

# **DYNAMIC MATERIALS CORPORATION**

## **Charter of the Compensation Committee**

### **Status**

The Compensation Committee (the “Committee”) is a committee of the Board of Directors (the “Board”) of Dynamic Materials Corporation (the “Company”).

### **Membership**

The Committee shall consist of three or more directors all of whom in the judgment of the Board shall be independent in accordance with The Nasdaq Stock Market listing standards. In addition, a person may serve on the Committee only if the Board determines that he or she (i) is a “Non-employee Director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and (ii) satisfies the requirements of an “outside director” for purposes of Section 162(m) of the Internal Revenue Code.

### **Purpose**

The purposes of the Committee are (i) to discharge the responsibilities of the Board relating to compensation of the Company’s Chief Executive Office (“CEO”) and other executives, and (ii) to review and discuss with the Company’s executives the Compensation Discussion and Analysis required by Securities and Exchange Commission Regulation S-K, Item 402, and determine whether to recommend to the Board that the Compensation Discussion and Analysis be included in the Company’s annual report or proxy statement for the annual meeting of shareholders. The Committee shall provide the required Compensation Committee Report for the Company’s annual report or proxy statement for the annual meeting of shareholders. Except as otherwise required by applicable laws, regulations or listing standards, all major decisions are considered by the Board as a whole.

### **Duties and Responsibilities**

The Committee is directly responsible for establishing annual and long-term performance goals and objectives for our elected officers. This responsibility includes:

- (i) evaluating the performance of the CEO and other elected officers in light of the approved performance goals and objectives;
- (ii) setting the compensation of the CEO and other elected officers based upon the evaluation of the performance of the CEO and the other elected officers, respectively;
- (iii) making recommendations to the Board with respect to new cash-based incentive compensation plans and equity-based compensation plans; and

(iv) preparing an annual performance self-evaluation of the Committee.

In addition, the Committee:

- (a) administers the Company's stock plans;
- (b) determines and certifies the shares awarded under corporate performance-based plans;
- (c) grants options and awards under the stock plans;
- (d) advises on the setting of compensation for senior executives whose compensation is not otherwise set by the Committee; and
- (e) review and establish appropriate stock ownership guidelines for elected officers and monitor compliance therewith.

In determining the long-term incentive component of the compensation of the Company's CEO and other elected officers, the Committee may consider: (i) the Company's performance and relative shareholder return; and, (ii) the value of similar incentive awards to chief executive officers and elected officers at comparable companies.

The Committee has the authority to delegate any of its responsibilities to subcommittees as the Committee may deem appropriate in its sole discretion.

The Committee may, in its sole discretion, employ a compensation consultant to assist in the evaluation of the compensation of the Company's CEO or other elected officers. The Committee shall have the sole authority to approve the fees and other retention terms with respect to such a compensation consultant. The Committee also has the authority, as necessary and appropriate, to consult with other outside advisors to assist in its duties to the Company.

### **Meetings**

The Committee shall meet at least four times each year and at such other times as it deems necessary to fulfill its responsibilities.