

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): October 9, 2023

**Mistras Group, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-34481**  
(Commission  
File Number)

**22-3341267**  
(IRS Employer  
Identification No.)

**195 Clarksville Road**  
**Princeton Junction,**  
(Address of principal executive offices)

**New Jersey**

**08550**  
(Zip Code)

Registrant's telephone number, including area code: **(609) 716-4000**

**Not Applicable**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d 2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value	MG	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

### President and Chief Executive Officer Transition

On October 9, 2023, Sotirios Vahaviolos, Executive Chairman of the Board (the “Board”) of Mistras Group, Inc. (the “Company”), retired as Executive Chairman but will remain on the Board as Chairman Emeritus. On the same day, the Board elected Manuel N. Stamatakis (currently the Company’s Lead Director, Chairman of the Corporate Governance Committee and member of the Audit, Compensation, and Environmental, Social and Safety Committees) to serve as Chairman of the Board to succeed Dr. Vahaviolos.

On October 9, 2023, the Board also approved the termination without cause of Dennis Bertolotti as the Company’s President and Chief Executive Officer, effective immediately. In connection with his termination as President and Chief Executive Officer, Mr. Bertolotti resigned as a director, effective immediately. On the same day, the Board appointed Mr. Stamatakis to serve as interim President and Chief Executive Officer until a permanent President and Chief Executive Officer has been appointed.

Mr. Stamatakis has been a member of the Board since 2002 and has served as Lead Director since 2010, Chairman of the Corporate Governance Committee since 2009 and a member of the Board’s Audit Committee and Compensation Committee since 2009. Effective as of his appointment as Interim President and Chief Executive Officer, Mr. Stamatakis resigned from his position as Lead Director and from all the Board committees on which he served. At the same time, the Board appointed James J. Forese, currently a member of the Board and Chairman of the Audit Committee, as Lead Director and Chairman of the Corporate Governance Committee.

Mr. Stamatakis is an executive officer of Capital Management Enterprises, Inc. (“CME”), a financial services and employee benefits consulting company headquartered in Pennsylvania, which he sold in 2020. Over the years, Mr. Stamatakis has served on the boards of numerous not-for-profit, charitable and for-profit organizations, and currently serves, among others, as Chairman of the Board of Visit Philadelphia, where he is also a member of the audit and finance committees; Chairman of Philadelphia Shipyard Development Corporation; and Chairman of the Pennsylvania Supreme Court Investment Advisory Board. Mr. Stamatakis received a B.S. in Industrial Engineering from Pennsylvania State University and received an honorary Doctorate of Business Administration from Drexel University.

There are no arrangements or understandings between Mr. Stamatakis and any other persons pursuant to which he was appointed as Chairman of the Board or as interim President and Chief Executive Officer of the Company. There are no family relationships between Mr. Stamatakis and any director or executive officer of the Company. Mr. Stamatakis is the former owner and a current executive officer of CME, which provides benefits consulting services to the Company. The Company did not pay any fees to, or accrue any fees to pay to, CME in 2022 or through the date of this Current Report on Form 8-K. The compensation received by CME in 2022 and through the date of this Current Report on Form 8-K for work related to the Company was paid directly to CME by the third-party benefits providers in the form of normal and customary commissions. There are no other direct or indirect material interests in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

### Retirement of Former Executive Chairman

In connection with his retirement as Executive Chairman, Dr. Vahaviolos will not receive severance benefits under his employment agreement with the Company, dated February 28, 2018, a copy of which was filed as Exhibit 10.1 to the Company’s Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission (the “SEC”) on May 8, 2018. Effective as of his date of retirement as Executive Chairman, Dr. Vahaviolos will receive a cash retainer as a non-employee and non-independent director of \$300,000 annually (payable quarterly), with no equity awards.

### Compensation of Interim President and Chief Executive Officer

In connection with the appointment of Mr. Stamatakis as the Company’s interim President and Chief Executive Officer, the Compensation Committee approved the following compensation for Mr. Stamatakis: (1) an annual base salary of \$500,000, (2) an award of stock options (the “Options”) to purchase 250,000 shares of common stock of the Company, with a grant date of October 11, 2023 and an exercise price to be the closing price of the Company’s stock as quoted on the New York Stock Exchange on the grant date and which can be exercised any time after the grant date until its expiration date, which is the earlier of 10 years from the grant date or one year following the date he is no longer serving as an officer, director or in any other

capacity for the Company (or earlier under certain circumstances), and (3) eligibility to receive an annual bonus in accordance with the Company's annual bonus plan for executive officers, with a target opportunity of 100% of his base salary. The Options are being granted to Mr. Stamatakis in reliance on the employment inducement exception to shareholder approval provided under Section 303A.08 of the New York Stock Exchange Listed Company Manual. The foregoing description of Mr. Stamatakis' compensation arrangements is qualified in its entirety by reference to the letter agreement, filed as Exhibit 10.1 hereto, and to the form of inducement award agreement relating to the Options, filed as Exhibit 10.2 hereto. Mr. Stamatakis will not receive any compensation as director while he is serving in his role as an executive officer of the Company.

#### Separation Arrangements with Former President and Chief Executive Officer

As a result of his termination without cause, Mr. Bertolotti will be entitled to receive severance and related benefits for such a separation in accordance with his employment agreement with the Company, dated March 13, 2018, a copy of which was filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed with the SEC on May 8, 2018, subject to the execution of a release by Mr. Bertolotti.

#### **Item 5.05 Amendments to the Registrant's Code of Ethics, or Waiver of a Provision of the Code of Ethics.**

In connection with Mr. Stamatakis' appointment as interim President and Chief Executive Officer, the Board granted Mr. Stamatakis a waiver of the Company's code of ethics and code of conduct to the extent that his position with CME, as described in Item 5.02 above, is a conflict of interest under the Company's code of ethics or its code of conduct.

#### **Item 7.01 Regulation FD Disclosure.**

On October 9, 2023, the Company issued a press release announcing the matters described in Item 5.02 above. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated into this Item 7.01 by reference.

#### **Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

[10.1 Letter Agreement dated October 9, 2023, between the Company and Manuel N. Stamatakis.](#)

[10.2 Form of Inducement Award Agreement between the Company and Manuel N. Stamatakis.](#)

[99.1 Press release issued by the Company on October 9, 2023.](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MISTRAS GROUP, INC.

Date: October 9, 2023

By: /s/ Edward J. Prajzner

Name: Edward J. Prajzner

Title: Senior Executive Vice President and Chief Financial Officer

<u>Exhibit No.</u>	<u>Description</u>
<a href="#">10.1</a>	<a href="#">Letter Agreement dated October 9, 2023, between the Company and Manuel N. Stamatakis.</a>
<a href="#">10.2</a>	<a href="#">Form of Inducement Award Agreement between the Company and Manuel N. Stamatakis.</a>
<a href="#">99.1</a>	<a href="#">Press release issued by the Company on October 9, 2023.</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

October 9, 2023

Dear Mr. Stamatakis:

This letter agreement (this “**Agreement**”) sets forth the terms of your employment, on an interim basis, as President and Chief Executive Officer of Mistras Group, Inc. (the “**Company**”), commencing on October 9, 2023 (the “**Effective Date**”).

i. Position; Responsibilities.

1. On the Effective Date, you will begin to serve, on an interim basis, as President and Chief Executive Officer of the Company and, in that capacity, you will report directly (and only) to the Board of Directors of the Company (the “**Board**”) and you shall have all of the customary authorities, duties and responsibilities that accompany the position of President and Chief Executive Officer. In addition, and for the avoidance of doubt, you will continue to serve as a member and as the Chairman of the Board.
2. The Company acknowledges that you have other business commitments, including but not limited to your position as an executive officer of Capital Management Enterprises, LLC, and it is acknowledged and agreed that your service as President and Chief Executive Officer of the Company shall not require you to devote all or any particular amount of your time to the business and affairs of the Company. You shall not be required to work at any fixed location and the Company shall provide you with a laptop computer (which shall be considered your personal property during and following the termination or expiration of this Agreement), Company email account, and such other electronic equipment and services as are reasonably required in order to enable you to tend to the business and affairs of the Company from a remote location. You shall be entitled to the same number of days of paid time off per calendar year as was provided by the Company to the previous chief executive officer in 2023, prorated for any partial calendar year during which you are employed.
3. The Company and you currently contemplate that your service, on an interim basis, as President and Chief Executive Officer of the Company will commence on the Effective Date and continue for a period of six (6) months therefrom (the “**Term**”). Provided that: (i) the Company has engaged an executive search firm prior to the conclusion of the Term; and (ii) the Company and such executive search firm have and continue to use commercially reasonable efforts to recruit a permanent President and Chief Executive Officer of the Company, the Company shall have the ability to extend the Term for an additional period of six (6) months (the “**Term Extension**”) by providing written notice to you at least sixty (60) days prior to the expiration of the Term. Notwithstanding anything in this Agreement to the contrary: (A) this Agreement shall terminate upon the effective date of the Company’s appointment of a permanent President and Chief Executive Officer; and (B) this Agreement may be terminated

following the conclusion of the initial six (6) month Term by the Company or you, for any reason or no reason at all, upon thirty (30) days' written notice to the other party.

4. If this Agreement is terminated pursuant to clause (A) of Section 1.c. above, or upon the expiration of the initial six (6) month Term without an extension, or if you suffer death or Disability during the initial six (6) month Term, you shall be entitled to receive the following payments and benefits (in addition to any other benefits that continue following the termination or expiration of this Agreement as set forth herein): (i) the Company shall pay to you (or to your estate in the event of your death) the Base Salary that you would have been entitled to receive during the remainder of the initial six (6) month Term as if your employment had not terminated, on the dates that such amounts would have otherwise been payable; and (ii) the cash incentive award payment that you would be entitled to receive for the calendar year 2024 as if your employment had not terminated, subject to the satisfaction of performance criteria established pursuant to Section 3 of this Agreement, prorated for six (6) months. For purposes of this Agreement, "Disability" shall mean that you are unable to substantially perform the customary duties and responsibilities of your employment for ninety (90) consecutive calendar days or ninety (90) or more calendar days during any six (6) month period with or without reasonable accommodation.
  5. If this Agreement is terminated pursuant to clause (A) of Section 1.c. above during the Term Extension, or pursuant to clause (B) of Section 1.c. above, or upon the expiration of the Term Extension, or if you suffer death or Disability during the Term Extension, you shall be entitled to receive the following payments and benefits (in addition to any other benefits that continue following the termination or expiration of this Agreement as set forth herein): (i) accrued and unpaid Base Salary up to and including the date of termination; and (ii) the cash incentive award payment that you would be entitled to receive for the calendar year 2024 as if your employment had not terminated, subject to the satisfaction of performance criteria established pursuant to Section 3 of this Agreement, prorated for the actual number of months served (including months served in 2023 and the month in which the termination occurs).
- ii. Base Salary. Commencing on the Effective Date, the Company shall pay you, for (and during) your service as President and Chief Executive Officer of the Company, in installments every two (2) weeks in accordance with the Company's customary payroll practices, a base salary at the annualized rate of \$500,000 (the "**Base Salary**"). The Base Salary shall be reviewed, on a six (6) month basis, and may be increased (but not decreased) to the extent deemed appropriate by the Compensation Committee of the Board (the "**Compensation Committee**").

- iii. Cash Incentive Award. The Company shall grant you a short term cash incentive award under the Company's 2024 annual incentive plan applicable to senior executives generally, with an annual target incentive opportunity equal to 100% of the Base Salary, prorated for the greater of: (i) six (6) months; and (ii) the actual number of months served (including months served in 2023 and the month in which your employment ceases). The performance criteria for the Company's 2024 annual cash incentive awards will be established and communicated by the Company before or as soon as practicable after the beginning of 2024. The short term cash incentive award, if earned by you for 2024, will be payable consistent with the payment of annual incentive compensation to senior executives generally.
- iv. Stock Option Award. On the second trading day following the Company's filing of a Form 8-K announcing your appointment as Interim President and CEO, the Company shall grant to you nonqualified options to purchase shares of the Company's common stock on the terms set forth in the Inducement Award Agreement attached to this Agreement as Exhibit A.
- v. Benefits. You shall be entitled to at least the same benefits as provided by the Company to the previous chief executive officer in 2023, including but not limited to participation in such group health, long term disability and group life insurance plans, and any other welfare and fringe benefit plans, arrangements, and programs sponsored or maintained by the Company from time to time, on not less favorable terms than those provided by the Company to the previous chief executive officer in 2023.
- vi. Reimbursement of Expenses. In addition to, and without limiting, the provisions in Section 5 of this Agreement, during the Term (as may be extended by a Term Extension), the Company shall reimburse you for all travel, entertainment and other expenses reasonably incurred or paid by you in connection with, or related to, the performance of your duties and responsibilities to the Company.
- vii. Withholding. All compensation payable to you shall be subject to applicable taxes and withholding.
- viii. Indemnification. In addition to, and without limiting, any and all indemnification rights provided to officers, directors, and/or employees of the Company pursuant to the Company's Certificate of Incorporation and/or Bylaws, the Company shall indemnify and hold you harmless to the maximum extent permitted under applicable law for acts and omissions in your capacity as an officer, director, and/or employee of the Company. To the fullest extent not prohibited by applicable law, expenses incurred by you in defending any civil, criminal, administrative or investigative action, suit or proceeding in connection with your service as an officer, director, and/or employee of the Company shall be paid by the Company in advance of the final disposition of such action, suit or proceeding.
- ix. Entire Agreement; Modification. This Agreement constitutes the entire understanding and agreement between the parties hereto with regard to the subject matter hereof and supersedes all prior understandings and agreements, whether written or oral.

- x. Notices. Any notice delivered under this Agreement shall be deemed duly delivered three (3) business days after it is sent by registered or certified mail, return receipt requested, postage prepaid, or one (1) business day after it is sent for next-business day delivery via a reputable nationwide overnight courier service, to the Company at its principal headquarters and to you at the address most recently shown on the personnel records of the Company. Either party may change the address to which notices are to be delivered by giving notice of such change to the other party in the manner set forth in this section.
- xi. Amendment. This Agreement may be amended or modified only by a written instrument executed by both the Company and you and approved by the Board.
- xii. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware (without reference to the conflicts of laws provisions thereof).
- xiii. Captions. The captions of the sections of this Agreement are for convenience of reference only and in no way define, limit or affect the scope or substance of any section of this Agreement.
- xiv. Section 409A. The intent of the parties is that payments and benefits under this Agreement comply with, or be exempt from, Section 409A of the Internal Revenue Code of 1986, as amended (the “**Code**”) and the regulations and guidance promulgated thereunder (collectively, “**Code Section 409A**”) and this Agreement shall be interpreted consistently therewith. With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Code Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year, provided that this clause (ii) shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(a) of the Code solely because such expenses are subject to a limit related to the period the arrangement is in effect, and (iii) such payments shall be made on or before the last day of your taxable year following the taxable year in which the expense occurred. For purposes of Code Section 409A, each payment hereunder shall be treated as a separate payment and your right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. In no event may you, directly or indirectly, designate the calendar year of any payment to be made under this Agreement that is considered nonqualified deferred compensation. Termination of employment as used herein shall mean separation from service within the meaning of Code Section 409A. Notwithstanding anything in this Agreement to the contrary, to the extent required by Code Section 409A, if you are considered a “specified employee” for purposes of Code Section 409A of the Code and if payment of any amounts under this Agreement is required to be delayed for a period of six (6) months after separation from service pursuant to Code

Section 409A, payments of such amounts shall be delayed as required by Code Section 409A, and the accumulated amounts shall be paid in a lump sum payment within ten (10) days after the end of the six (6) month period. If you die during the postponement period prior to the payment of benefits, the amounts withheld on account of Code Section 409A shall be paid to the personal representative of your estate within sixty (60) days after the date of your death. The Company is not making any representation or warranty to you with respect to the treatment of this Agreement under Code Section 409A and shall have no liability to you or any other person with respect to payments or benefits under this Agreement should any payments or benefits under this Agreement be determined to constitute nonqualified deferred compensation subject to Code Section 409A but not satisfying the conditions of such section.

- xv. Survival. Upon the expiration or termination of this Agreement, the respective rights and obligations of the parties hereto shall survive such expiration or termination.
- xvi. Counsel and Other Fees. On the Effective Date, the Company shall pay your actual out-of-pocket costs and expenses, including but not limited to attorneys' fees, reasonably incurred in connection with the preparation and negotiation of this Agreement and related matters.
- xvii. Counterpart Execution; Electronic Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Execution and delivery of signatures to this Agreement by electronic mail shall constitute effective delivery in the same manner as delivery of original signatures.

[Signature Page Follows]

**IN WITNESS WHEREOF**, the parties hereto have duly executed this Agreement on the day and year first above written.

Mistras Group, Inc. a Delaware corporation

By:

Name: Michael C. Keefe Title: Executive Vice President, General Counsel  
and Secre

Manuel H. Stamatakis, an individual

## **EXHIBIT A**

### **INDUCEMENT AWARD AGREEMENT**

**MISTRAS GROUP, INC.**  
**INDUCEMENT AWARD AGREEMENT**

This Inducement Award Agreement (this “Award Agreement”), effective as of the Date of Grant set forth below, represents the grant of an option (the “Option”) to purchase shares of common stock, par value \$.01 per share (“Common Stock”), of Mistras Group, Inc. (the “Company”) to Manuel N. Stamatakis (the “Participant”), subject to the terms and conditions set forth below. The grant of the Option has been made by the Board of Directors (the “Board”) of the Company and the Compensation Committee (the “Committee”) of the Board. The number of shares of Common Stock that may be purchased pursuant to the Option, and the per share exercise price (the “Exercise Price”) payable for shares of Common Stock upon exercise of the Option, are set forth in Article I of this Award Agreement.

The grant of the Option pursuant to this Award Agreement constitutes a non-plan “inducement award,” as contemplated by New York Stock Exchange Rule 303A.08, and is therefore not made pursuant to the Mistras Group, Inc. 2016 Long-Term Incentive Plan, as amended (the “Plan”). Nevertheless, the terms and provisions of the Plan relating to Options (as the term “Options” is defined in the Plan) are hereby incorporated into this Award Agreement by this reference, as though fully set forth herein, as if the Option granted pursuant to this Award Agreement were granted pursuant to the Plan, except as and to the extent expressly provided to the contrary in this Award Agreement. Unless the context herein otherwise requires, the terms defined in the Plan shall have the same meanings herein. A copy of the Plan has been provided to the Participant along with this Award Agreement.

**I. STOCK OPTION GRANT AWARD TERMS**

The Participant has been granted, for service as interim President and Chief Executive Officer of the Company, the Option to purchase shares of Common Stock, subject to the terms and conditions of this Award Agreement, as set forth above and as follows:

Date of Grant:	<u>[October __], 2023</u>
Vesting Date:	<u>day after the Date of Grant</u>
Exercise Price per Share:	<u>[\$_____]</u>
Total Number of Shares Granted:	<u>250,000 shares of Common Stock (the “<u>Shares</u>”)</u>
Total Exercise Price:	<u>[\$_____]</u>
Type of Option:	<u>Non-Qualified Stock Option (“<u>NSQ</u>”)</u>
Expiration Date:	<u>Ten (10) years from Date of Grant</u>

The Shares subject to the Option shall be fully vested as of the Vesting Date set forth above, and, for the avoidance of doubt, the minimum vesting condition in Section 3.4 of the Plan shall be inapplicable to the Option and the Shares subject to the Option. The Corporate Governance Committee of the Board has determined, in its discretion under the Company’s

Stock Ownership Guidelines, that any Shares received by Participant pursuant to the exercise of any Options under this Award Agreement shall not be subject to enforcement under the Stock Ownership Guidelines.

Exercise Period:

The Committee has determined that on the Date of Grant set forth above the Option shall be exercisable by the Participant (or the Participant's estate or legal representative upon the Participant's death) at any time from and after the Date of Grant and up to and including the earliest of (i) the Expiration Date set forth above, (ii) the close of business on the first anniversary of the date that the Participant's service to the Company ceases for any reason other than for Cause (notwithstanding anything to the contrary in Section 5.8(a) or (b) of the Plan), and (iii) the date the Participant's service is terminated by the Company for Cause (or the date the Participant's service ceases at a time when grounds for a termination for Cause exist); provided that, notwithstanding the foregoing, all of the provisions of Article 9 of the Plan (Change in Control) shall be applicable to the Option as if the Option had been granted under the Plan. For the avoidance of doubt, for so long as the Participant is an employee and/or a director of the Company, the Participant's service to the Company shall not be deemed to have ceased. For purposes of this Award Agreement, Cause shall mean the Participant:

1. is convicted of or pleads nolo contendere to a felony or is indicted for the commission of a felony against the Company that has a materially adverse effect on the Company's business;
1. commits fraud or a material act or omission involving dishonesty with respect to the Company, as reasonably determined by the Company;
1. willfully fails or refuses to carry out the material responsibilities of his employment, as reasonably determined by the Company; or
1. willfully engages in any act or omission that is in violation of a material policy of the Company, including, without limitation, policies on business ethics and conduct, and policies on the use of inside information and insider trading.

**II. ADDITIONAL TERMS**

1. Exercise of Option.

- a. Method of Exercise. The Option shall be exercisable by delivery of an exercise notice or in a manner and pursuant to such procedures as the Committee may determine (the "Exercise Notice"), which shall state the election to exercise the Option, the number of Shares with respect to which the Option is being exercised (the "Exercised Shares"), and such other representations as may be required by the Company. The Exercise Notice shall be accompanied by payment of the aggregate Exercise Price as to all Exercised Shares, together with any applicable tax withholding. The Option shall be deemed to be exercised upon receipt by the Company of the Exercise Notice accompanied by the aggregate Exercise Price, together with any applicable tax withholding.

- a. Compliance with Law. No Shares shall be issued pursuant to the exercise of the Option unless such issuance and such exercise comply with applicable laws.
1. Method of Payment. Payment of the aggregate Exercise Price shall be by any of the following, or a combination thereof, at the election of the Participant:
  - a. cash, check, bank draft, electronic funds transfer or money order payable to the Company;
  - a. by delivery to the Company (either by actual delivery or attestation) of already-owned shares of Common Stock provided that such shares (x) shall be valued at Fair Market Value on the date of exercise, and (y) must be owned free and clear of any liens, claims, encumbrances or security interests; or
  - a. by a “net exercise” pursuant to which the Company will reduce the number of shares of Common Stock issued upon exercise of the Option by the largest whole number of shares necessary to satisfy the Exercise Price, with such shares of Common Stock being valued at Fair Market Value as of the date of exercise, provided, that the Participant must pay any remaining balance of the aggregate Exercise Price not satisfied by the “net exercise” in another form of payment set forth herein.
1. Transferability of Option. Section 12.1 of the Plan shall be applicable to the Options as if the Options had been granted under the Plan; and, consistent with Section 12.1 of the Plan, the Committee has determined that the Option may be transferred inter vivos by the Participant to any “family member” (within the meaning of Item A(1)(a)(5) of the General Instructions to SEC Form S-8 or a successor), including, without limitation, to one or more trusts, partnerships, limited liability companies or other entities which qualify as family members, provided that (i) such transfer is not a transfer for value; or (ii) such transfer is a transfer for value that the Committee determines is for estate planning purposes. Upon the Participant’s death, the Option will pass to the “beneficiary” designated by the Participant in accordance with Section 12.1 of the Plan (or, in the absence of such a designation, or if no designated beneficiary survives the Participant, to the Participant’s estate). Subject to the foregoing, the terms of this Award Agreement shall be binding upon the executors, administrators, heirs, successors and permitted assigns of the Participant.
1. Tax Obligations.
  - a. Tax Withholding. The Company reserves the right to withhold, in accordance with applicable laws, from any consideration payable or property transferable to the Participant, any taxes required to be withheld by federal, state or local law as a result of the grant or exercise of the Option or the sale or other disposition of the Shares. If the amount of any consideration payable to the Participant is insufficient to pay such taxes or if no consideration is payable to the Participant, upon the request of the Company, the Participant will pay to the Company an amount sufficient for the Company to satisfy any federal, state or local tax withholding requirements applicable to and as a condition to the exercise of the Option or the sale or other disposition of the Shares issued upon the

exercise of the Option. The minimum required withholding obligations may be settled with the Shares.

- a. Code Section 409A. Under Code Section 409A, an option that was granted with a per share exercise price that is determined by the Internal Revenue Service (the “IRS”) to be less than the Fair Market Value of a share on the date of grant (a “discount option”) may be considered “deferred compensation.” An option that is a “discount option” may result in: (i) income recognition by the grantee prior to the exercise of the option; (ii) an additional twenty percent (20%) federal income tax; and (iii) potential penalty and interest charges. The “discount option” may also result in additional state income, penalty and interest tax to the grantee. The Participant acknowledges that the Company cannot and has not guaranteed that the IRS will agree that the per Share exercise price of the Option equals or exceeds the Fair Market Value of a Share on the date of grant in a later examination. The Participant agrees that if the IRS determines that the Option was granted with a per Share exercise price that was less than the Fair Market Value of a Share on the date of grant, the Participant shall be solely responsible for the Participant’s costs related to such a determination.
1. Entire Agreement; Governing Law. This Award Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes any and all prior undertakings and agreements of the Company and the Participant with respect to the subject matter hereof. This Award Agreement may not be amended except by means of a writing signed by the Company and the Participant, and, for the avoidance of doubt, if any provision of the Plan that is incorporated by reference herein and applicable to the Option is amended, and such amendment would adversely affect the Participant’s interest, then such amended provision shall not be given effect hereunder unless reflected in a writing signed by the Company and the Participant. This Award Agreement is governed by the internal substantive laws but not the choice of law rules of the State of Delaware.
1. No Guarantee of Continued Service. THE PARTICIPANT ACKNOWLEDGES AND AGREES THAT THIS AWARD AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREUNDER DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH THE PARTICIPANT’S RIGHT OR THE RIGHT OF THE COMPANY TO TERMINATE THE PARTICIPANT’S RELATIONSHIP WITH THE COMPANY AT ANY TIME, WITH OR WITHOUT CAUSE.
1. Administration. The Option, this Award Agreement and the rights of the Participant hereunder are subject to such rules and regulations as the Committee may adopt for administration of the Plan. Consistent with Section 3 of the Plan, it is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Option and this Award Agreement, all of which shall be binding upon the Participant and his successors.

1. Electronic Delivery of Documents. The Participant authorizes the Company and its affiliates to deliver electronically any prospectuses or other documentation related to the Option and any other compensation or benefit plan or arrangement in effect from time to time (including, without limitation, periodic reports, proxy statements or other documents that are required to be delivered to participants in such arrangements pursuant to federal or state laws, rules or regulations). For this purpose, electronic delivery will include, without limitation, delivery by means of e-mail or e-mail notification that such documentation is available on the Company's intranet site or the website of a third-party administrator designated by the Company. Upon written request, the Company will provide to the Participant a paper copy of any document also delivered to the Participant electronically. The authorization described in this paragraph may be revoked by the Participant at any time by written notice to the Company.

[Signature Page Follows]

The Participant hereby accepts the Option subject to all of the terms and provisions of this Award Agreement.

PARTICIPANT MISTRAS GROUP, INC.

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Manuel H. Stamatakis By:

Title:

*Signature Page to Inducement Award Agreement – Manuel H. Stamatakis*

# MISTRAS GROUP ANNOUNCES MAJOR LEADERSHIP TRANSITION

**Dr. Sotirios J. Vahaviolos Appointed Chairman Emeritus**

**Mr. Manuel N. Stamatakis Named Chairman of the Board and Interim CEO**

**Mr. Dennis M. Bertolotti, President and CEO, departs the Company**

**Mr. James J. Forese Appointed Lead Director and Chair of Corporate Governance Committee**

**PRINCETON JUNCTION, N.J. – October 9, 2023 (GLOBE NEWSWIRE)** – MISTRAS Group, Inc. (NYSE: MG), a leading "one source" multinational provider of integrated technology-enabled asset protection solutions, today announced a series of key leadership transitions that promise to guide the company into its next phase of growth and innovation.

Dr. Sotirios J. Vahaviolos is retiring as Executive Chairman after nearly 40 years of exceptional leadership and has been appointed Chairman Emeritus while remaining an active member of the Board of Directors. Succeeding him, the Board has appointed Mr. Manuel (Manny) N. Stamatakis as Chairman of the Board.

Mr. Dennis M. Bertolotti will be departing MISTRAS as its CEO, and the Board has asked Mr. Stamatakis to serve as the Interim CEO until a successor CEO is found.

Mr. James J. Forese, the current Chairman of the Audit Committee, has been named Lead Director and Chairman of the Corporate Governance Committee.

## **Board of Directors Commends Dr. Sotirios J. Vahaviolos for Distinguished Service**

"On behalf of the entire MISTRAS Board of Directors and all the shareholders who have benefited from his hard work, I congratulate Sotirios on his remarkable 40-year career," said Mr. Stamatakis. "We thank him for his vision, his pioneering spirit, his steadfast determination, and the enduring legacy he leaves to the company he founded, the industry he helped advance, as well as the countless people he has positively impacted. We are grateful that he has agreed to remain on the Board of Directors, where we will all continue to benefit from his vision, experience, and wisdom."

## **Dr. Sotirios J. Vahaviolos Acknowledges a Milestone Transition**

"For over four decades, I've had the honor of leading a remarkably talented team that transformed MISTRAS Group from a small operation in Princeton, New Jersey, to a global leader in the field of nondestructive testing. Thanks to the tireless efforts of Manny as our Lead Director and the advancement of the Project Phoenix initiative, it is an appropriate time for a leadership transition to advance my legacy and build upon our strong foundation. I'm especially pleased and grateful that Manny has agreed to also take on the role of interim CEO until a successor is found. Manny's many years of service to the MISTRAS Group as a member of every Committee and most recently as the architect and primary driver behind Project Phoenix has given him a deeper understanding of our Company and our growth

opportunities. I, along with the entire Board of Directors, have full confidence in Manny's leadership and thank him for taking on this role.

I also want to extend my thanks to Dennis for his 20 years of service, including his years as my first successor as CEO of the Company. I want to wish Dennis all the best as he enters the next phase of his journey.

As we turn the page on a new chapter, I have full confidence in our leadership and management's ability to generate shareholder value, which is why collectively, my family, family trust, and I continue to remain the largest owner of MISTRAS Group's outstanding common shares," said Dr. Vahaviolos.

### **Statement from Outgoing President and CEO Mr. Dennis M. Bertolotti**

"Having had the privilege to work alongside Sotirios and to lead a talented team at MISTRAS Group for many years, I believe the Company is now exceptionally well-positioned for future success. With key leadership roles filled and Project Phoenix well underway, my most important objectives have been met," said Mr. Bertolotti.

### **Mr. Manuel "Manny" N. Stamatakis Provides Strategic Outlook**

"I am honored to succeed Sotirios as the next Chairman of the Board of this great Company. I look forward to continuing to work with him and our Board Directors.

My immediate priority is to make sure that the focus of our management team is to improve shareholder value with the full implementation of Project Phoenix and to identify and engage the next CEO of the Company. The Board of Directors will initiate a search with a leading executive search firm to help the Board find its next CEO.

We will also be expanding the duties and responsibilities of our Chief Financial Officer, Ed Prajzner, as well as promoting an experienced MISTRAS manager, John Smith, to head our largest segment, North America (formerly Services), while adding an experienced business development professional, Gennaro (Jerry) D'Alterio as Executive Vice President and Chief Commercial Officer.

I am very excited about the new changes, and I look forward to working with them," said Mr. Stamatakis.

### **Mr. Manuel "Manny" N. Stamatakis' Background: A Tenure of Strategy and Governance**

Mr. Stamatakis has been a pivotal member of the MISTRAS Group Board since 2002, serving as Chair of the Governance Committee and Lead Director for the past decade. He has also served on the Audit and Compensation Committees. Mr. Stamatakis currently chairs the Project Phoenix Steering Committee, an initiative where he is both the chief architect and driving force. As a result, Mr. Stamatakis possesses significant knowledge of and insight into the organization, which has given him an understanding of how to leverage these strengths to unlock MISTRAS Group's inherent value.

An accomplished entrepreneur for over 30 years, Mr. Stamatakis is an executive officer of Capital Management Enterprises, Inc., a financial services and employee benefits consulting firm based in Pennsylvania.

Mr. Stamatakis has held multiple board and chairmanship positions over the years, including Chairman of the Delaware River Port Authority, The Drexel College of Medicine, the Pennsylvania Supreme Court Investment Advisory Board, and the Philadelphia Shipyard Development Corporation which was the catalyst to bringing shipbuilding back to the Philadelphia region. He earned a B.S. in Industrial Engineering from Pennsylvania State University and received an honorary Doctor of Business Administration from Drexel University.

### **Mr. James J. Forese's New Governance Role**

Mr. Forese, Director and Chair of the Audit Committee, has been appointed Lead Director and Chair of the Corporate Governance Committee, filling the roles vacated by Mr. Stamatakis' appointments and reinforcing the Board's governance structure. Mr. Forese has a long history serving on the MISTRAS Group Board and its Committees. Mr. Forese has vast experience and demonstrated success as an executive, possessing knowledge and experience in business leadership, banking, finance, and technology, along with public and private company board experience. Mr. Forese's experience with audit committees and his tenure as Vice President of Finance and Controller at IBM provides the MISTRAS Group Board with an audit committee financial expert, which further strengthens key functions of the Board and its Committees' oversight.

### **Key New Executive Management Appointments**

Mr. Edward J. Prajzner was appointed Senior Executive Vice President and Chief Financial Officer in March 2023 and joined MISTRAS Group in January 2018. He leads all of MISTRAS' financial and IT areas and Investor Relations. In addition, he also oversees all commercial functions initiated under Project Phoenix. Before joining MISTRAS Group, Mr. Prajzner was Executive Vice President of Corporate Development, as well as Chief Financial Officer and Secretary of CECO Environmental Corp, a publicly traded global diversified and energy technology company. He began his career with Ernst & Young and held senior financial positions with several large public companies.

Mr. John A. Smith was appointed Executive Vice President and President of Services, effective October 1, 2023. Since 2017, Mr. Smith has served as Senior Vice President of Operations, managing the strategic plan and financial performance for operations primarily in the East and Midwest regions. He played a crucial part in broadening MISTRAS Group's footprint in the aerospace and defense sectors, notably through the successful acquisition and integration of aerospace inspection provider West Penn Testing Group. Additionally, the MISTRAS aerospace hubs in Heath, Ohio, and Ellabell, Georgia, saw significant growth in service lines under his leadership.

Gennaro (Jerry) D'Alterio was appointed Executive Vice President and Chief Commercial Officer in September 2023. This strategic hire supports MISTRAS' ongoing commitment to commercial transformation and builds on the foundational work of Project Phoenix. Mr. D'Alterio has over 20 years of proven executive leadership, driving commercial transformations. He will focus on accelerating profitability, defining go-to-market strategies, and implementing best-in-class commercial operating models to enhance growth across the organization.

### **Special Conference Call**

In connection with this release, MISTRAS will hold a special conference call on October 10, 2023, at 10:30 am Eastern Time. To listen to the live webcast of the conference call, visit the Investor Relations section of MISTRAS Group's website at [www.mistrasgroup.com](http://www.mistrasgroup.com).

### **About MISTRAS Group, Inc. - One Source for Asset Protection Solutions®**

MISTRAS Group, Inc. (NYSE: MG) is a leading "one source" multinational provider of integrated technology-enabled asset protection solutions, helping to maximize the safety and operational uptime for civilization's most critical industrial and civil assets.

Backed by an innovative, data-driven asset protection portfolio, proprietary technologies, strong commitment to Environmental, Social, and Governance (ESG) initiatives, and a decades-long legacy of industry leadership, MISTRAS Group leads clients in the oil and gas, aerospace and defense, renewable and nonrenewable power, civil infrastructure, and manufacturing industries towards achieving operational

and environmental excellence. By supporting these organizations that help fuel our vehicles and power our society, inspecting components that are trusted for commercial, defense, and space craft; building real-time monitoring equipment to enable safe travel across bridges; and helping to propel sustainability, MISTRAS Group helps the world at large.

MISTRAS Group enhances value for its clients by integrating asset protection throughout supply chains and centralizing integrity data through a suite of Industrial IoT-connected digital software and monitoring solutions. The company's core capabilities also include nondestructive testing field and in-line inspections enhanced by advanced robotics, laboratory quality control and assurance testing, sensing technologies and NDT equipment, asset and mechanical integrity engineering services, and light mechanical maintenance and access services.

For more information about how MISTRAS Group helps protect civilization's critical infrastructure and the environment, visit <https://www.mistrasgroup.com/>.

### **Forward-Looking and Cautionary Statements**

Certain statements made in this press release are "forward-looking statements" about MISTRAS Group's financial results and estimates, products and services, business model, strategy, growth opportunities, profitability and competitive position, and other matters. These forward-looking statements generally use words such as "future," "possible," "potential," "targeted," "anticipate," "believe," "estimate," "expect," "intend," "plan," "predict," "project," "will," "may," "should," "could," "would" and other similar words and phrases. Such statements are not guarantees of future performance or results, and will not necessarily be accurate indications of the times at, or by which, such performance or results will be achieved, if at all. These statements are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in these statements. A list, description and discussion of these and other risks and uncertainties can be found in the "Risk Factors" section of the Company's 2022 Annual Report on Form 10-K dated March 15, 2023, as updated by our reports on Form 10-Q and Form 8-K. The forward-looking statements are made as of the date hereof, and MISTRAS Group undertakes no obligation to update such statements as a result of new information, future events or otherwise.

### **Media Contact:**

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