

TEAM INC
Form DEF 14A
April 12, 2018
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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 Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement – 2018 Annual Meeting of Shareholders
- Definitive Additional Materials
- Soliciting Material Pursuant to § 240.14a-11(c) or § 240.14a-12

TEAM, INC.
(Name of Registrant as Specified In Its Charter)

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

(2) Aggregate number of securities to which transaction applies:

Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth
(3) the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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(4) Date Filed:

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13131 Dairy Ashford
Sugar Land, Texas 77478
(281) 331-6154
Notice of 2018 Annual Meeting of Shareholders and Proxy Statement

April 12, 2018

To Our Shareholders:

On behalf of our Board of Directors, it is my pleasure to invite you to attend the 2018 Annual Meeting of Shareholders of Team, Inc. The Annual Meeting will be held on Thursday, May 17, 2018, at 3:00 p.m., local time, at our headquarters located at 13131 Dairy Ashford, Sugar Land, Texas 77478. A notice of the meeting, a Proxy Statement and a proxy card containing information about the matters to be voted upon are enclosed.

In addition to the Proxy Statement, you should have also received a copy of our Annual Report on Form 10-K for the year ended December 31, 2017. We encourage you to read the Form 10-K. It includes information about our operations as well as our audited, consolidated financial statements. If you did not receive a copy of our 2017 Annual Report on Form 10-K, it, along with this Proxy Statement, are available on our website at www.teaminc.com/proxy2018, under the “Investors” page.

Please use this opportunity to take part in the affairs of our company by voting on the business to come before this meeting. Whether or not you plan to attend the meeting, please complete, sign, date and return the accompanying proxy card in the enclosed postage-paid envelope or vote electronically via the Internet or by telephone. See “About the Annual Meeting—How do I vote by proxy?” in the Proxy Statement for more details. Instructions for each type of voting are included with the instructions on your proxy card and the Notice of Internet Availability of Proxy Materials. Returning the proxy card or voting electronically does not deprive you of your right to attend the meeting and to vote your shares in person for the matters to be acted upon at the meeting. However, if your shares are held through a broker or other nominee, you must obtain a legal proxy from the record holder of your shares in order to vote at the meeting.

Sincerely,

Louis A. Waters

Chairman of the Board of Directors

Important Notice Regarding the Availability of Proxy Materials for the 2018 Annual Meeting.

Our Proxy Statement and Annual Report on Form 10-K are available at

www.teaminc.com/proxy2018, under the “Investors” page

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TEAM, INC.
13131 Dairy Ashford
Sugar Land, Texas 77478

NOTICE OF 2018
ANNUAL
MEETING OF
SHAREHOLDERS

Time and Date: 3:00 p.m., local time, on Thursday, May 17, 2018

Location: Team, Inc.
13131 Dairy Ashford
Sugar Land, Texas 77478

Items of Business: Proposal One—Election of three (3) nominees named in the Proxy Statement as Class II directors to serve a three-year term and one (1) nominee named in the Proxy Statement as a Class III director to serve a one-year term;

• Proposal Two—Ratification of the appointment of KPMG LLP as the Company’s independent registered public accounting firm for fiscal year ending December 31, 2018;

• Proposal Three—Advisory vote on Named Executive Officer compensation;

• Proposal Four—Approval of the issuance of shares of our common stock issuable upon the conversion of our 5.00% convertible senior notes;

• Proposal Five—Approval of the new Team, Inc. 2018 Equity Incentive Plan; and

• Such other business as may properly come before the meeting, or any adjournment thereof.

Documents: We have elected to provide access to our proxy materials both by sending you this full set of proxy materials, including a Proxy Statement, a proxy card and our 2017 Annual Report and by notifying you of the availability of our proxy materials on the Internet. This Proxy Statement and our 2017 Annual Report on Form 10-K are available at www.teaminc.com/proxy2018, under the “Investors” page. Our 2017 Annual Report, including our Form 10-K does not form a part of the material for the solicitation of proxies.

Record Date: The shareholders of record of our Common Stock as of the close of business on Tuesday, April 3, 2018, will be entitled to vote at the Annual Meeting of Shareholders, or any adjournment thereof. A complete list of shareholders of record of our Common Stock entitled to vote at the Annual Meeting of Shareholders will be maintained in our principal executive offices at 13131 Dairy Ashford, Suite 600, Sugar Land, Texas 77478 for ten days prior to the Annual Meeting and will also be available at the Annual Meeting.

Proxy Voting: It is important that your shares be represented and voted at the Annual Meeting of Shareholders. You can vote your shares in one of four ways:

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- (1) By Mail—fully complete, sign, date and return the proxy card in the enclosed, postage paid envelope.
- (2) By Internet—visit the website listed on your proxy card and follow the instructions.
- (3) By Telephone—call the telephone number on your proxy card and follow the instructions.
In Person—attend the Annual Meeting to vote in person. You can revoke a proxy at any time
- (4) prior to its exercise at the Annual Meeting by following the instructions in the Proxy Statement.

YOUR VOTE IS IMPORTANT.

PLEASE SIGN, DATE AND RETURN THE ACCOMPANYING PROXY CARD PROMPTLY.

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TEAM, INC.
13131 Dairy Ashford
Sugar Land, Texas 77478

PROXY STATEMENT
GENERAL

These proxy materials are being provided to you in connection with the 2018 Annual Meeting of Shareholders of Team, Inc. (the “Annual Meeting”). This Proxy Statement, the accompanying proxy card and the 2017 Annual Report on Form 10-K (“Annual Report”) were first mailed to our shareholders on or about April 12, 2018. This Proxy Statement contains important information for you to consider when deciding how to vote on the matters to be brought before the Annual Meeting. Please read it carefully.

In accordance with rules promulgated by the Securities and Exchange Commission (“SEC”), we have elected to provide access to our proxy materials both by sending you this full set of proxy materials, including a Proxy Statement, a proxy card and our Annual Report and by notifying you of the availability of our proxy materials on the Internet. This Proxy Statement and our Annual Report are available at www.teaminc.com/proxy2018, under the “Investors” page. Our Annual Report does not form a part of the material for the solicitation of proxies.

Unless otherwise indicated, the terms “Team, Inc.,” “Team,” “the Company,” “we,” “our” and “us” are used in these proxy materials to refer to Team, Inc. We are incorporated in the state of Delaware and our company website can be found at www.teaminc.com. Our stock is traded on the New York Stock Exchange (“NYSE”) under the symbol “TISI”.

ABOUT THE ANNUAL MEETING

Who is soliciting my vote?

The Board of Directors of Team, Inc. (the “Board”) is soliciting your vote in connection with our Annual Meeting.

What is the purpose of the Annual Meeting?

The meeting will be our regular Annual Meeting of Shareholders. You will be voting on the following matters at our Annual Meeting:

1. Proposal One—Election of three (3) nominees named in the Proxy Statement as Class II directors to serve a three-year term and one (1) nominee named in the Proxy Statement as a Class III director to serve a one-year term;
2. Proposal Two—Ratification of the appointment of KPMG LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2018;
3. Proposal Three—Advisory vote on Named Executive Officer compensation;
4. Proposal Four—Approval of the issuance of shares of our common stock issuable upon the conversion of our 5.00% convertible senior notes;
5. Proposal Five—Approval of the new Team, Inc. 2018 Equity Incentive Plan; and
6. Such other business as may properly come before the Annual Meeting, or any adjournment thereof.

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How does the Board of Directors recommend I vote?

The Board recommends that you vote your shares as follows:

Proposal One—“FOR” the election of Amerino Gatti, Brian K. Ferraioli and Michael A. Lucas as Class II directors and Craig L. Martin as Class III director;

Proposal Two—“FOR” the ratification of the appointment of KPMG LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2018;

Proposal Three—“FOR” the approval, on an advisory basis, of Team, Inc.’s compensation of its Named Executive Officers as disclosed in this Proxy Statement;

Proposal Four—“FOR” the approval of the issuance of shares of our common stock issuable upon the conversion of our 5.00% convertible senior notes; and

Proposal Five—“FOR” the approval of the new Team, Inc. 2018 Equity Incentive Plan.

Who is entitled to vote at the Annual Meeting?

The Board has set Friday, April 3, 2018 as the record date for the Annual Meeting (the “Record Date”). All shareholders who owned our Common Stock, par value \$0.30 per share (the “Common Stock”), at the close of business on the Record Date may attend and vote at the Annual Meeting. See “How do I vote by proxy?” below for other ways you can vote if you do not plan on attending the Annual Meeting in person.

How many votes can be cast by all shareholders?

Each share of Common Stock is entitled to one vote. There is no cumulative voting. There were 29,987,232 shares of Common Stock outstanding and entitled to vote on the Record Date.

How many votes must be present to hold the Annual Meeting?

A majority of the outstanding shares of Common Stock as of the Record Date must be present at the Annual Meeting in order to hold the Annual Meeting and to conduct business. This is called a “quorum.” Your shares are counted as present at the Annual Meeting if you are present at the Annual Meeting and vote in person, a proxy card has been properly submitted by you or on your behalf, or you have voted on the Internet or by telephone. Both abstentions and broker non-votes are counted as present for the purpose of determining the presence of a quorum. A “broker non-vote” is a share of Common Stock that is beneficially owned by a person or entity and held by a broker or other nominee, but for which the broker or other nominee (i) lacks the discretionary authority to vote on certain matters and (ii) has not received voting instructions from the beneficial owner in respect of these specific matters.

How many votes are required to approve each proposal in this Proxy Statement?

Election of Directors. Directors are elected by a majority of the votes cast with respect to such director in uncontested elections, such that a nominee for director will be elected to the Board if the votes cast FOR the nominee’s election exceed the votes cast AGAINST such nominee’s election. Abstentions and broker non-votes are not counted as votes cast for purposes of the election of directors and, therefore, will have no effect on the outcome of such election. Even if a nominee is not re-elected, he or she will remain in office as a director until his or her earlier resignation or removal. Each of the current director nominees has signed a letter of resignation that will be effective if the nominee is not re-elected at the meeting. The Board will decide whether to accept the director’s resignation in accordance with the procedures listed in the Company’s Corporate Governance Principles, which are available on our website at www.teaminc.com.

Appointment of KPMG. To be approved, this Proposal requires the affirmative vote of a majority of the shares of Common Stock represented at the Annual Meeting, in person or by proxy.

Advisory Vote on Named Executive Officers Compensation. To be approved, this Proposal requires the affirmative vote of a majority of the shares of Common Stock represented at the Annual Meeting, in person or by proxy. A vote on this Proposal is not binding on the Board or the Company. Although the vote is non-binding, our Compensation Committee will review and consider the voting results when evaluating the compensation program for our Named Executive Officers.

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Approval of the issuance of shares of our common stock issuable upon the conversion of our 5.00% convertible senior notes. To be approved, this Proposal requires the affirmative vote of a majority of the shares of Common Stock represented at the Annual Meeting, in person or by proxy.

Approval of the new Team, Inc. 2018 Equity Incentive Plan. To be approved, this Proposal requires the affirmative vote of a majority of the shares of Common Stock represented at the Annual Meeting, in person or by proxy.

Other Matters. An affirmative vote of a majority of the shares of Common Stock represented at the Annual Meeting, in person or by proxy, is generally required for action of any other matters that may properly come before the Annual Meeting.

How do I vote by proxy?

You can vote your shares by completing and returning the proxy card accompanying this Proxy Statement. You also have the option of voting your shares on the Internet or by telephone. Your Internet or telephone vote authorizes the named proxies to vote shares in the same manner as if you marked, signed and returned your proxy card or voting instruction card. Please see your proxy card or voting instruction card for more information on how to vote by proxy. If you vote by Internet or telephone, do not return your proxy card. You may also vote in person by attending the Annual Meeting. However, even if you plan to attend the Annual Meeting, we recommend that you submit a proxy using the proxy card with respect to the voting of your shares in advance as described above so that your vote will be counted if you later decide not to attend the Annual Meeting.

What if I don't vote for some of the items listed on my proxy card or voting instruction card?

If you return your signed proxy card or voting instruction card in the enclosed envelope but do not mark selections, it will be voted in accordance with the recommendations of the Board. The Board has designated André C. Bouchard and Jay E. Kilborn to serve as proxies. If you indicate a choice with respect to any matter to be acted upon on your proxy card or voting instruction card, your shares will be voted in accordance with your instructions.

If you are a beneficial owner and hold your shares in "street name" (that is, in the name of or through a broker, bank or other nominee) and do not return the voting instruction card, the broker or other nominee will determine if it has the discretionary authority to vote on each matter voted upon at the Annual Meeting. Under applicable rules, brokers have the discretion to vote on routine matters. All of the matters scheduled to be voted on at the Annual Meeting are "non-routine" except for Proposal Two, to ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for fiscal year ending December 31, 2018. Thus, your broker, bank or other nominee would not be able to vote on such "non-routine" matters. If your shares are held in street name, your broker, bank or other nominee will include a voting instruction card with this Proxy Statement. We strongly encourage you to vote your shares by following the instructions provided on the voting instruction card. Please return your proxy card to your broker, bank or other nominee and contact the person responsible for your account to ensure that a proxy card is voted on your behalf.

How are abstentions and broker non-votes counted?

In tabulating the voting result for Proposal One, Two, Three, Four and Five, shares that constitute broker non-votes are not considered voting power present with respect to that proposal. Thus, with respect to proposals One, Two, Three, Four and Five, broker non-votes will not affect the outcome, assuming a quorum is obtained. Abstentions are considered voting power present at the meeting and thus will have the same effect as votes AGAINST each of the matters scheduled to be voted on at the Annual Meeting (other than the election of directors).

Both abstentions and broker non-votes are counted as "present" for purposes of determining the existence of a quorum at the Annual Meeting.

Who pays for the proxy solicitation and how will the Company solicit votes?

We bear the expense of printing and mailing proxy materials. In addition to this solicitation of proxies by mail, our directors, officers and other employees, as well as Innisfree, our proxy solicitor, may solicit proxies by personal interview, telephone, facsimile, or email. Our directors, officers and other employees will not be paid any additional compensation for any such solicitation. Innisfree will be paid approximately \$11,000 for their solicitation services.

We will request brokers and other nominees who hold shares of Common Stock in their names to furnish proxy materials to beneficial owners of these shares. We will reimburse such brokers and other nominees for their reasonable

expenses incurred in forwarding solicitation materials to these beneficial owners.

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Can I change or revoke my vote after I return my proxy card or voting instruction card?

Yes. Even if you sign the proxy card or voting instruction card in the form accompanying this Proxy Statement, vote by telephone, or vote on the Internet, you retain the power to revoke your proxy or change your vote. You can revoke your proxy or change your vote at any time before it is exercised at the Annual Meeting by providing written notice to our Corporate Secretary at: Team, Inc. Attention: André C. Bouchard, Corporate Secretary, 13131 Dairy Ashford, Suite 600, Sugar Land, Texas 77478, specifying such revocation. You may change your vote by timely delivering a valid, later-dated proxy or a later-dated vote by telephone or on the Internet or by voting in person at the Annual Meeting. However, please note that if you would like to vote at the Annual Meeting and you are not the shareholder of record, you must request, complete and deliver a proxy from your broker or other nominee.

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PROPOSAL ONE—ELECTION OF DIRECTORS

Nominees for Election

Our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws provide that our Board will consist of not less than five persons, the exact number to be fixed from time to time by the Board. Our directors are divided into three classes designated as Class I, Class II and Class III. Each class consists, as nearly as possible, of one-third of the total number of directors constituting the entire Board. The Class II directors serve for a term expiring at the 2018 Annual Meeting of Shareholders, the Class III directors serve for a term expiring at the 2019 Annual Meeting of Shareholders and the Class I directors serve for a term expiring at the 2020 Annual Meeting of Shareholders. At each annual meeting, successors to the class of directors whose term expires at that annual meeting are elected for a term expiring at the third succeeding annual meeting. Each director holds office until the annual meeting for the year in which his or her term expires and until a successor has been elected and qualified, or until such director's earlier death, resignation, retirement, disqualification or removal.

At the Annual Meeting, three (3) directors have been nominated for election to serve a three-year term expiring at the annual meeting to be held in 2021 and one (1) director has been nominated for election to serve a one-year term expiring at the annual meeting to be held in 2019. Our Board has nominated the following three persons for election as Class II directors to serve a three-year term expiring on the date of our 2021 Annual Meeting of Shareholders or until their successors are duly elected and qualified:

▲Amerino Gatti;
♣Brian K. Ferraioli; and
♣Michael A. Lucas

Our Board has nominated Craig L. Martin for election as a Class III director to serve a one-year term expiring on the date of our 2019 Annual Meeting of Shareholders or until his successor is duly elected and qualified.

Biographical information about each of the nominees is provided under "The Board of Directors and its Committees," below.

Vote Required and Board Recommendation

Directors are elected by a majority of the votes cast with respect to such director in uncontested elections, such that a nominee for director will be elected to the Board if the votes cast FOR the nominee's election exceed the votes cast AGAINST such nominee's election. Abstentions and broker non-votes are not counted as votes cast for purposes of the election of directors and, therefore, will have no effect on the outcome of such election. Even if a nominee is not re-elected, he or she will remain in office as a director until his or her earlier resignation or removal. Each of the current director nominees has signed a letter of resignation that will be effective if the nominee is not re-elected at the meeting and the Board accepts his or her resignation following the meeting. If a nominee is not re-elected, the Board will decide whether to accept the director's resignation in accordance with the procedures listed in the Company's Corporate Governance Principles, which are available on our website at www.teaminc.com.

Shareholders may not cumulate their votes for the election of directors. Unless contrary instructions are set forth in the proxies, the persons with full power of attorney to act as proxies at the Annual Meeting will vote all shares represented by such proxies for the election of the nominees named therein as directors. Should any of the nominees become unable or unwilling to accept nomination or election, it is intended that the persons acting under the proxy will vote for the election, in the nominee's stead, of such other persons as our Board may recommend. We have no reason to believe that any of the nominees will be unable or unwilling to stand for election or to serve if elected.

The Board of Directors unanimously recommends that you vote "FOR" the election of each of the nominees named above.

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PROPOSAL TWO—RATIFICATION OF THE APPOINTMENT OF KPMG LLP AS THE COMPANY’S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Board has appointed KPMG LLP as the independent registered public accounting firm of the Company to audit its consolidated financial statements and the effectiveness of its internal controls over financial reporting for the fiscal year ending December 31, 2018, and the Board has determined that it would be desirable to request that our shareholders ratify such appointment.

KPMG LLP has served as the independent registered public accounting firm of the Company and its subsidiaries since May 2002. KPMG LLP is considered by the Audit Committee and by the management of the Company to be well-qualified. A representative of KPMG LLP will be present at the Annual Meeting and will have the opportunity to make a statement if such representative desires to do so and to respond to appropriate questions from shareholders. Shareholder ratification of the appointment of KPMG LLP as the Company’s independent registered public accounting firm is not legally required. Nevertheless, at the recommendation of the Audit Committee, our Board has directed that the appointment of KPMG LLP be submitted for shareholder ratification as a matter of good corporate practice. If our shareholders do not ratify the appointment of KPMG LLP at the Annual Meeting, the Audit Committee will reconsider whether to retain KPMG LLP. Even if the appointment is ratified, the Audit Committee, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of the Company and its shareholders.

Vote Required and Board Recommendation

The proposal to ratify the appointment of KPMG LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2018 requires the affirmative vote of a majority of the shares of Common Stock represented at the Annual Meeting in person or by proxy.

The Board of Directors unanimously recommends a vote “FOR” ratification of the appointment of KPMG LLP as the Company’s independent registered public accounting firm for the year ending December 31, 2018.

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PROPOSAL THREE—ADVISORY VOTE ON NAMED EXECUTIVE OFFICER COMPENSATION

We are asking you to vote, on an advisory basis, to approve the executive compensation philosophy, policies and procedures described in the “Compensation Discussion and Analysis” section of our 2018 Proxy Statement, and the compensation of our Named Executive Officers, as disclosed in our 2018 Proxy Statement.

In the section entitled “Compensation Discussion and Analysis,” you will find a description of our executive compensation practices and objectives. Please also refer to the compensation tables and narrative discussion appearing under “Executive Compensation and Other Matters,” which provide detailed information about the compensation of our Named Executive Officers. Our Compensation Committee and Board believe that our compensation practices are effective in achieving our executive compensation objectives and that the compensation of our Named Executive Officers as disclosed in this Proxy Statement reflects and supports the appropriateness of our executive compensation philosophy and practices.

This Proposal Three, commonly known as the “say-on-pay” proposal, gives the Company’s shareholders the opportunity to express their views on the compensation of our Named Executive Officers. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our Named Executive Officers described in this Proxy Statement.

Accordingly, we invite you to carefully review the sections in this proxy entitled “Compensation Discussion and Analysis” and “Executive Compensation and Other Matters” and cast a vote to approve the following non-binding resolution:

RESOLVED, that the compensation paid to the Company’s Named Executive Officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion, is hereby **APPROVED**.

Vote Required and Board Recommendation

To be approved, Proposal Three requires the affirmative vote of a majority of the shares of Common Stock represented at the Annual Meeting in person or by proxy.

A vote on this proposal is not binding on the Board or the Company. Although the vote is non-binding, our Compensation Committee will review and consider the voting results when evaluating the compensation program for our Named Executive Officers.

The Board of Directors unanimously recommends that shareholders vote “FOR” approval of the Company’s compensation of its Named Executive Officers as disclosed in this Proxy Statement.

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PROPOSAL FOUR—APPROVAL OF THE ISSUANCE OF SHARES OF OUR COMMON STOCK ISSUABLE UPON THE CONVERSION OF OUR 5.00% CONVERTIBLE SENIOR NOTES

On July 31 2017, we issued a total of \$230 million aggregate principal amount of our 5.00% Convertible Senior Notes due 2023 (the “Notes”) in a private placement. The Notes pay interest semiannually, in arrears, on February 1 and August 1 of each year, beginning on February 1, 2018. The Notes mature on August 1, 2023, unless earlier converted, redeemed or repurchased in accordance with their terms prior to such date. The initial conversion rate is 46.0829 shares per \$1,000 principal amount of Notes, which is equivalent to an initial conversion price of \$21.70 per share of Common Stock, and represents a 40% conversion premium over the July 25, 2017 price of \$15.50, which was the last reported sale price of our Common Stock on the NYSE prior to the pricing of the Notes. The initial conversion rate is subject to adjustment upon the occurrence of certain events but will not be adjusted for any accrued and unpaid interest on the Notes.

The Notes are convertible at the holder’s option at any time prior to the close of business on the business day immediately preceding May 1, 2023, but only under the following circumstances:

- during any calendar quarter commencing after the calendar quarter ending on December 31, 2017 (and only during such calendar quarter), if the last reported sale price of our Common Stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day;
- during the five business day period after any five consecutive trading day period (the “measurement period”) in which the trading price per \$1,000 principal amount of Notes for each trading day of such measurement period was less than 98% of the product of the last reported sale price of our Common Stock and the conversion rate on such trading day;
- if we call any or all of the Notes for redemption, at any time prior to the close of business on the business day immediately preceding the redemption date; or
- upon the occurrence of specified corporate events described in the indenture governing the Notes.

On or after May 1, 2023 until the close of business on the business day immediately preceding the maturity date, holders may, at their option, convert their Notes at any time, regardless of the above listed circumstances.

We may not redeem the Notes prior to August 5, 2021. At our option, we may redeem for cash all or any portion of the Notes on or after August 5, 2021, if the last reported sale price of our Common Stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive), including the trading day immediately preceding the date on which we provide notice of redemption, during any 30 consecutive trading day period ending on, and including, the trading day immediately preceding the date on which we provide notice of redemption at a redemption price equal to 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.

If holders elect to convert the Notes in connection with certain fundamental change transactions described in the indenture, we will, under certain circumstances described in the indenture, increase the conversion rate for the Notes so surrendered for conversion. If we undergo a fundamental change (as defined in the indenture) at any time, subject to certain conditions, holders will have the right, at their option, to require us to repurchase for cash all or part of their Notes in principal amounts of \$1,000 or an integral multiple thereof at a repurchase price equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest to, but excluding the fundamental change repurchase date, subject to the terms of the indenture.

Upon conversion of a Note, we will pay or deliver, as the case may be, cash, shares of Common Stock or a combination of cash and shares of Common Stock, at our election, except that our right to settle our conversion obligation in shares of Common Stock will be limited prior to obtaining shareholder approval of the issuance (as described herein).

If all of the Notes are converted at the initial conversion rate, the number of shares deliverable upon full conversion would exceed the amount we may issue without shareholder approval pursuant to NYSE listing requirements, in which case, absent such shareholder approval, we would be required to deliver to the holders cash in lieu of the shares of Common Stock in excess of such amount that would otherwise be deliverable.

NYSE Stockholder Approval Requirements

Since our Common Stock is listed on the NYSE, we are subject to NYSE rules and regulations. NYSE Listed Company Manual Section 312.03(c) requires stockholder approval prior to the issuance of Common Stock in any transaction or series of transactions if (i) the shares of Common Stock will have upon issuance voting power equal to 20% or more of the voting power outstanding before the issuance of the Common Stock, or (ii) the number of shares of Common Stock to be issued will upon issuance equal 20% or more of the number of shares of Common Stock outstanding before the issuance of the Common Stock. The Notes are initially convertible

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into 10,599,067 shares of our Common Stock (approximately 35% of the outstanding shares of our Common Stock), although certain corporate events could increase the conversion rate, which could result in the Notes becoming convertible into a maximum of approximately 14,838,703 shares. In connection with the issuance of the Notes, we agreed to include for a vote by our shareholders at our 2018 Annual Meeting of Shareholders, in accordance with NYSE listing requirements, the approval for the issuance of more than 20% of our Common Stock upon full conversion of the Notes. Absent shareholder approval, the total number of shares deliverable upon conversion of the Notes is limited to approximately 5,964,858 shares. Shareholder approval of this proposal is therefore required to enable us, if we so elect, to satisfy our conversion obligations with respect to the Notes by issuing more than 5,964,858 shares of Common Stock, including settling the conversion obligation entirely in shares.

If the shareholders approve the issuance of more than 20% of our Common Stock upon conversion of the Notes, such conversion may result in additional dilution of the voting power of our existing shareholders. In addition, the conversion of the Notes may impact trading patterns and adversely affect the market price of our Common Stock. If significant quantities of our Common Stock that are issued upon conversion of the Notes are sold (or if it is perceived that they may be sold) in the public market, the trading price of our Common Stock could be adversely affected. If our shareholders do not grant approval, then (i) the Notes will remain outstanding in accordance with their terms and the terms of the indenture, and (ii) we will be required to pay a cash amount to the holders of the Notes for any Notes that are converted and would otherwise permit us to issue or deliver more than approximately 5,964,858 shares of our Common Stock. Absent such shareholder approval, the Board of Directors believes that any required cash settlement of our conversion obligations limits our financial flexibility and, depending on the circumstances, could adversely impact our liquidity position and financial condition. Additionally, absent shareholder approval, for financial reporting purposes, we will be required to continue to account for a portion of the conversion feature of the Notes as an embedded derivative liability in accordance with generally accepted accounting principles in the United States, with changes in fair value reflected as gains or losses in our results of operations (as discussed further in Note 9 to our consolidated financial statements included in our 2017 Annual Report on Form 10-K). These changes in fair value could materially and adversely affect our reported net income (loss) and increase the volatility of our financial results from period to period. Subject to certain conditions, if shareholder approval is obtained, the recognition of these gains and losses will cease prospectively from the date of such approval.

The Notes were issued pursuant to an Indenture, dated as of July 31, 2017, between the Company and Branch Banking and Trust Company, as trustee. Shareholders desiring a more complete understanding of the terms of the Notes are urged to read the Indenture, which was included as Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on July 31, 2017.

Vote Required and Board Recommendation

Approval of the issuance of shares of our Common Stock issuable upon conversion of our 5.00% Convertible Senior Notes requires the affirmative vote of the holders of a majority the shares of our Common Stock present or represented by proxy and entitled to vote at the Annual Meeting

The Board of Directors unanimously recommends that shareholders vote "FOR" the proposal to approve the issuance of shares of our common stock issuable upon conversion of our 5.00% convertible senior notes as described in this Proxy Statement.

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PROPOSAL FIVE—APPROVAL OF THE NEW TEAM, INC. 2018 EQUITY INCENTIVE PLAN

The Board unanimously recommends that stockholders vote FOR approval of the new Team, Inc. 2018 Equity Incentive Plan (the “2018 Plan”). Capitalized terms used but not defined in this Proposal Five have the same meaning as in the 2018 Plan, a copy of which can be referred to in Appendix A to this Proxy Statement.

Our shareholders approved the Team Inc. 2016 Equity Incentive Plan (the “2016 Plan”) at the Company’s Annual Meeting of Shareholders in 2016. Currently under the 2016 Plan, the number of shares of Common Stock authorized for issuance is 2,000,000 shares. As of March 22, 2018, 478,854 shares remain available for issuance under the 2016 Plan. The Compensation Committee of the Board of Directors and the Board itself considers this number to be inadequate to achieve the stated purpose of the 2016 Plan in the future; namely, to promote the long-term financial interests of the Company by: (i) encouraging directors, officers and employees of the Company to acquire an ownership position in the Company; (ii) enhancing the ability of the Company to attract and retain directors, officers and key employees of outstanding ability; and (iii) providing directors, officers and key employees with an interest in the Company aligned with that of the Company’s stockholders. As a result, the Company has decided to adopt the 2018 Plan. It is anticipated that the additional 450,000 shares proposed to be authorized under the 2018 Plan will be sufficient for the Company’s anticipated award grants over the near term.

The Company’s intention is to maintain its long term incentive award program for employees in a manner consistent with the past several years. As a result, we do not anticipate a significant change in our average annual “burn rate,” with consideration for adjustments for changes in the fair market value of our stock and to exclude initial equity awards that may be associated with new employees joining the Company. 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 and its predecessor plans, to employees and directors divided by the weighted average common shares outstanding) is less than 2%.

The Board believes that the adoption of the 2018 Plan is in the best interests of the Company. The Board believes that the ability to grant shares of equity compensation under the 2018 Plan’s terms will strengthen the Company’s ability to attract and retain individuals with the desired training, experience and expertise as key employees in a highly competitive labor market. The Board also believes that this increase will allow the Company to continue to furnish incentives to key individuals to promote the Company’s financial success and be motivated to increase shareholder value.

Existing awards under the 2016 Plan will remain in full force and effect in accordance with the plan’s terms. No new awards will be made under the 2016 Plan after approval of the 2018 Plan by shareholders.

2018 Plan

Set forth below is a summary of the material terms of the 2018 Plan. This summary is qualified in its entirety by reference to the full text of the 2018 Plan, which can be referred to in Appendix A to this Proxy Statement.

Number of Shares Subject to the 2018 Plan and Award Limits. The aggregate maximum number of shares of common stock that may be issued under the 2018 Plan is the sum of (i) 450,000 shares, (ii) the number of shares otherwise available for grant under the 2016 Plan and (iii) the number of shares subject to outstanding awards under specified prior plans that may become available for reissuance in certain circumstances. Shares withheld or tendered to pay the exercise price of an Option or other purchase price of an award or withholding tax obligations shall not be made available for reissuance.

The maximum number of shares of common stock that may be subject to Options, Restricted Stock Awards, Restricted Stock Units, Performance Units and Performance Awards denominated in shares of common stock granted to any one individual during any calendar year may not exceed 750,000 shares of common stock for employees and 250,000 shares for non-employee directors. The maximum amount of compensation that may be paid under all Performance Awards under the 2018 Plan that are denominated in cash (including the fair market value of any shares of common stock paid in satisfaction of such Performance Awards) granted to any one individual during any calendar year may not exceed \$2,500,000, and any payment due with respect to a Performance Award will be paid no later than ten years after the date of grant of such Performance Award. The share limitations described in the preceding sentences may be adjusted upon a reorganization, stock split, recapitalization or other change in our capital structure.

Administration. The 2018 Plan will be administered by a committee, or the Committee, of, and appointed by, the Board that will be comprised solely of two or more non-employee directors who also qualify as “non-employee directors” as defined in SEC Rule 16b-3). The Board has appointed the Compensation Committee initially to administer the 2018 Plan.

The Compensation Committee will have full authority, subject to the terms of the 2018 Plan, to establish rules and regulations for the proper administration of the 2018 Plan, to select the employees and directors to whom awards are granted, and to set the date of grant, the type of award that shall be made and the other terms of the awards. When granting awards, the Compensation Committee will consider such factors as an individual’s duties and present and potential contributions to our success and such other factors as the Compensation Committee may in its discretion deem relevant.

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Eligibility. All directors of Team and all employees of Team and its affiliates are eligible to participate in the 2018 Plan. The selection of those employees and directors, from among those eligible, who will receive Incentive Stock Options, Non-statutory Stock Options, Restricted Stock Awards, Performance Awards, Performance Unit Awards, Stock Appreciation Rights, Restricted Stock Units, Phantom Stock Awards or any combination thereof is within the discretion of the Compensation Committee. However, Incentive Stock Options may be granted only to employees of Team and its subsidiary corporations (as defined in Section 424 of the Code). As of April 1, 2018, approximately 250 individuals were potentially eligible to participate in the 2018 Plan.

Term of 2018 Plan. The 2018 Plan was adopted by the Board on March 21, 2018 and will be effective on the date its adoption is approved by our stockholders. No further awards may be granted under the 2018 Plan after May 17, 2028, which is ten years after the 2018 Plan's effective date, and the 2018 Plan will terminate thereafter once all awards have been satisfied, exercised or expire. The Board in its discretion may terminate the 2018 Plan at any time with respect to any shares of common stock for which awards have not theretofore been granted.

Stock Options

Term of Option. The term of each Option will be as specified by the Compensation Committee at the date of grant (but not more than ten years). The effect of the termination of an optionee's employment or membership on the Board will be specified in the Option award agreement that evidences each Option grant.

Option Price and Restrictions on Repricing. The Option price will be determined by the Compensation Committee and will be no less than the fair market value of the shares on the date that the Option is granted. Except for adjustments for certain changes in the common stock, the Compensation Committee may not, without the approval of our stockholders, amend any outstanding Option award agreement that evidences an Option grant to lower the Option exercise price or to cancel, exchange, substitute, buyout or surrender outstanding Options in exchange for cash, other awards or Options with an exercise price that is less than the exercise price of the original Options.

Special Rules for Incentive Stock Options for Certain Stockholders. If an Incentive Stock Option is granted to an employee who then owns, directly or by attribution under the Code, stock possessing more than 10% of the total combined voting power of all classes of stock of Team or a subsidiary, then the term of the option will not exceed five years, and the option price will be at least 110% of the fair market value of the shares on the date that the option is granted.

Size of Grant. Subject to the limitations described above under the section "Shares Subject to the Plan; Award Limits; Grant of Awards," the number of shares for which an Option is granted to an employee or director will be determined by the Compensation Committee.

Status of Options. The status of each Option granted to an employee as either an Incentive Stock Option or a Non-statutory Stock Option will be designated by the Compensation Committee at the time of grant. If, however, the aggregate fair market value (determined as of the date of grant) of shares with respect to which Incentive Stock Options become exercisable for the first time by an employee exceeds \$100,000 in any calendar year, the options with respect to the excess shares will be Non-statutory Stock Options. All options granted to non-employee directors, if any, will be Non-statutory Stock Options.

Payment. The Option price upon exercise may, at the discretion of the Compensation Committee, be paid by an optionee in cash, other shares of common stock owned by the optionee or by a combination of cash and common stock. Additionally, Stock Appreciation Rights, as described further below under the section "Stock Appreciation Rights," may be granted to optionees in conjunction with Options granted under the 2018 Plan. The 2018 Plan also allows the Compensation Committee, in its discretion, to establish procedures pursuant to which an optionee may affect a cashless exercise of an Option.

Option Award Agreement. All Options will be evidenced by a written agreement containing provisions consistent with the 2018 Plan. The agreements will include details about the effect of termination of employment on the exercisability of the Option, any vesting or performance periods applicable to the Option and such other provisions as the Compensation Committee deems appropriate. The Compensation Committee generally has the discretion to amend outstanding Option award agreements.

Transferability. An Incentive Stock Option is not transferable other than by will or the laws of descent and distribution, and may be exercised during the employee's lifetime only by the employee or his or her guardian or legal representative. A Non-statutory Stock Option is not transferable other than by will or the laws of descent and distribution, pursuant to a qualified domestic relations order or with the consent of the Compensation Committee.

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Restricted Stock Awards

Transfer Restrictions and Forfeiture Obligations. Pursuant to a Restricted Stock Award, shares of common stock will be issued or delivered to the employee or director at the time the award is made without any payment to us (other than for any payment amount determined by the Compensation Committee in its discretion), but such shares will be subject to certain restrictions on the disposition thereof and certain obligations to forfeit and surrender such shares as may be determined in the discretion of the Compensation Committee. The Compensation Committee may provide that the restrictions on disposition and the obligations to forfeit the shares will lapse based on:

the attainment of one or more performance measures established by the Compensation Committee that are based on the following criteria: (1) revenue and income measures (which include revenue, return or revenue growth, gross margin, income from operations, net income, net sales, earnings per share, earnings before interest, taxes, depreciation and amortization (“EBIDTA”), achievement of profit, economic value added (“EVA”), and price per share of Common Stock); (2) expense measures (which include costs of goods sold, selling, loss or expense ratio, general and administrative expenses and overhead costs); (3) operating measures (which include productivity, operating income, operating earnings, cash flow, funds from operations, cash from operations, after-tax operating income, market share, expenses, margins, operating efficiency); cash flow measures (which include net cash flow from operating activities and net cash flow before financing activities) and sales measures (which include customer satisfaction, sales of services, and sales production); (4) liquidity measures (which include earnings before or after the effect of certain items such as interest, taxes, depreciation and amortization, and free cash flow); (5) leverage measures (which include debt reduction, debt-to-equity ratio and net debt); (6) market measures (which include market share, stock price, growth measure, total stockholder return and market capitalization measures); (7) return measures (which include book value, book value per share, return on capital, return on net assets, return on stockholders’ equity; return on assets; stockholder returns, and which may be risk-adjusted); (8) corporate value and sustainability measures which may be objectively determined (which include compliance, safety, environmental and personnel matters); (9) other measures such as those relating to acquisitions or dispositions (which include proceeds from dispositions); (10) such other measures as determined by the Committee in its discretion; or (11) a combination of two or more of any of the foregoing;

- the holder’s continued employment or continued service as a director with Team and its affiliates for a specified period;
- the occurrence of any event or the satisfaction of any other condition specified by the Compensation Committee in its sole discretion; or
- a combination of any of the foregoing factors.

Additionally, the above-described performance measures may be made subject to adjustment by the Compensation Committee for specified significant extraordinary items or events, and may be absolute, relative to one or more other companies, or relative to one or more indices, and may be contingent upon our future performance. Upon the issuance of shares of common stock pursuant to a Restricted Stock Award, except for the foregoing restrictions and unless otherwise provided in the award agreement, the recipient of the award will have all the rights of our stockholders with respect to such shares, including the right to vote such shares and to receive all dividends and other distributions paid with respect to such shares; provided, however that (1) until all forfeiture restrictions have expired, the award recipient will not be entitled to delivery of a stock certificate, we will retain custody of the stock and the award recipient may not sell, transfer, pledge, exchange or otherwise dispose of the stock, and (2) a breach of the terms and conditions established by the Compensation Committee and set forth in an award agreement will cause forfeiture of the Restricted Stock Award. At the time of such award, the Compensation Committee may, in its sole discretion, prescribe additional terms, conditions or restrictions relating to Restricted Stock Awards, including, but not limited to, rules pertaining to the effect of the termination of employment or service as a director of a recipient of a Restricted Stock Award (by reason of retirement, disability, death or otherwise) prior to the lapse of any applicable restrictions.

The 2018 Plan also permits grants of Restricted Stock Awards to be made to non-employee directors. These awards will be made as part of a director's annual board fees.

Accelerated Vesting. The Compensation Committee may, in its discretion, fully vest any outstanding Restricted Stock Award as of a date determined by the Compensation Committee.

Other Terms and Conditions. The Compensation Committee may establish other terms and conditions for the issuance of Restricted Stock Awards under the 2018 Plan.

Phantom Stock Awards

General. Phantom Stock Awards under the 2018 Plan are awards of rights to receive common stock (or the fair market value thereof), or rights to receive amounts equal to share appreciation over a specific period of time.

Forfeiture Obligations and Termination of Award. Phantom Stock Awards vest over a period of time established by the Compensation Committee, with or without satisfaction of any performance criteria or objectives, as determined by the Compensation

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Committee in its sole discretion. The Compensation Committee may, in its discretion, require payment or other conditions on the recipient of a Phantom Stock Award, including imposition of any forfeiture restrictions. A Phantom Stock Award will terminate if the recipient's employment or service as a director of Team or its affiliates terminates during the applicable vesting period, except as otherwise determined by the Compensation Committee.

Payment. Payment of a Phantom Stock Award may be made in cash, common stock or a combination thereof, as determined by the Compensation Committee. Payment may be made in a lump sum or in installments, as prescribed by the Compensation Committee. Any payment to be made in cash will be based on the fair market value of the common stock on the payment date. Cash dividend equivalents may be paid during or after the vesting period with respect to the Phantom Stock Award, as determined by the Compensation Committee.

Other Terms and Conditions. The Compensation Committee may establish other terms and conditions for Phantom Stock Awards under the 2018 Plan, which will be set forth in an award agreement.

Stock Appreciation Rights

Exercise and Payment. A Stock Appreciation Right award will entitle the holder of the award to receive, upon the exercise of the Stock Appreciation Right, shares of common stock (valued based on the fair market value at the time of exercise), cash or a combination thereof, in the Compensation Committee's discretion, in an amount equal to the excess of the fair market value of the common stock subject to the Stock Appreciation Right as of the date of the exercise over the purchase price of the Stock Appreciation Right. If granted in tandem with an Option, the exercise of a Stock Appreciation Right will result in the surrender of the related Option, and unless otherwise provided by the Compensation Committee, the exercise of an Option will result in the surrender of a related Stock Appreciation Right, if any. Further, if a Stock Appreciation Right is not granted in tandem with an Option, subject to certain adjustments for recapitalizations and reorganization events, the exercise price of the Stock Appreciation Right will not be less than the fair market value of a share of common stock on the date the Stock Appreciation Right is granted.

Term of Stock Appreciation Right. The Compensation Committee may establish the term of a Stock Appreciation Right, but in no event may a Stock Appreciation Right be exercisable after ten years from the date of grant. If granted in tandem with an Option, a Stock Appreciation Right will expire no later than the related Option's expiration date. If neither the Stock Appreciation Right nor the related Option is exercised before the end of the day on which the right ceases to be exercisable, the right will be deemed to have been exercised as of that date, and payment will be made to the holder in cash.

Repricing Restrictions. Except for adjustments for certain changes in the common stock, the Compensation Committee may not, without the approval of our stockholders, amend any outstanding Stock Appreciation Right award agreement that evidences a Stock Appreciation Right grant to lower the Stock Appreciation Right exercise price or to cancel, exchange, substitute, buyout or surrender outstanding Stock Appreciation Rights in exchange for cash, other awards or Stock Appreciation Rights with an exercise price that is less than the exercise price of the original Stock Appreciation Right.

Other Terms and Conditions. The Compensation Committee may establish other terms and conditions for Stock Appreciation Rights under the 2018 Plan, which will be set forth in an award agreement.

Restricted Stock Units

Forfeiture Provisions and Accelerated Vesting. The Compensation Committee will determine the minimum vesting or performance period applicable to an award of Restricted Stock Units. If a recipient's employment or service with Team and its affiliates terminates for any reason other than death or "disability" (as that term is defined under our long term disability plan) during a performance period or prior to the delivery date for deferred Restricted Stock Units, the units will be forfeited on the date the recipient's employment or service with Team and its affiliates terminates. A recipient of a Stock Unit whose employment or service with Team and its affiliates terminates because of death or "disability" prior to the delivery date for the Restricted Stock Units will be entitled to the full value of the earned Restricted Stock Units at the end of the performance period or deferred delivery date, as applicable. Further, the Compensation Committee generally may, in its discretion, determine that a Restricted Stock Unit holder will be entitled to receive all or any portion of the Restricted Stock Units that he would otherwise receive, accelerate the determination and payment of the shares or units or make other adjustments as it deems appropriate.

Terms and Conditions. For each Stock Unit holder, the Committee will determine the timing of awards, the number of Restricted Stock Units awarded, the value of Restricted Stock Units, any performance measures used for determining whether Restricted Stock Units are earned, the number of earned Restricted Stock Units that will be paid in cash and/or shares of common stock, whether and when any dividend equivalents are to be paid on Restricted Stock Units and any additional terms the Compensation Committee deems appropriate. The terms and conditions of a Stock Unit grant will be set forth in an award agreement.

Payment. Payment for Restricted Stock Units earned may be made in cash, common stock or in some combination thereof, and as a lump sum payment or in installments, as determined by the Compensation Committee. For Restricted Stock Units payable in shares of common stock, one share of common stock will be paid for each share earned, or cash will be paid for each share earned

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equal to either (1) the fair market value of a share of common stock at the delivery date or (2) the fair market value of a share of common stock averaged for a number of days determined by the Committee.

Performance Unit Awards

Forfeiture Provisions and Accelerated Vesting. The Compensation Committee will determine the minimum vesting or performance period applicable to an award of Performance Units. If a recipient's employment or service with Team and its affiliates terminates for any reason other than death or "disability" (as that term is defined under our long term disability plan) during a performance period, the units will be forfeited on the date the recipient's employment or service with Team and its affiliates terminates. A recipient of a Performance Unit whose employment or service with Team and its affiliates terminates because of death or "disability" prior to the delivery date for the Performance Units will be entitled to the full value of the earned Performance Units at the end of the performance period or deferred delivery date, as applicable. Further, the Compensation Committee generally may, in its discretion, determine that a Performance Unit holder will be entitled to receive all or any portion of the Performance Units that he would otherwise receive, accelerate the determination and payment of the shares or units or make other adjustments as it deems appropriate.

Terms and Conditions. Performance Units have an initial notional value equal to a dollar amount determined by the Committee, in its sole discretion, and are settled in either cash or shares of common stock based on the attainment of designated performance goals. The Committee shall set the performance goals in its discretion that, depending on the extent to which they are met over the specified Performance Period, will determine the number of value of the Performance Units upon settlement. The Committee will determine the timing of awards, the number of Performance Units awarded, the value of the Performance Units, any performance measures used for determining whether Performance Units are earned, the number of earned Performance Units that will be paid in cash and/or shares of common stock, whether and when any dividend equivalents are to be paid on Performance Units and any additional terms the Compensation Committee deems appropriate. The terms and conditions of a Performance Unit grant will be set forth in an award agreement.

Payment. Payment for Performance Units earned may be made in cash, common stock or in some combination thereof, and as a lump sum payment or in installments, as determined by the Compensation Committee. For Performance Units payable in shares of common stock, one share of common stock will be paid for each share earned, or cash will be paid for each share earned equal to either (1) the fair market value of a share of common stock at the delivery date or (2) the fair market value of a share of common stock averaged for a number of days determined by the Committee.

Performance Awards

Performance Period. The Compensation Committee may, in its sole discretion, grant Performance Awards (which may include, for example, Restricted Stock Awards, Restricted Stock Units, Phantom Stock Awards, Options, and/or Stock Appreciation Rights) under the 2018 Plan that may be paid in cash, common stock or a combination thereof as determined by the Compensation Committee. At the time of the grant, the Compensation Committee will establish the maximum number of shares of common stock subject to, or the maximum value of, each Performance Award and the performance period over which the performance applicable to the award will be measured. A Performance Award will terminate if the recipient's employment or service as a director of ours terminates during the applicable performance period, except as otherwise determined by the Compensation Committee.

Performance Awards will be granted by the Compensation Committee no later than ninety days following the commencement of the performance period, will designate, in writing, the performance goals applicable to the performance period, and establish the performance measures and amounts of awards, as applicable, which may be earned for the performance period. Following the completion of the performance period, the Compensation Committee must certify in writing whether the applicable performance goals have been achieved for the performance period, and no award or portion of an award will be considered earned or vested until the Compensation Committee certifies in writing that the conditions to which the distribution, earning or vesting of such award is subject have been achieved.

Performance Measures. The receipt of cash or common stock pursuant to a Performance Award will be contingent upon satisfaction by Team, or any affiliate, division or department thereof, of performance goals established by the

Compensation Committee. The performance goals may be made subject to adjustment for specified significant extraordinary items or events and may be absolute, relative to one or more other companies, or relative to one or more indices and may be contingent upon future performance of Team or any affiliate, division or department thereof. The performance goals may be based upon any of the following criteria: (1) revenue and income measures (which include revenue, return or revenue growth, gross margin, income from operations, net income, net sales, earnings per share, earnings before interest, taxes, depreciation and amortization (“EBIDTA”), achievement of profit, economic value added (“EVA”), and price per share of Common Stock); (2) expense measures (which include costs of goods sold, selling, loss or expense ratio, general and administrative expenses and overhead costs); (3) operating measures (which include productivity, operating income, operating earnings, cash flow, funds from operations, cash from operations, after-tax operating income, market share, expenses, margins, operating efficiency); cash flow measures (which include net cash flow from operating activities and net cash flow before financing activities) and sales measures (which include customer satisfaction, sales of services, and sales production); (4) liquidity measures (which include earnings before or after the effect of certain items such as interest, taxes,

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depreciation and amortization, and free cash flow); (5) leverage measures (which include debt reduction, debt-to-equity ratio and net debt); (6) market measures (which include market share, stock price, growth measure, total stockholder return and market capitalization measures); (7) return measures (which include book value, book value per share, return on capital, return on net assets, return on stockholders' equity; return on assets; stockholder returns, and which may be risk-adjusted); (8) corporate value and sustainability measures which may be objectively determined (which include compliance, safety, environmental and personnel matters); (9) other measures such as those relating to acquisitions or dispositions (which include proceeds from dispositions); (10) such other measures as determined by the Committee in its discretion; or (11) a combination of two or more of any of the foregoing.

The Compensation Committee may, in its sole discretion, provide for an adjustable Performance Award value based upon the level of achievement of performance measures and/or provide for a reduction in the value of a Performance Award during the performance period. The Compensation Committee may, in determining attainment of the performance goals, disregard or offset the effect of "extraordinary items," including, for example, restructuring or restructuring-related changes, gains or losses on the disposition of a business or major asset, resolution and/or settlement of litigation and other legal proceedings, or the effect of a merger or acquisition. The Compensation Committee may not increase during a year the amount of a Performance Award that would otherwise be payable upon satisfaction of the conditions but may reduce or eliminate the payments as provided for in an award agreement.

Additionally, in the event of a Corporate Change (as defined below), all unvested Performance Awards will become immediately vested.

Payment. Following the end of the performance period, the Compensation Committee will determine and certify in writing the amount payable to the holder of the Performance Award, not to exceed the maximum number of shares of common stock subject to, or the maximum value of, the Performance Award, based on the achievement of the performance measures for such performance period. Payment may be made in a lump sum in cash, common stock or a combination thereof, as determined by the Compensation Committee and must be made no later than two and one-half months after the end of the performance period. If a Performance Award covering shares of common stock is to be paid in cash, then such payment will be based on the fair market value of the common stock on the payment date.

A holder of a Performance Award will not be paid any dividends or other distributions with respect to that award until the holder becomes vested in the shares covered by the award; upon vesting, the holder will receive a cash payment equal to the aggregate cash dividends (without interest) (other than distribution in shares) and the number of shares equal to any stock dividends that the holder would have received if he had owned all of the shares that vested for the period beginning on the date of the award and ending on the date of vesting or payment. No dividends will be paid for any Performance Awards forfeited.

Other Terms and Conditions. The Compensation Committee may establish other terms and conditions for Performance Awards under the 2018 Plan, which will be set forth in an award agreement.

Recapitalization, Reorganization and Other Adjustments

Adjustment upon a Change in Capitalization. If we effect a subdivision or consolidation of our shares of common stock or the payment of a stock dividend on its common stock without receiving any consideration, or a Capitalization Event, the number of shares of common stock for an un-expired award will be adjusted accordingly. If the Capitalization Event increases the number of outstanding shares, the number of shares of common stock for the un-expired award will be increased proportionately, and the purchase price per share will be reduced proportionately. Similarly, if the Capitalization Event decreases the number of outstanding shares, the number of shares of common stock for the un-expired award will be decreased proportionately, and the purchase price per share will be increased proportionately. In the event we recapitalize, reclassify our capital stock or otherwise changes its capital structure, or a Recapitalization, the number and class of shares of common stock under an un-expired award will also be adjusted appropriately to account for the Recapitalization.

Adjustment upon a Corporate Change. The 2018 Plan provides that, if a Corporate Change (as defined below) occurs, no later than (1) ten days after approval of the merger, consolidation, reorganization, sale lease or exchange of assets or such election of directors by our stockholders or (2) within thirty days after a person or entity (including a "group" as contemplated by Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) acquires

or gains ownership or control of 50% or more of the combined voting power of the outstanding securities of (a) ours, if we have not engaged in a merger of consolidation or (b) the resulting entity, if we have engaged in a merger or consolidation, the Compensation Committee may, acting in its sole discretion, effect one of the following alternatives (which may vary among individual participants and vary among Options held by any individual participant):

- accelerate the time at which Options outstanding may be exercised so that such Options may be exercised in full for a limited period of time on or before a specified date, after which the specified date all unexercised Options and all rights of participants will terminate;
- require the mandatory surrender by selected participants of some or all of the outstanding Options held by those participants as of a date specified by the Compensation Committee, in which event the Compensation Committee will thereupon cancel the Options and each participant will be paid an amount of cash per share equal to the excess, if any, of a determined “change

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in control value” (as such term is defined in the 2018 Plan) of the shares subject to the Option over the exercise price under the Options for those shares; or
make such adjustments to the Options then outstanding as the Compensation Committee deems appropriate to reflect the Corporate Change (or no adjustment if the Compensation Committee determines that no adjustment is necessary), including, without limitation, adjusting an Option to provide that the number and class of shares of common stock covered by the Option will be adjusted so that the Option will thereafter cover securities of the surviving or acquiring corporation or other property (such as cash) as determined by the Compensation Committee in its sole discretion.

The 2018 Plan provides that a Corporate Change includes:

a merger with another entity, a consolidation involving us or the sale of all or substantially all of our assets or equity interests to another entity if, in any such case, (1) our holders of equity securities immediately prior to such event do not beneficially own immediately after such event equity securities of the resulting entity entitled to 51% or more of the votes then eligible to be cast in the election of directors (or comparable governing body) of the resulting entity in substantially the same proportions that they owned our equity securities immediately prior to such event or (2) the persons who were members of the Board immediately prior to such event do not constitute at least a majority of the Board of the resulting entity immediately after such event;

a circumstance where any person or entity (including a “group” as contemplated by Section 13(d)(3) of the Exchange Act) acquires or gains ownership or control (including, without limitation, power to vote) of 50% or more of the combined voting power of the outstanding securities of (1) ours, if we have not engaged in a merger or consolidation, or (2) the resulting entity, if we have engaged in a merger or consolidation; or

circumstances where, as a result of or in connection with, a contested election of directors, the persons who were members of the Board immediately before such election will cease to constitute a majority of the Board.

Other Adjustments. In the event of changes in the outstanding common stock by reason of recapitalizations, reorganizations, mergers, consolidations, combinations, split-ups, split-offs, spin-offs, exchanges or other relevant changes in capitalization or distributions to the holders of common stock occurring after an award is granted, the award (and any agreement evidencing the award) will be subject to adjustment by the Compensation Committee in its discretion, including the number and price of shares of common stock or other consideration subject to the award. In the event of such a change in the outstanding common stock or distribution to the holders of common stock, or upon other recapitalization or reorganization events as described in the 2018 Plan, the aggregate number of shares available under the 2018 Plan and the maximum number of shares that may be subject to awards granted to any one individual may be appropriately adjusted to the extent determined necessary by the Compensation Committee. In the event of a Corporate Change, the Compensation Committee may, in its discretion, require the mandatory surrender by certain selected participants of some or all of the outstanding Awards as of a date, before or after the Corporate Change, specified by the Compensation Committee, in which case the Compensation Committee will cancel those awards, and we will pay (or cause to be paid) to each participant an amount of cash equal to the maximum value of any Performance Units or Performance Awards, with the amount of payment pro-rated to the extent the performance or vesting period has not been completed.

Amendments. The Board may from time to time amend the 2018 Plan; however, any change that would impair the rights of a participant with respect to an award theretofore granted will require the participant’s consent. Further, without the prior approval of our stockholders, the Board may not amend the 2018 Plan to change the class of eligible individuals, increase the maximum aggregate number of shares of common stock that may be issued under the 2018 Plan, or amend or delete the provisions of the 2018 Plan that prevent the Compensation Committee from amending any outstanding option award to lower the option exercise price and to cancel, exchange, substitute, buy out or surrender outstanding Options in exchange for cash, other awards or Options with an exercise price that is less than the exercise price of the original Options.

United States Federal Income Tax Aspects of the 2018 Plan

Incentive Stock Options. Incentive Stock Options are subject to special federal income tax treatment. No federal income tax is imposed on the optionee upon the grant or the exercise of an Incentive Stock Option if the optionee does

not dispose of the shares acquired pursuant to the exercise within the two-year period beginning on the date the option was granted or within the one-year period beginning on the date the option was exercised, collectively, the holding period. In such event, we would not be entitled to any deduction for federal income tax purposes in connection with the grant or exercise of the option or the disposition of the shares so acquired. With respect to an Incentive Stock Option, the difference between the fair market value of the stock on the date of exercise and the exercise price must generally be included in the optionee's alternative minimum taxable income for the year in which such exercise occurs. However, if the optionee exercises an Incentive Stock Option and disposes of the shares received in the same year and the amount realized is less than the fair market value of the shares on the date of exercise, then the amount included in alternative minimum taxable income will not exceed the amount realized over the adjusted basis of the shares. Upon disposition of the shares received upon exercise of an Incentive Stock Option after the holding period, any appreciation of the shares above the exercise price should constitute capital gain. If an optionee disposes of shares acquired pursuant to his or her

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exercise of an Incentive Stock Option prior to the end of the holding period, the optionee will be treated as having received, at the time of disposition, compensation taxable as ordinary income. In such event, and subject to the application of Section 162(m) of the Code as discussed below, we may claim a deduction for compensation paid at the same time and in the same amount as compensation is treated as received by the optionee. The amount treated as compensation is the excess of the fair market value of the shares at the time of exercise (or in the case of a sale in which a loss would be recognized, the amount realized on the sale if less) over the exercise price; any amount realized in excess of the fair market value of the shares at the time of exercise would be treated as short-term or long-term capital gain, depending on the holding period of the shares.

Non-statutory Stock Options and Stock Appreciation Rights. As a general rule, no federal income tax is imposed on the optionee upon the grant of a Non-statutory Stock Option such as those under the 2018 Plan (whether or not including a Stock Appreciation Right), and we are not entitled to a tax deduction by reason of such grant. Generally, upon the exercise of a Non-statutory Stock Option, the optionee will be treated as receiving compensation taxable as ordinary income in the year of exercise in an amount equal to the excess of the fair market value of the shares of stock at the time of exercise over the option price paid for such shares. In the case of the exercise of a Stock Appreciation Right, if the optionee receives the appreciation in the Stock Appreciation Right, the cash is compensation income taxable to the optionee; if the optionee receives the appreciation in the form of stock, the difference between the fair market value of the stock and any amount paid by the optionee for the stock is taxable to the optionee. Upon the exercise of a Non-statutory Stock Option or a Stock Appreciation Right, and subject to the application of Section 162(m) of the Code as discussed below, we may claim a deduction for compensation paid at the same time and in the same amount as compensation income is recognized by the optionee assuming any federal income tax reporting requirements are satisfied.

Upon a subsequent disposition of the shares received upon exercise of a Non-statutory Stock Option or a Stock Appreciation Right, any difference between the fair market value of the shares at the time of exercise and the amount realized on the disposition would be treated as capital gain or loss. If the shares received upon the exercise of an option or a Stock Appreciation Right are transferred to the optionee subject to certain restrictions, then the taxable income realized by the optionee, unless the optionee elects otherwise, and our tax deduction (assuming any federal income tax reporting requirements are satisfied) should be deferred and should be measured at the fair market value of the shares at the time the restrictions lapse. The restriction imposed on officers, directors and 10% stockholders by Section 16(b) of the Exchange Act, is such a restriction during the period prescribed thereby if other shares have been purchased by such an individual within six months of the exercise of a Non-statutory Stock Option or Stock Appreciation Right.

Restricted Stock and Restricted Stock Units. The recipient of a Restricted Stock Award or Restricted Stock Units will not realize taxable income at the time of grant, and we will not be entitled to a deduction at that time, assuming that the restrictions constitute a substantial risk of forfeiture for federal income tax purposes. When the risk of forfeiture with respect to the stock subject to the award lapses, the holder will realize ordinary income in an amount equal to the fair market value of the shares of common stock at such time over the amount, if any, paid for the shares, and subject to Section 162(m) of the Code, we will be entitled to a corresponding deduction. All dividends and distributions (or the cash equivalent thereof) with respect to a Restricted Stock Award paid to the holder before the risk of forfeiture lapses will also be compensation income to the holder when paid and, subject to Section 162(m) of the Code, deductible as such by us. Notwithstanding the foregoing, the holder of a Restricted Stock Award may elect under Section 83(b) of the Code to be taxed at the time of grant of the Restricted Stock Award based on the fair market value of the shares of common stock on the date of the award, in which case (1) subject to Section 162(m) of the Code, we will be entitled to a deduction at the same time and in the same amount, (2) dividends paid to the recipient during the period the forfeiture restrictions apply will be taxable as dividends and will not be deductible by us and (3) there will be no further federal income tax consequences when the risk of forfeiture lapses. Such election must be made no later than thirty days after the grant of the Restricted Stock Award and is irrevocable.

Performance Units Awards, Performance Awards and Phantom Stock Awards. An individual who has been granted a Performance Unit Award, a Performance Award or a Phantom Stock Award generally will not realize taxable income at the time of grant, and we will not be entitled to a deduction at that time. Whether a Performance Unit Award, a

Performance Award or a Phantom Stock Award is paid in cash or shares of common stock, the individual will have taxable compensation, and subject to the application of Section 162(m) of the Code as discussed below, we will have a corresponding deduction. The measure of such income and deduction will be the amount of any cash paid and the fair market value of any shares of common stock either at the time the Performance Unit Award, Performance Award or the Phantom Stock Award is paid or at the time any restrictions on the shares (including restrictions under Section 16(b) of the Exchange Act) subsequently lapse, depending on the nature, if any, of the restrictions imposed and whether the individual elects to be taxed without regard to any such restrictions. Any dividend equivalents paid with respect to a Performance Award or a Phantom Stock Award prior to the actual issuance of shares under the award will be compensation income to the employee and, subject to the application of Section 162(m) of the Code as discussed below, deductible as such by us.

Section 162(m) of the Code. Section 162(m) of the Code precludes a public corporation from taking a deduction for annual compensation in excess of \$1 million paid to its chief executive officer, chief financial officer or any of its three other highest paid officers.

Section 409A of the Code. Section 409A of the Code generally provides that any non-qualified deferred compensation arrangement which does not meet specific requirements regarding (1) timing of payouts, (2) advance election of deferrals or

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(3) restrictions on acceleration of payouts will result in immediate taxation of any amounts deferred to the extent not subject to a substantial risk of forfeiture. Failure to comply with Section 409A of the Code may result in the early taxation (plus interest) to the holder of the deferred compensation and the imposition of a 20% penalty on the holder on such deferred amounts included in the holder's income. In general, to avoid a violation of Section 409A of the Code, nonqualified deferred compensation amounts may only be paid out on a separation from service, disability, death, change-in-control, an unforeseen emergency (other than death) or a specified time (all as defined under Section 409A of the Code). Furthermore, an election to defer compensation must be made in the calendar year prior to performance of services, and any provision for accelerated payout other than for the reasons specified above may cause the amounts deferred to be subject to early taxation and the imposition of the excise tax. It is our intention that no award under the 2018 Plan be "deferred compensation" subject to Section 409A of the Code unless and to the extent that the Compensation Committee determines otherwise. The terms and conditions governing any awards that the Compensation Committee determines will be subject to Section 409A of the Code will be set forth in an award agreement that will be drafted with the intent to comply with Section 409A of the Code.

The 2018 Plan is not qualified under Section 401(a) of the Code.

The comments set forth in the above paragraphs are only a summary of certain of the United States federal income tax consequences relating to the 2018 Plan. No consideration has been given to the effects of state, local or other tax laws on the 2018 Plan or award recipients.

Inapplicability of ERISA

Based upon current law and published interpretations, we do not believe that the 2018 Plan is subject to any of the provisions of the Employee Retirement Income Security Act of 1974, as amended.

Required Vote

Approval of the new 2018 Equity Incentive Plan requires the affirmative vote of a majority of the shares of Common Stock present or represented by proxy and entitled to a vote at the Annual Meeting.

The Board of Directors unanimously recommends that shareholders vote "FOR" approval of the new 2018 Equity Incentive Plan as disclosed in this Proxy Statement.

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CORPORATE GOVERNANCE

Corporate Governance Principles and Materials

We are committed to the enhancement of long-term shareholder value with the highest standards of integrity and ethics. Our Board has adopted a set of Corporate Governance Principles that, along with our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws (“Bylaws”), provide an effective corporate governance framework for Team that reflects our core values and provides the foundation for our governance. In support of our Corporate Governance Principles, our Board has adopted charters for each of the committees of the Board, a Code of Ethical Conduct for all of our directors, officers and employees and a Corporate Social Responsibility Policy. We believe that we have established procedures and have practices in place which are designed to enhance and protect the interests of our shareholders.

The following corporate governance materials are available and can be viewed and downloaded from our website at www.teaminc.com on the “Investors” page under “Corporate Governance”:

- (i) the Company’s Corporate Governance Principles;
- (ii) charters for the Audit Committee, the Compensation Committee, the Executive Committee and the Corporate Governance and Nominating Committee;
- (iii) the Company’s Code of Ethical Conduct; and
- (iv) the Company’s Corporate Social Responsibility Policy.

A copy of these materials is available to shareholders free of charge upon written request to the Company’s Secretary at: Team, Inc., Attention: André C. Bouchard, Corporate Secretary, 13131 Dairy Ashford, Suite 600, Sugar Land, Texas 77478. We intend to disclose future amendments to, or waivers of, our Code of Ethical Conduct at the same location on our website identified above.

Settlement Agreement with Engine Capital

On February 8, 2018, we entered into an agreement (the “Settlement Agreement”) with Engine Capital, L.P. and certain related investors (collectively, “Engine Capital”). Pursuant to the Settlement Agreement, the Company increased the size of the Board from 7 to 9 directors and appointed Craig L. Martin to fill one of the newly created directorships.

Separately, the Board appointed Brian K. Ferraioli to fill the remaining Board position. Each of Mr. Ferraioli and Mr. Martin are serving an initial term expiring at the Company’s 2018 Annual Meeting of Shareholders, and are included in Proposal One of this Proxy Statement for re-election at the 2018 Annual Meeting of Shareholders.

Pursuant to the Settlement Agreement, Engine Capital will also be permitted to name one Board observer, who will be permitted to attend meetings of the Board for a period of time beginning after the 2018 Annual Meeting of Shareholders. Pursuant to the Settlement Agreement, Engine Capital agreed not to nominate any director candidates to stand for election at the Company’s 2018 Annual Meeting. In addition, the Settlement Agreement provides that, at the 2018 Annual Meeting of Shareholders and at any meeting of the Company’s shareholders held prior to the expiration of the Standstill Period (as defined below), Engine Capital will vote all of its shares of Company common stock in favor of the election of directors nominated by the Board and otherwise in accordance with the Board’s recommendation, subject to certain exceptions for other extraordinary transactions and certain matters with a contrary recommendation from Institutional Shareholder Services Inc. and Glass Lewis & Co., LLC.

The Settlement Agreement includes certain restrictions applicable from February 8, 2018 until the date that is the earlier of (1) 20 calendar days prior to the deadline for the submission of stockholder nominations of directors for the 2019 Annual Meeting of Shareholders pursuant to the Company’s bylaws and (2) 100 days prior to the first anniversary of the 2018 Annual Meeting of Shareholders (the “Standstill Period”). During the Standstill Period, Engine Capital is, among other things, restricted from engaging in any solicitation of proxies or written consents with respect to the election or removal of directors or, with certain exceptions, any other matter or proposal, acquiring any assets of the Company or acquiring any voting stock that would result in Engine Capital having beneficial ownership of more than 9.9% of the Company’s outstanding voting stock.

The Settlement Agreement was included as Exhibit 10.1 to the Company’s Current Report on Form 8-K filed with the SEC on February 9, 2018. The foregoing description of the Settlement Agreement is qualified in its entirety by

reference to the full text thereof.

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Director Independence

Our Board believes that the interests of our shareholders are best served by having a predominate number of objective, independent representatives on the Board. Consistent with the rules of the NYSE, our Corporate Governance Principles require that a majority of our Board be composed of independent directors. A director will be considered “independent” only if the Board affirmatively determines that the director does not have any direct or indirect material relationship with Team that may impair, or appear to impair, the director’s ability to make independent judgments. On an annual basis each member of our Board and each executive officer is required to complete a directors’ and officers’ questionnaire that includes disclosure of any transactions with the Company in which the member of the Board or executive officer, or any member of his immediate family, has a direct or indirect material interest. In addition, each member of the Board conducts an annual self-evaluation with respect to the Board and any committees on which the member serves.

The Board has evaluated all relationships between each of our directors and director nominees and has determined that, except for Mr. Gatti, all of our directors are “independent” as that term is defined in the applicable rules of the NYSE and consistent with our Corporate Governance Principles. In making this determination, the Board considered any transactions and relationships between each director or his immediate family and the Company and its subsidiaries, including those reported under “Compensation Committee Interlocks and Insider Participation” and “Transactions with Related Persons,” below. The purpose of this review was to determine whether any such relationships or transactions were material and, therefore, inconsistent with a determination that the director is independent. Mr. Gatti, our CEO, is currently an employee of the Company and is not an “independent” director. Mr. Yesavage served as the Company’s Interim CEO from September 18, 2017 to January 24, 2018. With respect to Mr. Yesavage, the Board concluded that his prior employment as the Company’s Interim CEO does not disqualify him from being considered independent following such employment, consistent with NYSE rules on director independence. Mr. Davis served as Interim Executive Chairman of the Board of Furmanite Corporation (“Furmanite”), from August 3, 2015 through February 29, 2016, and as Interim President and CEO from November 1, 2015 through February 29, 2016 in connection with completion of the merger with Furmanite on February 29, 2016 (the “Merger”). Mr. Davis had no relationship, prior to his appointment as a Director of the Company, with the Company or our senior management other than in connection with the Merger. The Board determined that Mr. Davis’s former interim officer position with Furmanite did not impede his exercise of independent judgment. With the exception of Messrs. Gatti, Yesavage and Davis, no director or nominee is currently, or was within the past three years, employed by the Company, its subsidiaries or affiliates. No arrangement or understanding exists between any director or executive officer of the Company and any other person pursuant to which any of them were selected as a director or executive officer, except that (i) Mr. Davis was appointed as a director of Team in connection with the Merger pursuant to the Merger Agreement and (ii) Messrs. Ferraioli and Martin were appointed as directors of Team in connection with the Settlement Agreement with Engine Capital discussed above. There are no family relationships between any nominees, directors and senior executive officers of the Company.

Our Audit, Compensation, and Corporate Governance and Nominating Committees are each composed entirely of independent directors. In addition, our Board provides for regularly scheduled meetings of the independent directors. During 2017, the independent directors met as a group eight (8) times. These meetings were conducted, without any member of management or other employees of Team present, to discuss matters related to the oversight and governance of Team, compliance with NYSE and SEC rules and the performance of our senior executives. Our Board will continue to monitor the standards for director independence established under applicable law and the NYSE listing requirements and will ensure that our Corporate Governance Principles remain consistent with those standards.

Leadership Structure

Our Bylaws provide that the Board should have the flexibility to determine the appropriate leadership of the Board, and whether the roles of Chairman and CEO should be combined or separate. Our Board has determined that the leadership structure of our Board should include either an independent non-executive chairman of the Board or a lead director who satisfies our standards for independence. Following our 2017 Annual Meeting, the Board appointed Mr. Waters to serve as our independent Chairman. We believe our current structure, with an independent Chairman of the

Board, CEO and independent directors as chairs and members of each committee, serves the best interests of the Company and its shareholders. The Board believes that Mr. Waters, our Chairman, and Mr. Gatti, our CEO, with their industry expertise, financial expertise and in-depth knowledge of Team and its business, have been the correct persons to fill the roles of Chairman and CEO, respectively.

Previously, our Board designated the position of Lead Director in order to clarify and centralize the work of the independent directors when the Chairman was not independent. To further clarify the role of the independent directors in the governance of the Company, our Board established duties and responsibilities for the position of Lead Director or independent non-executive Chairman. Mr. Waters was appointed to this position by the independent directors and served as our Lead Director from June 2007 until his appointment to Chairman in May 2017. The Lead Director, or independent non-executive Chairman, responsibilities include:

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- (i) presides at all meetings of the Board (if serving as Lead Director, at which the Chairman is not present), including executive sessions of the independent directors, and sets agendas for executive sessions;
- (ii) if Lead Director, assists the Chairman in the management of Board meetings;
 - monitors and responds directly to shareholder and other stakeholder questions and comments that are directed to the independent Chairman, Lead Director or to the independent directors as a group, with consultation with the
- (iii) Chairman (if serving as Lead Director), the CEO or other directors or management as the independent Chairman or Lead Director deems appropriate;
- (iv) reviews and coordinates meeting agendas, information, number of Board meetings and schedules for the Board;
- (v) ensures personal availability for consultation and communication with independent directors and with the Chairman (if serving as Lead Director), CEO or management, as appropriate;
- (vi) provides guidance on director orientation; and
- (vii) calls special meetings of the independent directors in accordance with our Bylaws, as the independent Chairman or Lead Director deems appropriate.

Our Executive Vice President, Administration, Chief Legal Officer and Secretary supports the independent Chairman or Lead Director in fulfilling independent Chairman or Lead Director role. In May 2017, our Board determined that the position of Lead Director was no longer required because our new Chairman, Mr. Waters, is independent and as Chairman would fulfill the essential functions of Lead Director.

During 2017, we had a number of changes in leadership of our Company. Effective April 8, 2017, our then-Chairman, Philip J. Hawk, announced that he would retire from the Board immediately following our May 2017 Annual Meeting. Effective September 18, 2017, Mr. Owen stepped down from his position as President and CEO of the Company and ceased serving as a member of the Board. Mr. Yesavage served as Interim CEO of the Company from September 18, 2017 until January 24, 2018, when Mr. Gatti was appointed as the new CEO of the Company and as a member of the Board.

Communications with the Board of Directors

Our Board has established a process for our shareholders and other interested parties to communicate with the Lead Director, the Chairman, the Board as a whole, the independent directors as a group, any Board Committee, or any individual member of the Board. Such communication should be in writing, addressed to the Board or an individual director to: Team, Inc., 13131 Dairy Ashford, Suite 600, Sugar Land, Texas 77478, c/o André C. Bouchard, Corporate Secretary. All such correspondence is reviewed by our Secretary's office, which forwards appropriate material to the applicable director (excluding routine advertisements and business solicitations).

Director Education

In accordance with our Corporate Governance Principles, each member of the Board is provided with a membership in the National Association of Corporate Directors and is encouraged to participate in continuing director education programs paid for by the Company.

Succession Planning

Our Board has the responsibility to ensure that the leadership of our Company is meeting the current and future needs of Team. The Compensation Committee and Corporate Governance and Nominating Committee annually report to the Board on succession planning and collaborate with the Board to evaluate potential successors to our CEO and other senior executives. As part of this process, the Compensation Committee and Corporate Governance and Nominating Committee solicit views from the non-management members of the Board and from senior management of the Company.

Share Ownership Guidelines; Restrictions on Trading in Company Securities

In an effort to more closely link our non-employee directors' financial interests with those of our shareholders, our Board established share ownership guidelines for our non-management directors. Under these guidelines, our non-management directors are expected to own Common Stock of Team valued at a minimum of \$150,000. Newly appointed directors are expected to meet or exceed these guidelines within three years of joining the Board. With the exception of Messrs. Ferraioli, Lucas, Martin and Ms. Kerrigan, all of our directors met or exceeded our share ownership guidelines at the time of the Board's most recent annual assessment. Messrs. Ferraioli and Martin, who were appointed to the Board in February 2018, Mr. Lucas, who was appointed to the Board in August 2015 and Ms.

Kerrigan, who was appointed to the Board in December 2015, each have three years from the date of their respective appointments to meet the share ownership guidelines.

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In an effort to align the financial interests of our senior executives with those of our shareholders, our Board established share ownership guidelines for our senior executives. Under these guidelines, our CEO is expected to own Common Stock of Team valued at three times his or her base salary. The guideline for the rest of our senior executives is one times their base salary. Newly appointed senior executives are expected to meet or exceed these guidelines within five years of entering their respective positions. Only Messrs. Bouchard and Ott met or exceeded these share ownership guidelines at the time of the Board's most recent annual assessment. Mr. Gatti, who was appointed to the CEO position in January 2018, Mr. Boane, who was appointed to the CFO position in November 2014, Mr. Rushe, who was appointed as President-Team Solutions in January 2016 and Mr. Victorson, who was appointed business unit President of Inspection and Heat Treating in June 2013, each have five years from the date of their respective appointments to meet the share ownership requirements. Mr. Victorson, who had previously met the share ownership guidelines, no longer meets such guidelines as a result of the decrease of the Company's share price in 2017.

Because short-range speculation in our securities based on fluctuations in the market may cause conflicts of interests with our shareholders, our Insider Trading Policy and our Corporate Governance Principles, applicable to our directors and Named Executive Officers, prohibit trading in options, warrants, and puts and calls related to our securities and prohibit selling our securities short. In addition, unless approved by our Chief Legal Officer, our Insider Trading Policy and our Corporate Governance Principles prohibit our directors and Named Executive Officers from holding our securities in margin accounts or pledging our securities as collateral for a loan. In evaluating requests to hold our securities in a margin account or pledge our securities ("Securities Pledges"), our Chief Legal Officer, in consultation with our Governance and Nominating Committee, considers a number of factors, including, but not limited to: the total stock holdings of the individual, the amount of Company securities to be pledged or secured, the potential impact of a margin or loan call, the position of the individual with our Company, whether the pledge is part of a loan where lender has recourse against all assets of the individual and whether the pledge excludes Company shares required to meet our share ownership guidelines. Securities Pledges may be approved for our directors and Named Executive Officers if the following minimum requirements are met: (i) continuously meet enhanced share ownership requirements for as long as the Securities Pledge is in place by holding unrestricted and unpledged Company securities of more than five times the minimum share ownership requirements for our directors; (ii) the Securities Pledge does not exceed 50% of the individual's total ownership of Company's securities; (iii) the aggregate amount of the Securities Pledge is less than one percent of the Company's total common shares outstanding; and (iv) the individual meets all other requirements that may be imposed by our Governance and Nominating Committee or our Chief Legal Officer after assessing other relevant factors.

Board's Role in Risk Oversight

Our Board has responsibility for the oversight of risks that could affect the Company. This oversight is conducted primarily through the Board with respect to significant matters, including the strategic direction of the Company, and by the various committees of the Board in accordance with their charters. The Board satisfies its risk oversight responsibilities through receipt of reports from each committee chair regarding the committee's considerations and actions, as well as through regular reports directly from executives responsible for oversight and management of particular risks within Team. The Board continually works, with the input of the Company's senior executives to assess and analyze the most likely areas of future risk for Team. On an annual basis our senior management updates and reviews our enterprise risk management process with the Board. Directors also have complete and open access to all of our employees and are free to, and do, communicate directly with our management. In addition to our formal compliance programs, the Board encourages management to promote a corporate culture that incorporates risk management into the Company's corporate strategy and day-to-day business operations.

Overview of Risk of Company Compensation Policies and Practices

The Compensation Committee, with the assistance of the Company's other independent directors and senior management, and the Company's independent compensation consultants, has determined that the Company's compensation policies and practices do not motivate imprudent risk taking. This determination has taken into account the following design elements of our compensation policies and practices: mixture of cash and equity compensation, mixture of performance time horizons, use of financial metrics balanced to promote long term Company goals,

avoidance of uncapped awards, executive share ownership and holding requirements, no defined benefit or special executive retirement benefit plans and a rigorous auditing, monitoring and enforcement environment. The Committee continues to monitor its compensation policies and practices to determine whether its risk management objectives are being satisfied.

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THE BOARD OF DIRECTORS AND ITS COMMITTEES

The following table sets forth the names and ages of the nominees for election as directors and the current members of the Board who will continue serving following the Annual Meeting, as well as background information relating directly to such individuals' experience, qualifications, attributes and skills to serve as a director of our Company. The persons who have been nominated for election and are to be voted upon at the Annual Meeting are listed first, with continuing directors following thereafter.

Director Nominees

The Board unanimously recommends a vote FOR the election of the nominees listed below.

Set forth below is certain information as of April 1, 2018 concerning the nominees for election at the Annual Meeting as Class II and III directors, including the business experience of each nominee for at least the past five years:

Name	Age	Present Position With the Company	Class	Director Since
Amerino Gatti	47	Chief Executive Officer and Director	Class II	2018
Brian K. Ferraioli	62	Director	Class II	2018
Michael A. Lucas	57	Director	Class II	2015
Craig L. Martin	68	Director	Class III	2018

Mr. Gatti has been our CEO and a member of the Board since January 2018. Prior to joining Team, Mr. Gatti served from May 2016 until October 2017 as Production Group President at Schlumberger (NYSE). Prior to assuming the Production Group President role, Mr. Gatti served in a variety of management positions of progressing leadership responsibility at Schlumberger, including President–Well Services; Vice President Production Group–North America; Vice President & General Manager–Qatar GeoMarket; Vice President Sand Management Services; and Vice President Marketing and Sales–North America. Mr. Gatti holds a mechanical engineering degree from the University of Alberta, Canada. The Company believes that Mr. Gatti's strong business and leadership skills, as well as his experience with a leading company in our industry, give him a thorough understanding of our business and the necessary qualifications and skills to serve as a director.

Mr. Ferraioli served as Executive Vice President and Chief Financial Officer of KBR, Inc., an engineering, construction and services company from 2013 to 2017. Prior to KBR, Mr. Ferraioli was Executive Vice President and Chief Financial Officer at The Shaw Group, Inc. (now part of Chicago Bridge and Iron) from 2007 and 2013, and prior to 2007 worked in various finance and accounting functions with Foster Wheel AG (now a part of Wood Group). He currently serves on the board of Vistra Energy (NYSE). Previously, Mr. Ferraioli served as a director and chairman of the audit committee of Babcock & Wilcox Enterprises and its predecessor company Babcock & Wilcox, Inc. He also previously served on the board of directors of Adolfsen & Peterson. Mr. Ferraioli received his B.S. in accounting from Seton Hall University and his M.B.A. from Columbia University. Mr. Ferraioli is also a National Association of Corporate Directors Governance Fellow. The Board believes that Mr. Ferraioli's financial and business expertise, including a diversified background of both senior leadership and director roles of public companies in our industry qualify him to serve as a director.

Mr. Lucas is the President and CEO of RegO Products, a specialty valve and control supplier, and has been in this position since February 2017. Previously, Mr. Lucas served as the President and CEO of Powell Industries (NYSE) from August 2012 until December 2015. Prior to becoming CEO of Powell Industries, Mr. Lucas spent 14 years with Emerson Electric Company (NYSE), most recently as the President of Emerson Network Power, Energy Systems. The Company believes Mr. Lucas' qualifications to serve on the Board include his general management experience in diverse industries including equipment manufacturers; his extensive sales, marketing and product management experience in industrial markets; and his experience as a president and chief executive office of a public corporation. Mr. Martin has nearly 45 years of experience in the international engineering and construction industry. In December 2014, he retired as President and CEO of Jacobs Engineering Group Inc., a provider of technical, professional and construction services. Mr. Martin became President of Jacobs in July 2002 and CEO in April 2006. He also served as a member of Jacobs' board of directors from 2002 until his retirement. Before his promotion to President, Mr. Martin served as several positions, including as Jacobs' Executive Vice President of Global Sales and Marketing. Before joining Jacobs in 1994, Mr. Martin worked in various roles at CRSS and Martin K. Eby Construction Co. He received

his B.S. in Civil Engineering from the University of Kansas and his M.B.A. from the University of Denver. He is currently Chairman of the Board of Hill International, Inc. The Board considered Mr. Martin's significant leadership and management experience in a major engineering company in our industry as qualifications for service on the Board.

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Directors Continuing in Office

Set forth below is certain information as of April 1, 2018 concerning the directors continuing in office until the expiration of their respective terms, including the business experience of each director for at least the past five years:

Name	Age	Present Position With the Company	Director Since	Class	Expiration of Present Term
Sylvia J. Kerrigan	52	Director	2015	Class III	2019
Emmett J. Lescroart	67	Director	2004	Class III	2019
Louis A. Waters	79	Chairman of the Board	1998	Class I	2020
Jeffery G. Davis	63	Director	2016	Class I	2020
Gary G. Yesavage	65	Director	2017	Class I	2020

Ms. Kerrigan most recently was the Executive Vice President, General Counsel and Secretary of Marathon Oil Corporation (NYSE), serving in that position from 2012 to 2017. Ms. Kerrigan also served as Marathon Oil Corporation's Chief Public Policy Officer and Chief Compliance Officer. Prior to her appointment as Executive Vice President, Ms. Kerrigan served as Marathon Oil Corporation's Vice President, General Counsel and Secretary since 2009. Previously, Ms. Kerrigan worked at the United Nations Security Council's Commission d'Indemnisation in Geneva, Switzerland serving as the senior legal officer responsible for arbitrating losses sustained by international oil companies following the 1990 Iraq invasion of Kuwait. Ms. Kerrigan is a past chairman of the State Bar of Texas International Law Section and a Life Fellow of the Texas Bar Foundation. She serves on the boards of Southwestern University and Nine Point Energy and is the Executive Director of the Kay Bailey Hutchison Center for Energy, Law and Business at the University of Texas in Austin. The Company believes Ms. Kerrigan's qualifications to serve on the Board include her experience as chief legal officer, chief public policy officer and chief compliance officer of a public corporation, her extensive merger and acquisitions, risk management and corporate governance expertise.

Mr. Lescroart is a Managing Director of EJM Capital, LLC, a private investment banking firm, and has been in this position since 2001. He is also an independent private investor managing his personal investments and has done this since 1996. Mr. Lescroart was Managing Director of Chapman Associates from 2005 until June 2008. For twenty years prior to 1996, he was employed with the Cooperheat Company in positions of increasing responsibility and authority, becoming CEO in 1983 and remaining in that position until resigning in 1996 to pursue his personal investments business. In August 2004, the Company acquired certain of the assets of a successor to the Cooperheat Company entity. The Company believes that Mr. Lescroart's business expertise, including his background managing and directing public and private companies and his specific experience managing a public company in our industry later acquired by Team, give him a deep understanding of our business and the necessary qualifications and skills to serve as a director.

Mr. Waters manages the Waters Group, a private equity company specializing in technology and industrial companies. He was the Founding Chairman of Browning-Ferris Industries, Inc. (NYSE) and served that company from its inception in 1969 until his retirement in March 1997. Mr. Waters was also a Founding Chairman of Tyler Technologies, Inc. (NYSE) serving that company from September 1997 until he retired in March 2002. Mr. Waters serves as the Chairman of Team's Board. The Company believes that Mr. Waters' years of service on the Board, his financial and business expertise, including a diversified background of managing and directing public companies, including certain national banking institutions, give him a thorough understanding of our business and the necessary qualifications and skills to serve as a director.

Mr. Davis is the former chairman and CEO of The Brock Group, a leading provider of industrial specialty services. He served as CEO of the Brock Group from 2008 through 2015 and was Chairman from 2014 to 2016. Mr. Davis was the Interim President and CEO of Furmanite from November 2, 2015 through the date of Team's acquisition of Furmanite on February 29, 2016. Mr. Davis also served as Furmanite's Interim Executive Chairman of the Board from August 4, 2015 through the date of Team's acquisition of Furmanite on February 29, 2016. Mr. Davis joined the Furmanite Board in May 2015. Mr. Davis's current board memberships include the following: board member of the National Center For Construction and Educational Research (NCCER) and board member of Junior Achievement of Southeast Texas (Houston Chapter). Mr. Davis also has over 25 years of active leadership in the National Association

of Corrosion Engineers (NACE International) and is an active member of the Construction Users Round Table (CURT). Mr. Davis was appointed to the Board on February 29, 2016 pursuant to the terms of the Merger Agreement. The Board considered Mr. Davis' significant leadership and management experience in a major industrial specialty services company as well as his association with various industry organizations as qualifications for service on the Board.

Mr. Yesavage most recently served as Team's Interim CEO from September 2017 to January 2018. Previously, he served as the President of Manufacturing for Chevron's (NYSE) Downstream and Chemicals Operations from 2009 until his retirement in June 2016. From 1999 to 2009, Mr. Yesavage served as the General Manager for Chevron's Refinery in El Segundo, California and worked for Chevron for a total of 42 years. Mr. Yesavage was recommended for a position on the Board by an incumbent director, participated in the Board's director review and evaluation process as described under "Corporate Governance and Nominating Committee" below

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and was elected to the Board in January 2017 upon the recommendation of the Corporate Governance and Nominating Committee. The Company believes that Mr. Yesavage's business, operational and management expertise, including his specific experience managing companies that are our major customers provide him with unique insight into our customer needs and the necessary qualifications and skills to serve as a director.

Meetings and Committees of the Board

Board of Directors

Currently, our Board is comprised of nine (9) directors, divided into three classes designated as Class I, Class II and Class III. At each annual meeting, successors to the class of directors whose term expires at that annual meeting are elected for a term expiring at the third succeeding annual meeting. Each director holds office until the annual meeting for the year in which his or her term expires and until a successor has been elected and qualified, or until such director's earlier death, resignation, retirement, disqualification or removal.

Our Board held fifteen (15) meetings during 2017. No director attended fewer than 75% of the meetings held during the period for which he or she served as a member of the Board and the committees on which he or she served. We do not have a formal policy regarding director attendance at our annual meetings of shareholders; however, we do encourage all directors to attend all meetings of shareholders. All of our directors serving at the time were in attendance at our 2017 Annual Meeting of Shareholders.

Our Board has an Executive Committee, an Audit Committee, a Compensation Committee, and a Corporate Governance and Nominating Committee. Each committee maintains its own written charter, which can be viewed and downloaded from our website at www.teaminc.com on the "Investors" page under "Corporate Governance."

Executive Committee

Our Executive Committee is composed of Messrs. Waters (Chairman), Gatti and Yesavage. The Executive Committee is responsible for assisting with the general management of the business and affairs of Team as needed during intervals between meetings of the Board. The Executive Committee had four (4) formal meetings during 2017.

Audit Committee

Effective April 1, 2018, the Audit Committee is composed of Messrs. Ferraioli (Chairman), Lucas, Davis and Ms. Kerrigan. Prior to Mr. Ferraioli's April 1, 2018 appointment to the Audit Committee and to the role of Audit Committee Chairman, Mr. Lucas served as Audit Committee Chairman. The Audit Committee is charged with the duties of the appointment of the independent auditor; reviewing its fees and approving the services to be performed; ensuring that proper guidelines are established for the dissemination of financial information to the shareholders; meeting periodically with the independent auditors, the Board and certain officers of Team and its subsidiaries, including the Chief Legal Officer and Vice President of Audit Services in executive session without other members of management present, to ensure the scope and adequacy of internal and financial controls and reporting; reviewing consolidated financial statements; providing oversight to our internal audit function; and performing any other duties or functions deemed appropriate by the Board. The Board has determined that both Messrs. Ferraioli and Lucas are "audit committee financial experts" within the meaning of applicable SEC regulations. In addition, the Board has determined that each member of the Audit Committee is independent and meets the financial literacy requirements as defined by the applicable listing requirements of the NYSE. The Audit Committee is established in accordance with Section 3(a)(58)(A) of the Exchange Act. The Audit Committee met eight (8) times during 2017. Further information regarding the Audit Committee is set out in the "Audit Committee Report" below.

Compensation Committee

Our Compensation Committee is composed of Messrs. Lescroart (Chairman), Lucas, Martin and Yesavage. Mr. Martin was appointed as a member of the Compensation Committee on February 8, 2018. The Compensation Committee reviews management performance and reviews and approves the amounts and types of compensation to be paid to the CEO and our other senior executives. The Compensation Committee met six (6) times during 2017. Further information regarding the Compensation Committee is set out in the "Compensation Discussion and Analysis" section below.

Compensation Committee Interlocks and Insider Participation

No member of the Compensation Committee was, during 2017, an officer or employee of Team or any of its subsidiaries, or was formerly an officer of Team or any of its subsidiaries or had any relationship requiring disclosure by Team. Mr. Yesavage did not serve on the Compensation Committee during the time he served as Interim CEO. Mr. Yesavage rejoined the Compensation Committee in January 2018 following the completion of his service as Interim CEO. During 2017, no executive officer of Team served as (i) a member of the compensation committee (or other board committee performing equivalent functions) of another entity, one of whose executive officers served on the Compensation Committee of the Board, (ii) a director of another entity, one of whose executive

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officers served on the Compensation Committee of the Board, or (iii) a member of the compensation committee (or other board committee performing equivalent functions) of another entity, one of whose executive officers served as a director of Team.

Corporate Governance and Nominating Committee

Our Corporate Governance and Nominating Committee is composed of Messrs. Waters (Chairman), Davis and Ms. Kerrigan. The Corporate Governance and Nominating Committee, which met five (5) times during 2017, is charged with recommending director nominees to the Board; evaluating the contribution and performance of members and committees of the Board; administering the annual self-evaluation of Board performance; developing appropriate corporate governance principles for Team; and ensuring the processes of the Board are sufficient and consistent with its oversight role of Team. Each member of the Corporate Governance and Nominating Committee is independent, as defined by the applicable listing requirements of the NYSE.

In considering whether to recommend directors who are eligible to stand for re-election, the Corporate Governance and Nominating Committee may consider a variety of factors, including a director's contribution to the Board and the ability to continue to contribute productively, attendance at Board and committee meetings and compliance with our Corporate Governance Principles, as well as whether the director continues to possess the attributes, capabilities and qualifications considered necessary or desirable for board service, the results of the annual board self-evaluation, the independence of the director and the nature and extent of the director's non-Company activities. The Corporate Governance and Nominating Committee regularly evaluates the appropriate size of the Board and whether any vacancies on the Board are expected due to retirement or otherwise. In the event that vacancies are anticipated or otherwise arise, the Corporate Governance and Nominating Committee will consider candidates for Board membership suggested by incumbent directors, management, third-party search firms and others. The Corporate Governance and Nominating Committee will also consider director nominations by shareholders that are made in compliance with the notice provisions and procedures set forth in our Bylaws. For a discussion of these requirements, see "Shareholder Proposals for Next Year's Annual Meeting." All applications, recommendations or proposed nominations for Board membership received by the Company are referred to the Corporate Governance and Nominating Committee. The manner in which the Corporate Governance and Nominating Committee evaluates the qualifications of a nominee for director does not differ if the nominee is recommended by a shareholder.

The Corporate Governance and Nominating Committee has the authority to retain, at Company expense, a third-party search firm to help identify and facilitate the screening and interview process of potential director nominees, and the third-party firm may, among other things, conduct reference checks, prepare a biography of each candidate for the Corporate Governance and Nominating Committee to review and help coordinate interviews.

Once the Corporate Governance and Nominating Committee has identified a potential director nominee, the committee makes an initial determination as to whether to conduct a full evaluation of the candidate. This initial determination is based on whatever information is provided to the committee with the recommendation of the candidate, as well as the committee's own knowledge of the candidate, which may be supplemented by inquiries to the person making the recommendation or others. The committee also may engage a third party to conduct a background check of the candidate. If the committee determines to further pursue the candidate, the committee then will evaluate the extent to which the candidate meets the Board membership qualifications described in "Director Qualifications" below.

In addition, the Corporate Governance and Nominating Committee considers other relevant factors it deems appropriate, including the current composition of the Board (including its diversity in experience, background, gender and ethnicity), the balance of management and independent directors, the need for a certain Board committee expertise, and the nature and extent of a candidate's activities unrelated to the Company, including service as a director on the boards of other public companies. In connection with this evaluation, the committee determines whether to interview the candidate, and, if warranted, the committee interviews the candidate in person or by telephone. The committee may also ask the candidate to meet with members of Team management or other Board members. After completing this evaluation, if the committee believes the candidate would be a valuable addition to the Board, it will recommend to the Board the candidate's nomination for appointment or election as a director.

Periodic Performance Evaluations of Directors

The Corporate Governance and Nominating Committee conducts periodic individual director performance reviews, particularly when a director is standing for re-election.

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COMPENSATION OF DIRECTORS

In setting non-employee director compensation, our Compensation Committee considers factors it deems appropriate, including market data, and recommends the form and amount of compensation to the Board for approval. Our directors are compensated with a mix of cash and stock-based compensation. The purpose of the stock-based compensation has been to attract and retain the services of experienced and knowledgeable independent individuals as directors, to provide them with a proprietary interest in Team so that the directors will have the financial incentive to apply their best efforts for the benefit of Team and our shareholders, and to provide directors with an additional incentive to continue in their positions.

2017 Director Compensation

Our Board, upon recommendation of our Compensation Committee, established our current director compensation program in July 2015. In making this recommendation, our Compensation Committee considered relevant trends in director compensation and reviewed the NACD Director Compensation survey for companies similar to Team in terms of industry, revenue size and market capitalization. Our Compensation Committee reviews and considers changes to our non-employee director compensation on an annual basis. The following is a summary of our 2017 non-employee director compensation program:

• annual cash retainer \$50,000, paid quarterly;

• annual stock award \$75,000;

• annual retainer for the independent Chairman of the Board \$50,000;

• annual retainer for Audit Committee members \$7,500, for Compensation Committee members \$5,000, for Governance and Nominating Committee members \$5,000; and

• for the Chairman of our Audit Committee \$20,000, for the Chairman of our Compensation Committee \$10,000 and for the Chairman of our Corporate Governance and Nominating Committee \$10,000.

Beginning in August 2016, Mr. Hawk began receiving an annual director fee of \$200,000, paid quarterly and pro-rated to the date of his transition from a salaried employee to a non-employee director, for serving on the Board and as non-independent Chairman of the Board. During the time Mr. Hawk served as a non-independent Chairman of the Board, our Lead Director received an annual retainer of \$20,000. Mr. Hawk retired from the Board on May 18, 2017. At that time, our lead director, Mr. Waters, was appointed to the new position of independent Chairman of the Board and the annual retainer for the position of independent Chairman of the Board was set at \$50,000. Mr. Owen, as an employee member of the Board, did not receive any compensation for service on the Board. Mr. Yesavage, who was appointed to the Board on January 3, 2017 and appointed Interim CEO in September 2017, did not receive compensation for service on the Board during the time he served as Interim CEO.

The following table sets forth information regarding the compensation earned by or awarded to each of the non-employee directors who served on our Board during 2017:

Director Compensation (1)

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)(1)	Option Awards (\$)	Total (\$)	Total Options Outstanding at December 31, 2017 (#)
Philip J. Hawk (2)	\$ 40,949	\$—	\$	—\$40,949	—
Louis A. Waters	\$ 110,654	\$69,661	\$	—\$180,315	—
Jeffery G. Davis	\$ 56,875	\$69,661	\$	—\$126,536	—
Vincent D. Foster (3)	\$ 22,825	\$69,661	\$	—\$92,486	—
Sylvia J. Kerrigan	\$ 62,500	\$69,661	\$	—\$132,161	—
Emmett J. Lescroart	\$ 60,000	\$69,661	\$	—\$129,661	—
Michael A. Lucas	\$ 70,625	\$69,661	\$	—\$140,286	—
Gary G. Yesavage (4)	\$ 39,325	\$69,661	\$	—\$108,986	—

(1) All non-employee directors serving at the time received a stock award valued at \$75,000 on May 22, 2017; however, because the stock unit awards were made in the number of shares equal to the approved award dollar

value divided by the 20-day volume weighted average price, the actual value in the table resulted in a different dollar value on the date of the award.

(2) On May 18, 2017, Mr. Hawk retired from the Board after almost 19 years of service with Team.

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On July 21, 2017, Mr. Foster resigned from the Board to ensure there are no interlocking directorates under Section (3)8 of the Clayton Antitrust Act of 1914. Further information on Mr. Foster's resignation can be found in our Current Report on Form 8 K filed with the SEC on July 21, 2017.

For Mr. Yesavage, the director compensation shown in the table above relates to his service as a director prior to (4)his appointment to Interim CEO in September 2017. His compensation for service as our Interim CEO is provided in the Summary Compensation Table for executives.

EXECUTIVE OFFICERS

The following table sets forth information regarding our executive officers as of April 1, 2018. Each person holds the offices indicated until his successor is chosen and qualified at the regular meeting of the Board to be held following the Annual Meeting, or until such officer's earlier death, retirement, disqualification or removal.

Name of Director or Officer	Age	Officer Since	Position with Company
Amerino Gatti	47	2018	Chief Executive Officer
Jeffrey L. Ott	55	2013	President, TeamFurmanite and Quest Integrity Group
Arthur F. Victorson	56	2007	President, TeamQualspec
André C. Bouchard	52	2008	Executive Vice President, Administration, Chief Legal Officer and Secretary
Declan G. Rushe	57	2016	President, Team Solutions
Greg L. Boane	54	2014	Executive Vice President, Chief Financial Officer & Treasurer

Information concerning the business experience of Mr. Gatti is provided under the section entitled "The Board of Directors and Its Committees."

Mr. Ott is President, TeamFurmanite and Quest Integrity Group and has served in that position since February 2016 and has served as the President of Quest Integrity since its formation in January 2007. Mr. Ott joined Team at the time of the acquisition of the Quest Integrity Group in 2010. Mr. Ott was elected an executive officer of Team in June 2013. In addition, Mr. Ott has served on the Board of Directors of ClearSign Combustion Corporation (NASDAQ) since February 2015.

Mr. Victorson is President, TeamQualspec and has served in that position since January 2016. From June 2013 through December 2015, Mr. Victorson served as President of Inspection and Heat Treating. From June 2007 through June 2013, Mr. Victorson served as Senior Vice President, TCM Division. Mr. Victorson joined Team at the time of the acquisition of Cooperheat-MQS, Inc. in 2004. He had been with Cooperheat-MQS, Inc. since 1997.

Mr. Bouchard is Executive Vice President, Administration, Chief Legal Officer and Secretary and has served in that position since November 2014. From September 2008 through October 2014, Mr. Bouchard served as Senior Vice President, Administration, General Counsel and Secretary. Mr. Bouchard joined Team in January 2008 as Senior Vice President, General Counsel and Secretary.

Mr. Rushe is President, Team Solutions and has served in that position since January 2016. From October 2012 through December 2015, Mr. Rushe served as President of Qualspec Group LLC ("Qualspec"). Team acquired Qualspec in July 2015. From October 2009 through October 2012, Mr. Rushe served as the Chief Operating Officer of IESCO, a predecessor company of Qualspec.

Mr. Boane is Executive Vice President, CFO and Treasurer and has served in that position since March 2016. Mr. Boane joined Team in November 2014 as Senior Vice President, CFO and Treasurer. From 2008 to 2013, Mr. Boane served with Cameron International Corporation, as President of the Custom Process Systems division, Vice President–Finance for the Process and Compression Systems Segment and Vice President–Finance of the Compression Systems Division.

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COMPENSATION COMMITTEE REPORT

The following report of the Compensation Committee shall not be deemed to be “soliciting material” or to be “filed” with the SEC or subject to the SEC’s proxy rules, except for the required disclosure in this Proxy Statement, or subject to the liabilities of Section 18 of the Exchange Act, except to the extent that the Company specifically incorporates such report by reference into any filing made by the Company under the Securities Act of 1933, as amended, or the Exchange Act.

The Compensation Committee has reviewed and discussed the section of this Proxy Statement entitled “Compensation Discussion and Analysis” required by Item 402(b) of Regulation S-K with our senior management. Based on this review and discussion, the Compensation Committee has recommended to the Board that the section entitled “Compensation Discussion and Analysis” be included in this Proxy Statement and incorporated by reference into the Company’s Annual Report on Form 10-K for the year ended December 31, 2017

The Board has adopted a written charter for the Compensation Committee, a copy of which is posted on the Company’s website at www.teaminc.com on the “Investors” page under “Corporate Governance.”

Emmett J. Lescroart, Chairman

Michael A. Lucas

Craig L. Martin

Gary G. Yesavage

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COMPENSATION DISCUSSION AND ANALYSIS

Overview

Our executive compensation policies are designed to provide aggregate compensation opportunities for our senior executive officers, including the Named Executive Officers (identified below under “Executive Compensation and Other Matters”), that are competitive in the business marketplace and that are based upon Company and individual performance. Our foremost objectives are to:

- attract, motivate, reward and retain the broad-based management talent required to achieve our corporate objectives, and
- align executive pay and benefits with the performance of Team.

2017 Business Highlights and Overall Compensation Decisions

The Compensation Committee believes that the total compensation paid to our senior executive officers, including the Named Executive Officers, for 2017 was reasonable and appropriate. During 2017 we operated in a challenging business environment and undertook major initiatives designed to strengthen the Company for long-term success.

Notably, we achieved the following in 2017:

- completed a cost savings initiative designed to reduce annual operating expenses by approximately \$30 million;
- successfully completed the rollout of the Company’s Enterprise Resource Planning (“ERP”) system; and

-