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

**SCHEDULE 14A**  
(Rule 14a-101)

**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a)  
of the Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

**Mistras Group, Inc.**

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(Name of Registrant as Specified in Its Charter)

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(Name of Person(s) Filing Proxy Statement, if Other Than Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:  
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- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
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  - (4) Date Filed:  
\_\_\_\_\_



**Mistras Group, Inc.**  
**195 Clarksville Road**  
**Princeton Junction, New Jersey 08550**

**April 13, 2022**

Dear Mistras Shareholder:

I am pleased to invite you to attend the 2022 Annual Shareholders Meeting of Mistras Group, Inc. The meeting will be held on Monday, May 23, 2022 at 11:00 a.m., Eastern Time. While the COVID-19 coronavirus does appear to be under control, we have decided to have the annual meeting conducted completely virtually, via a live webcast as a precaution. You will be able to attend and participate in our annual meeting by visiting [www.virtualshareholdermeeting.com/MG2022](http://www.virtualshareholdermeeting.com/MG2022), where you will be able to listen to the meeting live, vote your shares and submit questions. There will be no physical meeting location.

At the annual meeting, you and our other shareholders will be asked to vote on the following:

- the election of eight directors to our Board of Directors;
- the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for 2022;
- the approval of an amendment to the Mistras Group, Inc. 2016 Long-Term Incentive Plan to increase the number of shares authorized for issuance;
- an advisory vote on our executive compensation; and
- any other business which properly comes before the meeting.

You are entitled to participate in the virtual meeting if you were a shareholder as of the close of business on March 28, 2022, the record date, or hold a legal proxy for the meeting provided by your bank, broker, or nominee. To participate in the meeting webcast at [www.virtualshareholdermeeting.com/MG2022](http://www.virtualshareholdermeeting.com/MG2022), you must enter the control number found on your proxy card, voting instruction form or notice you receive. You may vote online during the meeting by following the instructions available on the meeting website during the meeting. Whether or not you plan to attend the annual meeting online, we urge you to vote and submit your proxy in advance of the meeting by one of the methods described in the proxy materials for the annual meeting.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sotirios Vahaviolos".

Sotirios J. Vahaviolos, Ph.D.  
*Executive Chairman of the Board*

A handwritten signature in blue ink, appearing to read "Dennis Bertolotti".

Dennis Bertolotti  
*President and Chief Executive Officer*

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**Mistras Group, Inc.**  
**195 Clarksville Road**  
**Princeton Junction, New Jersey 08550**

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**Notice of Annual Meeting**

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April 13, 2022

The 2022 Annual Shareholders Meeting of Mistras Group, Inc. will be held on Monday, May 23, 2022 at 11:00 a.m., Eastern Time. The meeting will be held exclusively via webcast at [www.virtualshareholdermeeting.com/MG2022](http://www.virtualshareholdermeeting.com/MG2022). There will be no physical location of the meeting and you will only be able to attend the annual meeting via the webcast. The details of the meeting are as follows:

**When:** 11:00 a.m., Eastern Time, Monday, May 23, 2022

- Items of Business:**
- Election of eight directors, constituting the entire Board of Directors.
  - Ratification of KPMG LLP as our independent registered public accounting firm for 2022
  - Approval of amendment to the Mistras Group, Inc. 2016 Long-Term Incentive Plan to increase the number of shares authorized for issuance.
  - Advisory vote on our executive compensation
  - Such other matters as may properly come before the meeting or at any adjournment or postponement thereof.

**Where:** Webcast at [www.virtualshareholdermeeting.com/MG2022](http://www.virtualshareholdermeeting.com/MG2022)

**Who can vote:** Holders of Mistras Group, Inc. common stock as of the close of business on March 28, 2022 are entitled to vote at the meeting and any adjournment or postponement of the meeting.

**Attending the Meeting:** Shareholders as of the close of business on March 28, 2022, or their duly appointed proxies, may attend the meeting online. To attend the 2022 annual meeting, go to [www.virtualshareholdermeeting.com/MG2022](http://www.virtualshareholdermeeting.com/MG2022), then enter the control number found on your proxy card, voting instruction form or notice you receive. You may vote during the meeting by following the instructions available on the meeting website during the meeting.

**Voting by proxy:** Please submit your proxy and/or voting instructions as described in the accompanying proxy statement or other proxy materials you receive promptly so that a quorum may be represented at the meeting.

By order of the Board of Directors

MICHAEL C. KEEFE  
*Executive Vice President,  
General Counsel and Secretary*

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS.**

This Proxy Statement and the Mistras Group, Inc.'s 2021 Annual Report are available electronically on the Internet at [www.proxyvote.com](http://www.proxyvote.com) and on the Company's website at <http://investors.mistrasgroup.com/financials.cfm>

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Exhibit A: Third Amendment to Mistras Group, Inc. 2016 Long-Term Incentive Plan

Exhibit B: Mistras Group, Inc. 2016 Long-Term Incentive Plan

Exhibit C: Reconciliation of Non-GAAP Financial Measurements Used for Determining Incentive



## PROXY STATEMENT

### GENERAL INFORMATION

We are providing these proxy materials in connection with the solicitation by our Board of Directors of proxies to be voted at our 2022 annual meeting of shareholders (“2022 Annual Meeting”) and at any adjournment or postponement of the meeting. You are invited to attend the 2022 Annual Meeting, which will take place on May 23, 2022, beginning at 11:00 a.m., Eastern Time, via a webcast over the Internet at [www.virtualshareholdermeeting.com/MG2022](http://www.virtualshareholdermeeting.com/MG2022).

The terms “Mistras,” the “Company,” “we,” “our” and “us” mean Mistras Group, Inc. and the term “Board” means our Board of Directors, unless the context indicates otherwise. We are incorporated in the State of Delaware, and our common stock trades on the New York Stock Exchange (“NYSE”) under the symbol “MG.” Our fiscal year ends December 31.

**Proxy Solicitation.** The accompanying proxy is being solicited by our Board. The Notice of Annual Meeting and this proxy statement and proxy card or voting instructions are first being distributed to shareholders on or about April 13, 2022. In addition to this solicitation, employees of the Company may solicit proxies by telephone. All costs of the solicitation of proxies will be borne by the Company. On the proxy card or voting instruction included in the materials, a shareholder of record (that is, a shareholder who holds the shares in his, her or its own name with our transfer agent, American Stock Transfer & Trust Company) may substitute the name of another person in place of those persons presently named as proxies. In order to vote, a substitute proxy must present adequate identification to the Corporate Secretary or Inspector of Election for the meeting before the voting occurs.

At the 2022 Annual Meeting, the proxies appointed by the Board (the persons named in the proxy card or voting instructions) will vote your shares as you instruct. If you complete and submit your proxy without indicating how you would like to vote your shares, your proxy will be voted as the Board recommends.

**Internet Availability of Proxy Materials.** We are using the Internet as our primary means of furnishing proxy materials to shareholders as permitted by the rules of the Securities and Exchange Commission (“SEC”). Consequently, most shareholders will not receive paper copies of our proxy materials. We will instead send shareholders a Notice of Internet Availability of Proxy Materials with instructions for accessing the proxy materials, including our proxy statement and annual report, and voting via the Internet. The Notice of Internet Availability of Proxy Materials also provides information on how shareholders may obtain paper copies of our proxy materials if they so choose and how to attend the 2022 Annual Meeting via the Internet. This makes the proxy distribution process more efficient, less costly and helps conserve natural resources. If you previously elected to receive our proxy materials electronically, these materials will continue to be sent electronically unless you change your election.

**Voting Recommendation of the Board.** The Board recommends that shareholders vote:

- FOR each of the eight nominees of the Board of Directors (Item 1);
- FOR the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for 2022 (Item 2);
- FOR the approval of the amendment to the Mistras Group, Inc. 2016 Long-Term Incentive Plan to increase the number of shares authorized for issuance (Item 3); and
- FOR the approval, on an advisory basis, of the compensation of our named executive officers (Item 4).

**Shareholders Entitled to Vote, Quorum.** Shareholders of record of our common stock at the close of business on March 28, 2022 are entitled to notice of and to vote at the 2022 Annual Meeting and any adjournments or postponements of the meeting. Each share entitles its owner to one vote. The holders of a majority of the shares entitled to vote at the meeting must be present or represented by proxy in order to constitute a quorum for all matters to come before the meeting. Both abstentions and broker non-votes are counted for the purpose of determining the presence of a quorum. On the record date, we had 29,545,813 shares outstanding.

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**Votes Needed.** The following chart sets forth the proposals to be considered at the meeting, the voting choices for each proposal, the votes needed to elect directors and for each other agenda item to pass, and the manner in which votes will be counted.

<b>Agenda Item</b>	<b>Voting Options</b>	<b>Votes Needed</b>	<b>Effect of Abstentions</b>	<b>Effect of Broker Non-Votes</b>
1. Election of Directors	For all nominees or withhold with respect any or all nominees.	Plurality, meaning the eight nominees receiving the most votes for their election will be elected.	No effect.	No effect. No broker discretion to vote.
2. Ratification of Appointment of Auditors	For, against, or abstain.	Majority of the shares present or represented at the meeting and entitled to vote on the matter.	Counted as vote. Same effect as vote against.	Brokers have discretion to vote.
3. Approval of amendment to Mistras Group, Inc. 2016 Long-Term Incentive Plan to increase the number of shares authorized for issuance	For, against, or abstain.	Majority of the shares present or represented at the meeting and entitled to vote on the matter.	Counted as vote. Same effect as vote against.	No effect. No broker discretion to vote.
4. Advisory Vote on Executive Compensation	For, against, or abstain.	Majority of the shares present or represented at the meeting and entitled to vote on the matter.	Counted as vote. Same effect as vote against.	No effect. No broker discretion to vote.

For Item 1, Election of Directors, as set forth in the Director Resignation Policy described on Page 8, each director has agreed that if he or she receives more “Withheld” votes than “For” votes, the director will tender his or her resignation for consideration by the Corporate Governance Committee and the independent members of the Board.

**How to Vote.** Shares held in your name as the shareholder of record may be voted by you online at the 2022 Annual Meeting. Shares held beneficially in street name may be voted by you online at the 2022 Annual Meeting only if you obtain a legal proxy from the bank, broker, trustee or nominee that holds your shares giving you the right to vote the shares. Even if you plan to attend the 2022 Annual Meeting online, we recommend that you also submit your proxy or voting instructions as described below so that your vote will be counted if you later decide not to attend the meeting online.

You have the option of voting your shares over the Internet, by telephone or completing and returning a proxy card or voting instruction card. Voting over the Internet or telephone authorizes the named proxies to vote your shares as you direct. If you receive paper copies of our proxy materials and/or a proxy card or voting instruction card, you can also vote by marking, signing, and returning your proxy card or voting instruction card as directed in the materials you receive. More information on how to vote by proxy is included in the proxy materials.

If any matters are properly presented for consideration at the 2022 Annual Meeting, the persons named in the proxy card will have discretion to vote on those matters in accordance with their best judgment. We do not currently anticipate that any other matters will be raised at the 2022 Annual Meeting.

**Changing Your Vote.** You may change your vote at any time before the proxy is exercised. If you vote by mail, you may revoke your proxy at any time before it is voted by executing and delivering a timely and valid later-dated proxy, by voting online during the meeting or by giving written notice to the Secretary at 2022annualmeeting@mistrasgroup.com. If you vote over the Internet or by telephone, you may also change your vote with a timely and valid later Internet or telephone vote, as the case may be, or by voting online during the meeting.

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Attending the meeting online will not have the effect of revoking a proxy unless you give proper written notice of revocation to the Corporate Secretary or Inspector of Election before the proxy is exercised or you vote online at the meeting via the webcast.

***Effect of Not Casting Your Vote.*** If your shares are registered directly in your name with our transfer agent, American Stock Transfer & Trust Company, you are a record holder of your shares of Mistras common stock. If you hold your shares through a bank, broker or other intermediary, which is commonly referred to as holding your shares in “street name,” you are a beneficial holder but not a record holder. If you hold your shares in street name and want your shares to count on Item 1 (election of directors), Item 3 (the amendment to the Mistras Group, Inc. 2016 Long-Term Incentive Plan to increase the number of shares authorized for issuance), or Item 4 (advisory vote on executive compensation), you will need to instruct your bank or broker how you want your shares voted. If you hold your shares in street name and you do not instruct your bank or broker how to vote on Items 1, 3 or 4, no votes will be cast on your behalf on any of these items for which you did not provide voting instructions. Your bank or broker will have discretion to vote any uninstructed shares on the ratification of the appointment of the Company’s independent registered public accounting firm (Item 2). Abstentions for Items 2, 3 or 4 will have the practical effect of a vote against such Item.

If you are a shareholder of record and do not return your proxy or attend the meeting online, your shares will not be considered present at the meeting for voting purposes or determining whether we have a quorum and no votes will be cast for your shares at the meeting. If you return your proxy but do not cast your vote on your proxy, your shares will be voted as directed by the Board, which will be in favor of all the nominees listed in Item 1 and in favor of Items 2, 3 and 4. If you return your proxy but abstain from voting on one or more of the items of business, no votes will be cast on your behalf on any of the items of business at the meeting on which you abstained, but your shares will be counted for determining whether a quorum is present to conduct the meeting.

***Attending the Meeting.*** You are entitled to attend the annual meeting only if you were a Mistras shareholder or joint holder as of the record date, the close of business on March 28, 2022, or you hold a valid legal proxy for the 2022 Annual Meeting. We will be hosting the 2022 Annual Meeting live via webcast, with no physical location. A summary of the information you need to attend the 2022 Annual Meeting online is provided below:

- Any shareholder can attend the 2022 Annual Meeting live via the Internet at: [www.virtualshareholdermeeting.com/MG2022](http://www.virtualshareholdermeeting.com/MG2022).
- Webcast starts at 11:00 a.m. Eastern time on Monday, May 23, 2022.
- Please have your control number to access the 2022 Annual Meeting webcast. The control number appears on the proxy card, in the Notice of Internet Availability of Proxy Materials, or in the instructions that accompanied your proxy materials.
- Instructions on how to attend and participate via the Internet, including how to demonstrate proof of stock ownership, are posted at [www.virtualshareholdermeeting.com/MG2022](http://www.virtualshareholdermeeting.com/MG2022).
- Shareholders may vote and submit questions while attending the 2022 Annual Meeting on the Internet.

Assistance with questions regarding how to attend and participate via the Internet will be provided at [www.virtualshareholdermeeting.com/MG2022](http://www.virtualshareholdermeeting.com/MG2022) on the day of the 2022 Annual Meeting.

***Tabulating the Votes.*** A representative from Broadridge Financial Services will tabulate the votes and will serve as Inspector of Election for the 2022 Annual Meeting.

***Voting Results.*** We will announce preliminary voting results at the meeting. Voting results will also be disclosed in a Form 8-K filed with the SEC soon after the meeting, which will be available on our website.

## CORPORATE GOVERNANCE

### Overview

Our Board is committed to maintaining good corporate governance practices and believes this is an important element of our long-term success and the enhancement of shareholder value. The Board has adopted and adheres to corporate governance guidelines and practices that the Board and senior management believe are sound and promote this purpose. Our Board continuously reviews our governance practices and updates them, as appropriate, based upon Delaware law (the state in which we are incorporated), NYSE rules and listing standards, and SEC regulations, as well as best practices suggested by recognized governance authorities.

All our relevant corporate governance documents are available on the corporate governance section of the investor page of our website at <http://investors.mistrasgroup.com/governance.cfm>. At this site, shareholders can view our:

#### Committee Charters

- Audit Committee Charter
- Compensation Committee Charter
- Corporate Governance Committee Charter
- Environmental, Social, and Safety Committee Charter

#### Key Governance Policies and Guidelines

- Corporate Governance Guidelines
- Director Nominating Process and Policy
- Director Qualification Criteria
- Director Resignation Policy
- Related Person Transaction Policy
- Stock Ownership Guidelines
- Securityholder Communication Policy

#### Policies and Guidelines Regarding Conduct

- Code of Conduct
- Code of Ethics for Principal Executive and Senior Financial Officers
- Complaint Procedures for Accounting and Auditing Matters
- Insider Trading Compliance Policy
- Incentive Compensation Recoupment Policy for Executive Officers

### Board of Directors and Director Independence

Our Board has set the number of directors for the Board at eight and currently the eight members consist of Dennis Bertolotti, Nicholas DeBenedictis, James J. Forese, Richard H. Glanton, Michelle J. Lohmeier, Charles P. Pizzi, Manuel N. Stamatakis and Sotirios J. Vahaviolos.

In March 2022, the Board and Corporate Governance Committee undertook a review of the independence of the directors and considered whether any director has a relationship with us that would preclude a determination of independence within the meaning of the rules of the NYSE. As a result of this review, our Board determined that Ms. Lohmeier and Messrs. DeBenedictis, Forese, Glanton, Pizzi and Stamatakis, representing six of our eight current directors and all our current non-employee directors, are “independent directors” as defined under the NYSE rules because none of these directors had any material relationships with the Company.

In making this determination, the Board took into account that Manuel Stamatakis is an Executive Officer of Capital Management Enterprise (“CME”) and was previously the owner of CME. CME provides benefits consulting services to the Company. The Company did not pay any fees to CME in 2021. The compensation received by CME in 2021

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for work related to Mistras was paid directly to CME by the third-party benefits providers in the form of normal and customary commissions. The remaining independent directors considered all the facts and circumstances, including the fees CME received from third parties related to work with Mistras, and determined that Mr. Stamatakis satisfies the independence requirements of the NYSE and the SEC for directors serving on the Audit Committee and the Compensation Committee.

### **Committees of the Board**

Our Board has had four standing committees: Audit Committee, Compensation Committee, Corporate Governance Committee and, established in September 2020, Environmental Social and Safety Committee. Each committee operates pursuant to a written charter and all committees are comprised solely of independent directors. The composition of the committees is set forth below and a description of each committee follows.

<u>Director</u>	<u>Audit Committee</u>	<u>Compensation Committee</u>	<u>Corporate Governance Committee</u>	<u>Environmental, Social and Safety Committee</u>
Nicholas DeBenedictis	Member			Member
James Forese	Chair	Member		
Richard Glanton		Member	Member	Chair
Michelle Lohmeier		Chair		Member
Charles Pizzi	Member		Member	
Manuel Stamatakis	Member	Member	Chair	Member

### ***Audit Committee***

Our Board has determined that each member of our Audit Committee meets the requirements for independence and financial literacy and that Messrs. DeBenedictis and Forese qualify as audit committee financial experts under the applicable requirements of the NYSE and SEC rules and regulations. The Audit Committee is responsible for, among other things:

- selecting and hiring our independent registered public accounting firm and approving the audit and non-audit services to be performed by our independent registered public accounting firm;
- evaluating the qualifications, performance and independence of our independent registered public accounting firm;
- monitoring the integrity of our financial statements and our compliance with legal and regulatory requirements as they relate to financial statements and accounting matters;
- reviewing the adequacy and effectiveness of our internal control policies and procedures;
- discussing the scope and results of the audit with the independent registered public accounting firm and reviewing with management and the independent registered public accounting firm our interim and year-end operating results;
- preparing the audit committee report included in our proxy statement; and
- overseeing our risk management and information technology and data security functions, including cybersecurity.

### ***Compensation Committee***

All the members of our Compensation Committee qualify as independent. The Compensation Committee is responsible for, among other things:

- reviewing and approving the following for our executive officers: annual base salaries, cash and equity incentive compensation, including specific goals, targets and amounts, other equity compensation, employment agreements, severance and change in control arrangements and any other benefits, compensation or arrangements;
- reviewing and approving the compensation discussion and analysis and issuing the compensation committee report included in our proxy statement;

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- appointing, overseeing and determining the work and compensation of any compensation consultant, independent legal counsel or other adviser retained by the compensation committee; and
- administering, reviewing and making recommendations with respect to our equity compensation plans.

### ***Corporate Governance Committee***

Our Corporate Governance Committee is responsible for, among other things:

- assisting our Board in identifying prospective director nominees and recommending to the Board nominees for election at each annual meeting of shareholders;
- reviewing our corporate governance principles and practices and recommending changes, as appropriate, in light of developments in governance practices;
- overseeing the evaluation of our Board and management;
- reviewing succession planning;
- recommending members for each Board committee to our Board;
- reviewing compensation programs for our outside directors; and
- reviewing and monitoring our code of conduct and actual and potential conflicts of interest of members of our Board and our executive officers.

### ***Environmental, Social and Safety Committee***

Our Environmental, Social and Safety Committee is responsible for, among other things:

- reviewing and providing guidance to management on environmental and sustainability issues and impacts, and the integration of environmental compliance and sustainability into the Company's business, including innovation, product design, manufacturing and sourcing, and operations;
- reviewing and overseeing the Company's health and safety programs, policies and practices;
- reviewing and overseeing management's social responsibility programs, policies and practices, including those involving corporate social responsibility, human rights, and workplace diversity and inclusion;
- Overseeing the Company's management of its risks and opportunities related to climate change and direct any findings related to such matters to any other appropriate committee of the Board.
- reviewing the activities of the Company's community and social impact initiatives;
- reviewing the reporting to various stakeholders regarding corporate social responsibility; and
- reviewing provide guidance to management, and report to the Board regarding the involvement of significant corporate social responsibility issues in major business decisions, to protect the Company's goodwill and human and intellectual capital.

### **Board Leadership Structure**

Under our corporate governance guidelines, the Board does not have a policy on whether the roles of the Chairman and Chief Executive Officer, or CEO, should be separate or combined. The Board believes it should be free to determine what is best for the Company at a given point in time, as different leadership structures for a board of directors have their own advantages and disadvantages, which must be considered in the context of the specific circumstances, culture and challenges facing a company.

For several years, the Board has separated the roles of Chairman and CEO, with Dennis Bertolotti serving as President and CEO and Dr. Vahaviolos serving as our Executive Chairman since 2017. This enables Dr. Vahaviolos, as our founder and long-term Chairman and for many years our President and CEO, to continue contributing his in-depth knowledge of the issues, opportunities and challenges we face, while Mr. Bertolotti, as CEO, can provide his insights as to the market, strategy and day-to-day operations.

### **Lead Director**

The Board established the position of independent Lead Director, which the Board determined should be the chair of the Corporate Governance Committee. Mr. Stamatakis serves as the chair of the Corporate Governance Committee

and the Lead Director. The Lead Director serves as a liaison between management and non-management members of the Board; participates in setting the agenda for Board meetings; leads the executive sessions, including follow up actions; and is involved in other governance matters. The Board determined that the Lead Director continues to serve an important role for the independent directors with the separation of the Chairman and CEO roles.

### **Code of Ethics and Code of Conduct**

We have a Code of Ethics for Executive Officers and Senior Financial Officers and Managers, which applies to our CEO, chief financial officer (“CFO”), chief accounting officer, all other executive officers, the controller, the treasurer, the director of audit, the director of tax, the managing directors and controllers of international operations and other finance and accounting managers designated by the CEO or the CFO. This code of ethics requires that our leaders covered by the code act with honesty, integrity and a high level of ethics. This code also requires full, fair, timely and accurate reporting and disclosure of information in our reports to the SEC and to the public. We also have a Code of Conduct that applies to all our employees, officers and directors. Our Code of Conduct establishes guidelines for honesty and professionalism we expect all Mistras directors, officers and employees to follow at all times when representing or working for Mistras and is intended to foster an atmosphere of high integrity and accountability. The Code of Conduct requires all to comply with all laws and regulations and addresses issues such as dealing with customers and suppliers, protecting valuable company assets, avoiding conflicts of interest, and other matters involving good corporate conduct.

### **Nomination of Directors**

The Corporate Governance Committee is responsible for identifying individuals qualified to become Board members and for recommending nominees to the Board for election at the annual meeting of shareholders or to fill vacancies on the Board between shareholder meetings. To facilitate this process, the Corporate Governance Committee and the Board adopted our Director Nominating Process and Policy and the Director Qualification Criteria. The Director Nominating Process and Policy and the Director Qualification Criteria articulate a process and qualifications that are clear, specific and prudent to help the Corporate Governance Committee and the Board identify and select qualified directors to meet our needs and provide a well-functioning Board.

In accordance with the policy, the Corporate Governance Committee considers the Board’s current and anticipated strengths and needs. Among the criteria considered by the committee are experience or expertise in accounting, finance, management, international business, compensation, corporate governance, strategy, general business matters and industry knowledge, as well as diversity within the Board. The Board and the Corporate Governance Committee take diversity into account when considering potential director candidates.

As set forth in the Director Qualification Criteria, the Board seeks candidates for director who possess the following: (1) the highest level of integrity and ethical character, (2) personal and professional reputation consistent with the Company’s image and reputation, (3) sound judgment, (4) financial literacy, (5) independence, (6) significant experience and proven superior performance in professional endeavors, (7) an appreciation for board and team performance, (8) the commitment to devote the time necessary for service on our Board, (9) skills in areas that will benefit the Board and (10) the ability to make a long-term commitment to serve on the Board. The Corporate Governance Committee is also cognizant of having at least one independent director who meets the definition of an audit committee financial expert under SEC rules. As part of its in-depth review of its committee charters and governance policies and practices described below, the Board also added to the Director Qualification Criteria that the Board shall strive to have directors who are diverse in experience, gender, race, ethnicity and age.

The Corporate Governance Committee may rely on various sources to identify potential director nominees. These include input from directors, management, others the Corporate Governance Committee considers reliable, and professional search firms. The Corporate Governance Committee will consider director nominations made by a shareholder or other sources (including self-nominees) if these individuals meet our Director Qualification Criteria. If a candidate proposed by a shareholder or other source meets the criteria, the individual will be considered on the same basis as other candidates. For consideration by the Corporate Governance Committee, the submission of a candidate must be sent to the attention of the Corporate Secretary at our headquarters at 195 Clarksville Road, Princeton Junction, New Jersey 08550. The submission should be received by January 3, 2023 in order to receive adequate consideration for the 2023 annual meeting and must include sufficient details to demonstrate that the potential candidate meets the Director Qualification Criteria. For a shareholder to nominate a director for election, the shareholder must meet the requirements of our bylaws and make the nomination in the time required by our bylaws, as set forth on page [42](#) under “Shareholder Proposals and Other Matters.”

**Director Resignation Policy**

The Board has a Director Resignation Policy which provides that, in an uncontested election for directors, if a nominee for director receives more votes “withheld” or “against” than votes “for” his or her election, the director will promptly tender an offer of his or her resignation following certification of the shareholder vote. An uncontested election is any election of directors in which the number of nominees for election is less than or equal to the number of directors to be elected.

The Corporate Governance Committee will consider and recommend to the Board whether to accept the resignation offer, which the independent members of the Board will decide. The Corporate Governance Committee and Board will evaluate any such tendered resignation based upon the best interests of the Company and its shareholders. When deciding the action to take, the Board could accept or turn down the offer of resignation or decide to pursue additional actions such as the following:

- allow the director to remain on the Board but not be nominated for re-election to the Board at the next election of directors;
- defer acceptance of the resignation until the vacancy the resignation will create can be filled by the Board with a replacement director meeting the necessary qualifications; or
- allow the director to remain on the Board if, in the view of the Corporate Governance Committee, the director has or is expected to correct the reason for the negative vote.

In addition, the policy provides that if a director’s principal occupation or business association changes substantially during his or her tenure as a director (other than as a result of retirement), the director shall tender his or her resignation for consideration by the Corporate Governance Committee. The Corporate Governance Committee, in consultation with the Chairman of the Board, will recommend to the Board the action, if any, to be taken with respect to the resignation.

**Stock Ownership Guidelines and Incentive Compensation Recoupment Policy**

The Board adopted stock ownership guidelines for all directors and executive officers. Non-employee directors are required to hold all shares awarded during the prior three years. All our non-employee directors are in compliance with the guidelines. The guidelines for our executive officers are discussed on page 34 in the Compensation Discussion and Analysis. The Board has also adopted an Incentive Compensation Recoupment Policy (often referred to as a claw-back policy), which is also discussed on page 34 in the Compensation Discussion and Analysis.

**Other Key Governance Matters**

**Board Oversight of Risk Management.** The Board believes that overseeing how management manages the various risks the Company faces is one of its important responsibilities. The risk oversight function is led by the Board and the Audit Committee, but some areas are administered by committees tasked by the Board with oversight of specific risks, as summarized below.

<u>Board/Committee</u>	<u>Primary Areas of Risk Oversight</u>
Full Board of Directors	Strategic, financial and execution risks and exposures associated with the annual plan, and strategic planning (including matters affecting capital allocation); other matters that may present material risk to the Company’s operations, plans, prospects or reputation; and acquisitions and divestitures (including through post-closing reviews).
Audit Committee	Risks and exposures associated with financial matters, particularly financial reporting, tax, accounting, disclosure, internal control over financial reporting, financial policies, investment guidelines, credit and liquidity matters, compliance matters, management’s risk management programs, and information technology, data and cyber security.
Corporate Governance Committee	Risks and exposures relating to our programs and policies for corporate governance and succession planning.

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<u>Board/Committee</u>	<u>Primary Areas of Risk Oversight</u>
Compensation Committee	Risks and exposures associated with leadership assessment, management development, and executive compensation programs and arrangements, including incentive plans. The Compensation Committee reviews compensation arrangements and programs to ensure that they do not create incentives for employees to take excessive or inappropriate risks which could have a material adverse effect on the Company.
Environmental, Social and Safety Committee	Risks and exposures associated with our activities as a corporate citizen and policies in that regard, our activities pertaining to environmental matters and sustainability, and activities, policies and practices pertaining to employee and workplace safety.

The Board and its committees receive information and reports from management on the status of the Company and the risks associated with the Company’s strategy and business plans.

The Board believes the current Board structure of separating the Chairman and CEO roles helps to provide an effective structure for the Board to understand the risks associated with the Company’s strategic plans and objectives. Additionally, maintaining an independent Board with a Lead Director permits open discussion and assessment of our ability to manage these risks.

**Meetings** The following chart sets forth the number of meetings held by the Board and each of the four standing committees in 2021, and the number of private or executive sessions (sessions of only independent directors without management) held by each in 2021.

	<u>Meetings</u>	<u>Executive Sessions</u>
Board of Directors	8	4
Audit Committee	9	4
Compensation Committee	5	4
Corporate Governance Committee	4	—
Environmental, Social and Safety Committee	4	—

Each director attended at least 75% of the total meetings of the Board and the committees on which the director served. As for the Environmental, Social and Safety Committee, the committee members had 100% attendance and all the meetings for this Committee were also attended by all other directors who were not committee members. Due to the interest our directors have in the activities of all committees and our meeting schedule, all our directors attended 17 of the 22 meetings of the Board committees held in 2021, and in the 5 committee meetings at which not all non-committee member directors attended, half or more of the non-committee members attended.

**Annual Meeting Attendance.** The Company expects all directors (who are also all the director nominees) to attend the 2022 Annual Meeting. All our directors elected at our 2021 annual shareholders meeting attended that meeting.

**Communication with the Board.** Shareholders, employees and others may contact the Board or any of the Company’s directors (including the Lead Director) by writing to them c/o Corporate Secretary, Mistras Group, 195 Clarksville Road, Princeton Junction, New Jersey 08550. The Company’s process for handling communications to the Board or the individual directors is set forth in our Securityholder Communication Policy.

**Term Limits; Mandatory Retirement.** The Board has decided not to have term limits or a mandatory retirement age for directors. The Board believes that a director should be evaluated based upon his or her abilities and contributions to the Board and an assessment of that individual’s qualities and qualifications to continue to serve as a director on the Board. Term limits and mandatory retirement may deprive the Board of a valuable member with significant insight and knowledge of Mistras and our industry.

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**Review of Charters and Policies:** In 2021, led by the Corporate Governance Committee, the Board and the committees undertook an extensive review of all committee charters and the governance policies, guidelines and practices. In general, the Board found that the charters, policies, guidelines and practices were effective and compliant, but a few changes were made, including:

- Clarifying some of the duties of the Environmental, Social and Safety Committee to ensure proper attention is given to these initiatives.
- Documenting the role of the Audit Committee in overseeing the Company's risk management, information technology and data and cyber security functions.
- Stating in the Director Qualification Criteria that the Board shall strive to have directors who are diverse in experience, gender, race, ethnicity and age.

**Review of Cyber Security:** In 2021, as it has done in the past, the Audit Committee reviewed with management the Company's information technology function, including data and cyber security and the plans for further enhancement of these functions as technology and external threats continue to develop.

**Environmental, Social and Safety:** With the establishment of Environmental, Social and Safety Committee, the Board and management have placed additional focus on our role as member of the broader communities in which we operate and our practices around safety, health, environmental, human rights, and other social responsibility matters. More information about these endeavors and our policies, practices and activities related to these areas can be viewed on our website at <https://www.mistrasgroup.com/company/esg/>.

**DIRECTOR COMPENSATION**

For 2021, the compensation program for our non-employee directors provided for cash fees of \$20,000 per quarter (\$80,000 annually) and semi-annual equity grants of \$45,000 (\$90,000 annually) in shares of our common stock. The committee chairpersons received quarterly cash fees of \$2,500 for the Audit Committee and \$1,875 for the other committees.

The following is the compensation paid to our non-employee directors in 2021.

	<u>Cash</u>	<u>Stock<sup>(1)</sup></u>	<u>Total</u>
Nicholas DeBenedictis	\$80,000	\$87,650	\$167,650
James Forese	\$90,000	\$87,650	\$177,650
Richard Glanton	\$87,500	\$87,650	\$175,150
Michelle Lohmeier	\$87,500	\$87,650	\$175,150
Manuel Stamatakis	\$87,500	\$87,650	\$175,150
Charles Pizzi	\$80,000	\$87,650	\$167,650

(1) Stock awards are valued based upon the grant date fair value in accordance with FASB ASC Topic 718, which utilizes the closing price on the grant date. However, for purposes of determining the number of shares awarded to directors, the Company used the average of the high and low trading prices over a three trading day period ending on the grant date, which is the reason for the difference between the award values above and the intended value, using the three trading day average.

For 2022, the director compensation remains the same as 2021.

**COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION**

During 2021, Ms. Lohmeier and Messrs. Forese, Glanton and Stamatakis served as members of our Compensation Committee. None of the members of our Compensation Committee has been an officer or employee of Mistras or had any other relationship with us requiring disclosure in this proxy statement. None of our executive officers currently serves, or in the past year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our Board or Compensation Committee.

**CERTAIN RELATIONSHIPS, PROCEEDINGS AND RELATED PERSON TRANSACTIONS**

***Policy and Procedure for Approval of Related Person Transactions***

We have a Related Person Transaction Policy, which requires the approval or ratification by the Corporate Governance Committee for any transaction or series of in which we are a participant and any related person has a material interest, including those for which disclosure is required under Item 404(a) of SEC Regulation S-K. Related persons include our directors, director nominees, executive officers and their family members and persons controlling more than 5% of our common stock.

Under the Related Person Transaction Policy, all our directors and executive officers have a duty to report to the Chairman, General Counsel or Lead Director potential conflicts of interest or transactions with related persons. Management has established procedures for monitoring transactions that could be subject to approval or ratification under the Policy.

Once a related person transaction has been identified, the Corporate Governance Committee, and in some cases the Audit Committee, will review all the relevant facts and circumstances and approve or disapprove of the entry into the transaction. The Corporate Governance Committee will take into account, among other factors, whether the transaction is on terms no less favorable to us than terms generally available from an unaffiliated third-party under the same or similar circumstances and the extent of the related person's interest in the transaction. If advance approval of a transaction by the Corporate Governance Committee is not feasible, the transaction will be considered for ratification at the Corporate Governance Committee's next regularly scheduled meeting.

***Transactions with Related Persons***

There are no family relationships between or among any of our directors, director nominees and executive officers.

We lease our headquarters located at 195 Clarksville Road, Princeton Junction, New Jersey, from an entity majority-owned by Dr. Vahaviolos. The lease provides for monthly rental payments of approximately \$74,000 through October 31, 2015, with annual increases of 3% to a maximum monthly payment of approximately \$96,500 during the last year of the lease term, which expires October 31, 2024. In 2021, the monthly rental payments for January through October were approximately \$88,300 and November and December were approximately \$91,000, which were in accordance with the terms of the lease. Additional monthly rent of approximately \$70,600 was paid in January through March 2021, because of COVID relief provided by the landlord, whereby the lease payments for the fourth quarter of 2020 were reduced and deferred until the first quarter of 2021.

Our subsidiary in Greece entered into an employment agreement with the daughter of Dr. Vahaviolos pursuant to which she serves as its Vice President and Managing Director. The employment agreement provides for a monthly salary and other compensation, including incentive bonuses, plus reimbursement of certain expenses. During 2021, Dr. Vahaviolos' daughter received approximately \$125,500 in total compensation and benefits. In addition, Dr. Vahaviolos' daughter personally guaranteed payments on a lease for office space and other obligations of our Greek subsidiary. We have agreed to indemnify Dr. Vahaviolos' daughter should she make any payments or incur any costs or loss on account of her guaranty. Another daughter of Dr. Vahaviolos is a human resource director in the U.S. and received total compensation in 2021 of approximately \$184,000, which Company management believes is in line with the total compensation of comparable positions at other companies.

Mr. Bertolotti's daughter is an employee of Mistras, serving as corporate counsel and received total compensation in 2021 of approximately \$130,000, which Company management believes is consistent with the market for her position.

***Legal Proceedings***

In 2022, one of our directors and a director nominee, Richard Glanton, filed a voluntary proceeding under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the District of New Jersey. Mr. Glanton informed us that he intends to have this proceeding voluntarily dismissed this year once he pays off creditors.

**STOCK OWNERSHIP AND SECTION 16 COMPLIANCE**

**Stock Ownership**

The following table sets forth information regarding the beneficial ownership of our common stock as of March 1, 2022 by (1) each of our directors and nominees for director, (2) each of the executive officers named in the summary compensation table, and (3) all our directors and executive officers as a group. We were not aware of any other beneficial owners of more than 5% of our common stock as of March 1, 2022.

Beneficial ownership is determined in accordance with the rules of the SEC and includes voting or investment power with respect to our common stock. Shares of common stock that may be acquired by an individual or group within 60 days of March 1, 2022 pursuant to the exercise of options or warrants, are deemed to be outstanding for the purpose of computing the percentage ownership of such individual or group, but are not for the purpose of computing the percentage ownership of any other person shown in the table. As of March 1, 2022, we had 29,545,813 shares of common stock outstanding.

We believe that the shareholders named in this table have sole voting and investment power with respect to all shares of common stock shown to be beneficially owned by them, based on information provided to us by such shareholders, except as disclosed otherwise. The address for the directors and named executive officers listed below is c/o Mistras Group, 195 Clarksville Road, Princeton Junction, NJ 08550.

Name	Shares Beneficially Owned	Percentage of Class
<b>Directors, Director Nominees and Officers</b>		
Dennis Bertolotti <sup>(1)</sup>	326,212	1.1%
Nicholas DeBenedictis <sup>(2)</sup>	177,753	*
James J. Forese	109,880	*
Richard H. Glanton	24,325	*
Michelle J. Lohmeier	32,060	*
Charles P. Pizzi	8,467	*
Manuel N. Stamatakis	184,729	*
Sotirios J. Vahaviolos <sup>(1)</sup>	8,606,877	29.1%
Edward J. Prajzner <sup>(1)</sup>	33,704	*
Jonathan H. Wolk <sup>(1)</sup>	134,262	*
Michael J. Lange <sup>(1)</sup>	318,817	1.1%
Michael C. Keefe <sup>(1)</sup>	55,497	*
Directors, Director Nominees and Executive Officers as a Group <sup>(1)</sup>	10,012,583	33.5%

\* Indicates beneficial ownership of less than 1% of the total outstanding common stock.

(1) Includes all unvested restricted stock units with only time-based restrictions (“RSUs”) for the following amounts (no executive officer held any outstanding options):

Dennis Bertolotti	200,474
Edward Prajzner	27,524
Jonathan Wolk	50,377
Michael Lange	37,698
Michael Keefe	24,014
Directors and Executive Officers as a Group	340,087

(2) Includes 25,000 shares owned by Mr. DeBenedictis’ spouse.

**Section 16(a) Beneficial Ownership Reporting Compliance**

We believe that during 2021, all reports for our executive officers and directors that were required to be filed under Section 16(a) of the Securities Exchange Act of 1934 were filed on a timely basis except as follows: Messrs. Bertolotti, Lange, Prajzner and Wolk were late filing one report for shares withheld to pay taxes upon the vesting of an equity award; Mr. Keefe was late filing two reports for shares withheld to pay taxes upon the vesting of an equity award; and Mr. Glanton was late filing one report for the sale of shares of stock.

**PROPOSALS REQUIRING SHAREHOLDER APPROVAL**

**ITEM 1: ELECTION OF DIRECTORS**

At the recommendation of the Corporate Governance Committee, the Board has recommended that all the current directors be nominated for election to the Board. Directors who are elected at the 2022 Annual Meeting will serve a one-year term expiring at the 2023 annual shareholders meeting or until their successors have been elected and qualified, or until their death or resignation.

The following contains the background, experience and other information about the nominees. Following each nominee's biographical information, we have provided information concerning the particular experience, qualifications, attributes and/or skills that contributed to the determination by the Corporate Governance Committee and the Board that the nominee should serve as a director. Several of our independent directors serve or have served on boards and board committees (including, in many cases, as committee chairs) of other public companies, which we believe provides them with additional board leadership and governance experience, exposure to best practices, and substantial knowledge and skills that further enhance the functioning of our Board. In addition, Messrs. Forese, Glanton, Stamatakis and Dr. Vahaviolos have been on our Board for over ten years and Mr. Bertolotti has been an officer with us for over 18 years, and all of them have a wealth of knowledge about our business, industry and corporate culture that provides great value to the functioning and decision-making of the Board.

We believe that each nominee for election as director will be able to serve if elected. If any nominee is not able to serve, proxies will be voted in favor of the remainder of those nominated and may be voted for substitute nominees, unless the Board chooses to reduce the number of directors serving on the Board.

**Nominees:**

***Dennis Bertolotti***

Director since 2017; Age 62

Dennis Bertolotti is a director and the President and Chief Executive Officer, of the Company. Mr. Bertolotti became a director and Chief Executive Officer as of August 10, 2017; previous to that, he was the President and Chief Operating Officer, positions he assumed June 1, 2016. Prior to becoming the President and COO, Mr. Bertolotti was the Group Executive Vice President, Services America. Mr. Bertolotti has been with Mistras since the Company acquired Conam Inspection Services in 2003, where Mr. Bertolotti was a Vice President at the time of the acquisition. Mr. Bertolotti has been in the NDT business for over 38 years, and previously held ASNT Level III certifications and various American Petroleum Institute, or API, certifications, and received his Associate of Science degree in NDT from Moraine Valley Community College in 1983. Mr. Bertolotti has also received a Bachelor of Science and MBA from Otterbein College.

Mr. Bertolotti brings to the Board his in-depth knowledge of the operations of the business, including the strategic and operational opportunities and challenges we face. Mr. Bertolotti has proven during his ever-increasing levels of responsibilities with the Company that he has excellent vision and strategic perspective as to the direction of our industry and how to position us to take advantage of future changes in customer demands. Mr. Bertolotti was named our CEO due in part to the strong leadership he demonstrated for several years prior to joining the Board, and he continues to bring these leadership skills to the Board.

***Nicholas DeBenedictis***

Director since 2015; Age 76

Nicholas DeBenedictis served as Chief Executive Officer of Aqua America, Inc. from 1992 until his retirement in July 2015, and has been the Chairman of the Board of Aqua America since May 1993, becoming the non-executive Chairman of the Board upon his retirement as CEO in 2015 and is now serving on its board (currently known as, Essential Utilities, Inc.) as Chairman Emeritus. He also served as Chairman and Chief Executive Officer of Aqua America's principal subsidiaries, including Aqua Pennsylvania, Inc. Mr. DeBenedictis served as Senior Vice President for Corporate Affairs of PECO Energy Company (now known as Exelon Corporation) from 1989 until 1992; as President of the Greater Philadelphia Chamber of Commerce from December 1986 to April 1989; and as the Secretary of the Pennsylvania Department of Environmental Resources from 1983 to 1986. Mr. DeBenedictis is also a director of Exelon Corporation and P.H. Glatfelter Company, and also serves on the boards of Pennsylvania area non-profit, civic and business organizations. Mr. DeBenedictis received a B.S. in business administration and a M.S. in environmental engineering and science from Drexel University.

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The Board believes that Mr. DeBenedictis is a qualified candidate because of his knowledge, experience and demonstrated success from serving for over 20 years as the chairman and chief executive officer of a substantial public company. He has also served as an executive of a major electric utility, the head of Pennsylvania's environmental regulatory agency, and as a director of two other public companies in addition to his role as Chairman at Aqua America, including, from time to time, as a member of the corporate governance, audit, finance and compensation committees of those companies. The Board believes that the experience, insights and knowledge Mr. DeBenedictis possesses from his leadership roles in business and community activities are important qualifications, skills and experience that will provide valuable assistance to the Board and greatly contribute to the overall knowledge of the Board and its ability to address the issues the Board and we confront.

### ***James J. Forese***

Director since 2005; Age 86

James Forese is the retired Operating Partner and Chief Operating Officer of HCI Equity Partners, positions he held when he joined the firm in July 2003 until his retirement in 2018. Prior to joining HCI Equity Partners, Mr. Forese served as Chairman, President and Chief Executive Officer of IKON Office Solutions, Inc. (formerly Alco Standard Corporation) from 1998 to 2002 and retired as Chairman in 2003. Before IKON, Mr. Forese served as Controller and Vice President of Finance at IBM Corporation and Chairman at IBM Credit Corporation. Mr. Forese was a director and Chairman of the audit committee and a member of the compensation committee and environmental, health & safety committee of Progressive Waste Solutions, and non-executive chairman from January 2010 until its merger with Waste Connections, Inc. in January 2017, and serves on the board of directors of several private companies. Mr. Forese also served as a director, audit committee chair and member of the compensation committee of Anheuser-Busch Companies Inc. from April 2003 until November 2008 and was on the board of directors of SFN Group (formerly Spherion Corporation) from 2003 until its acquisition by Randstad North America in September 2011, and was its non-executive chairman and chairman of the corporate governance and nominating committee. Mr. Forese was also formerly a director of Lexmark International, NUI Corporation, Southeast Bank Corporation, Unisource Worldwide, Inc. and American Management Systems, Incorporated. Mr. Forese received a B.E.E. in Electrical Engineering from Rensselaer Polytechnic Institute and an M.B.A. from Massachusetts Institute of Technology.

The Board believes Mr. Forese, as a result of his vast experience and demonstrated success as an executive, possesses knowledge and experience in various areas, including business leadership, banking, finance, technology, and public and private company board experience, which strengthens the Board's overall knowledge, capabilities and experience. In addition, Mr. Forese's experience with audit committees and his financial and executive positions at HCI Equity Partners and IBM provides the Board with an audit committee financial expert which further strengthens key functions of the Board and Audit Committee, such as oversight of financial reporting and internal controls.

### ***Richard H. Glanton***

Director since 2009; Age 75

Richard Glanton is the Founder and has served as Chairman, and Chief Executive Officer of Electedface Inc., a website that connects voters to the elected and appointed officials who represent them in political districts where they serve. From May 2003 to May 2007, Mr. Glanton served as Senior Vice President of Corporate Development for Exelon Corporation and from 1986 to 2003, he was a partner in the law firm of Reed Smith LLP in Philadelphia. Mr. Glanton is a director of The GEO Group, Inc., having joined its board in 1998, and is not standing for re-election at The GEO Group's upcoming annual meeting. Mr. Glanton previously served on the board of directors of Aqua America, Inc. from 1995 until 2018. Mr. Glanton has more than 25 years of legal experience in law firms, over a decade of executive experience and has over 20 years of continuous experience serving on boards of publicly traded companies. Mr. Glanton received a B.A. in English from West Georgia College and a J.D. from University of Virginia School of Law.

The Board believes Mr. Glanton's experience and knowledge in acquisitions, the power utility industry, legal and general business matters, his extensive experience as a director of publicly traded companies and his demonstrated leadership roles in other business activities are important qualifications, skills and experience that benefits the Board. His extensive corporate finance and legal knowledge also contribute to the Board's collective knowledge, capabilities and experience.

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***Michelle J. Lohmeier***

Director since 2019; Age 59

Michelle Lohmeier is currently self-employed as a consultant since her retirement in April of 2021 as a strategic advisor to the Chief Executive Officer of Spirit AeroSystems. She served in this role upon her retirement in 2019 from her position as Senior Vice President and General Manager of Airbus Programs at Spirit AeroSystems, a position she held since June 2015. Prior to joining Spirit AeroSystems, Ms. Lohmeier held many senior positions during her years at Raytheon Company, her last position being Vice President of the Land Warfare Systems product line at Raytheon Missile Systems. In that position, Ms. Lohmeier had responsibility for the development and production of all Army and U.S. Marine Corps missile programs. Previously, Ms. Lohmeier was the program director at Raytheon for the design, development and production implementation of the Standard Missile-6 weapon system for the U.S. Navy. Ms. Lohmeier also served as the production chief engineer for the AMRAAM Program. In addition, Ms. Lohmeier directed Software Engineering at Raytheon, where she was responsible for software development, software quality and configuration management for all Missile Systems programs. She began her career with Hughes Aircraft Company as a system test engineer. Ms. Lohmeier is a director of Kaman Corporation, where she serves on the Audit Committee and the Finance Committee, and a director of Nammo Defense Systems Inc. Ms. Lohmeier earned a bachelor's degree and a master's degree in systems engineering from the University of Arizona.

The Board believes that Ms. Lohmeier's extensive knowledge and experience in the aerospace industry, business acumen and the leadership and executive skills she has demonstrated by serving in senior positions with Spirit AeroSystems and Raytheon along with her public and private company board experience provide an operational perspective that is valuable to the Board and the Company. In addition, Ms. Lohmeier's extensive aerospace industry knowledge provides the Board with important insight into one of the Company's strategic growth areas. Ms. Lohmeier's experience as an operational leader involved in technology development and strategic initiatives also provides a valuable perspective for the Board.

***Charles P. Pizzi***

Director since 2021; Age 71

Charles Pizzi served as the President and Chief Executive Officer, as well as a director, of Tasty Baking Company from October 2002 until the company's sale in May 2011. Mr. Pizzi served as President and Chief Executive officer of the Greater Philadelphia Chamber of Commerce from 1989 until October 4, 2002. Mr. Pizzi is a director of Pennsylvania Real Estate Investment Trust (serving as Lead Director and Chair, Nominating and Governance), has been a Trustee of Brandywine Realty Trust since 1996 (currently chair of the Corporate Governance Committee and a member of the Compensation Committee and Executive Committee), a member of the Advisory Board (Philadelphia) of PNC, and serves on a variety of civic, educational, charitable and other boards, including the boards of Drexel University (serving on the Audit, Property and Facilities Committee), WHY? Franklin Square Energy Fund (serving on the Audit and Nominating and Governance Committees) and Independence Health Group (serving as Chairman). Mr. Pizzi served on the Board of Directors of the Federal Reserve Bank of Philadelphia from 2006 through 2011, including as Chairman from 2010 through 2011. Mr. Pizzi received his bachelor's degree from La Salle University and a master's degree from University of Pennsylvania.

The Board believes Mr. Pizzi's knowledge and experience in finance; financial reporting, accounting and controls; capital markets; risk management; extensive financial and risk oversight experience; and public policies adds to the skills and knowledge of the Board. In addition, Mr. Pizzi's executive leadership and experience as a CEO will assist the Board when making decisions and overseeing the Company's strategy.

***Manuel N. Stamatakis***

Director since 2002; Age 74

Manuel Stamatakis is an Executive Officer of Capital Management Enterprises, Inc., a financial services and employee benefits consulting company headquartered in Pennsylvania, which he recently sold in 2020. Mr. Stamatakis was also a founding member of First Financial Resources, a national financial services organization with over 120 offices nationwide. 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

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The Board believes that the vast skills, leadership, business experience and success Mr. Stamatakis has demonstrated as a founder and leader of a successful services business provides the Board with important skills, knowledge and experience, particularly those gained from starting and leading a business. Mr. Stamatakis also provides the Board with knowledge of employee benefits and related matters and with strategic and leadership skills as a founder, President and CEO of a business enterprise and as a board member of numerous not-for-profit and for-profit organizations, some of which are very significant in size and scope.

### ***Sotirios J. Vahaviolos***

Director since 1978; Age 75

Sotirios Vahaviolos has been the Chairman since he founded Mistras in 1978 under the name Physical Acoustics Corp., and served as Chief Executive Officer through August 9, 2017 and President through May 31, 2016. Prior to forming Mistras, Dr. Vahaviolos was a scientist and manager at AT&T Bell Laboratories. Dr. Vahaviolos received a B.S. in Electrical Engineering and graduated first in his engineering class from Fairleigh Dickinson University and received a Master of Science (EE), Masters in Philosophy and a Ph.D.(EE) from Columbia University School of Engineering. During Dr. Vahaviolos' career in non-destructive testing, he has been elected Fellow of (1) The Institute of Electrical and Electronics Engineers, (2) The American Society of Nondestructive Testing, and (3) The Acoustic Emission Working Group (AEWG). Dr. Vahaviolos is also a member of The American Society for Nondestructive Testing (ASNT), where he served as its President from 1992-1993 and its Chairman from 1993-1994, a member of AEWG and an honorary life board member of the International Committee for Nondestructive Testing. Additionally, he was the recipient of ASNT's Gold Medal in 2001 and AEWG's Gold Medal in 2005. He was also one of the six founders of NDT Academia International in 2008.

Dr. Vahaviolos brings to the Board his detailed knowledge and unique perspective and insights regarding the strategic and operational opportunities and challenges, economic and industry trends, and competitive and financial positioning of our business. In addition, his significant experience as the company's founder, Chairman and CEO, his leadership of our Company for almost four decades during various economic cycles and his 29% ownership interest in the Company positions him well to serve as our Executive Chairman.

**Vote Required and Recommendation of the Board.** The eight nominees receiving the greatest number of votes cast for their election as directors will be elected. The Board intends to vote all proxies for the election of each of these nominees unless you indicate otherwise on your proxy card or pursuant to your voting instructions. **The Board unanimously recommends a vote FOR the election of the each of the above-named nominees as directors.**

## **ITEM 2. RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee has appointed KPMG LLP ("KPMG") as our independent registered public accounting firm for 2022. Shareholder ratification of the appointment is not required under the laws of the State of Delaware or NYSE rules, but the Board has decided to ascertain the position of shareholders on the appointment. The Audit Committee will reconsider the appointment of KPMG if shareholders do not ratify the appointment. Even if the appointment is ratified, the Audit Committee will still have the discretion to appoint a different independent registered public accounting firm if the committee determines that such a change would be in our and our shareholders' best interests.

A representative of KPMG is expected to attend the virtual 2022 Annual Meeting online and will have the opportunity to make a statement if the KPMG representative desires to do so and to respond to appropriate questions presented at the meeting.

**Vote Required and Recommendation of the Board.** The ratification of the appointment of the independent registered public accounting firm will be approved if a majority of the shares of common stock present or represented by proxy at the 2022 Annual Meeting entitled to vote on this item vote FOR this item. The Board intends to vote all proxies for the ratification of KPMG, unless you indicate otherwise on your proxy card or pursuant to your voting instructions. **The Board unanimously recommends a vote FOR the ratification of the appointment of KPMG as our independent registered public accounting firm for 2022.**

**AUDIT COMMITTEE REPORT**

The Audit Committee reports to and acts on behalf of the Board of Directors of Mistras Group, Inc. (the “Company”) by providing oversight of the financial reporting process, accounting policies and procedures and the system of internal controls of the Company. The Company’s management is responsible for preparing the Company’s consolidated financial statements and designing and monitoring a system of internal controls. The Company’s independent registered public accounting firm, KPMG LLP (“KPMG”), is responsible for performing an independent, integrated audit of the Company’s consolidated financial statements and internal control over financial reporting, and expressing its opinion on the Company’s consolidated financial statements and the effectiveness of the Company’s internal control over financial reporting, based upon its audit. The Audit Committee is responsible for overseeing the conduct of these activities by the Company’s management and KPMG.

In this context, the Audit Committee has met and held discussions with management, the Company’s internal auditors and KPMG. These meetings also included private sessions with the internal auditors, KPMG, the Chief Executive Officer, the Chief Financial Officer and other members of management at Audit Committee meetings and such other times as the Audit Committee deemed appropriate. Management represented to the Audit Committee that the Company’s consolidated financial statements as of and for the year ended December 31, 2021 were prepared in accordance with U.S. generally accepted accounting principles. The Audit Committee has reviewed and discussed the consolidated financial statements with management, the Company’s internal auditors and KPMG. The Audit Committee also discussed with the Company’s internal auditors and KPMG the overall scope and plans for their respective audits, their evaluation of the Company’s internal control over financial reporting and the overall quality of the Company’s financial reporting process.

The Audit Committee has discussed with KPMG matters required to be discussed pursuant to Public Company Accounting Oversight Board Auditing Standard No. 1301 and other generally accepted auditing standards. In addition, KPMG provided to the Audit Committee the written disclosures required by the applicable requirements of the Public Company Accounting Oversight Board regarding KPMG’s communications with the Audit Committee concerning independence, and the Audit Committee and KPMG have discussed KPMG’s independence from the Company and its management, including the matters in those written disclosures. Additionally, the Audit Committee considered the non-audit services provided by KPMG and the fees and costs billed and expected to be billed by KPMG for those services and concluded that the provision of these services by KPMG is compatible with maintaining KPMG’s independence.

Based upon these reviews and discussions with management and KPMG, the Audit Committee recommended to the Board of Directors, and the Board has approved, the inclusion of the Company’s audited consolidated financial statements in the Company’s Annual Report on Form 10-K for the year ended December 31, 2021 for filing with the Securities and Exchange Commission.

James Forese, Chairman  
Nicholas DeBenedictis  
Charles Pizzi  
Manuel Stamatakis

**Fees of Our Independent Registered Public Accounting Firm**

The following table sets forth the fees billed by KPMG for professional services rendered for the audit of the 2021 and 2020 financial statements and for the other services listed below.

	2021	2020
Audit Fees	\$2,030,000	\$2,445,000
Audit-Related Fees	108,000	75,000
Tax Fees	—	—
All Other Fees	—	—
Total	<u>\$2,138,000</u>	<u>\$2,520,000</u>

*Audit Fees:* Audit fees for all periods consisted of aggregate fees billed for professional services rendered for the integrated audit of our consolidated annual financial statements and internal control over financial reporting and, reviews of interim consolidated financial information.

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*Audit-Related Fees:* Consisted of fees for performing statutory audits for certain international subsidiaries and a consent in connection with the Company’s filing of a Form S-8 registration statement.

The Audit Committee’s charter provides for review and pre-approval by the Audit Committee of all audit services and permissible non-audit services, and related fees, conducted by our independent auditor. All the fees and services described above were approved by the Audit Committee and the Audit Committee concluded that the provision of such services by KPMG did not impact KPMG’s independence in the conduct of its auditing function.

**ITEM 3: APPROVAL OF AMENDMENT TO MISTRAS GROUP, INC. 2016 LONG-TERM INCENTIVE PLAN TO INCREASE THE NUMBER OF SHARES AUTHORIZED FOR ISSUANCE**

**Overview**

We are asking our shareholders to approve an amendment (the “Amendment”) to the Mistras Group, Inc. 2016 Long-Term Incentive Plan (the “2016 Plan”) to increase the number of shares of our common stock that may be issued pursuant to the 2016 Plan by 1,200,000 shares, to a total of 4,900,000. Based on 170,563 shares remaining available as of March 28, 2022, this would result in 1,370,563 shares available for future issuance under the 2016 Plan. No other changes to the 2016 Plan are being proposed. The 2016 Plan was approved by our shareholders at the 2016 annual shareholders meeting and an amendment to increase the number of shares authorized for issuance under the 2016 Plan from 1,700,000 shares to 3,700,000 shares was approved by our shareholders at the 2020 annual shareholders meeting.

The Amendment will not become effective until shareholder approval is obtained. If shareholders do not approve the Amendment, the Plan will instead remain in effect in accordance with its current terms until October 18, 2026. However, the shares available under the 2016 Plan would be quickly depleted and preclude us from using equity as a compensation and retention tool.

This proposal requires the affirmative vote of a majority of the shares of our common stock entitled to vote on the proposal and present in person or represented by proxy at the 2022 Annual Meeting. Abstentions have the same effect as a vote against this proposal. Broker non-votes will not be considered entitled to vote on this item and will therefore not be counted in determining the number of votes necessary for approval. Our named executive officers and directors are eligible to receive awards under the 2016 Plan and therefore have an interest in this proposal.

The Amendment is attached as [Exhibit A](#) and the 2016 Plan is attached as [Exhibit B](#), with all existing amendments incorporated into the 2016 Plan as presented, with footnotes indicating the amendments and the terms of the relevant section prior to the amendment.

**Purpose of the Proposal**

Long term equity-based and other forms of incentive compensation have been and are expected to continue to be necessary and key components of our overall compensation program. The Board believes that our ability to grant equity-based incentive compensation will enable us to meet several objectives that are important to the success and growth of our business, including, for example, fostering an ownership mentality that aligns the interests of our management and other personnel with those of our shareholders, and enabling us to attract, motivate, reward and retain talented individuals whose skills, experience and efforts are essential to the continuing success and development of our business and the enhancement of shareholder value. If the Amendment is not approved, we will still be able to make equity-based awards under the Plan but, as indicated, the Plan will be of limited utility given the relatively low number of shares that remain available for future awards. Based upon the foregoing, the Board believes strongly that approval of the Amendment is in the best interests of the Company and our shareholders.

We are requesting that our shareholders vote in favor of approving the Amendment to increase the number of shares of our common stock issuable under the 2016 Plan, which will allow us to continue providing equity compensation awards to employees and other key individuals as a competitive compensation practice and to align the interests of our employees and other key individuals with those of our shareholders.

*Approval to Increase the Number of Shares Issuable Under the Plan*

The 2016 Plan currently authorizes the issuance of up to 3,700,000 shares of our common stock. As of March 28, 2022, 170,563 shares remained available for future awards under the Plan (plus any shares subject to awards outstanding as of March 28, 2022, that become available for future awards due to the cancellation, forfeiture, or cash-settlement of those

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outstanding awards). Our Compensation Committee has agreed to an equity incentive plan for our named executive officers and select other corporate officers based on our 2022 performance, which would result in awards of approximately 341,000 performance restricted stock units, or PRSUs, at target performance, which have been reserved for under the 2016 Plan. Accordingly, awards for 2,397,000 shares are outstanding and 170,563 shares that remain available under the 2016 Plan, taking into account these 341,000 shares for performance-based awards.

Approval of this proposal would result in 1,370,563 shares being available for future grants, including the number of shares remaining available on March 28, 2022. Approval of the 1,200,000 new shares authorized for issuance under the plan would result in potential overhang or dilution of 11.3%, determined as follows based upon information as of the record date of March 28, 2022:

A. New Shares Requested for the 2016 Plan	1,200,000
B. Shares Available under the 2016 Plan	170,563
C. Awards Outstanding (time-based RSUs and PRSUs) <sup>1</sup>	2,397,000
D. Total Shares Allocated to 2016 Plan (A + B + C)	3,767,563
E. Shares of Common Stock Outstanding	29,545,813
F. Total Dilution (D / (D + E))	11.3%

<sup>1</sup> This amount consists of 1,685,000 of time-based RSUs and 712,000 PRSUs, including 341,000 of PRSUs granted in 2022 which must be earned based upon 2022 performance.

Our three-year average annual burn rate (calculated as the number of shares granted each fiscal year, including stock options, restricted stock units and performance shares delivered under the 2016 Plan to employees and directors divided by the weighted average common shares outstanding) is approximately 2.7%.

Shareholder approval of the Amendment is required by the equity compensation rules of the NYSE, on which our shares are listed. In addition, we regard shareholder approval of the Amendment to be necessary under and consistent with corporate governance best practices generally.

### ***Features Included in the 2016 Plan***

The 2016 Plan includes a number of features that are designed to reflect best corporate governance and compensation practices and otherwise take into account our shareholders' interests, including:

- The 2016 Plan allows us to grant various forms of equity- and cash-based incentive compensation opportunities, including stock options, stock appreciation rights, restricted stock, restricted stock units and performance-based stock or cash awards and, in turn, provide us with sufficient flexibility to structure appropriate incentives and respond to market-competitive changes in compensation practices.
- There is no “evergreen” provision for automatically replenishing the authorized pool of shares available for awards under the 2016 Plan.
- There are limitations on the number of shares and the value of cash incentive awards that may be made to any individual in any fiscal year.
- Repricing of stock options or stock appreciation rights or cash buyouts of underwater stock options or stock appreciation rights is prohibited without shareholder approval.
- The granting of discounted stock options and stock appreciation rights and the granting of “reload” or replacement options are all prohibited.
- Shares repurchased by us on the open market with proceeds from the exercise of stock options may not be returned to the pool of shares available for awards under the 2016 Plan.
- Awards that are continued or assumed in connection with a change in control are subject to “double trigger” vesting.
- Awards are generally subject to minimum vesting of at least one year (subject to a carve out solely for awards of shares to non-employee directors), and we have only limited authority to accelerate vesting of outstanding awards.
- Awards made under the 2016 Plan are subject to our executive incentive compensation claw back policies and certain stock ownership requirements.

***Description of the 2016 Plan***

The following summary describes the principal features of the 2016 Plan and is qualified in its entirety by reference to the full terms of the 2016 Plan document set forth in Exhibit B. This is the same plan shareholders approved in 2016, with the exception of two amendments as noted in Exhibit B.

Eligibility

The 2016 Plan enables us to grant equity-based and cash incentive awards to our and any of our subsidiaries' present or future non-employee directors, officers, employees, consultants or advisers and to grant "incentive stock options" (within the meaning of Section 422 of the Code) to our and any of our subsidiaries' employees. We estimate that the total number of eligible persons currently is approximately 5,400, of which all are employees except our six non-employee directors, and approximately 475 current employees (including executive officers) hold outstanding equity awards under the 2016 Plan. The types of awards that may be granted under the 2016 Plan are described below under the heading "Forms of Awards."

Shares Issuable Under the 2016 Plan

We currently have 3,700,000 shares of our common stock approved for issuance under the 2016 Plan, subject to the following share-counting requirements:

- The total number of shares covered by an award of stock appreciation rights that is settled in shares (and not just the number of shares issued in settlement of the award) are deemed to have been issued.
- Shares that are used or withheld to satisfy the exercise price or tax withholding obligations under an award are deemed to have been issued under the 2016 Plan and are not available for issuance under future grants.
- Shares purchased by us with cash received from the exercise of an option are not be available for awards made under the 2016 Plan.
- All forms of equity-based awards are counted against the 3,700,000 share reserve on a one-for-one basis, whether the award consists of options, restricted stock units or other types of equity awards.
- The following shares are deemed not to have been issued and will remain available for issuance under new awards: (a) shares covered by an option or stock appreciation right that is forfeited or otherwise terminated or canceled for any reason other than exercise, (b) shares covered by restricted stock, restricted stock unit or other awards that are forfeited, and (c) shares covered by an award that is settled in cash or that otherwise terminates without shares being issued.

We currently have 170,563 shares remaining in the 2016 that are eligible for issuance. Shareholder approval of the Amendment will increase the number of shares of our common stock that may be issued pursuant to the 2016 Plan by 1,200,000 shares, to a total of 1,370,563.

Individual Award Limitations

No more than 400,000 shares may be issued pursuant to awards granted in a single calendar year to any individual participant (other than a non-employee director), and no more than 50,000 shares may be issued pursuant to awards granted to any non-employee director in any single calendar year. No participant may earn a cash incentive award for any calendar year exceeding the lesser of (a) four times the participant's base salary, or (b) \$5,000,000.

Adjustments for Capital Changes

In the event of a split-up, spin-off, stock dividend, recapitalization, consolidation of shares or similar capital change involving the outstanding shares of our common stock, the aggregate number of shares that may be issued under the 2016 Plan, the annual limitations on individual stock-based awards, and the number, class and exercise price of shares covered by outstanding awards will be subject to equitable adjustment in order to avoid undue dilution or enlargement of the benefits available under the 2016 Plan and any outstanding awards.

Plan Administration

The 2016 Plan is administered by the Compensation Committee of the Board. Subject to the terms of the 2016 Plan, the Compensation Committee, acting in its discretion, may select the persons to whom awards will be made, prescribe the terms and conditions of each award and make amendments thereto, construe, interpret and apply the provisions

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of the 2016 Plan and of any award agreement, and make any determinations and take any other actions as it deems necessary or desirable in order to carry out the terms of the 2016 Plan or of any award. The Compensation Committee's determinations and decisions as to matters relating to the operation and administration of the 2016 Plan are final and binding on all persons. We will indemnify the members of the Compensation Committee and others to whom authority is delegated for claims they may incur in connection with the administration of the 2016 Plan, unless attributable to fraud or willful misconduct.

### Limitations on Compensation Committee Authority.

- *Minimum Vesting.* The 2016 Plan requires that all equity awards must have a vesting period of at least one year following the grant date, except exclusively for equity-based compensation awards made to our non-employee directors. The Compensation Committee has no authority to accelerate the vesting of an outstanding award except (a) in connection with the termination of a participant's employment on account of death or disability or (b) in connection with a change in control as described on page 23.
- *Re-Pricing Prohibited.* In general, the Compensation Committee may not (a) reduce the exercise price or base price under outstanding options or SARs; (b) cancel outstanding options or SARs in exchange for options or SARs with a lower exercise price or base price; or (c) cancel outstanding options or SARs in exchange for cash or other securities at a time when the per share exercise or base price under such options or SARs is higher than fair market value.
- *No Reloading of Options.* The Compensation Committee may not grant an option that includes a "reload" feature or make any other awards that have the effect of providing a "reload" feature with respect to shares used to satisfy the option exercise price or applicable withholding tax.

### Forms of Awards

Awards under the 2016 Plan may be in the form of stock options, restricted stock, restricted stock units, stock appreciation rights, other forms of equity-based awards and performance-based cash incentive awards. The following is a description of some of the equity-based awards that may be granted under the 2016 Plan:

- *Stock Options.* Stock options represent the right to purchase shares of our common stock within a specified period of time for a specified price, subject to vesting, forfeiture and other terms and conditions as may be determined by the Compensation Committee, acting in accordance with the 2016 Plan. The purchase price per share must be at least equal to the fair market value per share on the date the option is granted. Stock options granted under the 2016 Plan may have a maximum term of ten years. The Compensation Committee has the flexibility to grant stock options to employees that are intended to qualify as "incentive stock options" (within the meaning of Section 422 of the Code), subject to special rules imposed by the Code.
- *Restricted Stock.* Restricted stock awards consist of the issuance of shares of our common stock subject to such continuing service and/or performance-based vesting conditions as the Compensation Committee may determine in accordance with the 2016 Plan. Unless the Compensation Committee determines otherwise, the holder of a restricted stock award may vote the shares covered by the award and receive dividends on those shares (subject to such vesting conditions as the Compensation Committee may impose).
- *Restricted Stock Units (RSUs).* RSUs represent the right to receive shares of our common stock in the future, subject to such continuing service and/or performance-based vesting conditions (RSUs) as the Compensation Committee may determine in accordance with the 2016 Plan. RSUs that vest may be settled in the form of shares of common stock or in cash (based upon the fair market value of our shares on the applicable settlement date). The holder of an RSU shall have no rights as a shareholder with respect to shares covered by the RSU until the award vests and the shares are issued, except that the Compensation Committee may award dividend equivalents with respect to shares covered by an unvested RSU award, subject to the same vesting and payment conditions that apply to those shares.
- *Stock Appreciation Rights (SARs).* Stock appreciation rights represent the right to receive any appreciation in the fair market value of the shares of our common stock covered by the award from the date the award is granted to the date the award is exercised. SARs are subject to such vesting and forfeiture conditions as the Compensation Committee may impose in accordance with the 2016 Plan. Upon exercise, a vested SAR may be settled in the form of cash or shares of our common stock in an amount or with a value equal to the amount of such appreciation.

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- *Other Forms of Stock Awards; Performance-Based Cash Incentive Awards.* The Compensation Committee may grant other forms of awards under the 2016 Plan that are denominated or payable in, valued in whole or in part by reference to, or otherwise based upon or related to, shares of our common stock, including, for example, performance share awards, performance unit awards, stock bonus awards and dividend equivalent awards. Any such other awards will be settled in the form of cash and/or shares of our common stock and will be subject to the provisions of the 2016 Plan and any other terms and conditions prescribed by the Compensation Committee. In addition, the 2016 Plan authorizes the Compensation Committee to make annual and/or long-term cash incentive awards that are contingent on the achievement of pre-established performance goals and subject to such other terms and conditions as the Compensation Committee may prescribe.

### Transferability of Awards

In general, awards made under the 2016 Plan may not be transferred or assigned, except as may be permitted by the Compensation Committee.

### Recoupment of Awards

The 2016 Plan provides that awards made under the 2016 Plan are subject to the Company's incentive compensation claw back policies as in effect from time to time, and, as applicable, the claw back requirements of Section 954 of the Dodd-Frank Act.

### Payment of Exercise Price and Tax Withholding

In general, the exercise price under a stock option and the tax withholding obligation resulting from the exercise or settlement of an award may be satisfied in cash and/or in such other ways as the Compensation Committee may permit, including, for example, by the participant's surrender of previously-owned shares or by our issuing net shares pursuant to which we hold back shares that would otherwise be issued in connection with such exercise or settlement.

### Change in Control Provisions

If a "change in control" (as defined in the 2016 Plan) occurs, the parties to the change in control transaction can agree that outstanding 2016 Plan awards will be assumed by, or converted into economically equivalent awards for securities of, the acquiring or successor company and continued on substantially the same vesting and other terms and conditions as the original award. The 2016 Plan also contains a "double trigger" vesting provision pursuant to which vesting of an assumed or converted award will accelerate if the participant's employment with the acquiring or successor company is involuntarily terminated (e.g., by the successor without "cause" or by the participant for "good reason, as defined in the 2016 Plan) within two years after the date of the change in control. If an outstanding 2016 Plan award is not assumed or substituted by the acquiring or successor company, however, the award will be deemed to be fully vested and will be cancelled in exchange for the transaction value. Notwithstanding the above, if the original award is subject to the satisfaction of performance conditions, then such performance conditions shall be deemed to have been satisfied immediately prior to the change in control on the basis of actual performance as of the date of the change in control and/or on a pro rata basis for the time elapsed during an ongoing performance period. No consideration will be payable for the cancellation of an option or stock appreciation right if the transaction value per share is not greater than the exercise or base price per share under the award.

### Termination and Amendments

Unless sooner terminated by the Board, the 2016 Plan shall expire on October 18, 2026, the tenth anniversary of the date it was approved by our shareholders. The Board may amend or terminate the 2016 Plan at any time, provided, however, that no such action may adversely affect outstanding awards without the holder's consent. Amendments to the 2016 Plan will be subject to shareholder approval if and to the extent required in order to comply with applicable legal or stock exchange requirements. The Amendment requires shareholder approval under NYSE requirement.

### ***Certain Federal Income Tax Consequences***

The following paragraphs summarize the principal federal income tax consequences generally applicable to U.S. taxpayers who receive awards under the 2016 Plan and to us. The following summary does not purport to be a complete discussion of the federal income tax issues relating to an award under the 2016 Plan and may not be relied upon as tax advice.

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Nonstatutory Stock Options. A nonstatutory stock option is an option that does not qualify as an “incentive stock option” under Section 422 of the Code. No taxable income is realized by a participant upon the grant of a nonstatutory stock option. If the option is exercised, the participant will generally realize ordinary income on the exercise date in an amount equal to the excess of the then fair market value of the shares purchased on that date over the exercise price paid for those shares, and we will generally be entitled to a corresponding deduction. The participant’s tax basis for the shares will be equal to the value of the shares on the date the option is exercised, and the participant’s holding period for the shares will begin on that date. Gain or loss on a subsequent sale of the shares will be long- or short-term capital gain or loss, depending on whether the sale occurs more than one year after the participant’s holding period begins.

Incentive Stock Options. No taxable income is realized by a participant upon the grant or exercise of an “incentive stock option” (within the meaning of Section 422 of the Code), although the exercise may have alternative minimum tax consequences to the participant. A participant will realize taxable income (or loss) when shares acquired upon the exercise of an “incentive stock option” are subsequently sold. If the participant sells the shares more than two years after the grant date and more than one year after the exercise date, any gain or loss realized on the sale will be long-term capital gain or loss, and we will not be entitled to a deduction. If the participant sells the shares before the end of either of those two holding periods, any gain realized on the sale will be taxable as ordinary income to the extent that the value of the shares on the date the option is exercised exceeds the option exercise price paid for the shares, and any remaining gain will be capital gain. In general, we will be entitled to a deduction equal to any ordinary income realized by the participant upon the sale of the shares.

Restricted Stock Awards. In general, a participant who receives shares of restricted stock will not realize taxable income unless and until the shares become vested, at which time the participant will realize ordinary income equal to the then fair market value of the vested shares and we will be entitled to a corresponding deduction. The participant’s tax basis for the shares will be equal to their fair market value on the vesting date and, upon a subsequent sale of the vested shares, the participant will realize long- or short-term capital gain, depending on whether the sale occurs more than one year after the vesting date (when ordinary income was realized). A participant may make an “early income election” within 30 days of the receipt of restricted shares, in which case the participant will realize ordinary income on the date the restricted shares are received equal to the fair market value of the shares on that date, and we would be entitled to a corresponding deduction. If the early election is made, no income will be realized by the participant if and when the shares become vested.

Restricted Stock Units, Stock Appreciation Rights and Other Awards. In general, a participant who receives shares of our common stock and/or cash in settlement of a RSU award will realize ordinary income equal to the then fair market value of the shares and/or amount of cash received, and we will have a corresponding deduction. No taxable income is realized upon the receipt of SARs. In general, a participant will realize ordinary income when SARs are exercised, equal to the excess of the value of the shares covered by the exercise on the exercise date over the fair market value of those shares on the SAR grant date, and we will have a corresponding deduction. Similarly, if a participant receives cash and/or shares pursuant to another form of award under the 2016 Plan, he or she will generally realize ordinary income at that time equal to the then fair market value of the shares and/or the amount of cash received, and we will be entitled to a corresponding deduction.

Tax Withholding. We have the right to deduct or withhold, or require a participant to remit to us, any amounts sufficient to satisfy applicable tax withholding requirements arising in connection with the exercise, vesting, lapse of restrictions or other taxable event pertaining to any awards made under the 2016 Plan. The Compensation Committee may, at the time an award is granted or thereafter, require or permit any such withholding requirement to be satisfied, in whole or in part, by delivery of, or withholding from the award, shares having a fair market value on the date of withholding equal to the applicable withholding amount.

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**Section 162(m) Limitations.** In general, Section 162(m) of the Internal Revenue Code (the “Code”) imposes a limit on corporate tax deductions for compensation in excess of \$1 million per year paid by a public company to its Chief Executive Officer, the Chief Financial Officer or any of the next three most highest paid executive officers as listed in the proxy statement (each a “covered executive”) or, beginning in 2018, to any person who was a covered executive in 2017 or later. Prior to the enactment of the Tax Cut and Jobs Act on December 22, 2017, an exception to this limitation was provided for “performance-based compensation” that satisfies certain conditions. In particular, the compensation must be paid solely on account of the attainment of one or more objective, pre-established performance goals, and three other requirements must be met:

- the performance goals are determined within a specified time frame by a committee or subcommittee of the corporation’s board of directors consisting solely of two or more “outside directors” (within the meaning of Section 162(m));
- the material terms of the remuneration, including the performance goals, are disclosed to the corporation’s shareholders and approved by a majority vote of such shareholders before such compensation is paid; and
- the committee of outside directors certifies the attainment of the performance goals and satisfaction of other terms before such compensation is paid.

Following the enactment of the Tax Cut and Jobs Act on December 22, 2017, the forgoing exception for “performance-based compensation” under Section 162(m) was eliminated effective as of the beginning of 2018 (subject to transition relief for compensation provided pursuant to a written binding contract which was in effect on November 2, 2017, and which was not modified in any material respect on or after November 2, 2017). The 2016 Plan has provision to qualify for the exception for performance-based compensation that was previously available under Section 162(m) and retains the provisions necessary to enable awards that may continue to qualify for this exception because they were outstanding at November 2, 2017 or were or are issued thereafter pursuant to the terms of a binding written commitment to satisfy the applicable requirements to allow for deductibility. In any event, the Compensation Committee retains full discretion to grant non-deductible awards under the 2016 Plan or materially modify outstanding awards if, in its judgment, it is in our best interest to do so.

**Section 409A.** Acceleration of income, additional taxes, and interest apply to nonqualified deferred compensation that is not compliant with Section 409A of the Code. To be compliant with Section 409A rules with respect to the timing of elections to defer compensation, distribution events and funding must be satisfied. The terms of the 2016 Plan are intended to ensure that awards under it will not be subject to adverse tax consequences applicable to deferred compensation under Section 409A.

### Shares Authorized for Issuance under Our Equity Compensation Plans

The following table provides information as of December 31, 2021 concerning the shares of our common stock that may be issued under our existing equity compensation plans. All our existing equity compensation plans have been approved by shareholders.

Plan Category	Number of securities to be issued upon exercise of outstanding options <sup>(1)</sup>	Weighted average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities to be issued upon the exercise of outstanding options)
Equity Compensation Plans Approved by Security Holders	5	\$22.35	1,177

(1) These options have since expired unexercised.

Number of securities are rounded to the nearest thousand.

The foregoing table includes all awards outstanding under the 2016 Plan and the Mistras Group, Inc. 2009 Long-Term Incentive Plan; no awards are outstanding under any other plans.

**Vote Required and Recommendation of the Board.** The vote on approval of the Amendment will be considered approved if a majority of the shares of common stock present or represented by proxy at the 2022 Annual Meeting entitled to vote on this item vote FOR this item. The Board intends to vote all proxies to approve the Amendment,

unless you indicate otherwise on your proxy card or pursuant to your voting instructions. **The Board unanimously recommends that you vote FOR the approval of the Amendment.**

**ITEM 4: ADVISORY VOTE ON EXECUTIVE COMPENSATION**

The Board is asking our shareholders to cast an advisory vote on the compensation paid to our named executive officers as set forth in the Summary Compensation Table and other compensation tables and narratives under the “Executive Compensation” section of this proxy statement and as described in the “Compensation Discussion and Analysis” section of this proxy statement.

The Compensation Committee of the Board recommends, approves and governs all the compensation policies and actions for all our named executive officers. The section of this proxy statement captioned "Compensation Discussion and Analysis" provides an extensive discussion of our executive compensation programs, the role the Compensation Committee plays in overseeing and developing our compensation programs and philosophy, the reasons for our compensation programs and the compensation provided to our named executive officers. We urge you to read the Compensation Discussion and Analysis and Executive Compensation sections of this proxy statement so you may better understand our compensation programs on which you are being asked to vote.

Shareholders are being asked to approve the adoption of the following resolution:

**“RESOLVED, that the shareholders of Mistras Group, Inc. (the “Company”) approve, on an advisory basis, the compensation of the Company’s named executive officers, as disclosed in the Company’s proxy statement for the 2022 annual meeting of shareholders pursuant to rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the compensation tables, narrative disclosures and any other relevant information.”**

While the results of the shareholder vote on executive compensation is non-binding, the Compensation Committee and the Board value the opinion of our shareholders and will consider the outcome of the vote when making future compensation decisions.

**Vote Required and Recommendation of the Board.** The advisory vote on executive compensation will be approved if a majority of the shares of common stock present or represented by proxy at the 2022 Annual Meeting entitled to vote on this item vote FOR this item. The Board intends to vote all proxies to approve executive compensation unless you indicate otherwise on your proxy card or pursuant to your voting instructions. **The Board unanimously recommends that you vote FOR adoption of the resolution approving on an advisory basis the executive compensation of our named executive officers.**

## COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed with management the following Compensation Discussion and Analysis section of the Proxy Statement for the 2022 annual shareholders meeting. Based on our review and discussions, we have recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's Proxy Statement for the 2022 annual shareholders meeting.

Michelle Lohmeier (Chair)

James Forese

Richard Glanton

Manuel Stamatakis

## COMPENSATION DISCUSSION AND ANALYSIS

### Executive Summary

Our executive compensation programs and policies have been developed to link incentive compensation for executive officers to Company performance and increases in shareholder value and pay amounts that are reasonably competitive, fair and based upon the Company's performance. For 2021, the Compensation Committee changed some of the performance metrics for the equity incentive plan to emphasize key performance metrics the Compensation Committee believes will drive increased shareholder value. One change for 2021 was the use of Total Shareholder Return ("TSR") as a performance metric, which measures the return to Mistras shareholders versus the shareholder returns of a compensation peer group, and compensates our named executive officers based on the return relative to the peer group.

### Overview and Philosophy

Overall, the objectives of our executive compensation programs are to achieve strategic business objectives that are aimed at growing our business profitably and aligning the long-term interests of our executives and shareholders. Our executive compensation objectives are to have compensation programs and policies that (1) align our executive team's performance with our operational and strategic objectives, (2) attract and retain talent that is needed to be successful and achieve our strategic objectives, and (3) pay for performance.

Our current compensation program for our executive officers includes our "named executive officers," who are listed in the Summary Compensation Table below. We have two incentive plans, an annual cash incentive or "bonus plan" and an equity incentive plan or "equity plan." The awards for the cash plan are based on the Company's financial performance, with the objective to pay executive officers currently in cash based on the Company's performance that year. The equity plan offers the opportunity for long-term rewards that will provide incentives for our executive officers to remain with us and enhance the long-term value of the Company for our shareholders. This plan is based 50% based on the Company's financial performance and 30% on TSR. The remaining 20% is provided in restricted stock units ("RSUs") which vest over time with no performance criteria. These RSUs are awarded to ensure our executive team has an equity stake in the Company and remains aligned with shareholders' interests.

We review our compensation programs every year to ensure the programs continue to be effective and are aligned with the objectives described above. As mentioned above, we made changes to the equity plan for 2021 that we believe will drive key performance indicators, such as TSR.

### Role of Compensation Committee

The Compensation Committee is responsible for the executive compensation program design and decision-making process, and will consider input from the Executive Chairman and the CEO in making its decisions. The Compensation Committee annually reviews the performance of the Executive Chairman and the CEO and, together with the other independent directors, establishes their compensation. For 2021, both the Executive Chairman and the President and CEO provided the Compensation Committee with their assessment of the other members of senior management and their recommendations for the compensation of the other executives. The Compensation Committee consists of four directors who meet the independence requirements of the NYSE (Ms. Lohmeier, the Committee Chair, and Messrs. Forese, Glanton, and Stamatakis).

The Compensation Committee has an active role in overseeing the design and implementation of the two incentive programs. In addition, the Compensation Committee worked closely with senior management and its consultant to develop a peer group for purposes of benchmarking compensation and to develop changes to the equity plan that took

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effect in 2020 and were further refined for 2021. The Compensation Committee, from time to time, utilizes the services of its independent compensation consultant, Pay Governance LLC, to review the compensation programs, assist in the development of the incentive plans and review the peer group.

### **Components of Executive Compensation for 2021**

The principal components of our current executive compensation program are base salary, the bonus plan and equity plan awards. Although each element of compensation, as described below, is considered separately, the Compensation Committee considers the aggregate compensation package for each executive officer in its determination of each individual component of that package. We also provide some benefits, such as car allowances or company vehicles, but these are not a significant portion of our compensation program.

Base salary is a fixed compensation amount paid during the fiscal year. Each named executive officer's base salary is reviewed annually by the Compensation Committee. The Compensation Committee takes into account benchmarking information regarding our executive officers' base salary against an industry peer group and broader database when determining adjustments to executive officers' salaries.

The bonus plan and equity plan for our executive officers are performance based and are tied to our results as described below. The objective of these plans is to link compensation to our performance. The Compensation Committee believes that our named executive officers should have a meaningful portion of their total compensation opportunity incentive based and linked to increasing shareholder value through the Company's business strategy of focusing upon growth opportunities and continued improvements in profitability. Reflecting this philosophy, at target levels of awards for the bonus plan and the equity plan for 2021, 50% or more of total compensation for all our named executive officers (other than Dr. Vahaviolos, who no longer participates in the equity plan) is performance-based.

Under the cash bonus plan, executive officers can earn a percentage of their base salary predicated on our performance against specific metrics. The equity plan provides executive officers with the opportunity to earn restricted stock units ("RSUs") based on our performance against specific metrics. The metrics are given different weightings, and executive officers earn their awards based upon our performance relative to the specific metrics. In addition, each metric has a minimum performance threshold, below which no cash bonus or RSUs can be earned for that metric.

Each executive officer has a target award potential he can earn under each program expressed as a percentage of the executive officer's base salary. If the performance for a specific metric is at the target level, the executive will receive 100% of his target award related to that metric. Each executive officer can earn between 0% and 200% of his target award, based upon performance against specific metrics.

The following are the 2021 target awards for our named executive officers under each program:

Name	Position	Percentage of Base Salary	
		Bonus Plan	Equity Plan
Dennis Bertolotti	President and Chief Executive Officer	100%	200%
Edward Prajzner	Executive Vice President, Chief Financial Officer and Treasurer	75%	95%
Sotirios Vahaviolos	Executive Chairman	75%	—
Jonathan Wolk	Sr. Executive Vice President and Chief Operating Officer	80%	125%
Michael Lange	Sr. Executive Vice President	65%	110%
Michael Keefe	Executive Vice President, General Counsel and Secretary	50%	80%

#### *Bonus Plan*

For 2021, performance metrics for the bonus plan were as follows:

- *Adjusted EBITDAs*: net income before interest, taxes, depreciation, amortization, non-cash stock-based compensation expense, acquisition related items, and other unusual and/or nonrecurring expenses
- *Revenue*
- *Free cash flow*: cash flow from operating activities, less cash used for purchases of property, plant and equipment and intangible assets

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Each of these metrics accounted for 1/3 of the total award opportunity and the targets for these metrics were based upon the Company's 2021 internal plan and budget established early in the year. These metrics are the same as were used for 2020 and were selected for the bonus plan because these are key metrics management and the Board use to evaluate the Company's performance.

A minimum of 90% of the target performance level of a metric must be achieved for an executive officer to receive any award for that metric. At 90% of the target performance level, the executive officer will receive 50% of his target award related to that metric. If performance is between 90% and 100% of the target performance level for a metric, the executive officer will receive a percentage of his target award for that metric based upon a straight-line interpolation between 50% and 100%, with each 1% increase in performance against target above the 90% performance level equating to a 5% increase in percentage of the earned award. If the performance for a specific metric exceeds 100% of the target performance level, the executive officer will receive more than 100% of his target award related to that metric, to a maximum of 200% of his target award if the performance for the metric equals or exceeds 120% of the target performance level. If performance is between 100% and 120% of target performance level for a metric, the executive officer will receive a percentage of his target award for that metric based upon a straight-line interpolation between 100% and 200%, with each 1% increase in performance against target above the 100% level equating to a 5% increase in percentage of the earned award.

### *Equity Plan*

For 2021, the performance metrics for the equity plan were as follows:

- *Adjusted EBITDAS*
- *Free Cash Flow*
- *Total Shareholder Return ("TSR")*

Adjusted EBITDAS and free cash flow are measured and the targets were set in the same manner as the bonus plan. The free cash flow metric was changed from 2020, which measured free cash flow as a percentage of revenue compared to the comparable percentage of the compensation peer group. This was changed to hold management accountable for its plan for the year and due to various comparability difficulties with the peer group. In 2020, the third metric was return on equity, but for 2021, the Compensation Committee decided to use TSR as the third metric, which is described in more detail below.

The weight of each metric toward the total equity award opportunity for 2021 was as follows:

Adjusted EBITDAS:	25%
Revenue:	25%
TSR:	30%
Time-based RSUs	20%

The revenue and Adjusted EBITDAS metrics were selected for the equity plan because these are two key metrics management and the Board use to evaluate the Company's performance.

The TSR metric was selected to reward our named executive officers based on the return to our shareholders versus the peer group. TSR measured the total return to our shareholders during 2021 relative to the total return to the shareholders of 17 companies in a peer group that provide inspection, testing, certification or similar industrial services. The return was measured by the year over year percent change in share price. The share prices used to calculate the return were the average share price during the 20-trading day period ending on the initial measurement date (the last 20 trading days of 2020), compared to the average share price during the 20-trading day period ending on the final measurement date (the last 20 trading days of 2021). Any cash dividends or distributions paid in 2021 were added to calculate the return to shareholders during the year.

*Time-Based:* RSUs awarded immediately with no performance requirements.

Under the equity plan, if the performance of the revenue or Adjusted EBITDAS metric is at target level, the executive will receive 100% of the executive officer's target award related to that metric. Each executive officer can earn between 0% and 200% of his target award, based upon performance. A minimum of 80% of the target performance level of the metric must be achieved for an executive officer to receive any award for that metric. At 80% of target performance level, the executive officer will receive 50% of the target award related to that metric. If performance

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is between 80% and 100% of target for a metric, the executive officer will receive a percentage of the executive officer's target award for that metric based upon a straight-line interpolation between 50% and 100%, with each 1% increase in performance against target above the 80% level equating to a 2.5% increase in the percentage of the earned award. If the performance for the revenue or Adjusted EBITDAS metric exceeds 100% of the target level, the executive officer will receive more than 100% of the executive's target award related to that metric, to a maximum of 200% of the target award if the performance for the metric equals or exceeds 120% of target. If performance is between 100% and 120% of target performance for a metric, the executive officer will receive a percentage of the executive's target award for that metric based upon a straight-line interpolation between 100% and 200%, with each 1% increase in performance against target above the 100% level equating to a 5% increase in the percentage of the earned award.

The TSR is a relative metric that is measured against the total return to shareholders of the compensation peer group. The TSR performance must be equal to at least the 30<sup>th</sup> percentile of the peer group for the executive officers to earn any award. An executive officer will earn 30% of the target award related to TSR if we are at the 30<sup>th</sup> percentile of the peer group; an executive will earn 100% of the award related to TSR if we are at the 50<sup>th</sup> percentile; and an executive officer will earn 200% of the target award for if our TSR at or above the 90<sup>th</sup> percentile of the peer group. If performance is between the 30<sup>th</sup> percentile and the 50<sup>th</sup> percentile of the peer group, the executive officer will receive a percentage of the executive officer's target award for TSR based upon a straight-line interpolation between 30% and 100%, with each 1% increase in percentile equating to an increase of approximately 2.85% in the percentage of the earned award. If TSR performance is between the 50<sup>th</sup> percentile and the 90<sup>th</sup> percentile of the peer group, the executive officer will receive a percentage of the executive officer's TSR target award based upon a straight-line interpolation between 100% and 200%, with each 1% increase in percentile equating to a 2.5% increase in the percentage of the earned award.

The equity plan target awards for each executive officer related to the performance metrics were established in RSUs, based upon our stock price in March 2021 after we release earnings for the year ended 2020. At the end of the year, an executive earns RSUs based upon our performance against the metrics which is then applied to the executive officer's target award of RSUs. For example, if an executive officer has a target award of 10,000 RSUs for the three performance-based metrics, and the Company performance results in the executive officer achieving 115% of the target award, that executive officer would be awarded 11,500 RSUs for the performance-based portion of the equity plan. The RSUs an executive officer receives will vest 25% per year, the first 25% vesting on the anniversary of the date on which the earned award is deemed final (the date of filing our Form 10-K for the year), and then 25% vesting on each of the second, third and fourth anniversary dates of end of the year for which the RSUs were earned. The time-based RSUs were priced at the same price used to determine the target RSU awards for the performance-based awards, and vest 25% on each anniversary of grant date in March 2021. The RSUs will vest immediately upon an executive officer's death or disability. In addition, if an executive officer retires at the age of 65 or older, the executive officer will continue to hold the RSUs post-retirement and the RSUs will continue to vest if the executive officer complies with non-compete and non-solicitation restrictions. If the executive officer violates these restrictions, the RSUs will be forfeited, and he will be required to repay the Company all value realized from post retirement vesting of any RSUs.

### **Benchmarking and the Role of Compensation Consultant**

To assist in the assessment of the appropriateness and competitiveness of our compensation programs, and to establish a group of companies against which our performance can be measured for metrics which are determined based upon our relative performance, management and the Compensation Committee, with the assistance of Pay Governance, developed a compensation peer group. In deciding the companies to include in the compensation peer group, management and the Compensation Committee focused on companies that are involved in or related to the asset protection, testing, inspection or similar industrial business services, and primarily selected firms that were generally in the range of 50% to 200% of our size with respect to revenues and/or market capitalization. This peer group will be evaluated periodically to ensure continued relevance and applicability.

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The 2021 compensation peer group consists of the following companies:

Aegion Corporation	Archrock, Inc.
CECO Environmental Corp.	CIRCOR International, Inc.
Columbus McKinnon Corporation	DMC Global Inc.
DXP Enterprises, Inc.	Enerpac Tool Group Corp.
Forum Energy Technologies, Inc.	Helix Energy Solutions Group, Inc.
Matrix Service Company	MYR Group Inc.
Oceaneering International, Inc.	Oil States International, Inc.
SEACOR Holdings Inc.	Team, Inc.
The Hackett Group, Inc.	

The Compensation Committee utilized its advisor, Pay Governance, in 2021 to advise the Compensation Committee on the following: (1) compensation for Mr. Bertolotti, (2) the terms of incentive plans, (3) the compensation peer group, and (4) the amendment to the Mistras Group 2016 Long-Term Incentive Plan, which shareholders are being asked to approve at the 2022 Annual Meeting. Pay Governance was retained directly by the Compensation Committee and any services rendered for us were as directed by the Compensation Committee.

### **2021 Compensation**

The following is a discussion of the decisions made on the various components of executive compensation for 2021 for our named executive officers.

#### *Base Salary*

Executive officers are reviewed and provided with salary adjustments, if any, after the conclusion of the fiscal period. This enables the Compensation Committee to make decisions after reviewing our financial performance during the just completed fiscal year and to evaluate the executive officers' performance during that period. Our executive officers' annual salaries for 2021 were: (a) \$525,000 for Dennis Bertolotti, which was increased to \$575,000 in August 2021; (b) \$350,000 for Edward Prajzner, which was increased to \$365,000 in August 2021; (c) \$425,400 for Jonathan Wolk, which was increased to \$436,100 in August 2021; (d) \$280,000 for Michael Lange; and (e) \$306,100 for Michael Keefe, which was increased to \$313,725 in August 2021.

#### *Bonus Plan and Equity Plan Results*

With respect to the bonus plan, the Company achieved above target performance for free cash flow and revenue, resulting in above target payout for these metrics. The Company was below target for Adjusted EBITDAS but above the 90% minimum threshold, so a partial payout was earned with respect to that metric. Accordingly, all our named executive officers earned above target for their cash bonus. Set forth below for the bonus plan are the performance metrics, the weight of each metric, the target performance for each metric and the 2021 results for each metric.

<b>Cash Bonus Plan</b>			
<b>Metric</b>	<b>Weight</b>	<b>Target</b>	<b>Result</b>
Revenue	33-1/3%	\$663.5	\$677.1
Adjusted EBITDAS*	33-1/3%	\$ 66.3	\$ 63
Free Cash Flow*	33-1/3%	\$ 19.5	\$ 23

(All dollar amounts in millions)

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With respect to the equity plan, we achieved above the 50<sup>th</sup> percentile of the peer group for TSR and above target for the free cash flow metric, resulting in a payout above target for these metrics. As discussed above, we achieved below target for Adjusted EBITDAS but above the threshold so a partial payout was earned with respect to that metric. Therefore, all our named executive officers earned above their target awards for the equity plan. Set forth below for the equity plan are the performance metrics, the weight of each metric, the target performance for the metric and the 2021 results for each metric.

Equity Incentive Plan			
Metric	Weight	Target	Result
Adjusted EBITDAS*	25%	\$66.3	\$63
Free Cash Flow*	25%	\$19.5	\$23
TSR	30%	50 <sup>th</sup> percentile	63 <sup>rd</sup> percentile

(All dollar amounts in millions)

\* Adjusted EBITDAS and free cash flow are financial measurements which are not determined in accordance with U.S. generally accepted accounting principles ("GAAP"). Exhibit C contains a reconciliation of these non-GAAP financial measurements to financial measurements determined in accordance with GAAP.

The following are the target awards for each named executive officer for the bonus and equity plans and the corresponding awards earned under each plan based upon 2021 results.

Name	Cash Bonus Plan Awards(\$)		Equity Incentive Plan Awards (RSUs) (#)(1)	
	Target	Earned	Target	Earned
Dennis Bertolotti	575,000	716,928	95,890	123,552
Edward Prajzner	275,625	343,658	30,365	39,125
Sotirios Vahaviolos	255,000	317,942	—	—
Jonathan Wolk	348,880	434,995	48,562	62,570
Michael Lange	182,000	226,923	28,128	36,242
Michael Keefe	156,900	195,628	22,363	28,815

(1) These amounts include the time-based restricted stock units granted in March 2021 which comprise 20% of the total equity plan target opportunity for each executive officer.

### Additional Equity Awards

As mentioned in our proxy statement for the 2021 annual shareholders meeting, the Compensation Committee awarded our named executive officers additional RSU awards due to the sacrifices and hard work during the crisis caused by the COVID-19 pandemic in 2020. These equity awards related to 2020 performance, but because these discretionary awards were granted in March 2021, they are included as 2021 compensation in the column "Stock Awards" in the Summary Compensation Table below in the section "Executive Compensation" following this Compensation Discussion and Analysis. These RSUs vest 25% per year on the first four anniversary dates of the March 2021 grant date. The following are the amounts of these discretionary awards granted to each named executive officer:

	RSUs (#)
Dennis Bertolotti	29,800
Edward Prajzner	8,400
Jonathan Wolk	14,300
Michael Lange	12,100
Michael Keefe	7,400

### Overall Compensation for 2021 Performance

The Compensation Committee reviews cash and RSUs awarded to our executive officers based on performance during a particular year. Due to the SEC disclosure rules for the Summary Compensation Table under "Executive Compensation," the compensation set forth in that table for a particular year does not necessarily align with the actual

compensation related to that year. The equity compensation in the Summary Compensation Table is based upon accounting and SEC rules, which requires that we include 100% of the target award value for the equity plan, regardless of how much of the award is ultimately earned by the named executive officers. For example, in 2020 and 2019, our named executive officers earned less than the amount disclosed for the equity plan, as the payouts were 23% and 46% of target for 2020 and 2019, respectively. As mentioned above, the Compensation Committee granted our named executive officers discretionary awards in March 2021 for their performance in 2020, but these appear as 2021 compensation, not 2020 compensation. Accordingly, the Compensation Committee considers awards based on the performance period for which the named executive officer is being compensated, which may not align with amount or the period for which the compensation is reported in the summary compensation table disclosures.

### **Role of Executive Officers in Setting Compensation**

Dr. Vahaviolos has historically played a role in setting compensation for executive officers, as has been the case historically since he founded the Company over 40 years ago. Dr. Vahaviolos has been operating in the NDT and asset protection industry for over 40 years and possesses a detailed and in-depth knowledge of the industry and our competitors, which enables him to assess the performance of our executive officers as compared to our competitors. In 2021, Dr. Vahaviolos continued to play a role in making recommendations to the Compensation Committee for its consideration regarding our CEO, Mr. Bertolotti, and our other executive officers. The Compensation Committee has also sought the input of Mr. Bertolotti regarding the compensation of other executive officers. Both of their input and recommendations are subject to the Compensation Committee's independent review and approval. We expect this practice will continue in the future, as the Compensation Committee values Dr. Vahaviolos' and Mr. Bertolotti's input and guidance.

### **Impact of Tax Treatment**

The Company and the Compensation Committee consider tax, tax deductibility and accounting treatment of various compensation alternatives, and strive to structure all compensation to be fully tax deductible. However, these are not the driving or most influential factors. The Compensation Committee may approve non-deductible compensation arrangements if it believes they are in our best interests and those of our shareholders, taking into account several factors, including the need to retain quality executive officers.

### **Employment Agreements and Severance Arrangements**

We have an employment agreement with Mr. Bertolotti for the positions of President and CEO and with Dr. Vahaviolos for the position of Executive Chairman. Mr. Bertolotti and the Company entered into his employment agreement on March 13, 2018 with an effective date of August 10, 2017. Mr. Bertolotti's agreement will continue until terminated by either party as provided in the agreement. Mr. Bertolotti's employment agreement is described further under "Employment Agreements" on page [39](#) and under the subheading "Dennis Bertolotti" under "Potential Payments upon Termination of Employment or Change of Control" on page [37](#). Dr. Vahaviolos and the Company entered into his employment agreement on February 28, 2018 with an effective date of August 10, 2017. That agreement had an initial term that expired September 1, 2020, and thereafter renews for successive one-year periods (which is currently the case) in the absence of an election by either party to terminate. Dr. Vahaviolos' employment agreement is described further under "Employment Agreements" on page [39](#) and under the subheading "Sotirios Vahaviolos" under "Potential Payments upon Termination of Employment or Change of Control" on page [38](#).

We established a severance plan for our other named executive officers that is explained in "Potential Payments upon Termination of Employment" under the subheading "Our Other Named Executive Officers." on page [39](#).

### **Changes to Executive Compensation for 2022**

The incentive compensation programs for our named executives are remaining the same for 2022 as we used for 2021, other than to adjust the targets and a slight modification to the TSR metric. The TSR metric for 2022 has been modified to limit the payout to 100% of the target award if absolute TSR is negative and the target performance has been increased from the 50<sup>th</sup> percentile to the 60<sup>th</sup> percentile in order to earn 100% of the target award. The Compensation Committee is also considering modifications to the equity incentive plan that would be implemented after 2022 to reward performance over a period longer than one year.

Based upon benchmarking of the executive compensation of the peer group, the Compensation Committee has approved (a) an increase in Mr. Bertolotti's annual salary to \$625,000, effective January 3, 2022; and (b) an increase

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in Mr. Prajzner's base salary to \$400,000 effective January 3, 2022 and an increase of the target opportunity for Mr. Prajzner from 75% to 80% of his base salary for the cash plan and from 95% to 100% of his base salary for the equity plan, effective for the 2022 plans. The Compensation Committee and Dr. Vahaviolos agreed to restore his base salary to \$425,000, effective April 1, 2022, from the \$340,000 he agreed to be paid during the COVID-19 pandemic.

### **Compensation Policies**

#### *Stock Ownership Guidelines*

The Compensation Committee and Board have established stock ownership guidelines for our executive officers. Our CEO is required to hold shares of our common stock with a value of at least five times his annual base salary and all other executive officers are required to hold shares of our common stock with a value of at least two times their annual base salary. Future executive officers will have five years from their appointment to meet the guidelines. Unexercised options and unearned performance shares or performance RSUs are not counted toward meeting the guidelines until earned. If an executive officer is not meeting the minimum ownership guidelines (even if before the date he must meet them), the executive officer is required to hold all shares received from the vesting or exercise of an equity award during the preceding 36 months (other than shares withheld to pay withholding taxes and shares acquired upon the exercise of options which are sold to cover the exercise price) until the guidelines are met. In addition, all executive officers are not allowed to sell shares they acquire upon the vesting of RSUs or the exercise of options (net of shares withheld to pay withholding taxes or sold to pay the exercise price of options) for one year after vesting or exercise. For 2021, all our executive officers were in compliance with the stock ownership guidelines.

#### *Claw-Back Policy*

We have established an incentive compensation recoupment policy, pursuant to which we may recoup both cash and equity incentive compensation from executive officers. If we have a significant restatement of previously issued financial statements caused by the fraud or willful misconduct of one or more of our executive officers (such executive officers shall be referred to as "culpable officers"), as determined by the Compensation Committee in its reasonable judgment after consultation with the Audit Committee, and the culpable officers received incentive compensation based upon the results of the financial statements which are subject to the significant restatement, the policy provides for the following.

The Compensation Committee will recalculate the incentive compensation for the period or periods related to the restated financial statements that the culpable officers should have received, based upon the restated financial statements. If the incentive compensation the culpable officers received is greater than the recalculated amount of incentive compensation as determined by the Compensation Committee, then the Compensation Committee will seek to recoup from the culpable officers such excess incentive compensation. The Compensation Committee will determine the manner and timing by which we will seek recovery from the culpable officers, including the cancellation of equity awards and setoff against current or future compensation, to the extent permitted by law.

#### *Hedging Prohibitions*

Our Insider Trading Compliance Policy prohibits all our employees, including our executive officers and directors, from (i) trading in options of any kind or other derivatives related to our securities, (ii) selling our securities short, (iii) purchasing our securities on margin, or (iv) entering into any other transaction or buying any financial instrument that directly or indirectly hedges or offsets any decrease in the value of Mistras common stock (or is designed to do so).

#### *Continuing Review of Compensation Practices*

We will continue to review our compensation practices and programs and will consider changes as the Compensation Committee deems appropriate to meet our compensation goals. No material changes are planned for 2022.

### **Risk Assessment of Compensation Practices and Programs**

Our Compensation Committee and senior management assessed whether our compensation practices and programs for our executive officers and other employees pose any material risk to us and determined that our compensation practices and programs are not reasonably likely to have a material adverse effect on us.

**EXECUTIVE COMPENSATION**

**Summary Compensation Table**

The following table provides information regarding the compensation in 2021 of our Chief Executive Officer, our Chief Financial Officer, each of the next three most highly compensated executive officers and our Executive Chairman. We refer to these individuals as our “named executive officers.”

Name and principal position	Fiscal Period	Salary (\$)	Stock Awards \$(1)	Non-Equity Incentive Plan Compensation \$(2)	All Other Compensation \$(3)	Total (\$)
Dennis Bertolotti President and Chief Executive Officer	2021	544,229	1,243,571	716,928	22,733	2,527,461
	2020	406,875	806,335	329,307	22,110	1,564,627
	2019	511,538	1,035,553	268,117	27,579	1,842,787
Edward J. Prajzner Executive Vice President, Chief Financial Officer and Treasurer	2021	356,728	385,458	343,658	16,619	1,102,463
	2020	306,249	114,488	142,700	14,479	577,916
	2019	343,269	276,144	116,184	19,199	754,796
Sotirios J. Vahaviolos Executive Chairman	2021	340,000	—	317,942	21,164	679,106
	2020	331,010	—	199,936	21,828	552,774
	2019	425,000	—	162,785	30,993	618,778
Jonathan H. Wolk Sr. Executive Vice President and Chief Operating Officer	2021	429,482	623,427	434,995	19,093	1,506,997
	2020	350,947	217,425	213,466	16,640	798,478
	2019	422,054	524,428	173,801	21,054	1,141,337
Michael J. Lange Sr. Executive Vice President	2021	280,000	391,784	226,923	26,701	925,408
	2020	296,194	164,617	149,223	24,710	634,744
	2019	362,945	397,069	121,495	30,122	911,631
Michael C. Keefe Executive Vice President, General Counsel, Secretary	2021	309,011	293,647	195,628	20,560	818,846
	2020	267,806	100,129	96,001	17,541	481,477
	2019	303,664	241,524	78,163	26,964	650,315

- (1) This column represents the value of RSUs, PSUs or performance based RSUs based upon their grant date fair value for stock compensation under FASB ASC Topic 718.
- (2) The amounts in this column represent the cash payments under the annual incentive program made to each named executive officer after the conclusion of the fiscal period, based upon the Company’s performance against financial metrics during the fiscal period.
- (3) For All Other Compensation, no named executive officer received any perquisite or personal benefit which individually exceeded \$25,000 and consisted of vehicle allowance or usage, group life insurance and Company matching of 401(k) plan contributions.

*Note on this table:* The amounts in this table in the column “Stock Awards,” do not reflect the value of equity awards actually earned, due to the SEC rules for this column and accounting rules. See “Overall Compensation for 2021 Performance” on page [32](#).

**Grants of Plan-Based Awards in 2021**

The following table provides information regarding grants of non-equity incentive awards for our named executive officers, as approved in 2021.

Name	Grant date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards		
		Threshold (\$)	Target (\$)	Maximum (\$)
Dennis Bertolotti	(1)	\$287,500	\$575,000	\$1,150,000
Edward Prajzner	(1)	\$137,813	\$275,625	\$ 551,250
Sotirios Vahaviolos	(1)	\$127,500	\$255,000	\$ 510,000
Jonathan Wolk	(1)	\$174,440	\$348,880	\$ 697,760
Michael Lange	(1)	\$ 91,000	\$182,000	\$ 364,000
Michael Keefe	(1)	\$ 78,450	\$156,900	\$ 313,800

- (1) Amounts are potential payouts under the Company’s cash bonus plan for executive officers for 2021, which are based on Company

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performance. The threshold assumes minimum performance, which pays at 50% of target award; maximum assumes performance at or above the levels needed for maximum payout, which pays out at 200% of target award level. No amounts are paid if performance is below the minimum performance level. The actual awards earned for 2021 are included under the Non-Equity Incentive Plan Compensation in the Summary Compensation Table for 2021.

The following table provides information regarding the estimated future payouts of equity awards to our named executive officers granted in 2021.

Name	Grant Date	Estimated Future Payouts Under Equity Incentive Plan Awards		
		Threshold (#)	Target (#)	Maximum (#)
Dennis Bertolotti	(1)	51,781	95,890	172,602
Edward Prajzner	(1)	16,397	30,365	54,657
Jonathan Wolk	(1)	26,223	48,562	87,412
Michael Lange	(1)	15,189	28,128	50,630
Michael Keefe	(1)	12,076	22,363	40,253

(1) Amounts are potential payouts of RSUs under the Company's equity plan for executive officers, 80% of which are earned based on Company performance. The threshold assumes minimum performance, which pays at 53% of target award (on a weighted average basis, including 100% for the time-based portion); maximum assumes performance at or above the levels needed for maximum payout, which pays out at 180% of target award (on a weighted average basis, including 100% for the time-based portion). The actual number of time-based RSUs earned for 2021 are set forth on page 32. If performance is below the minimum performance level, the payout would be 20% of target, consisting solely of the time-based RSU portion of the equity plan. The value of a target grant is determined pursuant to FASB ASC Topic 718 and is included under Stock Awards in the Summary Compensation Table for 2021.

### Outstanding Equity Awards at December 31, 2021

The following table provides information regarding equity awards granted to our named executive officers that were outstanding as of December 31, 2021:

Name	Stock Awards			
	Number of shares or units of stock that have not vested (#)(1)	Market value of shares or units of stock that have not vested (\$)(1)(3)	Equity incentive plan awards: number of unearned shares, units or other rights that have not vested (#)(2)	Equity incentive plan awards: market or payout value of unearned shares, units or other rights that have not vested(\$)(2)(3)
D. Bertolotti	200,474	\$1,489,522	76,712	\$569,970
E. Prajzner	27,524	\$ 204,503	24,292	\$180,490
J. Wolk	50,377	\$ 374,301	38,850	\$288,656
M. Lange	37,698	\$ 280,096	22,502	\$167,190
M. Keefe	24,014	\$ 178,424	17,890	\$132,923

(1) These columns represent unvested RSUs which have only time-based vesting restrictions remaining.

(2) These columns represent performance-based RSUs granted for 2021, at the target award level.

(3) The market value is the number of shares or units multiplied by \$7.43, the closing price of our common stock on December 31, 2021.

No options were outstanding as of December 31, 2021.

### Option Exercises and Stock Vested in 2021

Name	Stock Awards	
	Number of shares acquired on vesting (#)	Value realized on vesting (\$)
Dennis Bertolotti	30,229	\$255,705
Edward Prajzner	5,885	\$ 52,017
Sotirios Vahaviolos	6,404	\$ 47,582
Jonathan Wolk	16,234	\$136,368
Michael Lange	12,060	\$101,528
Michael Keefe	7,305	\$ 61,528

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The value realized for stock awards is the number of shares vesting on a particular day multiplied by the closing price of our common stock that day, or the immediately preceding trading day if shares vest on a day that is not a trading day. There were no options exercised in 2021.

### **Pension Benefits and Non-Qualified Deferred Compensation**

We do not currently provide our named executive officers with pension benefits or nonqualified deferred compensation.

### **Pay Ratio of CEO**

In 2021, we compared CEO pay to that of the median employee previously identified in 2020 using the methodology described in our proxy statement for the 2021 annual shareholders meeting. We do not believe there were changes in our employee population or employee compensation arrangements in 2021 that would significantly impact our median employee. For that reason, we used the employee identified in 2020 as the median employee for determining the pay ratio for 2021.

We collected the 2021 annual total compensation for the median employee using the same methodology we used for our named executive officers as disclosed in the Summary Compensation Table on page [35](#). The annual total compensation of our CEO in 2021 was \$2,527,461 and the annual total compensation of the median employee in 2021 was \$62,884, resulting in a ratio of 40 to 1.

### **Potential Payments upon Termination of Employment or Change of Control**

We have employment agreements for Dr. Vahaviolos and Mr. Bertolotti and a severance plan that covers our other named executive officers, providing them with benefits in connection with a termination of employment in certain circumstances. These arrangements are designed to provide some level of continued income and benefits upon the termination of employment with the Company under certain circumstances or, in certain cases, upon a change of control.

The following summarizes the payments and benefits that would be owed by us to the named executive officers under the circumstances described below, in each case assuming the event occurred on December 31, 2021.

#### ***Dennis Bertolotti***

Event	Salary	Incentive Bonus <sup>(1)</sup>	Unvested Equity Awards <sup>(2)</sup>	Healthcare and Other Benefits	Total
Termination of employment by Company without cause/termination or by Mr. Bertolotti for good reason and:					
no change in control	862,500	862,500	2,265,021	56,179	4,046,200
change of control	1,150,000	1,150,000	2,265,021	56,179	4,621,200
Termination of employment due to disability or death	287,500		2,265,021	27,031	2,579,552

(1) Mr. Bertolotti is entitled to 1-1/2 times (two times in case of change in control) of the greater of (a) bonus at 100% of salary or (b) current year's bonus in case of termination by (i) the Company without cause or (ii) Mr. Bertolotti for good reason. This amount does not include amounts under the column Non-Equity Incentive Plan Compensation in the Summary Compensation Table, which would be paid to Mr. Bertolotti as well.

(2) Mr. Bertolotti's RSUs vest upon the termination of his employment for any of the events listed above or upon a change of control. Performance RSUs will be deemed earned and vested (i) based upon performance for the year if employment is terminated without a change in control or (ii) at target if a change in control occurs. At December 31, 2021 Mr. Bertolotti had (a) 200,474 unvested RSUs and (b) 76,712 performance-based RSUs at target for 2021, of which 104,374 were earned. The closing price of our common stock on December 31, 2021 was \$7.43 per share.

Termination without cause occurs if Mr. Bertolotti is terminated for any reason other than: (1) a conviction of or a nolo contendere (uncontested) plea to a felony or an indictment for a felony against Mistras that has a material adverse effect on the Company's business; (2) fraud or material act or omission involving dishonesty with respect to the Company; (3) willful failure or refusal to carry out material employment responsibilities; or (4) willful engagement in any act or omission that is in violation of a material Company policy, in each case subject to a 30 day cure period

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if the act or omission is curable by Mr. Bertolotti. If Mr. Bertolotti has previously been afforded the opportunity to cure a particular behavior and successfully cured the behavior, the Board will have no obligation to provide Mr. Bertolotti with notice and an opportunity to cure a recurrence of that behavior prior to a termination for cause.

Mr. Bertolotti may terminate his employment for good reason as follows: (1) a material adverse change in his status or position, including a material reduction in his duties, responsibilities or authority, or the assignment to him of duties or responsibilities that are materially inconsistent with his status or position as President and CEO; (2) a material reduction in his base salary; (3) a material reduction in his short-term target incentive award opportunity during a calendar year; (4) a breach by the Company of any of its material obligations under the employment agreement; (5) a relocation of his principal place of employment by more than 50 miles from the then current location; or (6) in connection with a change in control, a failure by the successor or acquiring company to assume the Company's obligations under his employment agreement.

Termination in connection with a change in control occurs if Mr. Bertolotti's employment is terminated without cause at the request of an acquirer or otherwise in contemplation of a change in control in the period beginning six months prior to the date of a change in control, or his employment is terminated by the Company without cause or he terminates his employment for good reason within two years after a change in control.

**Sotirios Vahaviolos**

Event	Salary	Incentive Bonus <sup>(1)</sup>	Healthcare and Other Benefits	Total
Termination of employment by Company without cause/termination or by Dr. Vahaviolos for good reason and:				
no change in control	\$637,500	\$478,125	45,449	1,161,074
change of control	850,000	637,500	45,449	1,532,949
Termination of employment due to disability or death	212,500	—	23,212	235,712

(1) Dr. Vahaviolos is entitled to 1-1/2 times (two times in case of change in control) of the greater of (a) bonus at 75% of salary or (b) current year's bonus in case of termination by (i) the Company without cause or (ii) Dr. Vahaviolos for good reason. This amount does not include amounts under the column Non-Equity Incentive Plan Compensation in the Summary Compensation Table, which would be paid to Dr. Vahaviolos as well. The above calculations assume Dr. Vahaviolos' salary would be returned to \$425,000, as his current salary reduction is voluntary and Dr. Vahaviolos can elect to have his salary returned to the amount specified in his contract.

Termination without cause occurs if Dr. Vahaviolos is terminated for any reason other than: (1) a conviction of or a nolo contendere (uncontested) plea to a felony or an indictment for a felony against Mistras that has a material adverse effect on the Company's business; (2) fraud or material act or omission involving dishonesty with respect to the Company; (3) willful failure or refusal to carry out material employment responsibilities; or (4) willful engagement in any act or omission that is in violation of a material Company policy, in each case subject to a 30 day cure period if the act or omission is curable by Dr. Vahaviolos. If Dr. Vahaviolos has previously been afforded the opportunity to cure a particular behavior and successfully cured the behavior, the Board will have no obligation to provide Dr. Vahaviolos with notice and an opportunity to cure a recurrence of that behavior prior to a termination for cause.

Dr. Vahaviolos may terminate his employment for good reason as follows: (1) a material adverse change in his status or position, including a material reduction in his duties, responsibilities or authority, or the assignment to him of duties or responsibilities that are materially inconsistent with his status or position as Executive Chairman; (2) a material reduction in his base salary; (3) a material reduction in his short-term target incentive award opportunity during a calendar year; (4) a breach by the Company of any of its material obligations under the employment agreement; or (5) in connection with a change in control, a failure by the successor or acquiring company to assume the Company's obligations under his employment agreement.

Termination in connection with a change in control occurs if Dr. Vahaviolos' employment is terminated without cause at the request of an acquirer or otherwise in contemplation of a change in control in the period beginning six months prior to the date of a change in control, or his employment is terminated by the Company without cause or he terminates his employment for good reason within two years after a change in control.

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### Our Other Named Executive Officers

Under the severance plan for all named executive officers other than Mr. Bertolotti and Dr. Vahaviolos (referred to as “executive officers” in this section), if an executive officer’s employment is terminated, the executive officer would receive the following:

- If an executive officer’s employment is terminated by the Company without cause or he terminates employment for good reason in a situation not involving a change in control, the executive officer will receive 12 months of base salary plus a pro rata portion of the annual cash bonus for the year in which employment is terminated.
- If the executive officer’s employment is terminated by the Company without cause or he terminates employment for good reason, in either case within 6 months before or 2 years after a change in control, he will receive 18 months of base salary plus 1-1/2 times his annual cash bonus at the executive officer’s target bonus opportunity.

If an executive officer’s employment is terminated by the Company without cause or the executive officer terminates employment for good reason, not in connection with a change in control, then while he is receiving the termination payment (so long as he is complying with the confidentiality requirements and the non-compete and non-solicitation restrictions which are conditions for severance benefits), all options and RSUs will continue to vest. Any outstanding performance-based awards will be earned and vested pro rata to the date of termination and the amount of any awards payable or vesting will be determined based on actual performance. Any vested stock options will expire 90 days after the end of the severance period.

If an executive officer’s employment is terminated by the Company without cause or he terminates employment for good reason within 6 months before or 2 years after a change in control, all equity-based incentive awards granted to the executive officer which were not paid out or fully vested in connection with the change in control will become fully vested immediately, with the payout under any performance-based awards being equal to the target amount.

The following sets forth the severance payments we would pay to our other named executive officers if their employment was terminated at the conclusion of 2021 by us without cause or by the executive officer for good reason. Under the severance policy, the terms termination “without cause” and “for good reason” are substantially the same as described above for Mr. Bertolotti.

Circumstance of Termination	Salary	Incentive Bonus <sup>(1)</sup>	Unvested Equity Awards <sup>(2)</sup>	Healthcare and Other Benefits	Total
<i>No Change in Control</i>					
Edward Prajzner	\$367,500	—	\$ 95,758	\$14,766	\$ 478,024
Jonathan Wolk	\$425,400	—	\$156,988	\$17,597	\$ 599,985
Michael Lange	\$280,000	—	\$118,048	\$ 4,941	\$ 402,989
Michael Keefe	\$313,800	—	\$ 13,419	\$12,213	\$ 339,432
<i>Change in Control</i>					
Edward Prajzner	\$551,250	\$413,438	\$435,688	\$14,766	\$1,415,141
Jonathan Wolk	\$638,100	\$510,480	\$765,008	\$17,597	\$1,931,184
Michael Lange	\$420,000	\$273,000	\$612,462	\$ 4,941	\$1,310,403
Michael Keefe	\$470,700	\$235,350	\$359,285	\$12,213	\$1,077,549

(1) Does not include amounts paid under the column Non-Equity Incentive Plan Compensation in the Summary Compensation Table, which would be paid as well.

(2) In the case of a change of control, includes 2021 performance based RSUs at target. For Mr. Keefe, he has reached retirement age under the terms of the equity awards and his awards would continue to vest post retirement and therefore are not included for purposes of termination without change of control; the value is included for change in control because the unvested awards would vest immediately.

### Employment Agreements

#### *Bertolotti Employment Agreement*

We entered into an employment agreement with Dennis Bertolotti on March 13, 2018 for the position of President and Chief Executive Officer, with an effective date of August 10, 2017. The agreement will continue until Mr. Bertolotti’s employment is terminated as provided in the agreement. Beginning the effective date, Mr. Bertolotti’s

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annual base salary became \$475,000; his target for the annual cash incentive program is 100% of his base salary; and his target for the equity incentive plan is 200% of his base salary.

Under the employment agreement, Mr. Bertolotti may be entitled to receive payments and other benefits upon the termination of his employment. Mr. Bertolotti is entitled to 1-1/2 times (two times in case of change in control) of his base salary plus his target bonus in case of termination by (i) the Company without cause or (ii) Mr. Bertolotti for good reason. In those cases, Mr. Bertolotti (a) will also receive a pro rata portion of his bonus and equity award for the year in which his employment is terminated, and (b) will be deemed to have satisfied in full any service-based vesting conditions under any then outstanding long-term incentive awards.

All outstanding equity-based incentive awards granted to Mr. Bertolotti will become fully vested immediately before the occurrence of a change in control if (a) Mr. Bertolotti is then still employed by or in the service of the Company, or (b) within six months preceding the change in control, Mr. Bertolotti's employment is terminated by the Company without cause or by him for good reason, with the payout under any performance-based award being equal to the target amount.

Termination in connection with a change in control occurs if Mr. Bertolotti's employment is terminated without cause at the request of an acquirer or otherwise in contemplation of a change in control in the period beginning six months prior to the date of a change in control, or his employment is terminated by the Company without cause or he terminates his employment for good reason within two years after a change in control.

Termination without cause occurs if Mr. Bertolotti is terminated for any reason other than: (1) a conviction of or a nolo contendere (uncontested) plea to a felony or an indictment for a felony against Mistras that has a material adverse effect on the Company's business; (2) fraud or material act or omission involving dishonesty with respect to the Company; (3) willful failure or refusal to carry out material employment responsibilities; or (4) willful engagement in any act or omission that is in violation of a material Company policy, in each case subject to a 30 day cure period if the act or omission is curable by Mr. Bertolotti. If Mr. Bertolotti has previously been afforded the opportunity to cure a particular behavior and successfully cured the behavior, the Board will have no obligation to provide Mr. Bertolotti with notice and an opportunity to cure a recurrence of that behavior prior to a termination for cause.

Mr. Bertolotti may terminate his employment for good reason as follows: (1) a material adverse change in his status or position, including a material reduction in his duties, responsibilities or authority, or the assignment to him of duties or responsibilities that are materially inconsistent with his status or position as President and CEO; (2) a material reduction in his base salary; (3) a material reduction in his total target incentive award opportunity during a calendar year; (4) a breach by the Company of any of its material obligations under the employment agreement; (5) a relocation of his principal place of employment by more than 50 miles for the then current location; or (6) in connection with a change in control, a failure by the successor or acquiring company to assume the Company's obligations under his employment agreement.

If any payment or benefit (including payments and benefits pursuant to this Agreement) that Mr. Bertolotti would receive in connection with a change in control from the Company or otherwise ("Transaction Payment") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Internal Revenue Code (the "Code"), and (ii) the net after-tax benefit that Mr. Bertolotti would receive by reducing the Transaction Payments to three times the "base amount," as defined in Section 280G(b)(3) of the Code, (the "Parachute Threshold") is greater than the net after-tax benefits Mr. Bertolotti would receive if the full amount of the Transaction Payments were paid to Mr. Bertolotti, then the Transaction Payments payable to Mr. Bertolotti will be reduced (but not below zero) so that the Transaction Payments due to Mr. Bertolotti do not exceed the amount of the Parachute Threshold.

The employment requires that Mr. Bertolotti comply with the restrictive covenants in the agreement, including non-disclosure, non-competition and non-solicitation covenants. The non-competition covenant expires on the first anniversary of the termination of Mr. Bertolotti's employment and the non-solicitation covenant expires on the second anniversary. The non-disclosure covenant does not expire. All post-employment payments or benefits under the employment agreement are conditioned on the execution of a general release of claims by Mr. Bertolotti in favor of the Company, its affiliates, and their officers, directors and employees.

### *Vahaviolos Employment Agreement*

We entered into an employment agreement with Dr. Vahaviolos on February 28, 2018 for the position of Executive Chairman of the Board, with an effective date of August 10, 2017. The agreement had an initial term expiring

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September 1, 2020, and thereafter automatically renews successive one-year periods unless either party gives 90 days prior notice of non-renewal. Pursuant to the agreement, Dr. Vahaviolos' annual base salary is \$425,000 and his target for the annual cash incentive program is 75% of his base salary, all effective January 1, 2018. The agreement does not provide for participation by Dr. Vahaviolos in any equity incentive programs of the Company. Notwithstanding the employment agreement, Dr. Vahaviolos voluntarily agreed to reduce his annual base salary to \$340,000 effective October 1, 2020.

Under the employment agreement, Dr. Vahaviolos may be entitled to receive payments and other benefits upon the termination of his employment. Dr. Vahaviolos is entitled to 1-1/2 times (two times in case of change in control) of his base salary plus his target bonus in case of termination by (i) the Company without cause or (ii) Dr. Vahaviolos for good reason. In those cases, Dr. Vahaviolos (a) will also receive a pro rata portion of his bonus for the year in which his employment is terminated, and (b) will be deemed to have satisfied in full any service-based vesting conditions under any then outstanding long-term incentive awards.

All outstanding equity-based incentive awards granted to Dr. Vahaviolos will become fully vested immediately before the occurrence of a change in control if (a) Dr. Vahaviolos is then still employed by or in the service of the Company, or (b) within six months preceding the change in control, Dr. Vahaviolos' employment is terminated by the Company without cause or by him for good reason, with the payout under any performance-based award being equal to the target amount.

Termination in connection with a change in control occurs if Dr. Vahaviolos' employment is terminated without cause at the request of an acquirer or otherwise in contemplation of a change in control in the period beginning six months prior to the date of a change in control, or his employment is terminated by the Company without cause or he terminates his employment for good reason within two years after a change in control.

Termination without cause occurs if Dr. Vahaviolos is terminated for any reason other than: (1) a conviction of or a nolo contendere (uncontested) plea to a felony or an indictment for a felony against Mistras that has a material adverse effect on the Company's business; (2) fraud or material act or omission involving dishonesty with respect to the Company; (3) willful failure or refusal to carry out material employment responsibilities; or (4) willful engagement in any act or omission that is in violation of a material Company policy, in each case subject to a 30 day cure period if the act or omission is curable by Dr. Vahaviolos. If Dr. Vahaviolos has previously been afforded the opportunity to cure a particular behavior and successfully cured the behavior, the Board will have no obligation to provide Dr. Vahaviolos with notice and an opportunity to cure a recurrence of that behavior prior to a termination for cause.

Dr. Vahaviolos may terminate his employment for good reason as follows: (1) a material adverse change in his status or position, including a material reduction in his duties, responsibilities or authority, or the assignment to him of duties or responsibilities that are materially inconsistent with his status or position as Executive Chairman; (2) a material reduction in his base salary; (3) a material reduction in his short-term target incentive award opportunity during a calendar year ; (4) a breach by the Company of any of its material obligations under the employment agreement; or (5) in connection with a change in control, a failure by the successor or acquiring company to assume the Company's obligations under his employment agreement.

If any payment or benefit (including payments and benefits pursuant to this Agreement) that Dr. Vahaviolos would receive in connection with a change in control from the Company or otherwise ("Transaction Payment") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Internal Revenue Code (the "Code"), and (ii) the net after-tax benefit that Dr. Vahaviolos would receive by reducing the Transaction Payments to three times the "base amount," as defined in Section 280G(b)(3) of the Code, (the "Parachute Threshold") is greater than the net after-tax benefits Dr. Vahaviolos would receive if the full amount of the Transaction Payments were paid to Dr. Vahaviolos, then the Transaction Payments payable to Dr. Vahaviolos will be reduced (but not below zero) so that the Transaction Payments due to Dr. Vahaviolos do not exceed the amount of the Parachute Threshold.

The employment agreement imposes restrictive covenants on Dr. Vahaviolos, including non-disclosure, non-competition and non-solicitation covenants. The non-competition covenant expires on the first anniversary of the termination of Dr. Vahaviolos' employment and the non-solicitation covenant expires on the second anniversary. The non-disclosure covenant does not expire. All post-employment payments or benefits under the employment agreement are conditioned on the execution of a general release of claims by Dr. Vahaviolos in favor of the Company, its affiliates, and their officers, directors and employees.

**SHAREHOLDER PROPOSALS AND OTHER MATTERS**

Shareholders may submit proposals on matters appropriate for shareholder action at meetings of the Company's shareholders in accordance with Rule 14a-8 promulgated under the Securities Exchange Act of 1934. If a shareholder wants us to include such a proposal in our proxy statement for presentation at our 2023 annual shareholders meeting, the proposal must be received by our Corporate Secretary, at 195 Clarksville Road, Princeton Junction, New Jersey 08550, no later than December 14, 2022, and all applicable requirements of Rule 14a-8 must be satisfied. If the shareholder submitting the proposal is not the holder of record, the shareholder will need to submit to us proof of ownership for at least one year. This can generally be obtained from the bank, broker or other nominee holding the shares. We are not required to include any proposal received after December 14, 2022 in our proxy materials for the 2023 annual shareholders meeting.

A shareholder may also nominate directors or have other business brought before the 2023 annual shareholders meeting by submitting the nomination or proposal to us on or after January 23, 2023, and on or before February 22, 2023, in accordance with Section 2.14 of our bylaws. If, however, our 2023 shareholders meeting is held before April 23, 2023 or after July 22, 2023, the time period for a shareholder to submit a nomination or proposal will be modified in accordance with Section 2.14 of our bylaws. The nomination or proposal must be delivered to our Corporate Secretary at 195 Clarksville Road, Princeton Junction, New Jersey 08550, and meet all the requirements of our bylaws. Our bylaws are available on our website at <http://investors.mistrasgroup.com/governance.cfm>.

**EXHIBIT A**

**Third Amendment  
To  
Mistras Group, Inc.  
2016 Long-Term Incentive Plan**

**Background**

- A. Mistras Group, Inc. (the “Company”) maintains the Mistras Group, Inc. 2016 Long-Term Incentive Plan (the “Plan”).
- B. The Plan was originally effective as of October 18, 2016, the date on which it was approved by a majority of the shareholders voting at the Company’s 2016 annual shareholders meeting.
- C. The Plan was amended by Amendment No.1 which was approved by the shareholders of the Company at the 2020 annual shareholders meeting. Amendment No. 1 increased the number of shares of common stock, par value \$.01 per share, of the Company (“Stock”) authorized to be issued under the Plan from 1,700,000 shares to 3,700,000 shares.
- D. The Board of Directors of the Company adopted Amendment No. 2 to amend section 3.4 to modify the minimum vesting conditions.
- E. The Board has determined that it is in the best interest of the Company and its shareholders to amend the Plan to increase the number of shares of Stock that may be issued pursuant to the Plan by 1,200,000 shares, so that the total shares that may be issued under the Plan is 4,900,000.
- F. The requisite shareholders of the Company have approved the foregoing amendment.

**Amendment**

- 1. The first sentence of Section 4.1 of the Plan shall be deleted in its entirety and replaced with the following: “Shares Issuable Under the Plan. Subject to Section 4.3, up to 4,900,000 Shares shall be available for grant and issuance pursuant to Awards made under the Plan.”
- 2. Except as set forth in this amendment, the Plan shall be unaffected hereby and shall remain in full force and effect.

The undersigned hereby certifies that the foregoing amendment to the Plan was duly approved and adopted and has executed this amendment to the Plan as of \_\_\_\_\_, 2022.

**Mistras Group, Inc.**

By: \_\_\_\_\_  
Name:  
Title:

**EXHIBIT B**

**MISTRAS GROUP, INC.  
2016 LONG-TERM INCENTIVE PLAN**

**ARTICLE 1  
GENERAL**

1.1 Purpose. The purpose of the Plan is to enable the Company to provide equity-based and other incentive compensation opportunities in order to facilitate the ability of the Company to attract, motivate, reward and/or retain qualified employees, directors and other service providers who make or are expected to make significant contributions to the success of the Company and its Subsidiaries.

1.2 Eligibility. Awards may be granted under the Plan to any present or future non-employee director, officer or employee of, and any consultant or adviser to, the Company or any of its Subsidiaries, provided that Incentive Stock Options may be granted only to employees of the Company or a Subsidiary.

1.3 Types of Awards. Awards under the Plan may include, without limitation, Options, Stock Appreciation Rights, shares of Restricted Stock, Restricted Stock Units, and other Share-based Awards and performance-based Cash Incentive Awards, all as described in Articles 5 through 7 hereof.

**ARTICLE 2  
DEFINITIONS**

2.1 “Award” means an award made to an eligible service provider under the Plan.

2.2 “Award Agreement” means a written or electronic agreement between the Company and a Participant setting forth the terms and conditions of an Award.

2.3 “Board” means the Board of Directors of the Company.

2.4 “Cause” means, with respect to any Participant and unless otherwise specified in a Participant’s Award Agreement, (a) if there is an employment or other services agreement between the Participant and the Company or a Subsidiary that defines the term “cause” (or a term of like import), the Participant’s engaging in conduct that constitutes “cause” (or a term of like import) within the meaning of that agreement, or (b) if there is no employment or service agreement between the Participant and the Company or a Subsidiary that defines the term “cause” (or a term of like import), (1) the Participant’s failure (other than temporarily while physically or mentally incapacitated) or refusal to perform the duties of the Participant’s employment or other service if such failure or refusal shall not have ceased or been remedied within fifteen days following written warning from the Company or a Subsidiary; (2) the Participant’s engaging in conduct or activities materially damaging to the property, business or reputation of the Company or a Subsidiary or to the ability of the Participant to perform the duties of his or her employment or other services; (3) the Participant’s conviction of or plea of no contest to a felony; (4) a material breach by the Participant of any material written restrictive covenant or agreement made by the Participant with the Company or any successor or acquiring company (or any of their respective affiliates); (5) a material unauthorized disclosure intentionally made by the Participant to any person of any confidential information or trade secrets of the Company or any of its Subsidiaries; or (6) the Participant’s failure to comply in all material respects with the policies of the Company or a Subsidiary or with any non-competition, non-solicitation or other restrictive covenants made by or the fiduciary duties of the Participant to the Company or a Subsidiary; in each of such cases as determined by the Board or the Committee acting in its good faith discretion.

2.5 “Change in Control” means the occurrence of any of the following events:

(a) any “person” as such term is used in Sections 13(d) and 14(d) of the Exchange Act (other than (i) a subsidiary of the Company, (ii) any trustee or other fiduciary holding securities under any employee benefit plan of the Company, (iii) Sotirios Vahaviolos, or (iv) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company) is or becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 40% or more of the combined voting power of the Company’s then outstanding securities, other than an acquisition directly from the Company;

(b) there is consummated a consolidation, merger or reorganization of the Company, unless (1) the stockholders of the Company immediately before such consolidation, merger or reorganization own, directly or

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indirectly, at least a majority of the combined voting power of the outstanding voting securities of the corporation or other entity resulting from such consolidation, merger or reorganization, (2) individuals who were members of the Board immediately prior to the execution of the agreement providing for such consolidation, merger or reorganization constitute a majority of the board of directors of the surviving corporation or of a corporation directly or indirectly beneficially owning a majority of the voting securities of the surviving corporation, and (3) no person beneficially owns more than 50% of the combined voting power of the then outstanding voting securities of the surviving corporation (other than a person who is (A) the Company or a subsidiary of the Company, (B) an employee benefit plan maintained by the Company, the surviving corporation or any subsidiary, or (C) the beneficial owner of 50% or more of the combined voting power of the outstanding voting securities of the Company immediately prior to such consolidation, merger or reorganization); or

(c) there is consummated a plan of complete liquidation or dissolution of the Company or the sale or disposition by the Company of all or substantially all of the Company's assets, in one transaction or a series of related transactions, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity more than 50% of the combined voting power of the voting securities of which is owned by stockholders of the Company in substantially the same proportion as their ownership of the Company immediately prior to such sale.

2.6 "Code" means the Internal Revenue Code of 1986, as amended.

2.7 "Committee" means the Compensation Committee of the Board.

2.8 "Company" means Mistras Group, Inc., a Delaware corporation, and any successor thereto.

2.9 "Disability" means a Participant's inability to engage in any substantial gainful activity by reason of a physical or mental illness or injury that is expected to result in death or to last for one year or more, as determined by a duly licensed physician designated by the Company.

2.10 "Exchange Act" means the Securities Exchange Act of 1934, as amended.

2.11 "Exercise Price" means, with respect to an Option, the price at which a holder may purchase the Shares covered by the Option and, with respect to a SAR, the baseline price of the Shares covered by the SAR; provided that in no event may the Exercise Price per Share be less than 100% of the Fair Market Value per Share on the date the Option or SAR is granted (110% in the case of an ISO granted to a Ten Percent Stockholder).

2.12 "Fair Market Value" means, as of any relevant date, the closing price per Share on such date on the principal securities exchange on which the Shares are traded or, if no Shares are traded on that date, the closing price per Share on the next preceding date on which Shares are traded, or (2) the value determined under such other method or convention as the Committee, acting in a consistent manner in accordance with the Plan and applicable tax law, may prescribe.

2.13 "Good Reason" means actions or omissions by the Company or an affiliate at the time of or following a Change in Control resulting in a material negative change in the employment relationship with a Participant which, for the purposes hereof, means, without the advance written consent of the Participant:

(a) the assignment to the Participant of any duties materially inconsistent with the Participant's position, authority, duties or responsibilities as in effect immediately prior to the Change in Control, or any other material diminution in such position, authority, duties or responsibilities;

(b) any reduction in the Participant's annual base salary in effect immediately prior to the Change in Control;

(c) the failure to provide the Participant with bonus opportunities at least as generous in the aggregate as those to which the Participant was entitled immediately prior to the Change in Control;

(d) a failure by the Company to timely pay the Participant any compensation earned by the Participant; or

(e) the Company's requiring the Participant (1) to be based at any office or location more than fifty (50) miles from the office where the Participant was employed immediately prior to the Change in Control, or (2) to travel on Company business to a materially greater extent than what was customarily required prior to the Change in Control.

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Notwithstanding the foregoing, a Participant will not have “Good Reason” to terminate his or her employment merely because the Participant is no longer a senior executive of a public company and/or has a change in title, duties, authority, responsibilities or reporting structure as a result of the Change in Control transaction (including having a reporting relationship within a larger company) provided that the Participant retains a substantially similar level of responsibilities over the other portions and areas of the business for which he or she exercised responsibility prior to the Change in Control transaction. In order to terminate for “Good Reason,” a Participant must provide written notice to the Company his or her intent to terminate for Good Reason, together with an description of the conduct or circumstances giving rise to such termination, which notice must be provided within 60 days after the occurrence of such conduct or circumstances. The Company shall have the right to correct such conduct or circumstances (and thereby avoid a termination for Good Reason) within 30 days after it receives the written notice described in the preceding sentence. If the Company does not correct such conduct or circumstances within such 30-day cure period, then the Participant may terminate his or her employment for Good Reason, provided that such termination is effective within 30 days (after the end of such 30-day cure period).

2.14 “Incentive Cash Award” means a performance-based Award described in Section 7.2.

2.15 “Incentive Stock Option” or “ISO” means an Option that qualifies as an “incentive stock option” within the meaning of Section 422 of the Code.

2.16 “Option” means an option to purchase Shares granted pursuant to Section 5.1.

2.17 “Participant” means any person who has been selected to receive an Award under the Plan or who holds an outstanding Award under the Plan.

2.18 “Performance-Based Exemption” means the performance-based compensation exemption from the compensation deduction limitations imposed by Section 162(m) of the Code, as set forth in Section 162(m)(4)(C) of the Code.

2.19 “Performance Factors” means any of the factors listed in Section 7.3(b) that may be used for Awards intended to qualify for the Performance-Based Exemption.

2.20 “Plan” means the long-term incentive plan set forth herein, as it now exists or is hereafter amended.

2.21 “Restricted Stock” means stock issued in the name of a Participant pursuant to Section 6.1, subject to applicable transfer restrictions and vesting and other conditions.

2.22 “Restricted Stock Unit” or “RSU” means a contingent right to receive Shares in the future that is granted pursuant to Section 6.1.

2.23 “Retirement” means termination by a Participant after reaching age 65 or termination with the consent of the Company that is designated a Retirement.

2.24 “Shares” means shares of the Company’s common stock.

2.25 “Stock Appreciation Right” or “SAR” means a right to receive appreciation in the value of Shares granted pursuant to Section 5.2.

2.26 “Subsidiary” means (a) a corporation or other entity in an unbroken chain of corporations or other entities at least 50% of the total value or voting power of the equity securities of which is owned by the Company or by any other corporation or other entity in the chain, and (b) any other corporation or entity in which the Company has a 20% controlling interest, directly or indirectly, as may be designated by the Committee pursuant to the criteria set forth in Section 1.409A-1(b)(5)(iii)(E) of the Treasury regulations.

2.27 “Ten Percent Stockholder” means a person who owns or is deemed to own (under Section 424(d) of the Code) more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Subsidiary.

**ARTICLE 3  
ADMINISTRATION**

3.1 General. Except as otherwise determined by the Board in its discretion, the Plan shall be administered by the Committee. The Committee shall be composed of at least two persons who are “outside directors” (within the meaning of Section 162(m) of the Code) with respect to Awards intended to qualify for the Performance-Based Exemption and at least two or more “non-employee directors” (as defined in the regulations promulgated under Section 16 of the Exchange Act) with respect to Awards made to a Participant who is subject to Section 16 of the Exchange Act.

3.2 Authority of the Committee. Subject to the provisions of the Plan (including, without limitation, the minimum vesting condition and the restriction against vesting acceleration set forth in Section 3.4), the Committee, acting in its discretion, may select the persons to whom Awards will be made, prescribe the terms and conditions of each Award and make amendments thereto, construe, interpret and apply the provisions of the Plan and of any Award Agreement, and make any and all determinations and take any and all other actions as it deems necessary or desirable in order to carry out the terms of the Plan or of any Award. The Committee shall have full power and authority to carry out its responsibilities and functions under the Plan. The Committee may obtain at the Company’s expense such advice, guidance and other assistance from outside compensation consultants and other professional advisers as it deems appropriate.

3.3 Delegation of Authority.

(a) General. Except as limited by applicable law and as otherwise provided by Section 3.3(b) below, the Committee may delegate to any person or subcommittee (who may, but need not be members of the Committee or the Board or officers of the Company) such Plan-related administrative authority and responsibilities as it deems appropriate, provided, however, that the Committee may not delegate its authority with respect to non-ministerial actions relating to (a) individuals who are subject to the reporting requirements of Section 16(a) of the Exchange Act or (b) Awards that are intended to qualify for the Performance-Based Exemption.

(b) Authority to Grant Awards. To the extent permitted by applicable law, the Board may, by resolution, authorize one or more executive officers (each, an “Authorized Officer”) to do one or both of the following on the same basis as (and as if the Authorized Officer for such purposes were) the Committee: (i) designate eligible employees to receive Awards and (ii) determine the size and terms and conditions of any such Awards; provided, however, that the Board shall not delegate such responsibilities to any executive officer for Awards to an eligible employee who is an executive officer, a non-employee director of the Company, a “covered employee” (within the meaning of Section 162(m) of the Code) or a more than 10% beneficial owner of any class of the Company’s equity securities that is registered pursuant to Section 12 of the Exchange Act, as determined in accordance with Section 16 of the Exchange Act. The Authorized Officer(s) shall report periodically to the Board or the Committee regarding the nature and scope of the Awards granted by them pursuant to this Section 3.3(b).

3.4 Minimum Vesting Condition; No Acceleration. Any Award granted hereunder shall provide for a vesting period of at least one year following the date of grant. Notwithstanding the preceding sentence, Awards may be granted hereunder without any such minimum vesting condition; provided that the foregoing exception shall apply solely to Awards granted to non-employee directors of the Company<sup>1</sup>. The Committee shall not have the authority to accelerate the vesting of an Award except (a) in connection with a Participant’s termination of employment on account of death or Disability, or (b) as specifically permitted or required under the terms hereof, including Sections 9.1 and 9.2.

3.5 Decisions Binding. Any determination made by the Committee in the exercise of its authority with respect to the Plan or any Award shall be made in the Committee’s sole discretion, and all such determinations shall be final, conclusive and binding on all persons.

3.6 Indemnification. No member of the Board or the Committee, nor any officer or employee of the Company or any Subsidiary acting on behalf of the Board or the Committee (including an Authorized Officer), shall be personally liable for any action, omission, determination, or interpretation taken or made in good faith with respect to the Plan. The Company shall indemnify and hold harmless each member of the Committee and the Board and any such officer or employee of the Company or any Subsidiary to whom any duty or power relating to the administration

<sup>1</sup> This sentence was added by Amendment No. 2 and replaced the following sentence of the Plan as originally adopted: “Notwithstanding the preceding sentence, Awards representing a maximum of five percent (5%) of the Shares initially reserved for issuance under Section 4.1 hereof may be granted hereunder without any such minimum vesting condition.”

of the Plan or any Award is delegated from and against any loss, cost, liability (including any sum paid in settlement of a claim with the approval of the Board), damage and expense (including reasonable legal and other expenses incident thereto) arising out of or incurred in connection with the Plan, unless and except to the extent attributable to such person's fraud or willful misconduct.

#### ARTICLE 4

##### SHARES SUBJECT TO THE PLAN; INDIVIDUAL AWARD LIMITS

4.1 Shares Issuable under the Plan. Subject to Section 4.3, up to 3,700,000<sup>2</sup> Shares shall be available for grant and issuance pursuant to Awards made under the Plan. The maximum number of Shares that may be issued pursuant to ISOs shall be 1,000,000. For purposes of these limitations, (a) the total number of Shares covered by a grant of stock-settled SARs (and not just the number of Shares issued in settlement of such SARs) shall be deemed to have been issued under the Plan, and (b) Shares covered and/or issued pursuant to an Award will again be available for grant and issuance pursuant to subsequent Awards to the extent such Shares are (1) covered by the unexercised portion of an Option or SAR that is forfeited or otherwise terminated or canceled for any reason other than exercise, (2) covered by Restricted Stock Awards, RSU Awards and any other forms of Award that are forfeited, or (3) subject to an Award that is settled in cash or that otherwise terminates without such Shares being issued. Shares that are used or withheld to pay the exercise price of an Award or to satisfy the tax withholding obligations associated with the vesting or settlement of an Award will not be available for future grant and issuance under the Plan. Shares issued under the Plan may be either authorized and unissued Shares, or authorized and issued Shares held in the Company's treasury, or any combination of the foregoing.

4.2 Individual Award Limitations. No more than 400,000 Shares may be issued pursuant to Awards granted in a single calendar year to any individual Participant other than a non-employee director, and no more than 50,000 Shares may be issued pursuant to Awards granted to any non-employee director in a single calendar year. No Participant may earn a Cash Incentive Award under Section 7.2 for any calendar year in excess of \$5,000,000 or, if less, 4 times the Participant's salary for such calendar year. For this purpose, a Cash Incentive Award is earned (if at all) for the calendar year with or within which ends the applicable performance period, even if the amount so earned is not determined or payable until after end of that performance period.

4.3 Adjustments for Capital Changes. In the event of a split-up, spin-off, stock dividend, recapitalization, consolidation of shares or similar capital change, the Board or the Committee shall make such adjustments to the number and class of shares that may be issued under the Plan pursuant to Section 4.1, the number and class of Shares that may be issued pursuant to annual Awards granted to any Participant pursuant to Section 4.2, and the number, class and/or Exercise Price of Shares subject to outstanding Awards, as the Committee, in its discretion, deems appropriate in order to prevent undue dilution or enlargement of the benefits available under the Plan or an outstanding Award, as the case may be, provided that the number of Shares subject to any Award shall always be a whole number. Any determination or adjustment made by the Board or the Committee under this Section shall be binding and conclusive on all persons.

#### ARTICLE 5

##### STOCK OPTIONS; STOCK APPRECIATION RIGHTS

5.1 Grant of Company Stock Options. The Committee may grant Options to Participants upon such vesting, exercise, forfeiture and other terms and conditions as the Committee, acting in its discretion in accordance with the Plan, may determine, either at the time an Option is granted or, if the holder's rights are not adversely affected, at any subsequent time. Each Option will be deemed NOT to be an Incentive Stock Option unless and except to the extent that, at the time the Option is granted, the Committee specifically designates such Option as an Incentive Stock Option. To the extent that the aggregate Fair Market Value (determined at the time of grant) of Shares with respect to which Incentive Stock Options are exercisable for the first time by any Participant during any calendar year (under all plans of the Company and its affiliates) exceeds \$100,000, the Options or portions thereof which exceed such limit (according to the order in which they were granted) shall not be treated as ISOs. If an Option is designated as an ISO and if part or all of the Option does not qualify as an ISO, then the Option or the portion of the Option that does not so qualify will nevertheless remain outstanding and will be characterized as a non-ISO.

5.2 Grant of Stock Appreciation Rights. The Committee may grant stock appreciation rights ("SARs") to Participants, either alone or in connection with the grant of an Option, upon such vesting and other terms and

<sup>2</sup> The Plan originally authorized 1,700,000 Shares for issuance. Amendment No. 1 increased the number of authorized Shares to 3,700,000.

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conditions as the Committee, acting in its discretion in accordance with the Plan, may determine, either at the time the SARs are granted or, if the holder's rights are not adversely affected, at any subsequent time. Upon exercise, the holder of a SAR shall be entitled to receive cash and/or a number of whole Shares (as determined by the Committee) having a value equal to the product of  $X$  and  $Y$ , where--

$X$  = the number of whole Shares as to which the SAR is being exercised, and

$Y$  = the excess of (i) the Fair Market Value per Share on the date of exercise over (ii) the Exercise Price per Share covered by the SAR.

5.3 Exercise Price. The Committee shall determine the Exercise Price per Share under each Option and each SAR, provided that (a) the Exercise Price per Share shall be at least equal to the Fair Market Value per Share on the date the Option or SAR is granted; and (b) in the case of an ISO granted to a Ten Percent (10%) Stockholder, the Exercise Price per Share shall be at least equal to 110% of the Fair Market Value per Share on the date the ISO is granted.

5.4 Re-Pricing Prohibited. Options and SARs granted under the Plan may not be re-priced and may not be purchased or exchanged for cash, Shares or other property or Awards without the approval of the Company's stockholders. In no event may an Option or SAR be re-priced if such re-pricing would cause the Option or SAR to be covered by Section 409A of the Code. In addition, Options and SARs shall not be repurchased or exchanged for other Awards or cash.

5.5 Term of Options and SARs. Unless sooner terminated in accordance with its terms, each Option and each SAR shall automatically expire on the tenth anniversary of the date the Option or SAR is granted (or, in the case of an ISO granted to a Ten Percent (10%) Stockholder, on the fifth anniversary of the date the ISO is granted).

5.6 Exercise of Options. A Participant may exercise an outstanding Option that is vested and exercisable by transmitting to the Secretary of the Company (or another person designated by the Company for this purpose) a written notice identifying the Option that is being exercised and specifying the number of whole Shares to be purchased pursuant to such exercise, together with payment in full of the aggregate Exercise Price payable for such Shares and any applicable withholding taxes. The Exercise Price shall be payable in cash or by check or by any other means that the Committee may expressly permit, including, without limitation, (a) by the Participant's surrender of previously-owned Shares, or by the Company's withholding Shares that otherwise would be issued if the Exercise Price had been paid in cash, in each case having a Fair Market Value on the date the Option is exercised equal to the Exercise Price, (b) by payment to the Company pursuant to a broker-assisted cashless exercise program established and made available by the Company in connection with the Plan, (c) by any other method of payment that is permitted by applicable law, or (d) by any combination of the foregoing. Applicable withholding taxes shall be payable in cash or by any other method that may be permitted by the Committee in accordance with Section 11.1.

5.7 Exercise of SARs. A Participant may exercise an outstanding SAR that is vested and exercisable by transmitting to the Secretary of the Company (or another person designated by the Company for this purpose) a written notice identifying the SAR that is being exercised and specifying the number of whole Shares for which the SAR is being exercised, together with payment in full of the withholding taxes due in connection with the exercise. The withholding tax amount shall be payable in cash or by any other method that may be permitted by the Committee in accordance with Section 11.1.

5.8 Termination of Employment or Service. Unless otherwise determined by the Committee at grant, or thereafter if no rights of the Participant are thereby reduced, the following rules apply with regard to outstanding Options and SARs held by a Participant at the time of his or her termination of employment or other service with the Company and its Subsidiaries:

- (a) If the Participant's employment or service is terminated for any reason other than for Cause or the Participant's death, Disability or Retirement, then (1) any unvested Options and SARs outstanding at the time of the Participant's termination of employment or other service will thereupon be canceled and of no further force or effect, and (2) any vested Options and SARs outstanding at such time will expire and be of no further force or effect if and to the extent they are not exercised within ninety (90) days after the date of such termination of employment or other service, provided that in no event may any such vested Options and SARs be exercised after the expiration of the stated term thereof.

(b) If the Participant's employment or other service is terminated on account of the Participant's death, Disability or Retirement, then (1) any unvested Options and SARs outstanding at the time of the Participant's termination of employment or other service will thereupon be canceled and of no further force or effect, and (2) any vested Options and SARs outstanding at such time will expire and be of no further force or effect if and to the extent they are not exercised within one hundred eighty (180) days after the date of such termination of employment or other service, provided that, in no event may such vested Options and SARs be exercised after the expiration of the stated term thereof.

(c) If the Participant's employment or other service is terminated by the Company or a Subsidiary for Cause (or at a time when grounds for a termination for Cause exist), then, notwithstanding anything to the contrary contained herein, such outstanding Options and/or SARs (whether or not otherwise vested) shall immediately terminate and shall have no further force or effect.

5.9 Rights as a Stockholder. A Participant shall have no rights to vote or receive dividends or any other rights of a stockholder with respect to any Shares covered by an Option or SAR unless and until such Option or SAR is validly exercised and such Shares are issued to the Participant. The Company will issue such Shares promptly after the exercise of such Option or SAR (to the extent the SAR is settled in Shares) is completed.

## **ARTICLE 6 RESTRICTED STOCK AND RESTRICTED STOCK UNIT AWARDS**

6.1 Grant of Restricted Stock and RSU Awards. The Committee may grant Restricted Stock Awards and/or Restricted Stock Unit Awards (RSUs) to any Participant. Under a Restricted Stock Award, the Company issues Shares to the Participant when the Award is made and the Shares are subject to such vesting and other terms and conditions as the Committee may prescribe. Under a Restricted Stock Unit Award, the Participant receives the right to receive Shares in the future if the vesting and other terms and conditions imposed by the Committee are satisfied. The vesting and other terms and conditions applicable to the Shares covered by a Restricted Stock Award or the RSUs covered by a Restricted Stock Unit Award (including, but not limited to, conditions and restrictions tied to the achievement of specified performance objectives and/or the completion of one or more specified periods of future service) will be determined by the Committee, acting in its discretion in accordance with the Plan, when the Award is granted and will be set forth in the applicable Award Agreement.

6.2 Minimum Purchase Price for Shares. Unless the Committee, acting in accordance with applicable law, determines otherwise, the purchase price payable for Shares issued pursuant to a Restricted Stock Award or a Restricted Stock Unit Award must be at least equal to the par value of the Shares.

6.3 Restricted Shares. Shares issued pursuant to a Restricted Stock Award may be evidenced by book entries on the Company's stock transfer records pending satisfaction of the applicable vesting conditions. If a stock certificate for restricted Shares is issued, the certificate will bear an appropriate legend to reflect the nature of the conditions and restrictions applicable to the Shares. The Company may retain physical possession of any such stock certificate and may require a Participant to deliver a stock power to the Company, endorsed in blank, in order to facilitate the transfer back to the Company of restricted Shares that are forfeited. Notwithstanding the foregoing, if a Participant forfeits Shares covered by a Restricted Stock Award, the Shares that are forfeited shall automatically be cancelled on the books and records of the Company whether or not the Participant returns a certificate for such Shares or otherwise fails or refuses to execute documents or take other action requested by the Company in connection with the cancellation of the forfeited Shares. Except to the extent otherwise provided under the Plan or the Award Agreement, a Participant who holds unvested Shares pursuant to a Restricted Stock Award shall have all of the rights of a stockholder with respect to said Shares, including the right to vote the Shares and the right to receive dividends thereon (subject to the vesting and payment conditions described in Section 6.5).

6.4 Shares Covered by RSU Awards. No Shares will be issued pursuant to a RSU Award unless and until the applicable vesting and other conditions have been satisfied. The holder of a RSU Award shall have no rights as a stockholder with respect to Shares covered by the RSUs unless and until the RSUs becomes vested and the Shares covered by the vested RSUs are issued to the Participant. Subject to Section 6.5, the Committee may provide that a Participant who holds RSUs will be entitled to receive dividend equivalent credits based upon the dividends that would have been payable with respect to the Shares covered by the RSUs if such Shares were outstanding.

6.5 Dividends on Restricted Stock and RSU Shares. If a dividend is declared with respect to outstanding Shares, then, unless the Committee determines otherwise, a corresponding dividend will be credited to a Participant with respect to Shares covered by an outstanding Restricted Stock or RSU Award as if such Shares were outstanding

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and free of vesting and other conditions and restrictions. Dividend credits (if any) will be made in the form of cash or in the form of additional Shares of Restricted Stock or RSUs (based upon the then Fair Market Value per Share) or any combination thereof, all as determined by the Committee. Dividends credited with respect to Restricted Stock and RSU Awards shall be subject to the same vesting and forfeiture conditions and the same payment terms that are applicable to the Shares of Restricted Stock or RSU Shares to which such dividend credits apply and/or, if applicable, such different terms and conditions that may be required in order to comply with Section 409A.

6.6 Non-Transferability. No Restricted Stock Award or RSU Award, and no Shares covered by a Restricted Stock Award or RSU Award may be sold, assigned, transferred, disposed of, pledged or otherwise hypothecated other than to the Company or its designee in accordance with the terms of the Award or the Plan, and any attempt to do so shall be null and void.

6.7 Termination of Service Before Vesting; Forfeiture. Unless otherwise specified in the Award Agreement or otherwise subsequently determined by the Committee, unvested Shares held pursuant to a Restricted Stock Award and unvested RSUs held under a RSU Award shall be forfeited and canceled upon the termination of a Participant's employment or other service with the Company and its Subsidiaries. Such cancellation shall not affect any right a Participant may have pursuant to the terms of the forfeited Award to receive all or a portion of the purchase price (if any) paid by the Participant in connection with the issuance of unvested Shares.

6.8 Timing Requirements for Settlement of RSUs. Unless otherwise specified in the applicable Award Agreement, RSUs shall be settled in the form of Shares or cash (as determined by the Committee) as soon as practicable after the RSUs become vested but in no event later than the 15<sup>th</sup> day of the third month following the calendar year in which the vesting of such RSUs occurs. Notwithstanding the foregoing, the original terms of a RSU Award may expressly provide that settlement of vested RSUs covered by the Award will be deferred until a later date or the occurrence of a subsequent event, provided that any such deferral provision complies with the election, distribution timing and other requirements of Section 409A of the Code.

6.9 Unrestricted Shares. A Participant who holds Shares that become vested under a Restricted Stock Award or who holds RSUs that become vested (to the extent the vested RSUs are settled in Shares) will be entitled to receive Shares (in certificated or book entry form) free and clear of the conditions and restrictions imposed by the Award Agreement and the Plan, subject, however, to the payment or satisfaction of applicable withholding taxes.

## **ARTICLE 7 OTHER FORMS OF AWARD**

7.1 Other Share-Based Awards. Subject to applicable law, the Committee, acting in its discretion, may grant such other forms of Award denominated or payable in, valued in whole or in part by reference to, or otherwise based upon or related to, Company Shares, including, without limitation, performance share awards, performance unit awards, stock bonus Awards, dividend equivalent Awards (either alone or in conjunction with other Awards), purchase rights for Shares, and Share-based Awards designed to comply with or take advantage of applicable laws outside of the United States. Each such Share-based Award will be made upon such vesting, performance and other terms and conditions as the Committee, acting in its discretion in accordance with the Plan, may determine. If and when a Share-based Award granted under this Section becomes payable, payment may be made in the form of cash, whole Shares or a combination of cash and whole Shares (as determined by the Committee).

7.2 Cash Incentive Awards. The Committee may make annual and/or long-term Cash Incentive Awards pursuant to which a Participant may earn the right to receive a cash payment that is conditioned upon the achievement of specified performance goals established by the Committee and communicated to the Participant within 90 days after the beginning of the applicable performance period or before 25% of the applicable performance period has elapsed, and may contain such other terms and conditions as the Committee, acting in its discretion in accordance with the Plan, deems appropriate. A Cash Incentive Award earned by a Participant under the Plan will be payable in the form of a single sum cash payment at or as soon as practicable after the expiration of the applicable performance period or the satisfaction of the applicable performance vesting conditions, but in no event later than the 15<sup>th</sup> day of the third month of the year following the calendar year in which such performance period ends or such performance vesting conditions are satisfied. Notwithstanding the foregoing, the Committee may require or permit the deferred payment and/or installment payout of all or part of any such Cash Incentive Award if (and only if) the Award is exempt from Section 409A of the Code or, if not so exempt, complies with the applicable terms and conditions of Section 409A of the Code.

7.3 Termination of Service Before Vesting; Forfeiture. Unless otherwise specified in the Award Agreement or otherwise subsequently determined by the Committee, unearned and/or unvested Share-based Awards and Cash Incentive Awards granted under this Article shall be forfeited and canceled upon the termination of a Participant's employment or other service with the Company and its Subsidiaries.

**ARTICLE 8**  
**PERFORMANCE-BASED COMPENSATION EXEMPTION AWARDS**

8.1 Performance-Based Exemption--General. If the Committee intends that an Award should qualify for the Performance-Based Exemption (other than Options and SARs which otherwise qualify as "performance-based compensation" for purposes of Section 162(m) of the Code), the grant, exercise, vesting, amount and/or settlement of such Award shall be contingent upon achievement of one or more pre-established, objective performance goals, which shall be prescribed in writing by the Committee not later than 90 days after the commencement of the applicable performance period and in any event before completion of 25% of such performance period in accordance with the requirements of Section 162(m). Such performance goals may be based on any one or more of the Performance Factors listed in Section 8.2 and may be expressed in absolute terms, relative to performance in prior periods and/or relative to performance of other companies or an index of other companies or on such other basis as the Committee, acting in a manner consistent with Section 162(m) of the Code, may determine. All determinations as to the establishment of performance goals, the amount and/or the number of Shares that may be earned, the target level (and, if applicable, minimum and maximum levels) of actual achievement required as a condition of earning the Award, and the earned value of any Performance Award shall be made by the Committee and shall be recorded in writing.

8.2 Performance Factors. Any one or more of the following Performance Factors may be used by the Committee in establishing performance goals for Awards intended to qualify for the Performance-Based Exemption:

- (a) Income measures (including, but not limited to, gross profit; operating income; earnings before or after taxes; earnings before interest, taxes, depreciation and amortization (EBITDA); earnings before interest, taxes, depreciation, amortization and share-based compensation (EBITDAS); EBITDA or EBITDAS with adjustments for non-recurring or non-operational items; or earnings per share);
- (b) Return measures (including, but not limited to, return on assets, investment, equity, or sales);
- (c) Profit margin measures (including but not limited to operating income as a percentage of revenue, EBITDA, EBITDAS, adjusted EBITDA or adjusted EBITDAS as a percentage of revenue; net income as a percentage of revenue);
- (d) Cash flow or liquidity measures, such as cash flow return on investments, which equals net cash flows divided by owner equity, or other cash flow measures including but not limited to operating cash flow, free cash flow (meaning cash flow from operating activities less capital expenditures), with or without adjustments;
- (e) Earnings per common share;
- (f) Gross revenues;
- (g) Debt measures (including, without limitation, debt multiples on any earnings or income measure);
- (h) Market value added;
- (i) Economic value added; and
- (j) Share price (including, but not limited to, growth measures and total shareholder return).

8.3 Performance Goals. In establishing performance goals with respect to an Award intended to qualify for the Performance-Based Exemption, the applicable Performance Factors may be determined solely by reference to the Company's performance and/or the performance of any one or more Subsidiaries, divisions, business segments or business units of the Company and its Subsidiaries, and may be based upon comparisons of any of the indicators of performance relative to other companies (or subsidiaries, divisions, business segments or business units of other companies). Subject to compliance with the Treasury regulations under Section 162(m) of the Code, the Committee may adjust performance goals as necessary or appropriate in order to account for changes in law or accounting or to reflect the impact of extraordinary or unusual items, events or circumstances which, if not taken into account, would result in windfalls or hardships that are not consistent with the intent and purposes of an Award, including without limitation (a) restructurings, discontinued operations, extraordinary items, and other unusual or non-recurring

charges, (b) an event either not directly related to the operations of the Company or not within the reasonable control of the Company's management, (c) acquisitions and divestitures, or (d) changes in generally accepted accounting principles.

8.4 Discretion. The Committee shall have the authority, in its discretion, to reduce the formula amount otherwise payable pursuant to an Award that is intended to qualify for the Performance-Based Exemption, but may not increase the amount that would otherwise be payable under any such Award.

8.5 Certification. No amount shall be paid and no Shares shall be distributed or released pursuant to an Award intended to qualify for the Performance-Based Exemption unless and until the Committee certifies in writing the extent of achievement of the applicable performance goal(s) and the corresponding amount that is earned by the Participant under such Award. For this purpose, a written certification may be in the form of approved minutes of the Committee meeting at which the certification is made or a unanimous Written Consent.

## **ARTICLE 9 CHANGE IN CONTROL**

9.1 Assumption or Substitution of Outstanding Awards. If a Change in Control occurs, the parties may agree that outstanding Awards shall be assumed by, or converted into a substitute award for or with respect to shares of common stock of, the successor or acquiring company (or a parent company thereof) on an economically equivalent basis. The vesting and other terms of any such assumed or substitute award shall be substantially the same as the vesting and other terms and conditions of the original Award, provided that (a) if the assumed or substituted Award is an Option or SAR, the number of shares and Exercise Price shall be adjusted in accordance with the principles set forth in Sections 1.424-1(a)(5) and 1.409A-1(b)(5)(v)(D) of the Treasury regulations, and (b) if the assumed or substituted Award is not an Option or SAR, the number of shares covered by the assumed or substitute Award will be based upon the Change in Control transaction value of the Company's outstanding Shares. If the original Award is subject to the satisfaction of performance conditions, then such performance conditions shall be deemed to have been satisfied immediately prior to the Change in Control on the basis of actual performance as of the date of the Change in Control and/or on a pro rata basis for the time elapsed during an ongoing performance period. If, within two years following a Change in Control, a Participant's employment or other service terminates due to the Participant's death or Disability or is terminated by the Company or a successor or acquiring company (or any of its or their affiliates) without Cause or by the Participant for Good Reason, then any outstanding assumed or substitute Awards held by such terminated Participant shall immediately be fully vested, and any outstanding assumed or substitute Options and SARs will remain outstanding for 180 days after such termination of employment (or, if earlier, until the expiration of their original stated terms).

9.2 Awards Not Assumed or Substituted. If a Change in Control occurs and if the parties do not agree that an outstanding Award shall be assumed or substituted by the successor or acquiring company (or a parent company thereof) pursuant to Section 9.1, then such Award will be deemed fully vested and any performance conditions applicable to such Award will be deemed to have been satisfied immediately prior to the Change in Control on the basis of actual performance as of the date of the Change in Control and/or on a pro rata basis for the time elapsed during an ongoing performance period. Each such Award shall be cancelled immediately prior to the effective time of the Change in Control in exchange for an amount equal to the per Share consideration received by the holders of outstanding Shares in the Change in Control transaction, reduced in the case of an Option or SAR by the Exercise Price for such Shares. No consideration will be payable in respect of the cancellation of an Option or SAR with an Exercise Price per Share that is equal to or greater than the value of the Change in Control transaction consideration per Share. The amount payable with respect to the cancellation of an outstanding Award pursuant to this section will be paid in cash, unless the parties to the Change in Control agree that some or all of such amount will be payable in the form of freely tradable shares of common stock of the successor or acquiring company (or a parent company thereof). Subject to Section 9.4, the payments contemplated by this Section 9.2 shall be made upon at or as soon as practicable following the effective time of the Change in Control.

9.3 No Fractional Shares. In the event of an adjustment in the number of shares covered by any Award pursuant to the provisions hereof, any fractional shares resulting from such adjustment shall be disregarded, and each converted Award shall cover only the number of full shares resulting from the adjustment.

9.4 Section 409A. Notwithstanding anything to the contrary contained herein or in an Award Agreement, if a provision of the Plan or an Award Agreement would cause an acceleration of the vesting or payment of deferred compensation that is subject to Section 409A of the Code on account of the occurrence of a Change in Control, then

such payment shall not be made unless such Change in Control constitutes a “change in ownership,” “change in effective control” or “change in ownership of a substantial portion of the Company’s assets” within the meaning of Section 409A of the Code or such accelerated vesting and/or payment may otherwise be made without violating Section 409A. Any payment that would have been made except for the application of the preceding sentence shall be made in accordance with the payment or settlement schedule that would have applied under the Award in the absence of a Change in Control.

**ARTICLE 10  
AMENDMENT AND TERMINATION**

10.1 Amendment and Termination of the Plan. The Board, acting in its sole discretion, may amend the Plan at any time and from time to time and may terminate the Plan at any time. Plan amendments will be subject to approval by the Company’s stockholders if and to the extent such approval is required in order to satisfy applicable law and/or stock exchange listing rules. If not sooner terminated, the Plan will terminate on the tenth anniversary of the date it is approved by the Company’s stockholders.

10.2 Outstanding Awards. Except as specifically required or permitted by Article 9, no amendment of an Award Agreement, and no termination, amendment or modification of the Plan shall cause any then outstanding Award to be forfeited or altered in a material way that adversely affects a Participant’s rights, unless the Participant consents thereto.

**ARTICLE 11  
TAX WITHHOLDING; SECTION 409A**

11.1 Tax Withholding. Each Participant shall, no later than the date as of which the Participant realizes taxable income with respect to an Award, pay to the Company, or make arrangements satisfactory to the Committee for the payment of, the minimum amount of any such applicable taxes required by law to be withheld with respect to the Award (or such other amount that will not cause adverse accounting consequences for the Company and is permitted under applicable withholding rules promulgated by the Internal Revenue Service or other applicable governmental entity). The obligations of the Company under the Plan shall be conditional on the making of such payments or arrangements, and the Company shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to such Participant (whether in settlement of the Award or otherwise). Whenever cash is to be paid pursuant to an Award, the Company shall have the right to deduct therefrom an amount sufficient to satisfy the applicable withholding tax requirements related thereto. Whenever Shares or property other than cash are to be delivered pursuant to an Award, the Company shall have the right to require the Participant to remit to the Company in cash an amount sufficient to satisfy the related taxes to be withheld and applied to the tax obligations; provided, however, that, with the approval of the Committee (which approval may be granted or withheld in its sole discretion and may but need not be applied on a uniform or consistent basis), a Participant may satisfy some or all of the applicable tax withholding requirement by either (a) electing to have the Company withhold from delivery of Shares or other property, as applicable, or (b) delivering already owned unrestricted Shares, in each case, having a Fair Market Value on the date on which the amount of tax to be withheld is determined equal to the applicable taxes to be withheld and applied to the tax obligations (with any fractional share amounts resulting therefrom settled in cash). The Company may also use any other method of obtaining the necessary payment or proceeds, as permitted by law, to satisfy its withholding obligation with respect to any Award.

11.2 Section 409A Compliance. It is intended that Awards made under the Plan, including any deferred payment or settlement terms and conditions shall be structured, applied and interpreted in a manner that is exempt from or in compliance with Section 409A of the Code. Without limiting the generality of the preceding sentence, if a Participant becomes entitled to payments (cash or Shares) under an Award on account of the “termination of the Participant’s employment or other service” or words of like import, and if such payments constitute “deferred compensation” within the meaning of Section 409A of the Code, then (a) such termination of employment or service will not be deemed to have occurred unless and until the Participant incurs a “separation from service” within the meaning of Section 409A of the Code and the regulations issued thereunder, and (b) to the extent required by Section 409A of the Code, if the Participant is a “specified employee” within the meaning of Section 409A at the time of his or her separation from service, then such payment shall be delayed until the first business day after the expiration of six months following the date of the such separation from service or, if earlier, the date of the Participant’s death. On the delayed payment date, the Participant (or the Participant’s Beneficiary) will be entitled to receive a lump sum payment or distribution of the payments that otherwise would have been made during the period

that such payments are delayed. Notwithstanding the foregoing, each Participant shall be solely responsible, and the Company shall have no liability to the Participant or otherwise, for or with respect to any taxes, acceleration of taxes, interest or penalties arising under Section 409A of the Code.

## ARTICLE 12 MISCELLANEOUS

12.1 Non-Transferability. Except as otherwise specifically permitted by the Plan or the applicable Award Agreement, no Award shall be assignable or transferable except upon the Participant's death to his or her "beneficiary" (as defined below), and, during a Participant's lifetime, an Option or SAR may be exercised only by the Participant or the Participant's guardian or legal representative. Notwithstanding the foregoing, subject to the consent of the Committee (which it may grant, condition or deny in its sole discretion for any or no reason), a Participant may make an inter vivos transfer of an Option (other than an ISO) or a SAR 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 and other entities which qualify as family members, provided that such transfer is not a transfer for value or is a transfer for value that the Committee determines is for estate planning purposes. For the purposes hereof, a Participant's "beneficiary" is any person or entity (including, without limitation, a trust or estate) designated in writing by a Participant to succeed to the Participant's Award(s) upon the Participant's death, subject to the provisions hereof and of the applicable Award Agreement(s). A Participant may designate a beneficiary by delivering a written beneficiary designation to the Committee (or its designee) in such form and in such manner as the Committee (or its designee) may prescribe. Each beneficiary designation duly filed with the Committee (or its designee) will have the effect of superseding and revoking any prior beneficiary designation. If a Participant does not designate a beneficiary, or if no designated beneficiary survives the Participant, then the Participant's estate will be deemed to be his or her beneficiary. The term "Participant," as used herein, shall be deemed to include the Participant's beneficiary if and to the extent the context requires.

12.2 Successors. All obligations of the Company with respect to Awards granted under the Plan shall be binding on any successor to the Company, whether the existence of such successor is the result of a Change in Control or otherwise, and the term "Company" as used herein shall be construed accordingly.

12.3 Legal Construction. If any provision of the Plan shall be held illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

12.4 Requirements of Law. Notwithstanding anything to the contrary contained herein, the granting of Awards and the obligation of the Company to sell, issue or deliver Shares with respect to any Award shall be subject to all applicable laws, rules and regulations, including all applicable federal and state securities laws and Delaware law. The Committee may require, as a condition of the issuance and delivery of Shares or certificates evidencing Shares pursuant to the terms hereof, that the recipient of such Shares make such agreements and representations, and that such certificates bear such legends, as the Committee, in its sole discretion, deems necessary or advisable.

12.5 Sub-Plans. The Committee may from time to time establish subplans under the Plan for purposes of satisfying securities, tax or other laws of any foreign jurisdictions that may apply to Participants who receive Awards. Any such subplan shall contain such limitations and other terms and conditions as the Committee determines are necessary or desirable and shall be in such form (including, without limitation, as an Appendix to the Plan) as the Committee deems appropriate. Each subplan shall be deemed a part of the Plan, but shall apply only to the Participants who are subject to the laws of the jurisdiction to which the subplan relates.

12.6 Uniformity Not Required. The provisions of the Award Agreements need not be uniform among all Awards, among all Awards of the same type, among all Awards granted to the same Participant, or among all Awards granted at the same time.

12.7 Unfunded Status of Plan. The Plan is intended to constitute an "unfunded" plan for incentive compensation. With respect to any payments not yet made to a Participant by the Company, nothing contained herein shall give the Participant any rights that are greater than those of a general creditor of the Company.

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12.8 Claw Back Conditions. Notwithstanding anything to the contrary contained herein or in an Award Agreement, Awards and benefits otherwise provided by Awards made under the Plan shall be subject to the Company's incentive compensation claw back policies as in effect from time to time, and, as applicable, the claw back requirements of the Dodd-Frank Act Section 954.

12.9 Limitation of Rights. The Plan shall not interfere with or limit in any way the right of the Company or of any Subsidiary to terminate any person's employment or other service at any time, and the Plan shall not confer upon any person the right to continue in the employ or other service of the Company or any Subsidiary. No employee, director or other person shall have any right to be selected to receive an Award or, having been so selected, to be selected to receive a future Award.

12.10 Paperless Administration. In the event that the Company establishes, for itself or using the services of a third party, an automated system for the documentation, granting or exercise of Awards, such as a system using an internet website or interactive voice response, then the paperless documentation, granting or exercise of Awards by a Participant may be permitted through the use of such an automated system.

12.11 Decisions and Determinations Final. All decisions and determinations made by the Board pursuant to the provisions hereof and, except to the extent rights or powers under the Plan are reserved specifically to the discretion of the Board, all decisions and determinations of the Committee, shall be final, binding and conclusive on all persons.

12.12 Governing Law. The Plan and all Award Agreements shall be construed in accordance with and governed by the laws of the State of Delaware (without regard to the legislative or judicial conflict of laws rules of any state).

EXHIBIT C

**Reconciliation of Non-GAAP Financial Measurements Used  
for Determining Incentive Compensation to GAAP Financial Measurements  
(All Amounts in Thousands)**

Reconciliation of Net Income (Loss) (GAAP) to Adjusted EBITDAS (non-GAAP):

	<b>For the year ended December 31, 2021</b>
GAAP: net income (loss)	\$ 3,893
Less: net (loss) income attributable to non-controlling interests, net of taxes	<u>33</u>
Net income (loss) attributable to Mistras Group, Inc.	3,860
Interest expense	10,882
(Benefit) provision for income taxes	3,395
Depreciation and amortization	34,921
Share-based compensation expense	5,421
Legal settlement and litigation charges, net	2,042
Loss on debt modification	278
Acquisition-related expenses (benefit), net	1,133
Reorganization and other costs	673
Foreign exchange (gain) loss	<u>371</u>
Non-GAAP: Adjusted EBITDAS	<u>\$62,976</u>

Reconciliation of Net Cash Provided by Operating Activities (GAAP) to Free Cash Flow (non-GAAP):

	<b>For the year ended December 31, 2021</b>
GAAP: net cash provided by operating activities	\$ 42,261
Less:	
Purchases of property, plant and equipment	(18,161)
Purchases of intangible assets	<u>(1,115)</u>
Non-GAAP: Free cash flow	<u>\$ 22,985</u>





MISTRAS GROUP, INC.  
195 CLARKSVILLE ROAD  
PRINCETON JUNCTION, NJ 08550



SCAN TO  
VIEW MATERIALS & VOTE

**VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com) or scan the QR Barcode above**  
Use the Internet to transmit your voting instructions and for electronic delivery of information. Vote by 11:59 P.M. ET on May 22, 2022. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**During The Meeting - Go to [www.virtualshareholdermeeting.com/MG2022](http://www.virtualshareholdermeeting.com/MG2022)**  
You may attend the meeting via the Internet and vote during the meeting. Have the information that is printed in the box marked by the arrow available and follow the instructions.

**VOTE BY PHONE - 1-800-690-6903**  
Use any touch-tone telephone to transmit your voting instructions. Vote by 11:59 P.M. ET on May 22, 2022. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**  
Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

KEEP THIS PORTION FOR YOUR RECORDS  
DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

	For All	Withhold All	For All Except	To withhold authority to vote for any individual nominee(s), mark "For All Except" and write the number(s) of the nominee(s) on the line below.
The Board of Directors recommends you vote FOR the following:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
1. Election of Directors				
Nominees				
01) Dennis Bertolotti		02) Nicholas DeBenedictis	03) James J. Forese	04) Richard H. Glanton
06) Charles P. Pizzi		07) Manuel N. Stamatakis	08) Sotirios J. Vahaviolos	05) Michelle J. Lohmeier
The Board of Directors recommends you vote FOR proposals 2, 3 and 4.				
2. To ratify the appointment by the Audit Committee of the Board of Directors of KPMG LLP as independent registered public accounting firm of Mistras Group, Inc. for the year ending December 31, 2022.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. To approve an amendment to the Mistras Group, Inc. 2016 Long-Term Incentive Plan to increase the number of shares authorized for issuance.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4. To approve, on an advisory basis, the compensation of Mistras Group, Inc.'s named executive officers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
NOTE: Such other business as may properly come before the meeting or any adjournment thereof.				
Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.				
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Signature [PLEASE SIGN WITHIN BOX]	Date	Signature (Joint Owners)	Date	

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**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:**  
The Notice & Proxy Statement and Annual Report are available at [www.proxyvote.com](http://www.proxyvote.com)

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**MISTRAS GROUP, INC.**  
**Annual Meeting of Shareholders**  
**May 23, 2022 11:00 AM EDT**  
**This proxy is solicited by the Board of Directors**

The shareholder(s) hereby appoint(s) Dennis Bertolotti, Michael Keefe and Edward Prajzner, and each of them, as proxies, each with the power to appoint his substitute, and hereby authorize(s) each of them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of common stock of MISTRAS GROUP, INC. that the shareholder(s) is/are entitled to vote at the Annual Meeting of Shareholders to be held at 11:00 AM, EDT on May 23, 2022, being held as a virtual meeting, which can be accessed at [www.virtualshareholdermeeting.com/MG2022](http://www.virtualshareholdermeeting.com/MG2022), and any adjournment or postponement thereof.

**This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the Board of Directors' recommendations.**

**Continued and to be signed on reverse side**