpaid portion of Executive's Salary and the bonus, if any, he would have received in respect of the portion of the fiscal year prior to his termination, payable at the same time as bonuses are paid to other executives and any other amounts owing to Executive under Section 5(c). If Executive is unable to fully and satisfactorily perform any of the essential functions of his position by reason of disability, with or without reasonable accommodation as may be required under law, for a period of at least ninety consecutive calendar days, this Agreement and Executive's employment hereunder may be terminated at the election of the Company, effective upon sixty days' written notice given at any time after such consecutive ninety day period of continuous disability elapses, provided Executive continues to be suffering from such disability at the time notice of such termination is given by the Company. In the event of termination under the previous sentence, the parties shall be relieved from their respective duties and obligations to one another from and after the date such termination takes effect. Executive shall receive any accrued but unpaid portion of Executive's Salary and the bonus, if any, he would have received in respect of the portion of the fiscal year prior to his termination, payable at the same time as bonuses are paid to other executives and any other amounts owing to Executive under Section 5(c). Should Executive's disability, if any, be of an intermittent nature, the disability shall nonetheless be considered to be continuing during any period of time that the disability abates for seven or less consecutive calendar days, but any such intermittent periods during which the disability has abated for seven or less consecutive calendar days shall not be counted for purposes of determining the consecutive ninety day period of "continuous" disability following which the Company may elect to give notice of termination.

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For purposes of this subparagraph (e), "disability" shall mean that Executive is unable, by reason of physical or mental sickness or illness, injury, or incapacity, to perform any of the essential functions of his regular employment by the Company. Executive shall be considered to be suffering from a disability if he is determined to be disabled by any disability insurer insuring Executive on the date the condition of disability commenced. In the event there is no disability determination made by a relevant insurer, Executive shall be considered to be suffering from a disability if, in the opinion of a qualified physician selected by mutual agreement of Executive and the Company, Executive is determined to be unable to perform any of the essential functions of his regular employment by the Company by reason of any physical or mental sickness, injury, or incapacity. In the event Executive and the Company cannot agree upon the selection of a qualified physician, each party shall appoint a qualified physician of his or its choice and the two physicians so appointed shall mutually select a qualified physician to render the subject opinion as to whether or not Executive is suffering from a disability as defined above. A "qualified physician" shall mean a person who is licensed to practice medicine and prescribe and administer prescription drugs and/or to perform surgery in the state of Executive's residence at the time of the commencement of the believed disability (or is so licensed in such other state as the parties shall reasonably agree is a convenient place in which to examine Executive and/or review his medical records) and who is acting within the scope of his/her medical license and qualified by his/her licensure, certification, training or experience to render the subject opinion.

(f) In the event of any termination of this Agreement in connection with which Executive is entitled by law or is allowed by the Company to continue his coverage under the Company's health, dental, eye and other medical insurance policies, Executive shall be responsible for paying the cost of all insurance premiums and charges necessary to keep such coverage in force during any period of time that such coverage is so continued following termination.

6. Proprietary Information and Non-Competition Agreements. Executive shall be bound by the terms of the Company's standard form of the Key Employee Proprietary Information and Inventions Agreement, attached hereto as Exhibit A, and the Non-Competition and Non-Solicitation Agreement, attached hereto as Exhibit B, from and after the date hereof.

7. **Miscellaneous.**

(a) **Judicial Limitation.** In the event that any provision of this Agreement is more restrictive than permitted by the law of the jurisdiction in which the Company seeks enforcement thereof, the provisions of this Agreement shall be limited only to that extent that a judicial determination finds the same to be unreasonable or otherwise enforceable. Such invalidity or unenforceability shall not affect any other terms herein, but such term shall be deemed deleted, and such deletion shall not affect the validity of the other terms thereof. In addition, if any one or more of the terms contained in this Agreement shall for any reason be held to be excessively broad or of an overly long duration, that term shall be construed in a manner to enable it to be enforced to the extent compatible with applicable law. Moreover, notwithstanding any judicial determination that any provision of this Agreement is not specifically enforceable the parties intend that the Company shall nonetheless be entitled to recover monetary damages as a result of any breach hereof.

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(b) **Injunctive Relief.** In view of the nature of the rights in goodwill, business reputation and prospects of the Company to be protected under this Agreement, Executive understands and agrees that the Company could not be reasonably or adequately compensated in damages in an action at law for Executive's breach of his obligations hereunder. Accordingly, Executive specifically agrees that the Company shall be entitled to temporary and permanent injunctive relief to enforce the provisions of this Agreement and that such relief may be granted without the necessity of proving actual damages. This provision with respect to injunctive relief shall not, however, diminish the right of the Company to claim and recover damages in addition to injunctive relief.

(c) **Waiver.** The failure of the Company to enforce at any time of the provisions of this Agreement or to require any performance by Executive of the provisions hereof shall in no way be construed to be a waiver of such provisions or to affect either the validity of this Agreement, or any part hereof, or the right of the Company thereafter to enforce each and every provision in accordance with the terms of this Agreement.

(d) **Severability.** The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

(e) **Binding Effect.** This Agreement shall be binding upon the parties, their successors, executors and heirs.

(f) **Assignability.** This Agreement shall be freely assignable by the Company and shall inure to the benefit of its successors and assigns.

(g) **Entire Agreement.** This Agreement, including the Key Employee Proprietary Information and Inventions Agreement and the Non Competition Agreement referred to herein, and which are incorporated herein and made a part hereof by reference, embody the entire agreement and understanding of the parties hereto and supersede all prior agreements or understanding (whether written or oral) with respect to the subject matter hereof.

(h) **Governing Law and Venue.** The validity of this Agreement and any of its terms and provisions, as well as the rights and duties of the parties hereunder, shall be governed by the laws of the State of Colorado (without regard to its conflicts of law doctrines) and the venue for any action to enforce or to interpret this Agreement shall be in a court of competent jurisdiction located in the State of Colorado and each of the parties consent to the jurisdiction of such court in any such action or proceeding and waives any objection to venue laid therein.

(i) **Amendments.** This agreement may not be amended, altered or modified other than by a written agreement between the parties hereto.

(j) **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall together constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof shall bear the signatures of all the parties indicated as the signatories hereto.

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(k) **Notices.** All notices, requests, demands and other communications under the Agreement shall be given in writing and shall be served either personally, by facsimile or delivered by first class mail, registered or certified, return receipt requested, postage prepaid and properly addressed to the parties as noticed herein. Notice shall be deemed received upon the earliest of actual receipt, confirmed facsimile or three (3) days following mailing pursuant to this section.

If to Executive:

John G. Banker
[Home Address]

If to the Company:

Dynamic Materials Corporation
Attention: Chief Executive Officer
5405 Spine Road
Boulder, CO 80301
Facsimile: (303) 604-1897

(l) **Interpretation.** Each party has had the opportunity and has reviewed and revised this Agreement (and has had an opportunity to consult with counsel if desired) and, therefore, the rule of construction requiring that any ambiguity be resolved against the drafting party shall not be employed in the interpretation of this Agreement. The section headings contained in this Agreement are for convenience and reference purposes only and shall not affect in any way the meaning and interpretation of this Agreement.

(m) **Attorney's Fees and Costs.** If either party shall commence any action or proceeding against the other to enforce the provisions hereof, or to recover damages as a result of the alleged breach of any provisions hereof, the prevailing party therein shall be entitled to recover all reasonable costs incurred in connection therewith, including reasonable attorney's fees.

[Signature Page Follows]

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Acknowledgment

Each party's signature below acknowledges that the party has read this document fully, that the party fully understands and agrees to its contents and effect, that the party understands that it is a legally binding document, that the party is mentally and physically competent and capable of reading, understanding and signing this Agreement, and that the party has signed this document voluntarily and of its own free will, and not as a result of any pressure or coercion. Each party's signature below further acknowledges that the party has had the opportunity to consult with an attorney about the meaning and effect of the terms of this Agreement and that each party has in fact consulted with an attorney of the party's own choosing about this Agreement.

This Agreement is executed as of the date first set above:

DYNAMIC MATERIALS CORPORATION

By: /s/ Yvon Cariou
Yvon Cariou
President and Chief Executive Officer

EXECUTIVE

/s/ John G. Banker
John G. Banker

[Signature Page to Banker Employment Agreement]
