

**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): **January 19, 2011**

**Dynamic Materials Corporation**

(Exact Name of Registrant as Specified in its Charter)

**Delaware**  
(State or Other Jurisdiction of  
Incorporation)

**001-14775**  
(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 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

Pursuant to the approval of the Compensation Committee (the "Compensation Committee") of the Board of Directors of Dynamic Materials Corporation (the "Company"), on January 19, 2011, shares of restricted stock were granted under the Company's 2006 Stock Incentive Plan (the "Plan") to the executive officers and employee directors of the Company set forth below, subject to the terms of the Plan and the award agreements. In the case of Mr. Rospek, the award was in the form of restricted stock units under the Plan. The form of restricted stock award agreement and form of restricted stock unit agreement are incorporated herein by reference.

Name	Title	Stock Granted
Yvon Cariou	President and Chief Executive Officer and Director	26,000
Richard Santa	Senior Vice President, Chief Financial Officer and Secretary	11,000
John Banker	Senior Vice President, Customers and Technology, Clad Metal Division	11,000
Rolf Rospek	Director of the Company and Managing Director of DYNAenergetics Holding GmbH	9,000

The shares of restricted stock and restricted stock units granted to these executive officers and employee directors vest in one-third increments on the first, second and third anniversary of the grant. The restricted shares and restricted stock units held by such persons will vest immediately upon termination without cause, retirement, death or disability; however, the person will forfeit such shares or units upon his resignation or termination for cause (as defined in the award agreement).

In addition, on the same day, the Compensation Committee awarded 5,000 shares of restricted stock to Mr. Cariou and 3,000 shares of restricted stock to each of Messers Santa and Banker. The shares vest on the earliest of the fifth anniversary of the grant date or the retirement of the officer.

The Compensation Committee also set the 2011 salaries for these executives: \$469,075 for Mr. Cariou, and \$293,175 for each of Messers Santa and Banker.

At the recommendation of the Compensation Committee, on January 19, 2011, the Company and its wholly owned subsidiary entered into an employment agreement (the "Employment Agreement") with Mr. Rospek, effective as of January 1, 2011. The Employment Agreement has a term ending

additional annual bonus in an amount up to 20% of his annual salary. Upon a termination of Mr. Rospek's employment by the Company other than for cause, he is entitled to receive the greater of the remaining salary and bonus due under the Employment Agreement or an amount equal to one year's salary and bonus. The foregoing description is qualified in its entirety by reference to the Employment Agreement, a copy of which is included as Exhibit 10.3 hereto.

On January 19, 2011, the Company entered into indemnification agreements with its directors and executive officers. The indemnification agreements provide for the Company to indemnify its directors and officers, to the fullest extent permitted by law, for actions and claims brought against them with respect to their roles with the Company. The foregoing description is qualified in its entirety by reference to the Form of Indemnification Agreement, a copy of which is included as Exhibit 10.4 hereto.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
10.1	Form of Restricted Stock Award Agreement (incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K dated June 6, 2007).
10.2	Form of Restricted Stock Unit Award Agreement (incorporated by reference from Exhibit 10.2 to the Company's Current Report on Form 8-K dated January 13, 2010).
10.3	Employment Agreement effective as of January 1, 2011, among DYNAenergetics Holding GmbH, the Company and Rolf Rospek.
10.4	Form of Indemnification Agreement between the Company and its directors and executive officers.

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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: January 24, 2011

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

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**EXHIBIT INDEX**

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**EMPLOYMENT AGREEMENT**

This Employment Agreement and its Exhibits (this "Agreement"), entered into the 19th day of January, 2011, effective as of January 1, 2011 is by and among DYNAenergetics Holding GmbH, a German limited liability company (the "Company"), Dynamic Materials Corporation, a Delaware Corporation ("DMC"), and Rolf Rospek, a resident of Germany ("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.** The Company is an indirect, wholly-owned subsidiary of DMC. The Executive currently serves as a member of the Board of Directors of DMC. This Employment Agreement shall not affect any rights and duties of the Executive as member of the Board of Directors of DMC.
- D.** This agreement replaces with effect from January 1, 2011, in its entirety, that Managing Director's Agreement between the Company and Executive dated November 15, 2007.

**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 Managing Director of the Company reporting to the Chief Executive Officer of DMC, 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 DMC. The parties agree that the place of office of the Executive will be the area of Hannover, Germany (currently: Plotenweg 3, 31234 Edemissen). Such place of office shall not be moved by the Company on a permanent basis without the Executive's consent. However, the parties agree that business trips within Germany and abroad are part of the Executive's obligations under this Agreement.

**2. Full-time Best Efforts.**

(a) **Performance.** 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.

(b) **Rules.** The Executive shall conduct the affairs of the Company with the due care and diligence of a prudent and conscientious business manager pursuant to the provisions of law, the Articles of Association, the Rules of Procedure for the Board of Managing Directors as issued by the Board of Supervisory Directors, if any, the instructions given by the Company's shareholders' meeting, DMC's code of ethics and this Agreement. The Company reserves the right to expand the Board of Managing Directors and redistribute the areas of responsibility among the Board Members.

(c) The Executive shall irrevocably be authorized to have his assets also managed by a company - this is "Vermögensverwaltung Rospek Gesellschaft bürgerlichen Rechts" [partnership under the German Civil Code] for the time being.

**3. Term of Agreement.** This agreement shall be effective on January 1, 2011 (the "Effective Date") and shall continue until December 31, 2012 (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 EUR 190,000.00 gross payable in accordance with the Company's standard payroll practices for similarly situated employees. The compensation committee of the DMC 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. If the Salary is not subject to social insurance contributions, the Company shall pay to the Executive until the applicable assessment basis ( *Bemessungsgrundlage* ) an amount twice as much as the employer's contribution ( *Arbeitgeberanteil* ) fictitiously incurring with regard to this partial amount as to the contributions to annuity insurance, health insurance and nursing insurance.

(b) **Bonus.** (i) Executive shall be eligible to receive a non-discretionary annual bonus equal to (A) the sum of (1) 0.5% of DMC's annual net income and (2) 1.0% of the annual operating income of the oilfield products segment of DMC, until such time as Executive has received total payments under this non-discretionary annual bonus with respect to such year equal to 125% of that year's salary (the "Initial Bonus Limit"), plus (B) following such time as Executive has received the Initial Bonus Limit, the sum of (1) 0.25% of DMC's annual net income and (2) 0.5% of the annual operating income of the oilfield products segment of DMC. For purposes of this Section 4(b)(i), both the annual net income of DMC and the annual operating income of the oilfield products segment of DMC shall be as reported in DMC's annual consolidated audited financial statement for such year. If the Executive is granted additional

vacation pursuant to Section 2 of Schedule 1, the non-discretionary annual bonus of the Executive pursuant to this Section 4(b)(i) shall be reduced pursuant to Section 4 of Schedule 1.

(ii) 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 maximum amount of discretionary annual bonus that may be paid to Executive pursuant to this Section 4(b)(ii) shall not be reduced if the Executive is granted additional vacation pursuant to Section 2 of Schedule 1.

(iii) The non-discretionary bonus and discretionary bonus, if any, will be payable in U.S. dollars on or before March 15 of the following year. If this Agreement terminates in the course of a year, (i) the amount of the non-discretionary bonus shall be determined based on the actual annual net income and the annual operating income bonus for the portion of the year ending on the date of termination, and (ii) the amount of the discretionary bonus, if any, shall be determined by the Compensation Committee in its sole discretion. Executive is not guaranteed any minimum bonus payment.

(c) **Stock Incentives.** Executive shall be eligible to receive restricted shares of the common stock of DMC under DMC'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 for an important reason (*aus wichtigem Grund*) 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) **German Pension Contributions.** The Company shall also make all required contributions to the Company's existing pension scheme on behalf of the Executive. Subject to deviating provisions within the pension plan and upon the Executive's request in his sole discretion, the Company shall take out a direct insurance (*Direktversicherung*) on behalf of the Executive in lieu of such pension scheme contributions to an annual premium at the amount of the maximum rates for tax and social security exemption legally permissible. If the amount of such maximum rates legally permissible for indirect insurances are increased, at the request of the Executive, the Company shall procure an increase of the direct insurance or implement another direct insurance with an insured sum in the amount equal to the increase, each without an impact as to the amount of the annual Salary. The Executive shall be irrevocably named the beneficiary of the direct insurances. If the Executive leaves the Company, he shall be entitled to take over and carry on all direct insurances taken out on his behalf at his own expense. The Company has no obligation to continue any payment for such direct insurances following the termination of this Agreement pursuant to Section 5.

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

- (i) Company accident insurance coverage in the amount of EUR 250,000 in case of death and EUR 500,000 in case of disability;
- (ii) DMC directors and officers insurance coverage in the amount of at least EUR 10 million and a validity for at least 5 years after termination of this agreement or

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removal as managing director; a copy of the D & O insurance policy shall be delivered to the Executive.

- (iii) vacation as provided in Schedule 1 to this Agreement;
- (iv) payment of premium for the existing private life-insurance with Allianz Lebensversicherungs-AG at the annual amount of EUR 56,169; and
- (v) provision to the Executive of a company automobile for business and private purposes, the monthly leasing rate for which shall not exceed EUR 1,200 net. All taxes incurring due to the use of the company car for private purposes shall be borne by the Executive.

(f) **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 and applicable tax regulations. While taking the train, the Executive is entitled to travel first class; if he travels by plane, he may travel via Business Class.

## 5. **Termination.**

(a) **Important Reasons.** The Company may terminate Executive's employment only for important reasons (*aus wichtigem Grund*), effective immediately upon written notice to Executive. 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. For purposes of this Agreement, termination for "important reasons" 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 either of the Company or DMC that has a materially adverse effect on the business and affairs of the Company or DMC;
- (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 Company's shareholders' meeting has made a written demand for performance which specifically identifies the manner in which it 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 or DMC policy (such as DMC'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;

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- (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; or
  - (vi) any other important reason under German law.

(b) **Release from Duty to Work.** The Company shall have the right at any time to release the Executive from his duty to work (such release being either irrevocable or in a form that it can be revoked) while setting off the Executive's residual vacation entitlement, provided that the Company shall continue to pay the contractual compensation stipulated in Section 4 above. If the appointment as managing director of the Company ends without simultaneous termination of this Agreement, the Executive shall be released from his duty to work for the remaining term of the Agreement, while setting off the Executive's residual vacation entitlement and continuing payment of the Executive's remuneration pursuant to in Section 4.

(c) **Termination Without an Important Reason.** Notwithstanding any other provision of this Section 5, (i) 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 Executive may agree in writing in connection with such termination), (ii) prior to January 1, 2012, the Company shall have the right to terminate Executive's employment at any time upon one year's written notice to the Executive (or upon such shorter notice as the Executive may agree in writing in connection with such termination), and (iii) on and after January 1, 2012, the Company shall have the right to terminate Executive's employment immediately at any time upon written notice to the Executive. Upon termination of employment pursuant to Section 5(c)(ii), the Company shall pay Executive an amount equal to the remaining Salary and remaining annual bonuses pursuant to Section 4(b) that would have been payable through December 31, 2012. Upon termination of employment pursuant to Section 5(c)(iii), the Company shall pay Executive an amount equal to one year's Salary and the amount of

bonus otherwise payable for 2012 pursuant to Section 4(b). Payments pursuant to Section 5(c)(ii) or (iii) shall be payable in equal monthly payments and shall constitute full payment in satisfaction of all of the Company's obligations under this Agreement. Any such termination by Executive shall be deemed effective upon receipt by the Company of such notice. Any termination under this Section 5(c) 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.

(d) **Death.** 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 (i) an amount equal to three months of Salary and (ii) any accrued but unpaid portion of Executive's Salary and the bonus, if any, he would have received in respect of the amount of time equal to a portion of the fiscal year prior to his termination plus an additional three months following such termination, payable at the same time as bonuses are paid to other executives and any other amounts owing to Executive under Section 5(c).

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(e) **Disability.** If Executive is unable to fully and satisfactorily perform any of the essential functions of his position by reason of disability or long-term illness, the provisions of Schedule 2 shall apply.

(f) **Costs of Continued Benefits.** 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. **Non-Competition.**

(a) **Non-competition.** The Executive may not work, as an employee, independently on a free-lance basis or in any other way, for third parties that are direct or indirect competitors of the Company, DMC or their respective subsidiaries and affiliated companies (the "**DMC Companies**"), or third parties affiliated with such competitors of the DMC Companies, during the term and for a period of two years after termination of this Agreement (the "**Non-competition Period**"). Furthermore, the Executive may not set up, buy or directly or indirectly hold shares in any such company during the Non-competition Period. The acquisition of less than 5 % of the share capital in a publicly traded stock corporation acquired for investment purposes are excluded from this prohibition of competition.

(b) **Non-solicitation.** During the Non-competition Period, the Executive is prohibited from soliciting or accepting work from any customer of the DMC Companies, which has been a customer of any of the DMC Companies within the two years prior to termination of this Agreement or which was a prospective customer of any of the DMC Companies within 12 months prior to the termination of this Agreement.

(c) **Payment.** For the duration of the Non-competition Period, the Company shall pay the Executive, for each year of Non-competition Period, compensation in the amount of one half of the Salary. Payment of the compensation is due in 12 monthly installments at the end of the month.

(d) **Reduction of Payment.** Any income earned by the Executive, or any income he consciously refrains from earning, during the Non-competition Period, either as a self-employed person, as an employed person, or through any other form of work, will be deducted from the compensation pursuant to Section 6(c) if the compensation, taken together with the income earned, would exceed the Salary. Income also includes any unemployment benefits received by the executive. The Executive is obliged to provide the company, upon its request, with information concerning the extent of his income.

Any income which the Executive earns through the management of his assets (i.e. Vermögensverwaltung Rospek Gesellschaft bürgerlichen Rechts for the time being) shall not be deemed to be deductible income.

(e) **Waiver: Termination of Non-Competition Provisions** DMC may waive the provisions of this Section 6. The obligations of the Company and the Executive pursuant to this

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Section 6 shall be terminated upon the termination of the DMC employment relationship between the Company and the Executive as a result of the retirement, either early or definitively, of Executive.

(f) **Penalty for Violation.** In every case of infringement of the provisions of Section 6(a) and 6(b) by the Executive, the Executive shall pay a contractual penalty in the amount of EUR 100,000.00. In case of a long-term infringement such penalty shall be payable by the Executive for each calendar month during which infringement has occurred. Any claims for further damages shall not be affected hereby.

## 7. **Miscellaneous.**

(a) **Judicial Limitation.** If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that shall not affect or impair:

- (i) the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or
- (ii) the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision of this Agreement, and

the parties shall replace the non-binding provision with another provision that is binding, in such a way that the new provision differs as little as possible from the non-binding provision, taking into account the object, the intent and the purpose of this Agreement.

(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.

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

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(f) **Assignability.** Any claims by the Executive against the Company or DMC, including for payment of salary, bonuses or other compensation, contribution, benefit, etc., may not be pledged or assigned without the previous written consent of the Company and DMC. The assertion of any right of retention, right to refuse performance or set-off of claims with regard to any claim of the Company or of DMC shall be excluded to the fullest extent permitted by applicable law.

(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 Germany (without regard to its conflicts of law doctrines) and the exclusive venue for any action to enforce or to interpret this Agreement shall be, insofar as legally allowed, in a court of competent jurisdiction located in the location of the registered office of the Company 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.

(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 international delivery service 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 delivery pursuant to this section.

If to Executive:

Rolf Rospek  
Plotennaag 3  
51234 Edemissen  
Germany  
Facsimile:

If to the Company:

DYNAenergetics Holding GmbH  
Dr. Hermann-Fleck-Allee 8

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D-57299 Burbach  
Germany  
Facsimile:

If to DMC:

Dynamic Materials Corporation  
Attention: Chief Executive Officer  
5405 Spine Road  
Boulder, CO 80301  
Facsimile: +1 (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) **Governing Language.** The Agreement is executed in both a German and an English version. In case of discrepancies or contradictions between the German and English versions, the German version shall prevail.

(n) **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:

**DYNAenergetics Holding GmbH,  
represented by its sole partner, Dynamic  
Materials Luxembourg 2 S.à.r.l.**

By: \_\_\_\_\_  
Gerard Maitrejean, class A director

By: \_\_\_\_\_  
Geoffrey Henry, class A director

**Dynamic Materials Corporation**

By: \_\_\_\_\_  
Yvon Cariou, President and  
Chief Executive Officer

**Executive:**  
\_\_\_\_\_  
Rolf Rospek

**Schedule 1**

**Vacation Benefits for Executive**

1. The Executive shall be entitled to an annual vacation of 30 working days. Working days means all calendar days other than Saturdays, Sundays and legal holidays in Germany. If annual vacation was not fully taken by the Executive prior to March 31 of the subsequent calendar year due to opposing Company interests, such vacation not taken shall lapse without the Executive being entitled to compensation in return.

2. The Executive may be granted up to 40 working days vacation in addition to his contractual entitlement to vacation (specified in paragraph 1 above) for each calendar year during the term of this Agreement. Any additional vacation days must principally be agreed by common consent among the Executive and the Company. If and to the extent to which there is no conflicting urgent operational reason, the Executive may take additional vacation days also on his own authority, however he shall give notice thereof to the Chief Executive of DMC in writing (by e-mail or fax is sufficient) at the latest by the end of the particular month when he took vacation and obtain its approval.

3. The Parties agree that the approval/taking of additional vacation days shall not be detrimental to the duties and responsibilities of the Executive.

4. The approval/taking of additional vacation days entails

(a) a reduction of the annual bonus to which the Executive is eligible pursuant to Section 4(b) of this Agreement by an amount which is calculated according to the following formula:

$$\frac{\text{Bonus amount} \times \text{number of additional vacation days}}{222} = \text{Amount of reduction}$$

(For clarification only: The divisor "222" results from the average number of working days in North Rhine/Westphalia, i.e. 252 working days, less the number of vacation days to which the Executive is contractually entitled, i.e. 30 working days);

(b) a further reduction of the bonus amount reduced pursuant to sub-section a) above by an amount which is calculated according to the following formula:

$$\frac{\text{Salary} \times \text{number of additional vacation days}}{222} = \text{Amount to be deducted}$$

5. Additional vacation days may only be approved / taken after the Executive has taken all the vacation days to which he is contractually entitled as specified in paragraph 1 above.

6. The Executive shall coordinate the dates of his vacation with other Company executives (if any) on an appropriately timely basis. Any grounds for pressing business shall take priority.

**Schedule 2**

**Disability or Lon-term Illness of Executive**

1. If the Executive cannot perform the duties arising out of this Agreement due to illness or otherwise being indisposed, he shall promptly inform the Company and DMC of the expected duration of his unavailability. The Executive shall also inform the Company and DNC of any business urgently in need of attention.
2. In the event of an inability to work due to illness, the Executive is required to submit a doctor's excuse prior to the expiration of the third calendar day following the commencement and expected duration of the inability to work. In the event of an illness extending beyond the period specified in the excuse, a subsequent excuse must be submitted within two days of the expiration of this period.
3. Other than in the event of being disabled to work (*Berufs-/Erwerbs-unfähigkeit*), the Executive shall continue to receive the Salary provided under Section 4(a) of this Agreement for the duration of his inability to work due to any illness for which he is not at fault for a period of up to a maximum of six months in each individual case. Any sickness allowances granted to Executive during this time shall be deducted from the remuneration payment.
4. The Executive hereby assigns to the Company all claims against third parties caused in connection with the reasons for his inability to work in an amount corresponding to the compensation of the Executive for the duration of his inability to work. The Executive is required to forward to the Company all information required to enforce these claims.



## INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT, dated as of January , 2011, is made by and between Dynamic Materials Corporation, a Delaware corporation (the "Company") and (the "Indemnitee").

### Recitals

- A. The Company recognizes that competent and experienced persons are increasingly reluctant to serve or to continue to serve as directors or officers of public corporations unless they are adequately protected through insurance or indemnification, or both, due to increased exposure to litigation costs and risks resulting from their service to such corporations, and due to the fact that the exposure frequently bears no reasonable relationship to the compensation of such directors and officers.
- B. The statutes and judicial decisions regarding the duties of directors and officers are often difficult to apply, ambiguous, or conflicting, and therefore fail to provide such directors and officers with adequate, reliable knowledge of legal risks to which they are exposed or information regarding the proper course of action to take.
- C. The Company and Indemnitee recognize that plaintiffs often seek damages in such large amounts and the costs of litigation may be so enormous (whether or not the case is meritorious), that the defense and/or settlement of such litigation is often beyond the personal resources of directors and officers.
- D. The Company believes that it is unfair for its directors and officers to assume the risk of huge judgments and other expenses which may occur in cases in which the director or officer received no personal profit and in cases where the director or officer was not culpable.
- E. The Company, after reasonable investigation, believes that the interests of the Company and its stockholders would best be served by a combination of insurance and the indemnification by the Company of the directors and officers of the Company.
- F. Section 145 of the DGCL ("Section 145"), under which the Company is organized, empowers the Company to indemnify its officers, directors, employees and agents by agreement and to indemnify persons who serve, at the request of the Company, as the directors, officers, employees or agents of other corporations or enterprises, and expressly provides that the indemnification provided by Section 145 is not exclusive.
- G. Section 102(b)(7) of the DGCL allows a corporation to include in its certificate of incorporation a provision limiting or eliminating the personal liability of a

director for monetary damages in respect of claims by stockholders and corporations for breach of certain fiduciary duties, and the Company has so provided in its Certificate of Incorporation, as amended, that each director shall be exculpated from such liability to the maximum extent permitted by law.

- H. The Board of Directors has determined that contractual indemnification as set forth herein is not only reasonable and prudent but also promotes the best interests of the Company and its stockholders.
- I. The Company desires and has requested Indemnitee to serve or continue to serve as a director or officer of the Company and/or one or more subsidiaries of the Company free from undue concern for unwarranted claims for damages arising out of or related to such services to the Company and/or one or more subsidiaries of the Company.
- J. Indemnitee is willing to serve, continue to serve or to provide additional service for or on behalf of the Company and/or one or more subsidiaries of the Company on the condition that Indemnitee is furnished the indemnity provided for herein.

### Agreement

1. **Right to Indemnification.** To the fullest extent permitted by the laws of the State of Delaware:

(a) The Company shall indemnify Indemnitee if Indemnitee 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 Indemnitee is or was or has agreed to serve at the request of the Company as a director, officer, employee or agent (which for purposes hereof, shall include a trustee, partner or manager or similar capacity) of the Company, or while serving as a director or officer of the Company, is or was serving or has agreed to serve at the request of the Company 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 Indemnitee in respect of an alleged breach of fiduciary duties, to the fullest extent permitted under Section 102(b)(7) of the DGCL as in existence on the date hereof.

(b) The indemnification provided by this Section 1 shall be from and against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with such proceeding and any appeal therefrom, but shall only be provided if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in

or not opposed to the best interests of the Company, and, with respect to any criminal proceeding, had no reasonable cause to believe Indemnitee's conduct was unlawful.

(c) Notwithstanding the foregoing provisions of this Section 1, in the case of any threatened, pending or completed action or suit by or in the right of the Company to procure a judgment in its favor by reason of the fact that Indemnitee is or was a director, officer, employee or agent of the Company, or while serving as a director or officer of the Company, is or was serving or has agreed to serve at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, Indemnitee shall be entitled to the rights of indemnification provided for herein in connection with such action or suit if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Company; provided, however, if applicable law so provides, no indemnification shall be made in respect of any such claim, issue or matter as to which Indemnitee shall have been finally adjudged to be liable to the Company 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, Indemnitee 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 Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that Indemnitee's conduct was unlawful. In addition, neither the failure of the party making the determination as specified in Section 3 below (the "reviewing party") to have made a determination as to whether Indemnitee has met any particular standard of conduct or had any particular belief, nor an actual determination by the reviewing party that Indemnitee has not met such standard of conduct or did not have such belief, prior to the

commencement of legal proceedings by Indemnitee to secure a judicial determination that Indemnitee should be indemnified under applicable law, shall be a defense in such legal proceedings to Indemnitee's claim or create a presumption that Indemnitee has not met any particular standard of conduct or did not have any particular belief. In connection with any determination by the reviewing party or otherwise as to whether Indemnitee is entitled to be indemnified hereunder, the burden of proof shall be on the Company to establish by clear and convincing evidence that Indemnitee is not so entitled.

(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 Indemnitee or any officer, director, employee, agent or controlling person of Indemnitee.

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**2. Successful Defense: Partial Indemnification.**

(a) To the extent that Indemnitee has been successful on the merits or otherwise in defense of any proceeding referred to in Section 1 hereof or in defense of any claim, issue or matter therein, Indemnitee 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 Indemnitee;
- (ii) an adjudication that Indemnitee was liable to the Company;
- (iii) a plea of guilty or *nolo contendere* by Indemnitee;
- (iv) an adjudication that Indemnitee did not act in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company; and
- (v) with respect to any criminal proceeding, an adjudication that Indemnitee had reasonable cause to believe Indemnitee's conduct was unlawful,

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

(b) If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the expenses (including attorneys' fees), judgments, fines or amounts paid in settlement actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with any proceeding, or in defense of any claim, issue or matter therein, and any appeal therefrom but not, however, for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion of such expenses (including attorneys' fees), judgments, fines or amounts paid in settlement to which Indemnitee is entitled.

**3. Determination That Indemnification Is Proper.** Any indemnification hereunder shall (unless otherwise ordered by a court) be made by the Company unless a 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 1(b) hereof. Any such determination shall be made:

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- (i) by a majority vote of the directors who are not parties to the proceeding in question ("disinterested directors"), even if less than a quorum;
- (ii) by a majority vote of a committee of disinterested directors designated by majority vote of disinterested directors, even if less than a quorum;
- (iii) 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;
- (iv) by independent legal counsel; or
- (v) by a court of competent jurisdiction.

**4. Advance Payment of Expenses: Notification and Defense of Claim.**

(a) Expenses (including attorneys' fees) incurred by Indemnitee in defending a threatened or pending proceeding, or in connection with an enforcement action pursuant to Section 5(b) or Section 7(b), shall be paid by the Company in advance of the final disposition of such proceeding within twenty (20) days after receipt by the Company of (i) a statement or statements from Indemnitee requesting such advance or advances from time to time, and (ii) an undertaking by or on behalf of Indemnitee to repay such amount or amounts, only if, and to the extent that, it shall ultimately be determined that Indemnitee is not entitled to be indemnified by the Company as authorized by this Agreement or otherwise. Such undertaking shall be accepted without reference to the financial ability of Indemnitee to make such repayment. Advances shall be unsecured and interest-free.

(b) Within thirty (30) days after receipt by Indemnitee of notice of the commencement of any proceeding, Indemnitee shall, if a claim thereof is to be made against the Company hereunder, notify the Company of the commencement thereof. The failure to timely notify the Company of the commencement of the proceeding, or Indemnitee's request for indemnification, will not relieve the Company from any liability that it may have to Indemnitee hereunder, except to the extent the Company is prejudiced in its defense of such proceeding as a result of such failure.

(c) If the Company shall be obligated to pay the expenses of Indemnitee with respect to any proceeding, as provided in this Agreement, the Company, if appropriate, shall be entitled to assume the defense of such proceeding, with counsel reasonably acceptable to Indemnitee, upon the delivery to Indemnitee of written notice of its election to do so. After delivery of such notice, approval of such counsel by

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Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any fees of counsel subsequently incurred by Indemnitee with respect to the same proceeding, provided that:

(i) Indemnitee shall have the right to employ Indemnitee's own counsel in such proceeding at Indemnitee's expense; and

(ii) if (A) the employment of counsel by Indemnitee has been previously authorized in writing by the Company, (B) counsel to the Company or Indemnitee shall have reasonably concluded that there may be a conflict of interest or position, or reasonably believes that a conflict is likely to arise, on any significant issue between the Company and Indemnitee in the conduct of any such defense or (C) the Company shall not, in fact, have employed counsel to assume the defense of such proceeding, then (in each case) the fees and expenses of Indemnitee's counsel shall be at the expense of the Company, except as otherwise expressly provided by this Agreement.

The Company shall not be entitled, without the consent of Indemnitee, to assume the defense of any claim brought by or in the right of the Company or as to which counsel for the Company or Indemnitee shall have reasonably made the conclusion provided for in clause (B) above.

(d) Notwithstanding any other provision of this Agreement to the contrary, to the extent that Indemnitee is, by reason of Indemnitee's corporate status with respect to the Company or any corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which Indemnitee is or was serving or has agreed to serve at the request of the Company, a witness or otherwise participates in any proceeding at a time when Indemnitee is not a party in the proceeding, the Company shall indemnify Indemnitee against all expenses (including attorneys' fees) actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith.

#### 5. Procedure for Indemnification.

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

(b) The Company's determination whether to grant Indemnitee's indemnification request shall be made promptly, and in any event within 45 days

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following receipt of a request for indemnification pursuant to Section 5(a). The right to indemnification as granted by Section 1 of this Agreement shall be enforceable by Indemnitee in any court of competent jurisdiction if the Company denies such request, in whole or in part, or fails to respond within such 45-day period. It shall be a defense to any such action (other than an action brought to enforce a claim for the advance of costs, charges and expenses under Section 4 hereof where the required undertaking, if any, has been received by the Company) that Indemnitee has not met the standard of conduct set forth in Section 1 hereof, but the burden of proving such defense by clear and convincing evidence shall be on the Company. Neither the failure of the Company (including its Board of Directors or one of its committees, its independent legal counsel, and its stockholders) to have made a determination prior to the commencement of such action that indemnification of Indemnitee is proper in the circumstances because Indemnitee has met the applicable standard of conduct set forth in Section 1 hereof, nor the fact that there has been an actual determination by the Company (including its Board of Directors or one of its committees, its independent legal counsel, and its stockholders) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has or has not met the applicable standard of conduct. The Indemnitee's expenses (including attorneys' fees) incurred in connection with successfully establishing Indemnitee's right to indemnification, in whole or in part, in any such proceeding or otherwise shall also be indemnified by the Company.

(c) The Indemnitee shall be presumed to be entitled to indemnification under this Agreement upon submission of a request for indemnification pursuant to this Section 5, and the Company 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 Company overcomes such presumption by clear and convincing evidence.

#### 6. Insurance and Subrogation.

(a) The Company shall purchase and maintain insurance in reasonable amounts from established and reputable insurers on behalf of Indemnitee (which shall include so called "tail" coverage) who is or was or has agreed to serve at the request of the Company as a director or officer of the Company, or is or was serving at the request of the Company 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, Indemnitee or on Indemnitee's behalf in any such capacity, or arising out of Indemnitee's status as such, whether or not the Company would have the power to indemnify Indemnitee against such liability under the provisions of this Agreement. If the Company has such insurance in effect at the time the Company receives from Indemnitee any notice of the commencement of a proceeding, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the policy. The Company shall

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thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policy.

(b) In the event of any payment by the Company under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee with respect to any insurance policy, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights in accordance with the terms of such insurance policy. The Company shall pay or reimburse all expenses actually and reasonably incurred by Indemnitee in connection with such subrogation.

(c) The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder (including, but not limited to, judgments, fines, ERISA excise taxes or penalties, and amounts paid in settlement) if and to the extent that Indemnitee has otherwise actually received such payment under this Agreement or any insurance policy, contract, agreement or otherwise.

7. **Limitation on Indemnification.** Notwithstanding any other provision herein to the contrary, the Company shall not be obligated pursuant to this Agreement:

(a) Claims Initiated by Indemnitee. To indemnify or advance expenses to Indemnitee with respect to any proceeding (or part thereof) initiated by Indemnitee, except with respect to a proceeding brought to establish or enforce a right to indemnification (which shall be governed by the provisions of Section 7(b) of this Agreement), unless such proceeding (or part thereof) was authorized or consented to by the Board of Directors of the Company.

(b) Action for Indemnification. To indemnify Indemnitee for any expenses incurred by Indemnitee with respect to any proceeding instituted by Indemnitee to enforce or interpret this Agreement, unless Indemnitee is successful in establishing Indemnitee's right to indemnification in such proceeding, in whole or in part, or unless and to the extent that the court in such proceeding shall determine that, despite Indemnitee's failure to establish their right to indemnification, Indemnitee is entitled to indemnity for such expenses; provided, however, that nothing in this Section 7(b) is intended to limit the Company's obligation with respect to the advancement of expenses to Indemnitee in connection with any such proceeding instituted by Indemnitee to enforce or interpret this Agreement, as provided in Section 4 hereof.

(c) Section 16 Violations. To indemnify Indemnitee on account of any proceeding with respect to which final judgment is rendered against

securities in violation of Section 16(b) of the Securities Exchange Act of 1934, as amended, or any similar successor statute.

(d) **Certain Settlement Provisions.** To indemnify Indemnitee for amounts paid in settlement of any proceeding without the Company's prior written consent, which shall not be unreasonably withheld. The Company shall not settle any proceeding in any manner that would impose any fine or other obligation on Indemnitee without Indemnitee's prior written consent, which shall not be unreasonably withheld.

8. **Contribution.** In order to provide for just and equitable contribution in circumstances in which the indemnification provided for herein is held by a court of competent jurisdiction to be unavailable to Indemnitee in whole or in part, it is agreed that, in such event, the Company shall (whether or not it is jointly liable with Indemnitee or would be joined in any proceeding), to the fullest extent permitted by law, contribute to the payment of Indemnitee's costs, charges and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any proceeding, whether civil, criminal, administrative or investigative, in an amount that is just and equitable in the circumstances, taking into account, among other things, contributions by other directors and officers of the Company or others pursuant to indemnification agreements or otherwise; provided, that, without limiting the generality of the foregoing, such contribution shall not be required where such holding by the court is due to (i) the failure of Indemnitee to meet the standard of conduct set forth in Section 1 hereof, or (ii) any limitation on indemnification set forth in Section 6(c) or 7 hereof.

9. **Non-Exclusivity.** The provisions for indemnification and advancement of expenses set forth in this Agreement shall not be deemed exclusive of any other rights which Indemnitee may have under any provision of law, the Company's Certificate of Incorporation or Bylaws, in any court in which a proceeding is brought, the vote of the Company's stockholders or disinterested directors, other agreements or otherwise, and Indemnitee's rights hereunder shall continue after Indemnitee has ceased acting as an agent of the Company and shall inure to the benefit of the heirs, executors and administrators of Indemnitee. However, no amendment or alteration of the Company's Certificate of Incorporation or Bylaws or any other agreement shall adversely affect the rights provided to Indemnitee under this Agreement.

10. **Enforcement.** The Company shall be precluded from asserting in any judicial proceeding that the procedures and presumptions of this Agreement are not valid, binding and enforceable. The Company agrees that its execution of this Agreement shall constitute a stipulation by which it shall be irrevocably bound in any court of competent jurisdiction in which a proceeding by Indemnitee for enforcement of his rights hereunder shall have been commenced, continued or appealed, that its obligations set forth in this Agreement are unique and special, and that failure of the Company to comply with the provisions of this Agreement will cause irreparable and irremediable injury to

Indemnitee, for which a remedy at law will be inadequate. As a result, in addition to any other right or remedy Indemnitee may have at law or in equity with respect to breach of this Agreement, Indemnitee shall be entitled to injunctive or mandatory relief directing specific performance by the Company of its obligations under this Agreement.

11. **Interpretation of Agreement.**

(a) It is understood that the parties hereto intend this Agreement to be interpreted and enforced so as to provide indemnification to Indemnitee to the fullest extent now or hereafter permitted by law, including in those circumstances in which indemnification would otherwise be discretionary.

(b) If the DGCL is amended after adoption of this Agreement to expand further the indemnification permitted to directors or officers, then the Company shall indemnify Indemnitee to the fullest extent permitted by the DGCL, as so amended.

12. **No Employment Rights.** Nothing in this Agreement is intended to create in Indemnitee any right to employment or continued employment.

13. **Survival of Rights.**

(a) All agreements and obligations of the Company contained herein shall continue during the period Indemnitee is a director, officer, employee or agent of the Company and shall continue thereafter so long as Indemnitee shall be subject to any possible claim or threatened, pending or completed proceeding by reason of the fact that Indemnitee was serving in the capacity referred to herein.

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

(c) All of the terms and provisions of this Agreement shall be binding upon, shall inure to the benefit of and shall be enforceable by the parties hereto and their respective successors (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), assigns, heirs, executors, administrators and legal representatives.

14. **Savings Clause.** If any provision or provisions of this Agreement shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify Indemnitee as to costs, charges and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any

proceeding, including an action by or in the right of the Company, to the full extent permitted by any applicable portion of this Agreement that shall not have been invalidated and to the full extent permitted by applicable law.

15. **Certain Definitions.** For purposes of this Agreement, the following definitions shall apply:

(a) The term "by reason of the fact that Indemnitee is or was a director, officer, employee or agent of the Company, or while serving as a director or officer of the Company, is or was serving or has agreed to serve at the request of the Company as a director, officer employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise" shall be broadly construed and shall include, without limitation, any actual or alleged act or omission to act.

(b) The term "Company" shall include, without limitation and in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the

request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, shall stand in the same position under the provisions of this Agreement with respect to the resulting or surviving corporation as he or she would have with respect to such constituent corporation if its separate existence had continued.

(c) The term "expenses" shall be broadly and reasonably construed and shall include, without limitation, all direct and indirect costs of any type or nature whatsoever (including, without limitation, all attorneys' fees and related disbursements, appeal bonds, other out-of-pocket costs and reasonable compensation for time spent by Indemnitee for which Indemnitee is not otherwise compensated by the Company or any third party, provided that the rate of compensation and estimated time involved is approved by the Board of Directors, which approval shall not be unreasonably withheld), actually and reasonably incurred by Indemnitee in connection with either the investigation, defense or appeal of a proceeding or establishing or enforcing a right to indemnification under this Agreement, Section 145 or otherwise.

(d) The term "independent legal counsel" shall mean an attorney or firm of attorneys, who shall not have otherwise performed services for the Company or any Indemnitee within the last five years (other than with respect to matters concerning the right of any Indemnitee under this Agreement, or of other indemnitees under similar indemnity agreements). Any such independent legal counsel shall be selected by the Board of Directors, unless the Board of Directors shall request that the Indemnitee shall

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make such selection. The party selecting the independent legal counsel shall promptly provide written notice to the other party of its selection. Within 10 days after receipt of such written notice, Indemnitee or the Company, as the case may be, may, deliver to the Company or the Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the independent legal counsel so selected does not meet the requirements hereof.

(e) The term "judgments, fines and amounts paid in settlement" shall be broadly construed and shall include, without limitation, all direct and indirect payments of any type or nature whatsoever (including, without limitation, all penalties and amounts required to be forfeited or reimbursed to the Company), as well as any penalties or excise taxes assessed on a person with respect to an employee benefit plan).

(f) The term "not opposed to the best interests of the Company" shall include, without limitation, action taken by a person in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan.

(g) The term "other enterprises" shall include, without limitation, employee benefit plans.

(h) The term "proceeding" shall be broadly construed and shall include, without limitation, the investigation, preparation, prosecution, defense, settlement, arbitration and appeal of, and the giving of testimony in, any threatened, pending or completed claim, action, suit or proceeding, whether civil, criminal, administrative or investigative.

(i) The term "serving at the request of the Company" shall include, without limitation, any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries.

16. **Notices.** Any notice, request or other communication required or permitted to be given to the parties under this Agreement shall be in writing and either delivered in person or sent by telecopy, telex, telegram, overnight mail or courier service, or certified or registered mail, return receipt requested, postage prepaid, to the parties at the following addresses (or at such other addresses for a party as shall be specified by like notice):

If to the Company:

5405 Spine Road

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Boulder CO 80301  
Attn: Chief Executive Officer  
Facsimile: (303) 604-1897

If to Indemnitee:

Facsimile:

17. **Entire Agreement.** This Agreement and the documents expressly referred to herein constitute the entire agreement between the parties hereto with respect to the matters covered hereby, and any other prior or contemporaneous oral or written understandings or agreements between Indemnitee and the Company or its predecessors with respect to the matters covered hereby are expressly superseded by this Agreement.

18. **Modification and Waiver.** No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

19. **Governing Law.** This Agreement shall be governed exclusively by and construed according to the laws of the State of Delaware, as applied to contracts between Delaware residents entered into and to be performed entirely within Delaware. If a court of competent jurisdiction shall make a final determination that the provisions of the law of any state other than Delaware govern indemnification by the Company of its officers and directors, then the indemnification provided under this Agreement shall in all instances be enforceable to the fullest extent permitted under such law, notwithstanding any provision of this Agreement to the contrary.

20. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument, notwithstanding that both parties are not signatories to the original or same counterpart.

21. **Headings.** The section and subsection headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

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IN WITNESS WHEREOF, this Agreement has been duly executed and delivered to be effective as of the date first above written.

DYNAMIC MATERIALS CORPORATION

By: \_\_\_\_\_  
[Name, Title]

INDEMNITEE:

\_\_\_\_\_  
[Name]