



# **CODE OF ETHICS AND BUSINESS CONDUCT**

**“THERE IS NO RIGHT WAY TO DO A WRONG THING”**

**HAROLD S. KUSHNER**

The Foundation of our Business is our Values, the Core Beliefs We Live By

- Practice Safety and Security in Everything We Do
- Celebrate the Diverse and Dedicated Culture that is DMC
- Reward Innovation and Creative Thinking: Ingenuity in Action
- Act with Integrity with all Business Partners
- Obey not just the Letter, but the Spirit of the Law
- Compete Fairly on the Strengths of our Premier Technical Products and Services
- Be Cognizant of and Responsive to the Dynamic Business Environment in which We Operate

Together, the Formula for Shareholder Value



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## I. A LETTER FROM OUR CEO AND CHAIRMAN

To the Employees of DMC:

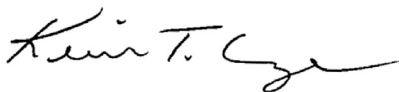
During our frequent travels to DMC's global operations, we are consistently impressed by the commitment employees make to perform their jobs with honesty and integrity – values that define the character of DMC. While we are a broadly disbursed company, our collective commitment to the highest professional and ethical standards brings us together under a shared objective.

The following Code of Ethics and Business Conduct sets forth the principles on which our corporate culture was built. It also serves as a roadmap going forward. This document belongs to all of us, and we must each own and exhibit the principles addressed within. These values should permeate all aspects of our professional activities, including daily communications (from formal reports to casual emails), staff functions (both inside and outside the office), and interactions with our customers, vendors and business partners.

If concerns arise about the behavior of others, each of us has a duty to address the issue and work toward a resolution. We have created resources for employees who witness unethical or illegal behavior, and these can extend beyond reporting the situation to a supervisor. Anyone in management or Human Resources is equipped to address breaches in our standards of conduct. When necessary, these resources include a reporting process that ensures employee anonymity.

Please maintain your commitment to honesty and integrity, and adhere to the guidelines set forth in DMC's Code of Ethics and Business Conduct.

Sincerely,



Kevin Longe  
Chief Executive Officer



David Aldous  
Chairman

## II. OUR PRINCIPLES

DMC Global Inc. and its subsidiaries (“DMC” or the “Company”) strive to uphold the highest standards of **honesty** and **integrity** in all business dealings. We conduct business in a fair and ethical manner, in compliance with the law. We are committed to producing products of the highest possible quality and to providing outstanding service to our customers. Our vendors know us as **fair, consistent business partners** who seek long-lasting, quality relationships. We are **proud of our employees** and their adherence to these values and, in turn, we are committed to treating our employees fairly, without discrimination, and with an emphasis on **a safe working environment**. All of these characteristics culminate in the goal of creating superior value for our shareholders.

The Code of Ethics and Business Conduct (“Code”) set forth below reflects the business practices and principles of behavior that apply to all of us, including employees, officers and directors, and what we expect from our business partners, agents and contractors working on our behalf. The Code addresses conduct that is particularly important to proper dealings with the people and entities with whom we interact, but reflects only a part of our expectations. The Code cannot possibly describe every practice or principle related to honest and ethical conduct, and it does not attempt to state all of our policies or the standards of conduct that DMC expects of all its management, employees, and directors. As an international company, there may be circumstances where applicable local law requirements may differ. It is our intention that this Code meet all applicable law. Do not hesitate to ask questions about whether any conduct may violate the Code or local laws. All of us at DMC should act, not just within the letter of the Code, but also within its spirit.

Remember, the integrity and reputation of DMC depend on the honesty, fairness, and integrity brought to the job by each of us. We all share the responsibility to apply common sense and the highest personal ethical standards in all business decisions even where there is no example in the Code.

***Unyielding personal integrity is the foundation of corporate integrity.***

### **III. THE CODE**

#### **1. Avoid Conflicts of Interest**

**A conflict of interest occurs when a director or an employee puts personal interests above those of the Company in performing his/her job.**

Examples of potential conflicts of interest:

- You or your immediate family member's ownership interest in, consulting/employment/familial or other significant personal relationship with, or service on any board of directors of, any supplier, customer or competitor;
- Any non-Company business activity which is competitive with or interferes with your job responsibilities or performance;
- Giving or receiving gifts (other than low value promotional items) directly or through a family member from a company which the Company has business dealings or which is soliciting the Company;
- Expensive entertainment provided by or to any company with which DMC has or may have business dealings;
- Personally taking advantage of an opportunity which you learn of in the course of your position with the Company and that is related to the business of the Company;
- Any borrowing (including guaranty of loans) or buying from the Company, or selling or lending to the Company; and
- Hiring and/or supervising relatives. The employment of relatives can cause charges of favoritism, conflicts of interest, family discord and scheduling conflicts that may work to the disadvantage of both the Company and its employees.

In order to avoid creating or maintaining circumstances in which the appearance or possibility of favoritism, conflicts or management disruptions exist, the following rules will apply when familial or similarly significant personal relationships exist between employees:

- Related individuals or individuals in a personal relationship may not work under the supervision of the same manager;
- Related individuals or individuals in a personal relationship may not supervise or evaluate each other;
- The relationship cannot create an adverse impact on work productivity or performance;
- The relationship cannot create an actual or perceived conflict of interest;

- Related individuals or individuals in a personal relationship may not audit or review in any manner the related party’s work.
- Related individuals or individuals in a personal relationship may not be employed if a member of the employee’s immediate family (spouse, children, parents, grandparents, brothers, sisters, step family members, in-law family members): (a) serves on the Company’s Board or any Committee which has authority to review or order personnel actions or wage and salary adjustments which could affect his/her job, (b) works in a Human Resources position for the same entity, or (c) works in any payroll capacity for the same entity.

In addition to the examples noted above, other situations causing a potential adverse impact on our business or relationships or benefiting our competitors may also constitute a conflict.

We must all use sound judgment to avoid any actual conflicts of interest or even the appearance of impropriety. Remember to:

**Be objective**

**Avoid** personal benefit or even the appearance of personal benefit

**Never** use your position or confidential information for improper personal gain or to compete with the Company

**Don’t** take advantage of opportunities you learn from your job for yourself or your family.

Potential conflicts of interest should ordinarily be addressed through your supervisor to the Chief Executive Officer (the “CEO”), the Chief Financial Officer (the “CFO”), the Chief Legal Officer (the “CLO”), or, in the case of an executive officer or director, the Chairman of the Corporate Governance and Nominating Committee. The relevant person will review the situation and assess whether there is an actual conflict or whether there could be the appearance of conflict or a violation of law, and, if there is a conflict, will determine the appropriate way to address it. Supervisors cannot waive a conflict of interest. If you believe that a conflict of interest is not being addressed appropriately, or that reporting the situation to the CEO, the CFO, the CLO or the Chairman of the Corporate Governance and Nominating Committee would be inappropriate, you should make a report pursuant to the DMC Whistleblower Policy.

**QUESTION:** *A vendor has invited me and my spouse to join him and his spouse at the Summer Olympics for “an all-expenses paid weekend.” May I accept the invitation?*

**ANSWER:** *No. Our principles are intended to prevent even the appearance of impropriety. If you participate in any way, the expenses should be paid for by you. Consult with your supervisor or the HR Department on the appropriate response to the vendor and approval of the expenditure.*

## 2. Do Not Use Company Assets for Personal Gain and Safeguard them from Loss

DMC provides many of its employees with access to Company assets. The purpose is to conduct the Company's business in an efficient manner. DMC's assets, including tangible assets (such as facilities, vehicles, raw materials, money, equipment, and information technology systems) and intangible assets (such as intellectual property, trade secrets, invention disclosures, sensitive business and technical information, computer programs, and business and manufacturing know-how) should be used properly and as authorized by management. **Each of us is entrusted with Company assets to perform our work and has an obligation to use those assets for Company business and to protect those assets with due care.** Theft, abuse and waste erode DMC's profitability and success.

Activities that are prohibited include, but are not limited to, the following:

- Using Company-owned or leased equipment or software for personal matters (other than incidental personal use);
- Abuse of the Internet and other research resources for personal matters;
- Accessing the systems of another entity without express written authorization from the entity;
- Trafficking in contraband of any kind;
- Committing any unlawful or illegal act in violation of applicable law, including espionage, harassment, libel or fraud or the sending of unsolicited bulk emails not sanctioned by the Company, text messages, faxes, or other electronic communications (also known as "spam").

**QUESTION:** *I have an antique business and use the company computer during break-time, before and after work hours and during lunch to post items for sale in connection with my business. Is that acceptable?*

**ANSWER:** *No. Excessive personal use of Company assets is not permitted, even if the use is not otherwise detrimental or illegal.*

Any misuse or suspected misuse of our assets must be immediately reported to your supervisor, the CEO, the CFO or the CLO, or, if necessary or appropriate, pursuant to the DMC Whistleblower Policy.

Employees should be mindful of the fact that the Company, when permitted by applicable law, retains the right to access, review, monitor, and disclose **any** information transmitted, received or stored using its electronic equipment, licenses, or networks with or without an employee's or third party's knowledge, consent or approval. This includes all data residing on or transmitted through emails and other electronic communications, spreadsheets, databases, and documents—which are the property of DMC.

**QUESTION:** *I am concerned that my supervisor may be stealing from the Company. I am not sure, and don't want to accuse anyone falsely, and I don't want to lose my job – but I am concerned about some control procedures that are not being followed. What should I do?*



**ANSWER:** Report your concerns, including relevant details, to the CEO, the CFO or the CLO, or, if an executive officer or director is involved, the Chairman of the Corporate Governance and Nominating Committee. In the alternative, if you feel it is necessary or appropriate, you should report your concerns pursuant to the DMC Whistleblower Policy (which permits reports to be made anonymously and prohibits retaliation against anyone making a report in good faith).

### 3. Protect the Confidentiality of Information

We utilize proprietary and/or confidential information in our operations daily. In some cases, the Company owns the information and unauthorized disclosure could give an unfair business advantage to our competitors. In other cases, we have been entrusted with the proprietary or confidential information of others. Disclosure of the confidential information entrusted to DMC by others could severely impact the integrity of the Company and expose us to substantial liability and unnecessary costs. **You may not use our confidential or proprietary information, or that of our business partners, for personal gain or outside of the terms of any confidentiality agreements.**

Examples of confidential information may include, but aren't limited to, business plans, technical data, financial information, product specifications or pricing, new product development ideas, personally identifiable information of our employees or others, and information provided by our business partners under a confidentiality agreement. Confidential information should be stored securely and discussed or reviewed in privacy to avoid inadvertent disclosure. You may not discuss our business in any online forum or social media site, whether or not using your own name, unless you have been authorized to do so.

All public disclosures of material information concerning the Company are made through specific limited channels to ensure there is equal access to the information. Therefore all inquiries from the press or financial analysts must be referred to the CFO or the VP of Investor Relations.

All new hires and current employees who are exposed to the confidential information of the Company and/or its business partners are required to sign a confidentiality agreement. This agreement makes it clear that you are not permitted to use or disclose confidential information you learned prior to your employment with DMC for the benefit of DMC. We compete using the strengths of our products and services, not unfair advantages.

To perform your job duties, you may also be provided special access to confidential personal data, including wage, salary, benefit and other confidential information related to individual employees, contractors, directors, shareholders, customers or other business partners. If so, you may not disclose personal data to anyone, including another DMC employee, who does not have a legitimate business purpose for receiving the information.

### 4. Conduct Business Fairly

**DMC competes fairly and honestly and seeks competitive advantages through superior performance and products and never through unethical or illegal business practices.**

No director, officer or employee should take unfair advantage of DMC's customers, suppliers or competitors. We sell our products and services honestly and **will not pursue any sale or purchase that requires us to act unlawfully** or in violation of these standards. Unlawful and/or unethical acts include stealing proprietary information; unfairly disparaging competitors; concealing, manipulating or misrepresenting facts; unauthorized use or abuse of proprietary or confidential information; inappropriate threats; and fraud. **All such conducts is strictly forbidden.**

Business entertainment and gifts are meant to create goodwill and sound working relationships and not gain improper advantage with customers or facilitate approvals from government officials. No entertainment or gifts may be offered or given by an employee to a customer or government official unless such payment is in compliance with DMC's Anti-Bribery Policy (Please see discussion below under "*Comply with all Applicable Laws- Anti-Bribery/Anti-Corruption Laws*").

## 5. Comply with all Applicable Laws

In today's world, the Company is subject to many laws and regulations in all of the locations in which we do business. **Obeying the law is one of the foundations of the Code.** Our employees are expected to comply with all local, national and international laws in countries to which they travel, in which they operate and where we otherwise do business; and, as a U.S. public company, this includes the U.S. federal securities laws. The fact that in some countries certain laws are not enforced will not be accepted as a reason for noncompliance.

Disregard of the law will not be tolerated, nor will ignorance of the law be an acceptable excuse. Violation of domestic or foreign laws, rules, and regulations may subject an individual, as well as DMC, to civil and/or criminal penalties. These laws include banking regulations, antitrust laws, securities laws, anti-corruption laws, import and export laws, environmental regulations, laws relating to employee discrimination and sexual harassment, and state laws relating to duties of corporate directors and officers. Examples of criminal violations of the law include: stealing, embezzling, misapplying corporate or bank funds, using threats, physical force or other unauthorized means to collect money; making a payment for an expressed purpose on the Company's behalf to an individual who intends to use it for a different purpose; or making payments, whether corporate or personal, of cash or other items of value that are intended to influence the judgment or actions of political candidates, government officials or businesses in connection with any of the Company's activities.

**To the extent required or otherwise appropriate, the Company will report all suspected criminal violations to the appropriate authorities for possible prosecution, and will investigate, address and report, as appropriate, non-criminal violations.**

Below we have described some of the more significant laws with which each of us must comply.

If you have a question in the area of legal compliance, don't hesitate to seek advice from your supervisor, the CEO, the CFO or the CLO. If you believe that a legal compliance issue is not being addressed appropriately, you may report your concerns pursuant to the DMC Whistleblower Policy.

### a) Comply with All Applicable Laws -- Antitrust

Our Company is headquartered in a society based on a free market and therefore prohibits conduct that would interfere with fair competition. Company policy requires the avoidance of any conduct that violates, or even appears to violate, the underlying principles of the antitrust laws established to preserve and promote competition.

**Antitrust laws forbid any kind of understanding or agreement between competitors with respect to prices, terms of sale, division of markets, allocation of customers, bid rigging or any other activity that restrains competition.** These laws require that individuals and businesses make independent business decisions without consultation or agreement from competitors. No officer, employee, or agent, whatever his or her position, is authorized to depart from DMC’s policy or to condone a departure by anyone else.

**Certain kinds of information—pricing, production, inventory—should never be exchanged with competitors**, regardless of how innocent or casual the exchange may be and regardless of the setting. The fact that you may have thought you were acting in DMC’s best business interest will not be accepted as an excuse for conduct that violates the letter or the spirit of the antitrust laws. Violations can result in substantial liability for individuals and/or the Company as well as disciplinary actions, including termination.

Understanding the requirements of antitrust and unfair competition laws of the various jurisdictions where DMC does business can be difficult. You are urged to seek assistance from your supervisor, the CEO, the CFO, or the CLO whenever you have a question relating to these laws.

**QUESTION:** *I attended a trade association meeting and someone in the group said: “The marketplace is putting pressure on pricing in our industry. Just the other day, XYZ Customer, Inc. said our competitors were dropping their prices by 10-20%. Have you dropped your prices?” I got a phone call and left the room, but what should I do if that happens again?*

**ANSWER:** *You must immediately leave the room and do something to make your departure memorable to other attendees, have any minutes reflect your exit, as well as DMC’s unwillingness to participate in the discussion. Under no circumstances should you discuss our prices or even just listen to the ensuing conversation; this could be a criminal violation. If such unwanted competitor contact should occur, you should confer immediately with your supervisor. In this manner, we can successfully prevent misinterpretation of your good intentions by those who may be motivated to place a different interpretation on your actions.*

#### **b) Comply with all Applicable Laws – Anti-Bribery/Anti-Corruption Laws**

The Company is committed to conducting its business with honesty and integrity, and in full compliance with anti-corruption and anti-bribery laws and regulations, including the U.S. Foreign Corrupt Practices Act (“FCPA”) and other laws that prohibit improper payments to obtain a business advantage.

Because the Company is a U.S. corporation, it is liable for the actions of all of its subsidiaries worldwide under the FCPA. The FCPA prohibits giving money or other valuable items to a foreign official or an intermediary for the purpose of influencing a foreign government. The definition of “foreign official” under the FCPA is broad, and can include employees of non-U.S. governments, departments, agencies, state owned enterprises, or public international organizations, or any person acting in an official capacity on behalf of any such entities, as well as non-U.S. political parties or officials thereof or candidates for political office. The FCPA also requires books and records to be kept accurately. This topic is covered separately under the next section of the Code.

The *UK Bribery Act* has an even wider application than the FCPA, in that it covers bribery at a private level and those who accept bribes as well as those who give them. The UK Bribery Act also creates a strict liability corporate offence for failure to prevent bribery, subject to a defense that the organization had adequate procedures in place designed to prevent bribery. In 2013, a new Russian law, entitled “*The Requirement of Organizations to Take Measures to Prevent Corruption*” was enacted which is broader yet than either the FCPA or UK Bribery Act. Under that law, companies can be held liable for corruption offenses committed on their behalf or in their interests and for failing to take all measures under their control to prevent corruption. Germany’s anti-corruption laws make it illegal to pay, offer, or accept a bribe and prohibit bribery involving German public officials in both domestic and foreign transactions.

In light of the foregoing, the Company has adopted an Anti-Bribery Policy under which the Company and its employees and third parties working on the Company’s behalf are prohibited from giving or offering to give anything of value to any government official or any other person to improperly influence an act or decision, or to secure an improper advantage, or to otherwise improperly obtain or retain business for the Company. For further information, please refer to the *DMC Anti-Bribery Policy*.

**QUESTION:** *We are trying to get licensed to do business in China. We were informed by a consultant with whom we are working that if we paid a special processing fee to the government agent in charge of issuing such licenses, we could obtain our permit more quickly. Should we pay this fee?*

**ANSWER:** *No. The FCPA prohibits giving money to a foreign official for the purpose of influencing a foreign government, except under very restrictive guidelines. The Company’s policy is to not make any such payments.*

### c) Comply with all Applicable Laws -- Accurate Books and Records and Public Disclosures

All assets, liabilities, revenues, expenses, and business transactions must be completely and accurately recorded on DMC’s books and records, in accordance with applicable law, accepted accounting principles, and established DMC financial policies and procedures. Budget proposals and economic evaluations must fairly represent all information relevant to the decision being requested or recommended. **No employee may create or participate in the creation of any records that are intended to mislead anyone or to conceal anything improper.** No secret, “off the books,” padded “slush” funds or unrecorded cash funds or other assets will be established or maintained for any purpose. Employees must report the true and accurate amount of time worked and vacations and holidays taken. **DMC will advise customers and suppliers of errors and promptly correct the errors** through credits, refunds or other mutually acceptable means.

As a U.S. public company, DMC must produce full, fair, accurate, timely and understandable disclosures in reports and documents it files with the Securities and Exchange Commission (“SEC”) and in other public communications. Accordingly, **we require honest and accurate recording and reporting of information.** All our books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect our transactions and must conform both to applicable legal requirements and to our systems of internal controls and disclosure controls.

DMC records should be retained or destroyed according to our record retention policies. Inappropriate access to or modification of, or unauthorized destruction of, accounting or other business records is prohibited, whether such records are in written or electronic form.

**QUESTION:** *I included in my Expense Reimbursement Request form the sizable “fees” the local building official required at the last minute when I was visiting the new plant expansion project in China. I was told we could not get the building permit without the fee, although our Chinese legal counsel never mentioned such a fee, so I had to pay it on the spot and it shouldn’t come out of my pocket. I don’t want to get in trouble if I wasn’t supposed to pay it, so I put it under customer entertainment. No one ever questions those costs.*

**ANSWER:** *Such actions are in violation of the “Accurate Books and Records” requirements of the Company and may well violate our Anti-Bribery Policy, the FCPA, the Sarbanes-Oxley Act or similar foreign laws. Additionally, it is not truthful, which violates our principles.*

#### **d) Comply with all Applicable Laws -- Citizenship and Human Rights**

DMC is committed to good citizenship and believes that engagement with others improves the human condition. For our employees worldwide, DMC strives to assure safe and healthy work environments under conditions that respect their rights and dignity and free of discrimination, based on the more stringent of U.S. standards, local standards, or DMC policies. DMC would never use or condone others’ use of child labor or forced labor. The Company recognizes its responsibility to respect human rights and avoid complicity in human rights abuses.

**QUESTION:** *My contact at one of our suppliers made a comment about keeping their prices low by using “kids in Asia” to make their products. Should I report this to someone?*

**ANSWER:** *Yes. Report this to your supervisor who should report it to the CFO or CLO. We expect our suppliers to abide by the law and commit to not using child labor.*

#### **e) Comply with all Applicable Laws – Export and Import Controls**

An “export” is a shipment or transmission of items, data or technology out of a country or to a foreign national. A “transmission” can include normal shipping, transportation by an international traveler, facsimile, e-mail, internet or provisions of access to technical data or technology to a foreign national in the U.S. And “items” can include goods or commodities, software or technology/know-how. An “import” is when we bring such items into a country from another country.

**DMC will not make any sale or purchase or become involved in any transaction that is prohibited by relevant export or import controls laws, sanctions, or embargo laws.**

The import and export laws of the United States and other countries where we operate are complex and change frequently with international events. There are restrictions on exports to certain countries, as well as on trading with certain individuals and companies. Also, products sold that can be used in military, nuclear, chemical, biological or laboratory applications have special limitations. The lists of those companies or people with whom we cannot trade or countries for which trade requires a license are constantly updated.

In addition, there are anti-boycott laws that prohibit actions supporting a boycott of one country against another country, with which we must comply.

Therefore, you must check for restrictions before importing, exporting or re-exporting the Company’s products in order to ensure full compliance with these laws.

For questions or assistance relating to exports or imports, refer to the *DMC Global Export Compliance Policy* and/or the *DMC Global Customs and Import Compliance Policy* or contact the CFO or CLO.

**f) Comply with all Applicable Laws – Health, Safety, Security and Environmental**

DMC operations, including the use of explosives and sale of explosive devices and equipment, demand unwavering emphasis on employee health, safety and security and the preservation of the environment our employees work within. Therefore, it is the strict policy of the Company that each DMC location safety manager or person in charge of safety, along with the employee’s direct supervisor, ensures that all required training is scheduled, completed, and documented. No new employee will be released to their assigned work center before completion of safety orientation activities. We strive to provide a work environment free of any known safety or health risks. Each of us shares the responsibility for maintaining a safe and healthy workplace by following safety and health rules and practices and reporting accidents, injuries, unsafe equipment, and any other unsafe practices or conditions.

In addition, the security of our products, raw materials and facilities are of critical importance and each employee is responsible for following all security precautions at their facilities.

Laws in each country in which we operate impose liability on individuals and/or companies that contaminate the environment with any hazardous substance that could cause injury to the community or environment. Violation of environmental laws can be a criminal offense and can involve monetary fines and/or imprisonment. We expect employees to comply with all applicable environmental laws. For our communities worldwide, we work to protect the environment, maximize the efficiency of our products, and reduce wastes, emissions, energy consumption, and the use of materials of concern.

**It is our policy to conduct our business in a safe, secure, and environmentally responsible way that minimizes harmful environmental impacts.** Our goals are to minimize and, if possible, eliminate the use of any substance or material that may cause unnecessary unsafe practices, environmental damage or injury to employees or others; reduce waste generation by disposing of all waste through safe and responsible methods including recycling; employ safe technologies and operating procedures; and be prepared to respond appropriately to accidents and emergencies.

**QUESTION:** *I saw a co-worker dump a can of oil down the drain at the work sink. I live in this neighborhood and I don't want my kids drinking polluted water. Should I call the authorities?*

**ANSWER:** *You should report this **immediately** to your supervisor, the CEO, CFO and/or the CLO. The Company does not tolerate any intentional disregard of the environment. A full investigation of the matter should be performed and any damage contained. The Company will follow the laws governing reporting the incident.*

For questions or assistance relating to Health, Safety, Security and Environment, please refer to the applicable *Global Quality, Safety, Health, and Environmental Policy* for your division or location or contact the Vice President—Corporate Health, Safety, Security, and Environment.

**g) Comply with all Applicable Laws – Insider Trading**

**It is a violation of U.S. federal securities laws to buy or sell DMC stock while in possession of non-public (or “inside”) information that would influence a reasonable person’s decision to buy or sell the stock.** DMC’s policy is to strictly adhere to the rules regarding disclosure and insider trading of both the SEC and NASDAQ. If you have material information about the Company or another company that DMC is doing business with before it is released to the public, you are considered an insider and are therefore prohibited from trading in the Company’s stock (or that of the other company) prior to the information becoming public. Insider trading includes the purchase or sale of the Company’s stock, as well as puts, calls, or other options with respect to such securities. Such trading is generally deemed to be done by an insider whenever he or she has any beneficial interest, direct or indirect, in such securities or options, regardless of whether they are actually held in his or her name. Included in the concept of insider trading is “tipping” or revealing inside information to outside individuals to enable such individuals to trade in the Company’s securities on the basis of undisclosed information.

DMC has adopted a separate *Insider Trading Policy*, which you should consult for more detailed information on what constitutes “material inside information” and on buying and selling our securities or securities of companies with which we do business and for specific blackout periods and pre-approval requirements when trading in DMC securities.

**QUESTION:** *I overheard a conversation about the Company's earnings for the quarter and that they will be unexpectedly good – can I buy the Company's stock in my investment account?*

**ANSWER:** *No. If the information you overheard has not been made public, such by being disclosed in a press release, you cannot trade in the Company's stock. As a Company employee, you are considered an "insider." Insiders are restricted in Company stock transactions, as detailed in our Insider Trading Policy. When in doubt, contact the CFO or the CLO.*

#### **h) Comply with all Applicable Laws -- Political Contributions**

No Company funds or other resources or services, including time during normal working hours, may be used or given, either directly or indirectly (including through lobbyists), on behalf of any political party, campaign or candidate for public elective office, unless there is prior written approval by the CEO and such payment or contribution is in compliance with the Anti-Bribery Policy. Of course, nothing in this policy is meant to discourage you from making voluntary personal contributions or engaging in political, civic or other activities on your own time and at your own expense.

**QUESTION:** *Our operation has been asked to make a donation to a local political party. It is not for any specific candidate, but the mayor is a member of the party, and he has been very supportive of the Company in the past. Can we make a contribution?*

**ANSWER:** *Any donation of Company funds to a political cause must be cleared through the CEO and under the Anti-Bribery Policy prior to being made.*

#### **i) Comply with all Applicable Laws -- Positive Work Environment**

DMC is committed to fair and equitable treatment of **our most valuable resources—our employees**. We strive to provide our employees a **work environment free from discrimination, harassment, or personal behavior not conducive to a productive work climate**.

Discrimination occurs when an employee suffers an adverse employment action, such as termination, demotion, or lack of promotion based on his/her age, religion, race, color, sex, national origin, ancestry, sexual orientation or physical disability.

Harassment is when derogatory comments or behavior based on race, color, age, sex, national origin, disability or religion unreasonably interfere with an individual's work performance, or create an intimidating, hostile or offensive work environment.

Diversity is part of what makes DMC a successful company. We must embrace differences, not exclude them.



Discrimination and harassment are prohibited behaviors and appropriate disciplinary action will be taken when an investigation concludes they have taken place. Note that this applies to contractors and temporary employees and in some cases non-employees as well. Employees who report in good faith suspected discrimination or harassment will not be retaliated against. Please refer to the *DMC Diversity, Anti-Harassment and Anti-Discrimination Policy* for further information on these topics.

**QUESTION:** *My co-worker confided in me that every time the copier repairman comes to the office he flirts with her in a way that makes her uncomfortable. I think that is harassment even though he's not a Company employee, but I'm not sure. What should I do?*

**ANSWER:** *Supervisors, co-workers or even non-employees can be guilty of harassment. You have the responsibility of upholding Company policy at all times by bringing this matter to the attention of your supervisor, the CEO, the CFO or the CLO.*

All our employees are responsible for conducting company business in a way that protects the health and safety of our employees. We must all act in a manner that ensures compliance with all governmental and private health and safety requirements, including an alcohol- and drug-free workplace. Drugs or alcohol can have dire consequences when used in the work place or shortly before entering the workplace and such use is strictly prohibited, regardless of the legality of the substance outside of the workplace. If an employee is suspected of being under the influence while on Company property, testing and disciplinary measures may be taken.

Misusing controlled substances or selling, manufacturing, distributing, possessing, using, or being under the influence of drugs or alcohol on the job is absolutely prohibited. For further information, please refer to the Employee Handbook.

**QUESTION:** *I noticed that my colleague has alcohol on his breath. He isn't slurring his words or making it otherwise obvious that he has been drinking, and I think he'll probably be okay to work, but I'm not sure. What should I do?*

**ANSWER:** *Reporting to work under the influence of alcohol impairs your colleague's job performance and may endanger the safety of others. You have the responsibility of upholding Company policy at all times by bringing this matter to the attention of your supervisor.*

#### **IV. COMPLIANCE: Does the Code Apply to Me?**

**Compliance with our Principles and the DMC Code of Ethics and Business Conduct IS NOT OPTIONAL.**

The Code applies to:

- All employees, including part-time employees
- Our CEO and all officers
- Our Chairman of the Board and all directors of DMC and its subsidiaries, worldwide

Any waiver of the Code for executive officers or directors may be made only by the Board of Directors and must be promptly disclosed to shareholders. The CEO may waive, in writing, specific application of the Guidelines for employees other than executive officers and directors, provided that such waivers are reported promptly to the Board of Directors.

**Failure to comply with our Principles and Code will result in disciplinary action, including termination, if appropriate, or in appropriate cases, civil legal action or referral for criminal prosecution.**

Directors and all employees may be asked to certify that they are in full compliance with this Code, unless such certification is prohibited by law.

### **Compliance Resources**

Your most immediate resource for any matter related to the Code is your supervisor. Any questions regarding these principles, whether for clarification or an interpretation of applicability, should be directed to your supervisor. He or she may have the information you need or may be able to refer the question to another appropriate source.

There may, however, be times when you prefer not to go to your supervisor. In these instances, you should feel free to discuss your concern with the Human Resources professional serving your location, the CEO, CFO or the CLO. In the alternative, if you feel that doing so is appropriate, you may file a report pursuant to the DMC Whistleblower Policy. If you wish to remain anonymous, you may contact the Compliance Hot Line at [www.ethicspoint.com](http://www.ethicspoint.com) and choose “File a New Report.” Enter “DMC” and go to our page to file your report. Once you enter the appropriate country, you will see a country specific phone number should you wish to make a report via phone.

### **Reporting Violations: What Are My Responsibilities?**

You are encouraged to report even suspected unethical behavior or illegal acts to a supervisor or Human Resources, except to the extent that such reporting is prohibited by law. Each Supervisor should promptly report any complaints or observations of violations.

Complaints will be investigated and your cooperation in the investigation may be necessary. While complaints may be made anonymously pursuant to the DMC Whistleblower Policy, the inability to discuss your complaint may hinder an investigation. Therefore, we encourage you to discuss your concerns openly with the appropriate personnel.

Retaliation against an employee for reporting a suspected violation in good faith is strictly prohibited.

Violations confirmed by investigation will be addressed and will subject the employee who committed the violation to disciplinary action, up to and including termination in certain circumstances. In some cases the employee could face civil action or referral for criminal prosecution.

# APPENDIX A REPORT OF COMPLIANCE

[To be completed annually by all directors, officers and employees of the Company]

I have read the Company's Code of Ethics and Business Conduct ("Code"), have retained a copy for my guidance, and agree to be bound thereby.

During the past twelve months (or, if shorter, for the length of time I have been employed by or served as an employee, officer or director of the Company or any of its subsidiaries):

(1) I have been and am in full compliance with the Code and I am not aware of any violations by others that have not been reported (indicate below any exceptions), and

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(2) To the best of my knowledge, all members of my immediate family (where applicable) and all employees reporting to me are in full compliance with the Code (indicate below any exceptions).

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\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Position

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Date

**Return to:**  
**DMC Global Inc.**  
**5405 Spine Road**  
**Boulder, CO 80301**  
**or**  
[Code@dmcglobal.com](mailto:Code@dmcglobal.com)