

**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): **June 26, 2012**

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

On June 26, 2012, Dynamic Materials Corporation (the "Company") announced that its Board of Directors (the "Board") had appointed Kevin T. Longe as Chief Operating Officer and Executive Vice President of the Company, effective July 17, 2012. Mr. Longe, 53, will also become a member of the Board on that date.

From March, 2011 until agreeing to join the Company, Mr. Longe served as an executive of Sonoco, Inc., first as President of Sonoco's Thermo Safe business from March 2011 to March 2012 and then from March to July 2012 as a Vice President and General Manager with Sonoco's Protective Packaging Division. From April, 2010 until joining Sonoco, Mr. Longe was self-employed performing consulting and investment work. From 2004 through April, 2010, Mr. Longe served in various positions at Lydall, Inc., most recently (2007 — 2010), serving as president of its Lydall Performance Materials, Inc. subsidiary.

On June 8, 2012, the Company entered into an employment agreement (the "Employment Agreement") with Mr. Longe. The Employment Agreement is effective as of July 17, 2012 and continues until terminated by either party pursuant to its terms. The Employment Agreement provides for an annual base salary of \$350,000, which will be reviewed annually and may be increased (but not decreased) at the discretion of the Compensation Committee of the Board. The Employment Agreement also provides that Mr. Longe will receive a \$200,000 starting bonus, payable in January 2013, which will be attributable for his services in 2012. He will be eligible to receive a discretionary annual bonus for 2013 of up to 100% of his base salary; however, Mr. Longe is not guaranteed any bonus amount for 2013.

Mr. Longe also receives the following benefits: (i) term life insurance coverage in the amount of \$500,000, which is in addition to the standard term life insurance provided in the Company's standard benefit plan; (ii) participation in the executive long-term disability plan; (iii) four weeks of vacation per year; (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 holiday, and certain other standard benefits provided by the Company; (v) participation in the Company's 401(k) retirement plan; (vi) reimbursement of up to \$5,000 of professional service fees annually for a financial planning and/or tax consultant; (vii) reimbursement for two trips to Colorado for Mr. Longe and his family; and (viii) a housing allowance for the rental of a suitable local apartment during an initial period.

The Employment Agreement can be terminated at any time by the Company for cause (as defined below) effective immediately upon written notice to Mr. Longe. The Employment Agreement also provides that Mr. Longe's employment can be terminated by the Company for any reason other than for cause upon the payment of an amount equal to 18 months of salary, payable in equal monthly payments, plus a bonus for such period equal to 150% of the average bonus (if any) paid to Mr. Longe for the three years preceding his termination (or, if shorter, the number of years of his employment with the Company), provided that Mr. Longe releases us from all claims as a condition of receiving the payments. Such amounts will be reduced to the extent that Mr. Longe accepts other employment prior to the final payment. Mr. Longe may

terminate his employment with the Company at any time upon sixty days written notice (or upon such shorter period as the Company may agree in writing).

For purposes of the Employment Agreement, "cause" is defined as: (i) a willful and substantial breach by Mr. Longe of the terms of the Employment Agreement that has a materially adverse effect on the business and affairs of the Company; (ii) the failure by Mr. Longe to substantially perform, or the gross negligence in the performance of, his duties hereunder for a period of fifteen days after the Board has made a written demand for performance which specifically identifies the manner in which it believes

that Mr. Longe has not substantially performed his duties; (iii) the commission by Mr. Longe 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) 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 or failure to act constituting fraud or dishonesty that compromises Mr. Longe's ability to act effectively as a high-level executive of the Company.

The Employment Agreement also contains customary non-competition and non-solicitation covenants. These covenants are effective during Mr. Longe's employment and for a period of two years following termination of his employment for any reason.

The foregoing description is qualified in its entirety by reference to the Employment Agreement, a copy of which is included as Exhibit 10.1 hereto.

On June 20, 2012, the Company and Mr. Longe entered into an indemnification agreement in the same form as the Company has previously entered with its other directors and executive officers. The indemnification agreement provides for the Company to indemnify Mr. Longe, to the fullest extent permitted by law, for actions and claims brought against him with respect to his role with the Company. The foregoing description is qualified in its entirety by reference to the Form of Indemnification Agreement, a copy of which is incorporated by reference as Exhibit 10.2 hereto.

A copy of the press release announcing Mr. Longe's appointment is included as Exhibit 99.1 hereto.

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Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
10.1	Employment Agreement dated June 8, 2012, between the Company and Kevin T. Longe.
10.2	Form of Indemnification Agreement between the Company and its directors and executive officers (incorporated by reference from Exhibit 10.4 to the Company's Current Report on Form 8-K dated January 24, 2011).
99.1	Press Release of the Company dated June 26, 2012.

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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: June 26, 2012

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

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EMPLOYMENT AGREEMENT

This Employment Agreement and its Exhibits (this "Agreement"), entered into the 8th day of June, 2012, is by and between Dynamic Materials Corporation, a Delaware corporation (the "Company"), and Kevin T. Longe, 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.

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 Chief Operating Officer and Executive Vice President 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.

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 July 17, 2012 (the "Effective Date") and shall continue until 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 \$350,000 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 receive a \$200,000 starting bonus payable in January 2013, which shall be attributable for his services in 2012. Executive also shall be eligible to receive a discretionary annual bonus for 2013 in an amount up to 100% of Executive's Salary for that year. The discretionary bonus will be determined based on performance goals and rules established by the Compensation Committee. The 2013 discretionary bonus, if any, will be payable before March 15, 2014. Executive is not guaranteed any bonus payment for 2013.

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

- (i) term life insurance coverage in the amount of \$500,000 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) four 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;
- (vi) reimbursement of up to \$5,000 of professional service fees for a financial planning and/or tax consultant to advise Executive annually;
- (vii) reimbursement for two trips to Colorado for Executive and Executive's family in preparation of Executive's move; and
- (viii) a housing allowance for the rental of a suitable, local apartment for Executive and Executive's family during the initial term of this Agreement, the amount of such housing allowance to be approved by the Chief Executive Officer of the Company.

(d) **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 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, not caused by the Company or events out of the Executive's control, 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 18 months of Salary, which amount shall be payable in equal monthly payments (the "Termination Payments"), plus (ii) a bonus for such period equal to 150% of the amount of the average bonus (if any) paid to Executive for the three years preceding the termination (or, if shorter, the number of years employed by the Company); provided, that Executive shall execute a release, in the form attached to this Agreement, 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 (60) 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.

(g) (i) If a Change in Control Event (as defined below) shall occur, followed within one year by a Material Change (as defined below), the Executive shall, if he so elects by written notice to the Company within thirty days of a Material Change that is not corrected following notice, be entitled to terminate his employment, if not already terminated by the Company. In that event, (A) the Executive shall receive in a lump sum, or otherwise as provided by Section 5(g)(ii), the sum of (1) an amount equal to two years of Salary, plus (ii) a bonus equal to 200% of the amount of the average bonus (if any) paid to Executive for the three years preceding the termination (or, if

shorter, the number of years employed by the Company), and (B) the Executive shall be entitled to the accelerated vesting of all options (if any) and restricted stock awards.

(ii) Notwithstanding anything to the contrary herein, if the aggregate amounts payable pursuant to Section 5(g)(i), either alone or together with any other payments which the Executive has the right to receive either directly or indirectly from the Company or any of its affiliates, would be subject to an excise tax as an "excess parachute payment" under Section 4999 of the Internal Revenue Code, the Executive hereby agrees that such aggregate amounts payable hereunder shall be paid in annual installments over the shortest period of time over which such aggregate amounts may be paid and not be treated as "excess parachute payments" under Section 4999. All determinations called for in this Section

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5(g)(ii) shall be made by Ernst & Young LLP or such other independent public accounting firm with a national reputation as shall be selected by the Company. The Company shall bear all costs associated with obtaining such determinations.

(iii) For purposes of this Agreement, a "Material Change" shall occur if:

- A. the Company makes any change in the Executive's functions, duties or responsibilities from the positions that the Executive occupied on the Effective Date or, if the Agreement is renewed or extended, the date of the last renewal or extension, but only if such change would cause:
- 1) the Executive to report to anyone other than the Chief Executive Officer of the Company,
 - 2) the Executive to no longer be the Chief Operating Officer of the Company or its successor,
 - 3) even if the Executive maintains the position of Chief Operating Officer, his responsibilities to be reduced (without his written permission) from those in effect on the Effective Date,
 - 4) the Executive to be terminated other than for Cause, or
 - 5) the Executive's position with the Company to become one of lesser importance or scope.
- B. the Company assigns or reassigns the Executive to another place of employment at least fifty miles from Boulder, Colorado;
- C. the Company reduces the Executive's Salary, and other compensation provided in this Agreement, or the Company breaches the terms of this Agreement; or
- D. a purchaser of all or substantially all of the Company's assets or any successor or assignee of the Company fails to assume the Agreement.

It is intended that each of the foregoing conditions will be applied consistently with the requirements of the regulations under Section 409A of the Internal Revenue Code.

(iv) "Change in Control Event" means the occurrence of any of the following:

A. The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 25% of either (1) the then outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (2) the combined voting power of

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the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (A), the following acquisitions shall not constitute a Change in Control: (1) any acquisition directly from the Company, (2) any acquisition by the Company, including any acquisition which, by reducing the number of shares outstanding, is the sole cause for increasing the percentage of shares beneficially owned by any such Person to more than the applicable percentage set forth above, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company or (4) any acquisition by any corporation pursuant to a transaction which complies with clauses (1), (2) of subsection (C) of this Section 5(g)(iv).

B. Individuals who, as of the date hereof, constitute the board of directors of the Company (the "Incumbent Board") cease for any reason within any period of 24 months to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board, shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the board of directors of the Company.

C. Consummation by the Company of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company or the acquisition of assets of another corporation (a "Business Combination"), in each case, unless, following such Business Combination, (1) more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) is represented by Outstanding Company Common Stock and Outstanding Company Voting Securities, respectively, that were outstanding immediately prior to such Business Combination (or, if applicable, is represented by shares into which such Outstanding Company Common Stock and Outstanding Company Voting Securities were converted pursuant to such Business Combination) and such ownership of common stock and voting power among the holders thereof is in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (2) no Person (excluding any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination)

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beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of the corporation resulting from such Business

Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination and (3) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination.

D. Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

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.

(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.

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(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.

(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, by email 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.

Executive:

Kevin T. Longe
P.O. Box 18
Boulder, CO 80306-0018

If to the Company:

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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.

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
Chief Executive Officer

EXECUTIVE

/s/ Kevin T. Longe
Kevin T. Longe

[EXHIBITS OMITTED]

[Company-Wide Form Of Certain Employment Agreements]

+Subject to revision based on the applicable law existing at the time of the Employee's separation. To be executed at time of Employee's separation.

SEPARATION AGREEMENT AND LEGAL RELEASE

This Separation Agreement and Legal Release (the "Agreement and Release") is between Kevin T. Longe ("you" and "your") and Dynamic Materials Corporation, a Delaware corporation ("Employer"), regarding the separation of your employment.

RECITALS

1. Employer and you are parties to the Employment Agreement dated [date] (the "Employment Agreement").
2. Subject to the terms and conditions of Section 5(b) of the Employment Agreement, upon termination of your employment for any reason other than Cause, you are eligible to receive certain severance payments, as described in detail therein. A condition precedent to your eligibility to receive any of these severance payments is your execution of a legal release in a form acceptable to Employer. This Separation Agreement and Legal Release is intended to satisfy the requirements of Section 5(b) concerning the release.
3. You understand that this is a legally binding document in which you surrender legal rights that you may have against Employer in connection with your employment and separation from employment and that you have the right to consult, at your sole expense, with an attorney of your choosing to answer questions that you may have regarding this Agreement and Release.

AGREEMENT

In consideration, the sufficiency of which is acknowledged, of the mutual promises set forth below, you and Employer agree as follows:

1. **Termination of Employment.** Your employment with Employer will end effective [date] (the "Termination Date"). If you wish to submit a letter of resignation, you may do so, and Employer will put the letter in your personnel file.
2. **Separation Pay.**
 - (a) On Employer's first regular payday after the expiration of the seven day revocation period provided in section 3(c) below without revocation of this Agreement and Release, and subject to the terms and conditions of the Employment Agreement, Employer will provide you with the separation pay described in Section 5(b) of the Employment Agreement. All such amounts are subject to customary withholding (to the extent

applicable) for federal, state, and local taxes (including FICA). Unless otherwise agreed, any payment will be in the form of a check mailed to you at your residence address.

- (b) You acknowledge that you would not be entitled to receive any of the separation pay and benefits described in Section 2(a) if you did not enter into this Agreement and Release.

- (c) You agree that Employer has paid you all other amounts that you are owed for wages and other compensation arising out of or related to your employment.
- (d) You may continue your health insurance coverage as provided under COBRA, but at your sole expense.

3. Older Worker's Benefit Protection Act.

- (a) As an employee over 40 years of age, you have special rights under a federal law known as the Age Discrimination in Employment Act of 1967 ("ADEA"), as amended by the Older Workers' Benefit Protection Act ("OWBPA"). Under this law, you have the right to be free from age discrimination in all aspects of the employment relationship. You understand that by signing this Agreement and Release, you are giving up the right to sue Employer for age discrimination, as well as for any other legal claims that you might have or claim to have that arise out of or relate to your employment with Employer and the termination of that employment.
- (b) *Under OWBPA, you understand that you have the legal right to take 21 days to decide whether to sign this Agreement and Release.* You acknowledge that if you signed before the expiration of 21 days, you were not required to do so, and could have taken the entire 21 days.
- (c) *Under OWBPA, you understand that you have the right to revoke this Agreement and Release within seven days after signing it.* Any revocation must be in writing addressed to: Dynamic Materials Corporation, Attn: Vice President and CFO, 5405 Spine Road, Boulder, CO 80301. To be effective, the Vice President and CFO must receive the revocation before the expiration of the seven-day period. If this Agreement and Release is revoked, however, you will not be entitled to any of the separation pay described in Section 2(a) above. If the Vice President and CFO does not receive your written statement of revocation by the end of the revocation period, this Agreement and Release will become legally enforceable and you may not thereafter revoke it.

4. General Release. You, on behalf of yourself and your heirs and assigns, agree to fully and forever release Employer, its subsidiaries, divisions, affiliates, sponsored benefit plans, and their respective officers, directors, employees, agents, and shareholders (collectively, the "Released Parties"), from all legal claims, suits, damages and demands of any nature, that may now exist or subsequently accrue, and that in any way (whether directly or indirectly)

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arise out of or relate to your employment relationship with Employer, including but not limited to, the termination of your employment with Employer.

- (a) Except as specifically provided in section 4(c) below, this Agreement and Release is intended to be interpreted in the broadest possible manner, to include all actual or potential legal claims that you may have or later claim to have against any of the Released Parties, regardless whether you presently are aware or unaware of the claim or the facts on which the claim is based, and regardless whether the claim is based on the past, present or future effects of acts or omissions by any of the Released Parties.
- (b) The legal claims against the Released Parties that you are giving up by signing this Agreement and Release include, but are not limited to, the following:
 - (1) All state law claims of whatever nature or kind, and whether based on negligent or intentional acts or omissions, including without limitation, all claims for breach of express or implied contract, wrongful discharge, fraud, misrepresentation, omission, promissory estoppel, outrageous conduct, defamation, libel, slander, invasion of privacy, and any other state law claims, including without limitation, all claims arising out of or related to your decision to enter into this Agreement and Release.
 - (2) All claims for alleged personal physical or emotional injuries.
 - (3) All claims under any local, state or federal statute, ordinance or regulation concerning employment, including, but not limited to, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act ("ADEA"), the Older Workers' Benefit Protection Act, the Rehabilitation Act, the Civil Rights Act of 1991, the Equal Pay Act, the Americans with Disabilities Act, the Colorado Anti-Discrimination Act, the Family and Medical Leave Act, the Fair Labor Standards Act, the Employee Retirement Income Security Act ("ERISA"), and the Health Insurance Portability and Accountability Act ("HIPAA").
- (c) The only exceptions to this Agreement and Release are: (i) claims for unemployment compensation or workers' compensation benefits under state law; (ii) future legal claims, meaning those that may arise after your separation from employment with Employer and are based on alleged acts, omissions or occurrences that occurred after the date you signed this Agreement and Release; and (iii) claims arising from this Agreement and Release.
- (e) Nothing in this Agreement and Release shall preclude you from filing a charge of discrimination or participating in any investigation or proceeding conducted by the Equal Employment Opportunity Commission or a state civil rights agency, although Employer will assert the validity of the release in such an event.

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- 5. Company Property.** You represent and warrant that you have delivered to Employer, and have not kept, recreated or delivered to anyone else, and that you will not keep in your possession, recreate or deliver to anyone else, any and all keys, key cards, computer pass words, devices, records, data, notes, reports, e-mail messages (except as received by the recipient in the ordinary course of business), proposals, lists, correspondence, specifications, drawings, blueprints, sketches, materials, equipment, software, programs, inventions, other documents or property, reproductions of any of these items, or electronically stored or accessible copies or versions of these items, which were provided to you in connection with your employment, developed or obtained by you as a result of your employment, or otherwise belonging to Employer, its subsidiaries, successors or assigns.
- 6. Non-Solicitation and Non-Competition.** Notwithstanding the termination of your employment, you agree that you are still bound by the Key Employee Proprietary Information and Inventions Agreement and the Non-Competition and Non-Solicitation Agreement between you and Employer, copies of which are attached as exhibits to the Employment Agreement.
- 7. Denial of Liability.** You and Employer understand and agree that this Agreement and Release is not to be construed as an admission of liability on the part of any person, firm or corporation released, liability being expressly denied.
- 8. Authority and Non-assignment.** You expressly warrant that you have authority to enter into this Agreement and Release and that you have not sold, assigned, granted or transferred to any other person, corporate or natural, any claim, action, demand or cause of action released by Section 4 of this Agreement and Release.
- 9. Section 409A Compliance.** The following rules shall apply, to the extent necessary, with respect to distribution of the payments, if any, to be provided to Employee under this Agreement. Subject to the provisions in this Section, the severance payments pursuant to this Agreement shall be made only after the date of Employee's "separation from service" (determined as set forth below) which occurs on or after the date of Employee's termination of employment.
- (a) This Agreement is intended to comply with Section 409A of the Internal Revenue Code ("Section 409A") to the extent applicable and the parties hereto agree to interpret, apply and administer this Agreement in the least restrictive manner necessary to comply therewith and without resulting in any increase in the amounts owed

hereunder by Employer. The parties further agree to make any corrections necessary and permitted to make the Agreement compliant with Section 409A.

(b) It is intended that the termination qualify to the maximum extent possible as exempt from or compliant with the application of Section 409A.

(c) The determination of whether and when Employee's separation from service from Employer has occurred shall be made in a manner consistent with, and based on the presumptions set forth in, Treasury Regulation Section 1.409A-1(h). Solely for purposes of this Section, "Employer" shall include all persons with whom the Employer would be considered a single employer as determined under Treasury Regulation Section 1.409A-1(h)(3).

(d) Notwithstanding anything herein to the contrary, Employer shall have no liability to Employee or to any other person if the payments provided in this Agreement that are intended to be exempt from or compliant with Section 409A are not so exempt or compliant.

10. Voluntary Agreement. You agree that your decision to sign this Agreement and Release is entirely voluntary, and that you have enough information about the Agreement and Release and the separation pay that you will receive to decide whether to sign it.

11. Miscellaneous. (a) Successors and Assigns. This Agreement and Release shall be binding in all respects upon the successors and assigns of the parties. (b) Governing Law. Colorado law shall govern this Agreement and Release, without regard to conflicts of law principles. (c) Severability. If a court of competent jurisdiction enters a final judgment or decision holding invalid any non-material provision of this Agreement and Release, the remainder shall be fully enforceable. (d) Counterparts. This Agreement and Release may be executed in counterparts, each of which shall have full force and effect. (e) Integration. This Agreement and Release constitutes the entire agreement between you and Employer and a complete merger of all prior negotiations regarding this Agreement and Legal Release. This agreement shall not be modified except in writing signed by the parties or their authorized representatives. (f) Headings. The headings of paragraphs herein are intended solely for the convenience of reference, and shall not control the meaning or interpretation of any of the provisions of this Agreement and Release. (g) Gender and Number. Whenever applicable, the pronouns designating the feminine, masculine, or neuter shall equally apply to the feminine, masculine and neuter genders; the singular shall include the plural and the plural shall include the singular. (h) Subsequent Agreements. The parties agree that, upon the reasonable request of the other party, he, she or it shall execute, acknowledge and deliver any additional documents that may reasonably be required to carry out the intentions of this Agreement and Release. (i) Disputes. Any controversy, claim or dispute arising out of or related to this Agreement or the breach thereof shall be resolved by litigation in the federal courts located in Denver, Colorado or the state courts located in Boulder, Colorado, and the parties irrevocably consent to personal jurisdiction and venue in those courts, and waive any objection that they might otherwise have to the convenience of those courts. The parties irrevocably waive any Constitutional and statutory rights to trial by jury.

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IN WITNESS WHEREOF, this Agreement and Release has been executed on the dates written below, to be effective on the later date.

CAUTION — READ BEFORE SIGNING BELOW!

I, Kevin T. Longe, hereby certify that I have read the above Agreement and Release and that I fully understand and voluntarily agree to the same. I have had the opportunity to consult with an attorney regarding the meaning and effect of this Agreement and Release. I understand that I had the right to take 21 days to review this Agreement and Release before signing it, and that if I signed before the expiration of the 21 days, I was not obligated to do so.

Kevin T. Longe, Employee

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by Kevin T. Longe.

Witness my hand and official seal.

Notary Public
My Commission Expires: _____

[SEAL]

DYNAMIC MATERIALS CORPORATION

By: _____

STATE OF COLORADO _____)
) ss.
COUNTY OF BOULDER _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____.

Witness my hand and official seal.

Notary Public
My Commission Expires: _____

[SEAL]



FOR IMMEDIATE RELEASE:

CONTACT:
Pfeiffer High Investor Relations, Inc.
Geoff High
303-393-7044

**DYNAMIC MATERIALS APPOINTS SEASONED INDUSTRIALS EXECUTIVE
KEVIN LONGE AS CHIEF OPERATING OFFICER**

BOULDER, Colo. — June 26, 2012 — Dynamic Materials Corporation (DMC) (Nasdaq: BOOM), a diversified provider of industrial products and services, and the world's leading manufacturer of explosion-welded clad metal plates, today announced the appointment of Kevin Longe to executive vice president and chief operating officer, newly created positions on DMC's executive management team. Longe also will become a director of the Company.

Longe, 53, joins DMC with a broad range of management and operational experience acquired at several global industrial businesses, including \$5 billion Sonoco, Inc. Longe was previously a vice president and general manager of Sonoco's \$600 million Protective Packaging division, which provides custom-engineered packaging solutions and components for a broad range of end-use applications. Longe oversaw the division's global sales, marketing, engineering, and research and development functions for the life sciences, medical, food and industrial durables markets.

Longe also served as president of Sonoco's ThermoSafe Brands business, a manufacturer of temperature assurance packaging for a variety of global medical and biotechnology markets. His duties included operational oversight of eight manufacturing centers in the United States, Europe and Asia.

Prior to joining Sonoco, Longe spent six years with NYSE-listed Lydall, Inc., a provider of specialty engineered products for thermal/acoustical and filtration/separation applications. During his tenure with Lydall, Longe served as president of three separate operating divisions.

Longe also was senior vice president and corporate vice president of Nasdaq-listed Electro Scientific Industries, a supplier of capital equipment to the global semiconductor and electronics markets. In addition, he spent eight years as corporate vice president and board member of Evapco, Inc., a provider of capital equipment to the commercial building, industrial process and refrigeration markets. Longe was responsible for Evapco's industrial process and refrigeration business. He has spent more than four years residing internationally, including in China.

Yvon Cariou, president and CEO, said, "The expansion of our executive management team has been a key strategic objective, especially in light of our international growth initiatives and the broad range of prospects we are pursuing within each of our three business segments. Kevin's leadership and operational experience with a diverse base of global industrial businesses will prove invaluable as we continue to expand the Company. He has a working understanding of our primary product offerings and is very knowledgeable of our current and targeted geographic markets. We are thrilled he has joined the Company and proudly welcome him to the DMC team."

Longe commented, "DMC has built a world class, diversified industrials business that includes the dominant player in the explosion welding industry, a rapidly growing oilfield products operation and

a highly specialized industrial welding business. I believe my professional background is well suited for DMC's business model and growth objectives. I look forward to joining the Company's talented management team and working collectively to further DMC's growth."

Longe holds a master's of business administration with honors from Northwestern University's Kellogg School of Management, and earned a bachelor's degree in business administration from the University of Michigan. As a member of the University of Michigan's football team, Longe played on three Big Ten Championship/Rose Bowl teams.

About Dynamic Materials Corporation

Based in Boulder, Colorado, Dynamic Materials Corporation serves a global network of customers in the energy, industrials and infrastructure markets through two core business segments — Explosive Metalworking and Oilfield Products — as well as a specialized industrial service provider, AMK Welding. The Explosive Metalworking segment is the world's largest manufacturer of explosion-welded clad metal plates, which are used to fabricate capital equipment utilized within various process industries and other industrial sectors. Oilfield Products is an international manufacturer and marketer of advanced explosive components and systems used to perforate oil and gas wells.

AMK Welding utilizes various specialized technologies to weld components for use in power-generation turbines, and commercial and military jet engines. For more information, visit the Company's websites at <http://www.dynamicmaterials.com> and <http://www.dynaenergetics.de>.

Safe Harbor Language

Except for the historical information contained herein, this news release contains forward-looking statements, including those regarding our global growth initiatives and the prospects we are pursuing at each of our three business segments. These risks and uncertainties include, but are not limited to, the following: our ability to realize sales from our backlog; our ability to obtain new contracts at attractive prices; the size and timing of customer orders and shipments; fluctuations in customer demand; our ability to successfully execute upon international growth opportunities; fluctuations in foreign currencies, changes to customer orders; the cyclicity of our business; competitive factors; the timely completion of contracts; the timing and size of expenditures; the timing and price of metal and other raw material; the adequacy of local labor supplies at our facilities; current or future limits on manufacturing capacity at our various operations; the availability and cost of funds; and general economic conditions, both domestic and foreign, impacting our business and the business of the end-market users we serve; as well as the other risks detailed from time to time in the Company's SEC reports, including the annual report on Form 10-K for the year ended December 31, 2011.

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