

DMC Global Inc.
Form DEF 14A
March 26, 2019

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[PROXY STATEMENT TABLE OF CONTENTS](#)

[Table of Contents](#)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

DMC GLOBAL INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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Table of Contents

DMC GLOBAL INC.

5405 Spine Road
Boulder, Colorado 80301

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON May 7, 2019

To the Stockholders of
DMC Global Inc.:

March 25, 2019

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of DMC GLOBAL INC., a Delaware corporation, will be held on May 7, 2019, at 8:30 a.m. local time at 11800 Ridge Parkway, Suite 300, Broomfield, Colorado 80021, for the following purposes:

1. To elect the seven director nominees identified in the accompanying proxy statement to hold office until the 2020 Annual Meeting of Stockholders;
2. To approve a non-binding, advisory vote on the compensation of our named executive officers;
3. To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019; and
4. To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

The foregoing items of business are more fully described in the proxy statement accompanying this notice.

The Board of Directors has fixed the close of business on March 22, 2019, as the record date for the determination of stockholders entitled to notice of, and to vote at, this Annual Meeting and at any adjournment or postponement thereof.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be Held on May 7, 2019.

Similar to last year, we will be using the "Notice and Access" method that allows companies to provide proxy materials to stockholders via the Internet. On or about March 28, 2019, we will mail to our stockholders a Notice of Internet Availability of Proxy Materials which contains specific instructions on how to access Annual Meeting materials via the Internet, as well as instructions on how to request paper copies. We believe this process should provide a convenient way to access your proxy materials and vote. The Proxy Statement and our annual report on Form 10-K for the fiscal year ended December 31, 2018 are available at www.edocumentview.com/boom.

By Order of the Board of Directors,

Michelle H. Shepston
Chief Legal Officer and Secretary

Broomfield, Colorado

ALL STOCKHOLDERS ARE CORDIALLY INVITED TO ATTEND THE MEETING IN PERSON. WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, PLEASE FOLLOW THE INSTRUCTIONS PROVIDED TO YOU AND VOTE YOUR SHARES AS PROMPTLY AS POSSIBLE IN ORDER TO ENSURE YOUR REPRESENTATION AT THE MEETING. EVEN IF YOU HAVE GIVEN YOUR PROXY, YOU MAY STILL VOTE IN PERSON IF YOU ATTEND THE MEETING. PLEASE NOTE, HOWEVER, THAT IF YOUR SHARES ARE HELD OF RECORD BY A BROKER, BANK OR OTHER NOMINEE AND YOU WISH TO VOTE AT THE MEETING, YOU MUST OBTAIN FROM SUCH RECORD HOLDER A PROXY ISSUED IN YOUR NAME.

Table of Contents

PROXY STATEMENT TABLE OF CONTENTS

<u>2019 PROXY SUMMARY</u>	<u>1</u>
<u>INFORMATION CONCERNING THE ANNUAL MEETING AND VOTING</u>	<u>6</u>
<u>PROPOSAL 1 ELECTION OF DIRECTORS</u>	<u>8</u>
<u>NOMINEES</u>	<u>9</u>
<u>PROPOSAL 2 NON-BINDING ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION</u>	<u>19</u>
<u>PROPOSAL 3 RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	<u>20</u>
<u>REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS</u>	<u>22</u>
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	<u>23</u>
<u>SUMMARY COMPENSATION TABLE FOR FISCAL YEAR 2019</u>	<u>37</u>
<u>GRANTS OF PLAN-BASED AWARDS</u>	<u>38</u>
<u>EMPLOYMENT AGREEMENTS</u>	<u>39</u>
<u>OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2018</u>	<u>42</u>
<u>STOCK VESTED DURING 2018</u>	<u>44</u>
<u>NON-QUALIFIED DEFERRED COMPENSATION</u>	<u>44</u>
<u>POTENTIAL PAYMENTS UPON TERMINATION</u>	<u>45</u>
<u>DIRECTOR COMPENSATION</u>	<u>47</u>
<u>CEO PAY RATIO FOR FISCAL YEAR FOR 2018</u>	<u>49</u>
<u>EQUITY COMPENSATION PLAN INFORMATION</u>	<u>50</u>
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	<u>51</u>
<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u>	<u>54</u>
<u>HOUSEHOLDING</u>	<u>54</u>
<u>OTHER MATTERS</u>	<u>55</u>

Table of Contents

DMC GLOBAL INC.

5405 Spine Road
Boulder, Colorado 80301

**PROXY STATEMENT
FOR THE ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON MAY 7, 2019**

2019 PROXY SUMMARY

This summary highlights and supplements information contained elsewhere in this proxy statement. The summary does not contain all of the information that you should consider and the entire proxy statement should be read carefully before voting.

Annual Meeting of Stockholders

8:30 a.m., May 7, 2019

Time and Date

11800 Ridge Parkway, Suite 300, Broomfield, Colorado 80021

Place

March 22, 2019

Record Date

Agenda

The election of the seven director nominees identified in this proxy statement

An advisory vote on the compensation of our named executive officers

A ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm for 2019

Such other business as may properly come before the meeting

Voting Matters

Proposal	Board Recommendation	Page Reference (for more detail)
1. Election of directors	FOR each Nominee	8
2. Advisory vote on executive compensation	FOR	19
3. Approval of Ernst & Young LLP as auditor for 2019	FOR	20

Executive Compensation

2018 Company Performance

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2018 was a record year for DMC. The recovery in global energy markets that began in 2017 continued in 2018, but with persisting end-market uncertainty, pricing pressures and volatility in the energy industry, including a more than 40% decrease in oil prices during the fourth quarter of 2018. In

Table of Contents

the face of these challenges, DMC delivered record revenues and Adjusted EBITDA^{*}, while achieving substantial market share growth and completing a landmark capacity expansion at its DynaEnergetics business. The Company's record 2018 performance was made possible by its significant efforts over the past five years to restructure and reposition DMC. Highlights from these accomplishments include:

Total revenues increased 69% between 2017 and 2018 primarily due to record sales of \$237.4 million in DynaEnergetics. The increase was driven by market share growth of its factory-assembled DynaStage system and increased activity levels in the North American unconventional well-completions sector, including increased well-stage counts; higher completion intensity and longer laterals. Additionally, NobelClad's sales increased 24% between 2017 and 2018 due to successfully landing several large projects in the downstream chemicals markets and higher volume in its core repair and maintenance business.

Consolidated gross profit percentage was 34%, an increase from 2017 gross profit percentage of 31%.

*

Adjusted EBITDA is a non-GAAP (generally accepted accounting principles) measure and is defined as follows: EBITDA is defined as net income plus or minus net interest plus taxes, depreciation and amortization. Adjusted EBITDA excludes from EBITDA stock-based compensation, restructuring and impairment charges and, when appropriate, other extraordinary items that management does not utilize in assessing DMC's or the relevant business unit's operating performance. Net debt is a non-GAAP measure and is defined as total debt less cash and cash equivalents. Adjusted EBITDA and net debt for a relevant fiscal year are the same as reported in the Company's Form 10-K for that period. For a reconciliation of Adjusted EBITDA to the most directly comparable generally accepted accounting principle measure, refer to Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations from our Annual Report on Form 10-K for the year ended December 31, 2018.

Table of Contents

Adjusted EBITDA increased from \$23.1 million in 2017 to a record \$59.6 million in 2018; a 158% year-over-year increase.

We strengthened our financial position in 2018 while completing substantial investments in our DynaEnergetics business with the Blum expansion project. Our leverage ratio improved to 0.7 at the end of 2018 from 0.8 at the end of 2017. Net debt* (lines of credit less cash and cash equivalents) was \$28.0 million at the end of 2018 versus \$9.0 million at December 31, 2017.

Our significant investment in research, technology and application development programs has led to several new product introductions that have enabled more efficient, reliable and cost-effective perforating systems for our customers. This fueled strong demand and continued record growth at DynaEnergetics, particularly for the DynaSelect detonator and factory-assembled DynaStage system. These products generate the majority of DynaEnergetics total sales.

In the fourth quarter of 2018, DynaEnergetics completed construction of 74,000 square feet of new manufacturing, assembly and administrative space on its existing site in Blum, Texas, which substantially increased DynaEnergetics' component manufacturing and DynaStage assembly capacity. During the first half of 2018, DynaEnergetics added a second automated DynaSelect detonator line at its facility in Troisdorf, Germany.

Our NobelClad business continued to make important progress establishing new commercial uses for explosion-welded plate. During the year, progress was made in further penetrating our successful railcar business with several additional applications in development. In addition, an exclusive worldwide distribution agreement was completed with Spur Industries, adding rollbond products to our product offerings. NobelClad also completed the final phase of the consolidation of its European manufacturing into its production facility in Liebenseid, Germany.

Our total stockholder return ("TSR") relative to the compensation peer group identified below was at the 100th percentile over one year, at the 99th percentile over three years and at the 86th percentile over five years:

Table of Contents

2018 Compensation

The following pay decisions were made in 2018:

Base Salary: Base salaries were increased for the first time in four years, with adjustments made for strong individual and company performance and for Messrs. Longe, Kuta and Grieves, to address salaries below market levels.

Annual Incentive: Target bonus payout opportunities were unchanged from 2017. Our 2018 annual incentive plan was based on our (i) DMC or business unit performance against pre-determined Adjusted EBITDA as a percentage of revenues goals and (ii) individual performance. Messrs. Longe and Kuta and Ms. Shepston earned bonus payouts of approximately 150% of their target payout opportunity based on DMC's Adjusted EBITDA as a percentage of revenues and their respective individual performance. Messrs. Grieves and Scheatzle earned a bonus payout of 155% and 84% of target, respectively, based on their respective business unit's Adjusted EBITDA as a percentage of revenues and their respective individual performance.

Long-Term Incentive Grants: The Committee approved the grant of time-vested restricted stock or restricted stock units (RSUs) and performance vested performance share units (PSUs).

Long-Term Incentive Payouts: Performance-vested restricted stock and RSUs granted on February 19, 2015 vested on February 19, 2018 based on achievement of average Adjusted EBITDA* over 2015-2016 of \$11.1 million against a pre-established two-year performance goal of \$37.0 million and a relative two-year TSR of the Company's shares in 2015 and 2016 5% below the TSR of shares of the Company's peer group during this period. As a result, Messrs. Longe, Kuta and Grieves earned 62.3% of the target shares under these grants.

Pay and Performance Alignment

Our compensation philosophy is strongly aligned with our performance. Our financial and stock price performance was very strong in 2018. A peer group comparison of TSR performance to CEO compensation reported on the Summary Compensation Table clearly demonstrates this alignment.

Below is a comparison of our three-year TSR percentile rank and three-year aggregate CEO compensation percentile rank relative to our compensation peer group. Our three-year TSR is at the

Table of Contents

99th percentile while the aggregate compensation granted to our CEO over the last three years (as reported on the Summary Compensation Table) is at the 70th percentile of our peer group.

Reported vs. Realized Compensation

The amount our CEO realized in each of the last three years as compared to the amount reported on the Summary Compensation Table was significantly lower for all but the most recent year. The majority of our CEO's compensation, like our other NEOs, is "at risk" and subject to achievement of performance goals.

Table of Contents

Reported compensation represents total compensation reported on the Summary Compensation Table, which includes base salary, annual incentive plan payouts, all other compensation and the grant date fair value of equity awards. Realized compensation includes base salary, annual incentive plan payouts, all other compensation and the value realized upon vesting of stock awards.

2018 Say-on-Pay Results

Although the advisory vote on executive compensation is not binding, the Board of Directors gives significant weight to the outcome of the vote and responds accordingly. Our 2018 compensation structures were largely unchanged from 2017 based on the feedback of proxy advisory firms and stockholders on our 2017 compensation arrangements. At the 2018 Annual Meeting of Stockholders, 88% of stockholders voted "yes" on the advisory vote on executive compensation. Following the vote and throughout 2018, the management team continued its communications with stockholders, engaging in over 190 meetings with investors in the U.S. and Europe during 2018, and no significant compensation matters were raised as a concern by investors.

The Compensation Committee has analyzed the 2018 vote and stockholder feedback for 2018 and believes that stockholders responded favorably to the 2017 compensation program generally. The Compensation Committee recognizes the ever-evolving compensation and governance landscape and will continue to review its practices and solicit stakeholder feedback on these issues.

INFORMATION CONCERNING THE ANNUAL MEETING AND VOTING

General

The Board of Directors (the "Board") of DMC Global Inc., a Delaware corporation, is soliciting proxies for use at the Annual Meeting of Stockholders to be held on May 7, 2019, at 8:30 a.m., local time (the "Annual Meeting"), or at any adjournment or postponement thereof, for the purposes described in this proxy statement and in the accompanying Notice of Annual Meeting. The Annual Meeting will be held at 11800 Ridge Parkway, Suite 300, Broomfield, Colorado 80021. On or about March 28, 2019, we will mail to all stockholders entitled to vote at the meeting, a Notice of Internet Availability of Proxy Materials that contains specific instructions on how to access Annual Meeting materials via the Internet, as well as instructions on how to request paper copies. Unless the context otherwise requires, references to "the Company," "DMC," "we," "us" or "our" refer to DMC Global Inc.

Solicitation

We will bear the entire cost of solicitation of proxies, including preparation, assembly, printing and mailing of the Notice of Internet Availability of Proxy Materials and any additional information furnished to stockholders. Copies of solicitation materials will be furnished to banks, brokerage houses, fiduciaries, and custodians holding in their names shares of our common stock beneficially owned by others to forward to such beneficial owners. We may reimburse persons representing beneficial owners of common stock for their costs of forwarding solicitation materials to such beneficial owners. Original solicitation of proxies via the Internet may be supplemented by mail, telephone, or personal solicitation by our directors, officers, or other regular employees. No additional compensation will be paid to directors, officers, or other regular employees for such services.

Outstanding Shares and Quorum

Only holders of record of common stock at the close of business on March 22, 2019, will be entitled to notice of and to vote at the Annual Meeting. At the close of business on March 22, 2019, we had 14,988,528 shares of common stock outstanding and entitled to vote. Each holder of record of

Table of Contents

common stock on such date will be entitled to one vote for each share held on all matters to be voted upon at the Annual Meeting.

A majority of the outstanding shares of common stock entitled to vote represented in person or by proxy will constitute a quorum at the Annual Meeting. However, if a quorum is not represented at the Annual Meeting, the stockholders entitled to vote at the meeting, present in person or represented by proxy, have the power to adjourn the Annual Meeting from time to time, without notice other than by announcement at the Annual Meeting, until a quorum is present or represented. At any such adjourned meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the originally scheduled meeting.

Voting Rights and Procedures

Votes cast by proxy or in person will be counted by one or more persons appointed by us to act as inspectors (the "Election Inspectors") for the Annual Meeting. The Election Inspectors will treat shares represented by proxies that reflect abstentions as shares that are present and entitled to vote for the purpose of determining the presence of a quorum. Abstentions will not have any effect on any of the proposals to be considered at the Annual Meeting.

Broker non-votes occur when a broker holding stock on behalf of a beneficial owner (in which case the stock is commonly referred to as being held "in street name") lacks authority to vote the shares on some matters. Brokers are permitted to vote on "routine" proposals when they have not received voting instruction from the beneficial owner of the stock but are not permitted to vote on non-routine matters in the absence of such an instruction. Proposal 3 relating to the ratification of the appointment of Ernst & Young LLP as our independent registered accounting firm for the fiscal year ending December 31, 2019 is considered "routine," and there will therefore be no broker non-votes for such proposal. However, brokers will not be allowed to vote without instruction on proposals 1 or 2. The Election Inspectors will treat broker non-votes as shares that are present and entitled to vote for the purpose of determining the presence of a quorum. Broker non-votes will have no effect on proposals 1 or 2.

We urge you to give voting instructions to your broker on all proposals.

Directors are elected by a plurality of the votes cast by the holders of shares entitled to vote in the election at a meeting at which a quorum is present. Proxies may not be voted for a greater number of persons than there are nominees.

The non-binding advisory vote on the compensation of our named executive officers is subject to the approval of the affirmative vote of a majority of votes cast with respect to Proposal 2.

The ratification of our selection of Ernst & Young LLP as our independent registered public accounting firm will be subject to the approval of an affirmative vote of a majority of votes cast with respect to Proposal 3.

If no direction is indicated on a proxy card, the shares will be voted FOR each of the proposals set forth in this proxy statement. The persons named in the proxies will have discretionary authority to vote all proxies with respect to additional matters that are properly presented for action at the Annual Meeting.

Appraisal Rights

No action is proposed at the Annual Meeting for which the laws of the state of Delaware or our Bylaws provide a right of our stockholders to dissent and obtain appraisal of or payment for such stockholder's common stock.

Table of Contents

Revocability of Proxies

Any person giving a proxy pursuant to this solicitation has the power to revoke it at any time prior to the Annual Meeting. It may be revoked by filing with our Secretary at our principal executive office, 5405 Spine Road, Boulder, Colorado 80301, a written notice of revocation or a duly executed proxy bearing a later date, or it may be revoked by attending the meeting and voting in person. Attendance at the meeting will not, by itself, revoke a proxy.

Voting Your Shares

Stockholder of Record: If you are a stockholder of record, there are several ways for you to vote your shares, as follows:

Via the Internet: If you received a Notice of Internet Availability of Proxy Materials, you can access our proxy materials and vote online. Instructions to vote online are provided in the Notice.

By Telephone: You may vote your shares by calling the telephone number specified on your proxy card. You will need to follow the instructions on your proxy card and the voice prompts.

By Written Proxy: If you have received or requested a paper copy of the proxy materials, please date and sign the proxy card and return it promptly in the accompanying envelope.

In Person: All stockholders of record may vote in person at the Annual Meeting. For those planning to attend in person, we also recommend submitting a proxy card or voting by telephone or via the Internet to ensure that your vote will be counted if you later decide not to attend the meeting.

Beneficial Owner: If you are a beneficial owner, you should have received voting instructions from your broker, bank or other nominee. Beneficial owners must follow the voting instructions provided by their nominee in order to direct such broker, bank or other nominee as to how to vote their shares. The availability of telephone and Internet voting depends on the voting process of such broker, bank or nominee. Beneficial owners must obtain a legal proxy from their broker, bank or nominee prior to the Annual Meeting in order to vote in person.

Stockholder Proposals

Proposals of stockholders that are intended to be presented at our 2020 Annual Meeting of Stockholders and to be included in our proxy materials for the meeting must be received by us not later than November 26, 2019, in order to be included in the proxy statement and proxy relating to that annual meeting.

Notice of any stockholder proposal to be considered at our 2020 Annual Meeting but not included in our proxy materials, must be submitted in writing and received by us in the manner set forth in our Bylaws. In general, the Bylaws provide that such a notice must be delivered not later than 60 days and not earlier than 90 days prior to the first anniversary of this year's annual meeting date.

PROPOSAL 1 ELECTION OF DIRECTORS

There are seven nominees for election to the Board. Each director elected will hold office until the 2020 Annual Meeting, or until his or her successor is elected and qualified, or until such director's earlier death, resignation, or removal. Our current director, Mr. James J. Ferris, was not nominated for re-election and will retire from the Board at the Annual Meeting. The Board did not re-nominate Mr. Ferris consistent with the retirement age policy set out in the Company's Corporate Governance Guidelines and has reduced the size of the Board from eight directors to seven directors, effective at the Annual Meeting.

Table of Contents

Shares represented by executed proxies will be voted, if authority to do so is not withheld, for the election of the seven nominees named below. Each of the nominees has consented to be named as a nominee and to serve as a director, if elected. In the event that any nominee should be unavailable for election as a result of an unexpected occurrence, such shares will be voted for the election of such substitute nominee as the Corporate Governance and Nominating Committee of the Board may propose.

NOMINEES

The names of the nominees and certain information about them are set forth below. In addition, we have included information about each nominee's specific experience, qualifications, attributes and skills that led our Board of Directors to conclude that the nominee should serve as a director of the Company, in light of our business and corporate strategy.

Name	Position	Age
Kevin T. Longe	Director, President and Chief Executive Officer	60
David C. Aldous	Director	62
Andrea E. Bertone	Director	57
Yvon Pierre Cariou	Director	73
Robert A. Cohen	Director	70
Richard P. Graff	Director	72
Clifton Peter Rose	Director	68

Kevin T. Longe. Mr. Longe became our President and Chief Executive Officer in March 2013. He has served as a director since joining the Company in July 2012 as our Chief Operating Officer. 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 2012 to July 2012 as a Vice President and General Manager with Sonoco's Protective Packaging Division. Prior to joining Sonoco, Mr. Longe served in various positions at Lydall, Inc., most recently (2007-2010) serving as president of its subsidiary, Lydall Performance Materials, Inc. Mr. Longe holds a B.B.A., with distinction, from The University of Michigan and an M.B.A., with distinction, from the J.L. Kellogg Graduate School of Management at Northwestern University.

We believe it is important to have our Chief Executive Officer also serve as a director to properly align management's execution of our business objectives with the oversight and direction of the Board. Mr. Longe brings extensive operating and strategic planning and implementation experience from his leadership roles in other larger multinational companies. On the operations side, he brings deep experience in manufacturing, marketing and sales, supply-chain management, and talent development as well as strong financial analysis and management skills. In selecting Mr. Longe as the Company's Chief Executive Officer, the Board also focused on his strategic vision and planning expertise and teambuilding and leadership skills to grow the Company within its existing businesses and potentially through acquisitions.

David C. Aldous. Mr. Aldous was appointed by the Board as a director in July 2013. Since March 2012, he has served as the Chief Executive Officer and Director of Rive Technology Inc., a privately-held provider of solutions for diffusion-limited reactions to the energy, chemicals, biofuel and water industries. Prior to joining Rive Technology Inc., Mr. Aldous served as Chief Executive Officer and Director of Range Fuels Inc., a clean energy and biofuels company from January 2009 to February 2012. Mr. Aldous also was employed for more than 20 years by Royal Dutch Shell, most recently as Executive Vice President, Strategy and Portfolio and served as President of Shell Canada Products, where he led an \$11 billion integrated oil business. He also served as President, CEO and Director at CRI/Criterion Inc., a \$1 billion global catalyst company. Mr. Aldous has served on the Board of

Table of Contents

Directors of a number of companies and joint ventures inside and outside Royal Dutch Shell. Mr. Aldous holds a B.S. in Fuels Engineering from the University of Utah and an M.B.A., with distinction, from the J.L. Kellogg Graduate School of Management at Northwestern University.

The Board added Mr. Aldous as a member in 2013 to strengthen the Board's insight and experience in the energy and chemical processing industries, the primary end customer markets for NobelClad. His experience in the oil industry has been valuable as the Board considers how to best grow our DynaEnergetics business. With his over 30 years of corporate leadership experience in the energy, alternative energy, chemical and petrochemical industries, he brings extensive skills in strategic planning and corporate development, key focuses of the Board, in the industries in which the Company and its customers operate. As an acting chief executive officer, he also brings current and practical experience in leadership of global operations, financial analysis, project management, risk management, and health, environment, safety and security matters.

Andrea E. Bertone. Ms. Bertone was appointed as a director in February 2019. She brings to the Board nearly 20 years of senior management experience in the energy industry. From July 2009 to February 2016, Ms. Bertone served as President of Duke Energy International LLC ("Duke Energy"), then wholly owned by Duke Energy Corp, a North Carolina-based utility. Ms. Bertone led operations across South and Central America. Prior to serving as President of Duke Energy, Ms. Bertone spent nearly 10 years in increasing senior management roles with Duke Energy and its respective subsidiary companies. Prior to her time at Duke Energy, Ms. Bertone was Latin America counsel with Baker & McKenzie. Ms. Bertone also currently serves on the Board of Directors of Yamana Gold Inc. and Peabody Energy, Inc., where she serves on their audit committees. Ms. Bertone is a graduate of the University of São Paulo, Brazil, where she earned a juris doctorate degree, and Chicago-Kent College of Law, where she earned a master of laws degree. She also completed a finance program for senior executives at Harvard Business School.

The Board added Ms. Bertone as a member in 2019 because of her board experience, her in depth experience with multinational companies operating in global markets and her significant expertise with respect to mergers and acquisitions. Ms. Bertone brings significant strategic and operational expertise acquired while operating large infrastructure assets throughout Latin America. She brings current and practical experience in leadership of global operations, financial analysis, project management, risk management, and health, environment, safety and security matters.

Yvon Pierre Cariou. Mr. Cariou was appointed director in 2006, and served as President and Chief Executive Officer of the Company from 2000 until his retirement in 2013. From November 1998 to March 2000, he was President and Chief Executive Officer of Astrocosmos Metallurgical Inc., a division of Mersen Group, which designs and fabricates process equipment for the chemical and pharmaceutical industries. From 1986 to 1998, Mr. Cariou was the lead executive with five different industrial, material science and manufacturing companies. Earlier in his career, he spent 15 years with Mersen Group, a global industrial components manufacturer, where he held various executive positions in France and the United States, including President of Carbone USA Corp.

Having served as our President and Chief Executive Officer for over 12 years, Mr. Cariou has detailed knowledge of our operations and corporate strategy. In that role, he had primary accountability for accomplishing operational excellence and successfully achieving our corporate strategy. He led and implemented our acquisition of DynaEnergetics in late 2007, increased our share of the worldwide explosion cladding business and diversified the Company's business into oilfields products. From decades of leadership experience with global manufacturing companies, he brings both valuable "process" and "product" expertise and focus to the Board. Mr. Cariou is a graduate engineer from Ecole Nationale Supérieure des Arts et Métiers, Paris and he obtained an M.B.A. from Fairleigh Dickinson University, Rutherford, New Jersey.

Table of Contents

Robert A. Cohen. Mr. Cohen has served as a director since February 2011. He is the managing partner of Joranel LLC, a private investment and consulting firm serving institutional clients. Prior to joining Joranel in 2005, Mr. Cohen spent four years as president and Chief Executive Officer of Korea First Bank. Previously, Mr. Cohen worked for 25 years with Credit Lyonnais, including eight years as Chief Executive Officer of Credit Lyonnais USA. He taught economics and finance for 16 years at the Paris Institut Technique de Banque et Finance and the French School of Management (ESSEC). He is a graduate of Ecole Polytechnique in Paris and earned a doctorate in finance from the University Paris Dauphine.

The Board added Mr. Cohen as a member in 2011 because of his extensive financial background and his management experience with multinational companies. From his four years serving as Chief Executive Officer of one of the largest banks in Korea as well as living in Korea and working with many Korean and Asian companies, he brings rich expertise in the Korean and other Asian markets. Many of the key fabricators and end-customers of the Company's explosion welding division are located in Korea and elsewhere in Asia, and the Company is focusing on this region for sales growth opportunities. His management experience also increases the depth of the Board's expertise in the areas of corporate governance, strategic planning and leadership, finance and risk management.

Richard P. Graff. Mr. Graff has served as a director since June 2007. He is a retired partner of PricewaterhouseCoopers LLP where, among other things, he served as the audit leader in the United States for the mining industry until his retirement in 2001. Mr. Graff began his career with PricewaterhouseCoopers LLP in 1973. Since his retirement, Mr. Graff has been an advisor to the mining industry and was a member of a Financial Accounting Standards Board task force for establishing accounting and financial reporting guidance in the mining industry. He represents a consortium of international mining companies and has provided recommendations to the International Accounting Standards Board on mining industry issues and to regulators on industry disclosure requirements. Mr. Graff serves on the board of directors of Yamana Gold Inc. (lead independent director) and Alacer Gold Corp. He received his undergraduate degree in Economics from Boston College and his post-graduate degree in Accounting from Northeastern University.

With more than 35 years of experience in public company accounting, including as a partner with a "big four" public accounting firm and advising on public company accounting policy and practice in the mining industry, Mr. Graff brings substantial insight and experience to the Company, especially with regard to accounting and financial reporting matters for a company operating worldwide. Mr. Graff has served as a director on boards of public companies since 2005, and currently serves on the board of two other multinational public companies. His experience brings insight to the Board as to best practices with respect to accounting, corporate governance and other issues for multinational public companies.

Clifton Peter Rose. Mr. Rose has served as a director since November 2016. He is a senior advisor to Blackstone, the world's largest alternative asset manager. From 2007 to 2016, he was a senior managing director with Blackstone, and served as its global head of public affairs. Mr. Rose also spent 20 years with Goldman Sachs, where he was a managing director and held a variety of senior positions in government relations and media relations in Washington DC, New York and Hong Kong. Mr. Rose currently is vice chairman of Sard Verbinen, one of the leading strategic communications firms in the United States. From 1983 to 1987 he was chief of staff to Congressman Mike Synar (D-Okla), and prior to that, a partner with the law firm of Williams and Jensen in Washington DC. Mr. Rose is a graduate of George Washington University and Yale Law School. He serves on the national board of the NAACP, where he also was on the search committee for its former CEO.

The Board added Mr. Rose as a member in 2016 because of his extensive work with world-leading financial, investment banking and strategic communications firms. As the Company pursues its global growth initiatives, Mr. Rose's experience reviewing and analyzing acquisitions and investments at Blackstone and his over twenty years of communications experience will provide unique and valuable perspectives to the Board. This broad experience increases the depth of the Board's expertise in the areas of acquisition analysis, finance, strategic planning and leadership, and risk management.

Table of Contents**Requisite Vote**

Directors are elected by a plurality of the votes cast by the shares entitled to vote in the election at a meeting at which a quorum is present. Abstentions and broker non-votes will not be counted as votes cast for purposes of this proposal and will have no legal effect on this proposal.

**THE BOARD RECOMMENDS
A VOTE "FOR" EACH NAMED NOMINEE**

Executive Officers

The following individuals serve as our executive officers. Each executive officer is appointed by the Board and serves at the pleasure of the Board, subject to the terms of applicable employment agreements or arrangements as described under "Employment Agreements."

Name	Position	Age
Kevin T. Longe	President and Chief Executive Officer	60
Michael Kuta	Chief Financial Officer	44
Michelle Shepston	Vice President, Chief Legal Officer and Secretary	44
John Scheatzle	President, NobelClad	54
Ian Grieves	President and Managing Director, DynaEnergetics	50

Kevin T. Longe. Information regarding Mr. Longe, our President and Chief Executive Officer, is provided under Proposal 1 of this proxy statement under the caption, "Nominees."

Michael Kuta. Mr. Kuta joined the Company on March 31, 2014 as our Chief Financial Officer. From 2007 until joining the Company, Mr. Kuta served in various executive positions with The Lubrizol Corporation, most recently from September 2011 until March 2014 as its corporate controller. From September 2009 until assuming that position, he was the finance manager of Lubrizol's TempRite Engineered Polymers Business Unit, and before that served Lubrizol as a manager, treasury and capital markets and manager, external financial reporting. Before joining Lubrizol, Mr. Kuta also served in various financial and accounting positions with Lincoln Electric Company and Eaton Corporation. Mr. Kuta received a B.B.A. in Accounting from Kent State University and an M.B.A. from Case Western Reserve University.

Michelle Shepston. Ms. Shepston joined the Company on August 30, 2016 as our Vice President, Chief Legal Officer and Secretary. For the previous 16 years, Ms. Shepston was with Denver-based Davis Graham & Stubbs LLP, a leading regional law firm where she was a partner and practiced with the Corporate Finance and Acquisitions Group. Ms. Shepston brings to the Company expertise in securities law, mergers and acquisitions, cross-border equity and debt transactions, and contract negotiation and execution. She has advised public and private company boards on issues of fiduciary duty, risk management and oversight. She also has served a broad spectrum of corporate clients, including several in the energy and natural resource industries. She earned a J.D. from the University of Denver College of Law and a B.S. from the University of Illinois.

John Scheatzle. Mr. Scheatzle joined the Company on November 15, 2016 as president of the Company's NobelClad business. Prior to joining the Company, he spent the previous 19 years with Materion, an integrated manufacturer of advanced materials for the industrial and consumer products sectors. In his most recent role, he was vice president and general manager of Materion's Performance Alloys division. He was responsible for North American production facilities and the company's international sales and distribution centers. He also had oversight of the business' sales and marketing, research and development, manufacturing; quality, and environmental, health and safety functions. Before his tenure with Performance Alloys, Mr. Scheatzle was general manager of Materion's Ceramic

Table of Contents

Products division. He also spent seven years with the consulting firm Accenture, where he was a senior manager and worked with clients in the consumer products, chemicals manufacturing, and metals industries. Mr. Scheatzle holds an M.B.A. with a concentration in marketing and manufacturing from Case Western Reserve University. He earned a B.S. in business administration from the University of Akron.

Ian Grieves. Mr. Grieves serves as President and Managing Director of DynaEnergetics, having previously served as Senior Vice President and General Manager of DynaEnergetics from his appointment in January 2013. From 2006 until joining the Company, Mr. Grieves was employed by Lydall Inc. as senior vice president of the company's performance materials division (2010-2013), and as vice president and general manager Europe of the company's filtration division (2006-2010). From 1995 to 2005, he was employed in various financial and general management positions with AAF International Inc., with his last position being that of vice president and general manager of AAF Europe (2003-2005). Mr. Grieves studied economics and graduated from the University of Sunderland, United Kingdom.

Board of Directors

Meeting Attendance

Directors are encouraged to attend our Annual Meeting of Stockholders. All of our directors then in office attended the 2018 Annual Meeting of Stockholders.

During the fiscal year ended December 31, 2018, the Board held nine meetings. During the fiscal year ended December 31, 2018, each of our directors attended more than 75% of the aggregate of (i) the number of meetings of the Board held during the period in which he was a director and (ii) the number of meetings of the committees on which he served.

Director Independence

The Board has determined that seven of the eight current directors, Messrs. Aldous, Cariou, Cohen, Ferris, Graff and Rose and Ms. Bertone, are "independent" directors under the rules promulgated by the Securities and Exchange Commission ("SEC") and the applicable rules of the Nasdaq. In making its determinations of independence, the Board considered factors for each director such as other directorships, employment or consulting arrangements, and any relationships with our customers or suppliers. The Board also considered a review of transactions that occurred since the beginning of 2016 with entities associated with our directors or members of their immediate family. The Board determined that there were no related-party transactions or other relationships that needed to be considered in evaluating whether these directors are independent. Mr. Longe, our President and Chief Executive Officer is the only Board member nominated for re-election who is not independent based on these criteria.

All current members of the Audit Committee, the Compensation Committee, and the Corporate Governance and Nominating Committee are independent directors. Our independent directors hold regularly scheduled meetings in executive session, at which only independent directors are present.

Board Leadership Structure

The Board does not have a prescribed policy on whether the Chairman and Chief Executive Officer positions should be separate or combined. The Company currently separates the positions of Chairman and Chief Executive Officer. Our Chief Executive Officer is responsible for setting the strategic direction for the Company and the day to day leadership and performance of the Company, while our Chairman of the Board oversees the Board, approves Board agendas and schedules, facilitates communication between the Chief Executive Officer and the rest of the Board and provides

Table of Contents

guidance to the Chief Executive Officer. We believe our Chief Executive Officer and Chairman have an excellent working relationship that allows the Chief Executive Officer to focus the requisite time and energy on the Company's businesses, people and growth opportunities.

Our Board currently has seven independent members and only one non-independent member, the Chief Executive Officer. A number of our independent Board members are currently serving or have served as senior management of other public companies and are currently serving or have served as directors of other public companies. We believe that the number of independent, experienced directors, along with the independent oversight of the Board by our non-executive Chairman, benefits the Company and our stockholders.

The Board assesses our Board leadership structure from time to time and makes changes when appropriate. We recognize that different board leadership structures are appropriate for companies in different situations. We believe our current leadership structure is the optimal structure for the Company at this time.

Board Committees

The Board currently has an Audit Committee, a Compensation Committee, a Corporate Governance and Nominating Committee and a Health, Safety, Security and Environment Committee. Each committee operates under a written charter, which sets forth the functions and responsibilities of the committee. A copy of the charter of each committee can be viewed on our website, www.dmcglobal.com.

MEMBERS OF THE COMMITTEES OF THE BOARD OF DIRECTORS AS OF MARCH 22, 2019

	Audit Committee	Compensation Committee	Corporate Governance and Nominating Committee	Health, Safety, Security and Environment Committee
INDEPENDENT DIRECTORS				
David C. Aldous	Member	Member		
Andrea E. Bertone	Member		Member	
Yvon Pierre Cariou				Chair
Robert A. Cohen		Chair	Member	
Richard P. Graff	Chair			Member
James J. Ferris(1)	Member	Member	Member	
Clifton Peter Rose		Member	Chair	
NON-INDEPENDENT DIRECTORS				
Kevin T. Longe				