InfuSystem Holdings, Inc
Form DEF 14A
April 05, 2019

Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant Filed by a party other than the Registrant

Check the appropriate box:

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

InfuSystem Holdings, Inc.

(Name of Registrant as Specified In Its Charter)

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

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No fee required.
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(1) Title of each class of securities to which transaction applies:

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(1) Amount previously paid:

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Table of Contents

April 5, 2019

Dear Shareholder:

I have never been more excited about the health and prospects for InfuSystem's business. Significant opportunities for the company are being actively pursued in 2019, and we are engaged in projects to continue this momentum into the future. The alignment of our management team and board has allowed us to set and follow a strategic plan that we believe will create long-term value for our shareholders.

This is the new InfuSystem. We have spent the last 18 months improving our operational efficiencies, refocusing on smart growth, and demonstrating the company's ability to generate strong operating cash flow that can be used to pay down debt, repurchase shares, and to support carefully-selected growth opportunities.

I am extremely proud of the team's efforts and accomplishments in 2018 as we continue to deliver the highest levels of customer service and safety in our markets.

- Operating Cash flow was strong at $11.4 million, an increase of 47.6% over 2017
- We successfully launched InfuSystem Mobile, a "first of its kind" mobile application to enhance patient safety and communication
- We used our strong cash flows from operations and improved leverage to make significant repurchases of our outstanding stock, totaling $10.4 million (approximately 14.6% of the outstanding shares)
- In early 2019, we completed our fifth amendment to our credit agreement giving us the flexibility we will need to respond to opportunities in the market

In the first half of this year, we will focus on pursuing potentially significant market share gains in our core oncology market. This opportunity should lead to material and sustained growth that will begin to show up in the second half of 2019.

In 2019 and beyond, as we execute on our opportunities to increase our market share and grow our revenues, we will not lose sight of the fact that our job is not just making InfuSystem bigger, it is to make InfuSystem a consistently more valuable company. We will continue spending sensibly, growing our pump fleet only as necessary to support the business and controlling expenses as we increase our capabilities in areas such as IT and revenue cycle management. We believe that this combination of executing on our strategic plan and sustained, smart growth will generate significant long-term value for our shareholders.

On Behalf of the Board of Directors and Management,

Richard A. DiIorio

President & CEO

Table of Contents

InfuSystem Holdings, Inc.
11130 Strang Line Rd.
Lenexa, Kansas 66215

Notice of Annual Meeting of Stockholders
To Be Held on May 15, 2019

April 5, 2019

To the Stockholders of InfuSystem Holdings, Inc.:

Notice is hereby given that the 2019 Annual Meeting of Stockholders (the "Annual Meeting") of InfuSystem Holdings, Inc., a Delaware corporation (the "Company"), will be held on Wednesday, May 15, 2019, commencing at 9:00 a.m. Central Time at the Company's offices at 11130 Strang Line Rd., Lenexa, Kansas 66215, for the following purposes:

1) to elect six individuals to the Company's Board of Directors to serve until the Company's 2020 Annual Meeting (and until their successors are duly elected and qualified);

2) to approve amendments to the InfuSystem Holdings, Inc. 2014 Equity Plan, as amended, including an increase in the number of authorized shares under the plan;

3) to approve, by advisory vote, the compensation of our named executive officers;

4) to ratify the appointment of BDO USA, LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019; and

5) to consider and act on such matters as may properly come before the Annual Meeting and any postponement or adjournment thereof.

This Notice of Annual Meeting, the proxy statement for the Annual Meeting and our 2019 annual report to stockholders are first being mailed to our stockholders on or about April 5, 2019.

Your vote is extremely important. Even if you plan to attend the Annual Meeting, we request that you vote your shares by signing and dating the enclosed proxy card and returning it in the enclosed postage-paid envelope or by voting via the Internet or by telephone following the instructions provided on the enclosed proxy card. Only the latest validly executed proxy that you submit will be counted and any proxy may be revoked at any time prior to the applicable deadline as described in the accompanying proxy statement.

Only stockholders of record at the close of business on March 27, 2019, will be entitled to notice of and to vote at the Annual Meeting and at any postponement or adjournment thereof. If you are the beneficial owner of shares of our common stock held in "street name," you will receive voting instructions from your broker, bank or other nominee (the stockholder of record), which will provide you with details as to how to vote those shares if you wish to do so. You must follow the instructions provided by your broker, bank or other nominee in order for your shares to be voted, and your broker is required to vote your shares in accordance with your instructions.

BY ORDER OF THE BOARD OF DIRECTORS:

Jeanie Latz
Corporate Secretary

InfuSystem Holdings, Inc.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 15, 2019: THE NOTICE OF ANNUAL MEETING, PROXY STATEMENT AND 2018 ANNUAL REPORT ARE AVAILABLE AT http://infusystem.com.

Table of Contents

TABLE OF CONTENTS

Table of Contents

InfuSystem Holdings, Inc.
11130 Strang Line Rd.
Lenexa, Kansas 66215

PROXY STATEMENT

This proxy statement is being furnished in connection with the solicitation of proxies by and on behalf of the Board of Directors (the “Board” or “Board of Directors”) of InfuSystem Holdings, Inc. (the “Company”) to be used at the Annual Meeting of Stockholders to be held on Wednesday, May 15, 2019, commencing at 9:00 a.m. Central Time at the Company’s offices at 11130 Strang Line Rd., Lenexa, Kansas 66215, and at any postponement or adjournment thereof (the “Annual Meeting”), for the purposes set forth in the accompanying Notice of Meeting. This proxy statement and the accompanying materials are being first sent or given to stockholders of the Company on or about April 5, 2019.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING PROCEDURES

Who Can Vote?

The close of business on March 27, 2019 has been fixed as the record date (the “Record Date”) for the determination of the stockholders entitled to notice of and to vote at the Annual Meeting. Only holders of shares of the Company’s common stock, par value $0.0001 per share (“Common Stock”), as of the Record Date are entitled to notice of and to vote at the Annual Meeting. Each share of Common Stock entitles the holder thereof to one vote per share on each matter presented to the stockholders for approval at the Annual Meeting. On the Record Date, there were 19,577,024 shares of Common Stock outstanding and entitled to vote.

How Do I Vote My Shares?

If your shares are registered directly in your name with the Company’s transfer agent, Computershare, you are considered the “stockholder of record” or “registered stockholder” of those shares and this proxy statement and the accompanying materials are being sent directly to you by the Company.

If you are a stockholder of record, you can vote your shares in person at the Annual Meeting or you can vote by proxy using the Internet at www.investorvote.com/INFU, or by telephone at +1 (800) 652-VOTE (8683) or by completing and returning the enclosed proxy card by mail.

Whichever method you use, each valid proxy received in time will be voted at the Annual Meeting in accordance with your instructions. To ensure that your proxy is voted, it should be received by 11:59 p.m. Eastern Time on the day prior to the Annual Meeting. If you submit a proxy without giving instructions, your shares will be voted as recommended by the Board of Directors.

Even if you plan to attend the Annual Meeting, we strongly urge you to vote in advance by proxy by completing, signing, dating and returning the enclosed proxy card in the postage-paid self-addressed envelope or by voting via the Internet or by telephone following the instructions provided on the enclosed proxy card.

If your shares are held in a stock brokerage account or by a broker, bank or other nominee, you are considered the "beneficial owner" of shares held in street name (also called a "street name" holder), and this proxy statement and the accompanying materials are being forwarded to you by your broker, bank or nominee, who is considered the stockholder of record of those shares. As a beneficial owner, you should have received different voting instructions from your broker, bank or other nominee as to how to vote such shares if you wish to do so. These instructions should indicate if Internet or telephone voting is available and, if so, provide details regarding how to use those systems to vote your shares. Additionally, you may vote these shares in person at the Annual Meeting if you have requested and received a legal proxy from your broker, bank or other nominee (the stockholder of record) giving you the right to vote these shares in person at the Annual Meeting.

Table of Contents

What Is the Recommendation of the Board of Directors?

The Board of Directors recommends that you vote as follows: (i) **"FOR"** each of the six director nominees of the Board of Directors; (ii) **“FOR”** the approval of amendments to the InfuSystem Holdings, Inc. 2014 Equity Plan, as amended (the “2014 Equity Plan”), including an increase in the number of authorized shares under the plan; (iii) **"FOR"** the approval, on a non-binding advisory basis, of the compensation of the Company's named executive officers as disclosed in these materials; and (iv) **"FOR"** ratification of BDO USA, LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2019.

How May I Change My Vote or Revoke My Proxy?

If you hold shares of the Company’s Common Stock in your name, you may revoke a properly executed or authorized proxy by: (i) an Internet or telephone vote subsequent to the date shown on the previously executed and delivered proxy or the date of a prior Internet or telephonic vote (and prior to 11:59 p.m. Eastern Time on the day prior to the Annual Meeting); (ii) mailing a later-dated, properly executed and delivered proxy in accordance with the instructions thereon which is received prior to the applicable deadline; or (iii) delivering a written revocation to our Corporate Secretary no later than the day prior to the date of the Annual Meeting. Stockholders of record may also revoke their proxies by attending the Annual Meeting and voting in person. If stockholders of record only attend the Annual Meeting but do not vote, their proxies will not be revoked.

If you hold shares of the Company’s Common Stock in a stock brokerage account or by a broker, bank or other nominee, you must contact the broker, bank or other nominee and comply with the broker’s procedures if you want to revoke or change the instructions previously given.

How Do I Vote My Shares Held in Street Name?

If your shares are held in a stock brokerage account or by a broker, bank or other nominee (also called a “street name” holder), you are considered the “beneficial owner” of shares held in street name, and this proxy statement and the accompanying materials are being forwarded to you by your broker, bank or nominee, who is considered the stockholder of record of those shares. As a beneficial owner, you have the right to direct your broker, bank or nominee on how to vote the shares held in your account by returning the voting instruction form to your broker, bank, or other nominee or as otherwise provided on the voting instruction form.

If you do not provide instructions to the broker, that firm will generally only be able to vote your shares with respect to “routine” matters. Please note that pursuant to applicable broker voting regulations, the only routine matter for the Annual Meeting and the only matter for which brokers will have the discretion to vote, is Proposal 4 (Ratification of Independent Registered Public Accounting Firm). Your broker must have proper instructions from you in order to vote with respect to Proposal 1 (Election of Directors), Proposal 2 (Approval of Amendments to the 2014 Equity Plan) and Proposal 3 (Advisory Vote on Executive Compensation) and without proper instructions from you, the broker will not have the power to vote on, and will be considered a “broker non-vote” for, such proposal.

What Constitutes a Quorum?

The presence, in person or by proxy, of the holders of a majority of the shares of Common Stock entitled to vote at the Annual Meeting will constitute a quorum. Abstentions and broker non-votes will be counted for purposes of determining whether a quorum is present at the Annual Meeting.

Table of Contents

How Many Votes Must Each Proposal Receive to be Adopted?

The vote required, and the effect of abstentions and broker non-votes with respect to each proposal, is as follows:

Proposal 1

The Company's Amended and Restated Bylaws provide for majority voting in uncontested director elections. In order to be elected in an uncontested election, each of the Company's six nominees for election to the Board of Directors (Proposal 1) must receive a majority of the votes cast for that director. You may vote in favor or withhold your vote with respect to each individual nominee. If an incumbent director is not elected in an uncontested election due to a failure to receive a majority of the votes cast by the shares of the Company's Common Stock issued and outstanding as of the Record Date that are present, in person or by proxy, and entitled to vote and his or her successor is not otherwise elected and qualified, the director must promptly offer to tender his or her resignation to the Board of Directors. The Nominating and Governance Committee will make a recommendation to the Board of Directors on whether to accept or reject the resignation. The Board of Directors will then either accept or reject such resignation. "Votes cast" for a director include votes "for" that director's election and votes to withhold authority with respect to that director's election and excludes abstentions and broker non-votes with respect to that director's election. Abstentions, broker non-votes and failures to vote will have no effect on the outcome of the election of directors.

Proposal 2

The proposal to approve amendments to the 2014 Equity Plan, including an increase in the number of authorized shares under the plan (Proposal 2), will require the affirmative vote of a majority of the votes cast by the shares of the Company's Common Stock issued and outstanding as of the Record Date that are present at the Annual Meeting, in person or by proxy, and entitled to vote in accordance with applicable NYSE American LLC listing standards. Abstentions will be treated as votes "against" the proposal. Broker non-votes and failures to vote will have no effect on the outcome of the vote.

Proposal 3

The proposal to approve, by advisory vote, the compensation paid to our named executive officers (Proposal 3) will require the affirmative vote of a majority of the shares of the Company's Common Stock present at the Annual Meeting, in person or represented by proxy, and entitled to vote thereon. Abstentions will be treated as votes "against" the proposal. Broker non-votes and failures to vote will have no effect on the outcome of the vote.

Proposal 4

The proposal to ratify the appointment of BDO USA, LLP as our independent registered public accounting firm (Proposal 4) will require the affirmative vote of a majority of the shares of the Company's Common Stock present at the Annual Meeting, in person or represented by proxy, and entitled to vote thereon. Abstentions will be treated as votes "against" the proposal. As discussed above, this proposal is a routine matter; therefore, broker non-votes are not expected to occur with respect to this proposal. Failures to vote will have no effect on the outcome of the vote.

How Will the Proxies Be Voted?

UNLESS OTHERWISE SPECIFIED, AS PERMITTED BY APPLICABLE LAW AND STOCK EXCHANGE RULES, THE PROXIES WILL BE VOTED AT THE ANNUAL MEETING OR ANY POSTPONEMENT OR ADJOURNMENT THEREOF:

(I) FOR THE ELECTION OF THE SIX INDIVIDUALS NAMED IN THIS PROXY STATEMENT TO THE BOARD OF DIRECTORS TO SERVE UNTIL THE 2020 ANNUAL MEETING OF STOCKHOLDERS (AND UNTIL THEIR SUCCESSORS ARE DULY ELECTED AND QUALIFIED);

(II) FOR THE APPROVAL OF AMENDMENTS TO THE 2014 EQUITY PLAN INCLUDING AN INCREASE IN THE NUMBER OF AUTHORIZED SHARES UNDER THE PLAN;

(III) FOR THE APPROVAL, BY ADVISORY VOTE, OF THE COMPENSATION PAID TO THE COMPANY'S NAMED EXECUTIVE OFFICERS; AND

(IV) FOR THE RATIFICATION OF THE APPOINTMENT OF BDO USA, LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2019.

Table of Contents

IN THE DISCRETION OF THE PROXY HOLDERS, THE PROXIES WILL ALSO BE VOTED FOR OR AGAINST SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE ANNUAL MEETING. MANAGEMENT IS NOT AWARE OF ANY OTHER MATTERS TO BE PRESENTED FOR ACTION AT THE ANNUAL MEETING.

How May I Attend the Annual Meeting?

All stockholders as of the Record Date, or their duly appointed proxies, may attend the Annual Meeting. Please note that if you hold your shares in "street name" through a broker, bank or other nominee you will need to bring a legal proxy from your broker, bank or other nominee (the stockholder of record) or a brokerage statement reflecting your stock ownership as of the Record Date and check in at the registration desk at the Annual Meeting.

When Will the Voting Results Be Announced?

The preliminary voting results are expected to be announced at or shortly following the Annual Meeting. We will report the final voting results, or the preliminary voting results if the final voting results are unavailable, in a Current Report on Form 8-K to be filed with the SEC within four business days after the Annual Meeting. You may obtain a copy of this Form 8-K by visiting the SEC's website at *www.sec.gov* or our website at www.infusystem.com under the section titled "Investors."

Who Do I Contact if I Have any Questions or Require Assistance?

If you have any questions, require assistance with voting your proxy card, or need additional copies of proxy materials, please contact:

(**Regular Mail**)	(**Overnight Mail**):
Computershare Investor Services	Computershare Investor Services
P.O. BOX 505000	462 South 4th Street Suite 1600

Louisville, KY 40233-5000	Louisville, KY 40202

Call Toll-Free at: +1 (800) 522-6645

For stockholders holding shares through brokers, banks or other nominees, please contact your broker, bank or other nominee for assistance.

Table of Contents

PROPOSAL 1—

ELECTION OF DIRECTORS

At the Annual Meeting, the stockholders will consider and vote upon the election of six directors. Our bylaws provide that the total number of authorized directors shall be fixed from time to time by the Board of Directors. Our Board of Directors currently consists of eight directors. The Board has decided not to renominate Terry Armstrong, Ronald Peele Jr. or Joseph Whitters for reelection at the Annual Meeting. The Board of Directors has fixed the number of directors at six effective upon the Annual Meeting. The Board of Directors has nominated Richard DiIorio, Paul Gendron, Gregg Lehman, Darrell Montgomery, Christopher Sansone, and Scott Shuda. for election as directors of the Company. The six nominees for election to the Board of Directors, if elected, will serve until the 2020 Annual Meeting and until their successors are duly elected and qualified.

We urge you to vote "FOR" each of Richard DiIorio, Paul Gendron, Gregg Lehman, Darrell Montgomery, Christopher Sansone, and Scott Shuda.

Information Regarding Our Nominees to the Board of Directors

The table set forth below lists the names and ages of each of our six nominees to the Board of Directors. Other than Mr. Paul Gendron who is newly nominated to serve as director, each of the other nominees are current directors. Each director serves a one-year term, and will hold office until the next annual meeting of shareholders and such director’s successor has been elected and qualified or such director’s earlier death, resignation or removal.

Each nominee has consented to being named in this proxy statement and to serve on the Board of Directors if elected. If any nominee becomes unavailable to serve for any reason as a director at the time of the Annual Meeting, which is not expected, the Board of Directors will eliminate the Board position effective at the Annual Meeting or the proxy holders will vote the proxies in their discretion for the nominee designated by the Board of Directors to fill the vacancy unless otherwise instructed by a stockholder.

Name	Age	Position

Richard DiIorio	44	Director
Paul Gendron	57	Nominee
Gregg Lehman	72	Director, Vice Chairman
Darrell Montgomery	58	Director
Christopher Sansone	44	Director
Scott Shuda	53	Director, Chairman

Richard A. DiIorio (Director). Richard A. DiIorio, who joined the Company in 2004, was appointed the Company's President and Chief Executive Officer and member of the Board of Directors on November 15, 2017. He previously served as the Company's Executive Vice President and General Manager of Oncology since December 2016 and as a member of the Office of the President, from May 18, 2017 to November 15, 2017. Mr. DiIorio also held, within the Company, the previous positions of Vice President of Oncology Sales from July 2014, Regional Vice President-Eastern Region from November 2011 and Territory Manager from January 2004. Prior to joining the Company, Mr. DiIorio held various sales and sales leadership roles at Stryker, Novartis, and Thermo Scientific. Mr. DiIorio holds a Bachelor of Science degree in biology from Boston College.

With over 20 years of successful healthcare experience, Mr. DiIorio brings extensive expertise in sales, customer service, product launch and market knowledge focused on driving growth within the infusion market.

Table of Contents

Paul A. Gendron (Nominee). Paul A. Gendron is a new nominee to the Board. Mr. Gendron has served as a financial consultant to the Company since January 2019, assisting the Company with accounting, internal control and financial reporting matters. He previously was a client service partner with PricewaterhouseCoopers LLP where he held various leadership roles including North Texas Market Assurance Leader from 2009 until 2014, U.S. Assurance Talent Transformation Leader from 2014 until 2016, and Southwest Region Technology Practice Risk Management Leader. In his Market Assurance Leader role, Mr. Gendron lead the Assurance practice in the Dallas, Fort Worth, Austin and Little Rock offices, providing services in internal and external audit, risk and information technology assurance, and accounting and capital markets advisory. Mr. Gendron is a CPA and holds a Bachelor of Business Administration in Accounting degree from the University of Texas at Austin. He has served on non-profit boards during his career as well as the Accounting Advisory Council at the University of Texas at Austin.

Mr. Gendron brings over 30 years of public accounting experience at PricewaterhouseCoopers LLP, including 22 years as audit partner, where he served global public and private multibillion-dollar corporations. His areas of strength include board governance, audit project management, risk management, executive management, public offerings, and mergers and acquisitions.

Gregg O. Lehman (Director, Vice-Chairman). Gregg O. Lehman has been a member of the Company's Board of Directors since May 8, 2014. He has served as Vice Chairman of the Board since December 19, 2018. Prior to his appointment as Vice Chairman, Dr. Lehman served as Chairman of the Board from March 21, 2018 until December 19, 2018, and as Executive Chairman and head of the Office of the President from May 18, 2017 to March 21, 2018. Previous to both of those appointments, he served as Chairman of the Board beginning in May 2015. Since 2014, Dr. Lehman has served as Chief Executive Officer of EB Employee Solutions, LLC, a company that provides a fully integrated employer portal that includes health benefit cost reduction strategies and a “high tech, smart touch” wellness program. Dr. Lehman was previously President and Chief Executive Officer and served on the Board of MGC Diagnostics Corporation, a leading cardio-respiratory diagnostic company, and held executive positions with a number of other healthcare organizations. He is also the President of Lehman Ventures LLC. Dr. Lehman has a Doctorate and a Master of Science degree in higher education administration, with a minor in finance and economics from Purdue University and a Bachelor of Science in business management and marketing from Indiana University.

Dr. Lehman is a nationally recognized leader in population health management and brings approximately 40 years of experience in senior management positions with healthcare corporations and the management expertise in business turnarounds, strategy, governance, and executive compensation.

Darrell B. Montgomery (Director). Darrell B. Montgomery has been a member of the Company's Board of Directors since June 22, 2017. From 2016 to 2018, Mr. Montgomery served as Vice President, Global Strategies Engagements with Atos, Inc., a global Information Technology (“IT”) services firm. In 2015, Mr. Montgomery served on the Board of Directors of Daegis, Inc. (NASDAQ: DAEG). Prior to that, Mr. Montgomery lead the Private Equity Channel for Dell Services (now NTT Services) from 2008 serving as Executive Director in charge of establishing and leading the private equity channel working in the Healthcare and Travel & Leisure industries. Also, during his tenure at Dell (Perot Systems), Mr. Montgomery served as Director of Operations, Global Software Solutions and held senior roles in the Commercial Solutions Group. Mr. Montgomery began his career at Gemini Consulting. Mr. Montgomery formerly served on active duty as a U.S. Marine Corps Infantry Officer and is currently a Trustee of the U.S. Naval Academy Athletic Foundation. Mr. Montgomery earned a Bachelor of Science in history and general engineering, with distinction, from the U.S. Naval Academy and a Masters of Business Administration from Harvard Business School.

Mr. Montgomery brings nearly 30 years in operational management, technology sales, mergers & acquisitions, consulting experience and leadership abilities developed during his career as an executive.

Christopher R. Sansone (Director). Christopher R. Sansone has been a member of the Company's Board of Directors since June 22, 2017. Mr. Sansone brings experience and perspective as an analyst and as a managing partner and founder of Sansone Advisors, LLC and Sansone Capital Management, LLC, providers of investment management services. Prior to founding Sansone Capital Management, LLC, Mr. Sansone held various roles involving small capitalization companies, primarily as an analyst and proprietary trader for Robotti & Company, LLC, a broker-dealer specializing in small- and micro-capitalization equities from 2003 to 2014. Mr. Sansone previously served as a director on the boards of EDAC Technologies and Decorator Industries. Mr. Sansone holds a Bachelor of Science in economics from Pace University.

Mr. Sansone brings extensive investment experience as managing partner and founder of investment services companies and has held various executive leadership roles throughout his career, currently serves as a Managing Partner of Sansone Advisors, LLC and Sansone Capital Management, LLC (collectively, the “Sansone Group”), and is one of the Company’s largest stockholders. Accordingly, Mr. Sansone holds voting and dispositive power over the Common Stock held by the Sansone Group. In addition, Mr. Sansone has shared and voting dispositive power over the Common Stock held by Sansone Partners, LP.

Table of Contents

Scott A. Shuda (Director, Chairman). Scott A. Shuda has been a member of the Company's Board of Directors since September 7, 2016, and was elected Chairman of the Board effective December 19, 2018. Mr. Shuda is a Managing Director and Co-founder of Meridian OHC Partners, LP ("Meridian") and BlueLine Partners, LLC ("BlueLine"), investment firms that focus on publicly listed technology and healthcare companies. Mr. Shuda served as a director of Iridex Corporation (NASDAQ: IRIX), a global leader in ophthalmic laser systems, from 2012 to 2017 where he was chairman of Iridex's Compensation Committee and a member of the Nominating and Governance Committee. Mr. Shuda holds both a Juris Doctor degree and a Masters of Business administration degree from Georgetown University.

Mr. Shuda has extensive experience with the medical devices industry. He brings more than 20 years of professional experience in law, technology and entrepreneurial endeavors in the industry, including transactions that range from initial public offerings and venture financings to mergers and acquisitions. Mr. Shuda serves as the Managing Director of TSV Investment Partners, LLC ("TSV"), which is the sole general partner of Meridian, the Company's largest stockholder. Accordingly, Mr. Shuda holds voting and dispositive power over the Common Stock held by Meridian, and according to the Schedule 13D (the "Meridian 13D") filed on February 12, 2016 by Meridian, Meridian TSV II, LP ("Meridian TSV"), TSV, BlueLine Capital Partners II, LP ("BlueLine Capital") and BlueLine, Mr. Shuda disclaims beneficial ownership for purposes of Rule 13d-3 with respect to the Common Stock held by Meridian and BlueLine.

Director Independence

The Board of Directors has considered the independence of each director and nominee for election as a director in accordance with the elements of independence set forth in the listing standards of the NYSE American LLC. Based upon information solicited from each director and nominee, the Board of Directors has affirmatively determined that each of the directors (including those persons that served as a director during any part of 2018) and nominees are (or, in the case of former directors, were) "independent" within the meaning of NYSE American LLC's director independence standards, except for: Dr. Lehman, who did not qualify as independent during the period in which he was appointed as Executive Chairman, from May 18, 2017 to March 21, 2018. Mr. Gendron has provided consulting services to the Company since January 2019 in connection with accounting, internal control and financial reporting matters, and he has received consulting fees of $5,000 per month. In determining that Mr. Gendron is independent, the Board considered Mr. Gendron's consulting arrangement with the Company, which will be terminated on or prior to the Annual Meeting, and the Board determined that this arrangement will not interfere with his exercise of independent judgment in carrying out his responsibilities as a director.

Recommendation

THE BOARD OF DIRECTORS RECOMMENDS THAT THE STOCKHOLDERS OF THE COMPANY VOTE "FOR" RICHARD DIIORIO, PAUL GENDRON, GREGG LEHMAN, DARRELL MONTGOMERY, CHRISTOPHER SANSONE, AND SCOTT SHUDA. FOR ELECTION AS MEMBERS OF THE BOARD OF DIRECTORS TO SERVE UNTIL THE 2020 ANNUAL STOCKHOLDERS MEETING AND UNTIL THEIR

SUCCESSORS ARE DULY ELECTED AND QUALIFIED.

Board of Directors and Committees of the Board of Directors

The Board of Directors has responsibility for the overall governance of the Company. The Board of Directors held a total of 18 meetings during the fiscal year ended December 31, 2018. Each director attended at least 75% of the meetings held by the Board of Directors and of the meetings of each committee on which such director served (or portion of the fiscal year during which he served as a director or committee member). In addition to regularly scheduled meetings, the directors discharge their responsibilities through telephonic meetings and other communications with each other and the executive officers. At each of the regularly scheduled meetings of the Board of Directors held during fiscal year ended December 31, 2018, the independent directors had the opportunity to hold an executive session. The Board has no policy regarding director attendance at annual meetings of stockholders, although each member of the Board attended the 2018 Annual Meeting.

Table of Contents

Committees. The Board of Directors has established three standing committees, an Audit Committee, a Nominating and Governance Committee and a Compensation Committee, each of which is comprised entirely of Independent Directors and reports to the Board of Directors. From time to time during the assessment of certain strategic opportunities, the Board may establish a Special Committee comprised wholly of Independent Directors.

Office of the President; Leadership Structure. Upon the departure of the Company's former President and Chief Executive Officer on May 18, 2017, the Board created a new Office of the President, that was led by current Vice Chairman of the Board, Dr. Lehman, as Executive Chairman, to support oversight of the Company's strategic initiatives until a new Chief Executive Officer was appointed. The Office of the President ended with the appointment of Richard DiIorio as the Company's new President and Chief Executive Officer on November 15, 2017, and Dr. Lehman resumed his previous position as Chairman of the Board. At that time, the Company returned to its practice of having the different individuals serving as its Chief Executive Officer and Chairman of the Board. Mr. Shuda was subsequently elected Chairman of the Board on December 19, 2018, at which time Dr. Lehman became Vice Chairman of the Board. We believe that having an independent, non-executive Chairman and Vice Chairman of the Board represents an appropriate governance practice for the Company at this time. This structure creates a separation of the day-to-day administrative and strategic planning activities of management from the Board's oversight function.

Audit Committee

The Audit Committee is composed entirely of Independent Directors. The following individuals are the current members of the Audit Committee: Messrs. Whitters, Armstrong and Peele. Mr. Whitters served as Chairman of the Audit Committee. The Board of Directors has affirmatively determined that the members of the Audit Committee are "independent," as defined in the NYSE American LLC listing standards, and under the additional Audit Committee independence standards in Rule 10A-3 of the Exchange Act. The Audit Committee is responsible for meeting with the Company's independent registered public accounting firm regarding, among other issues, audits and the adequacy of the Company's accounting and control systems. The Audit Committee held eight meetings during the fiscal year ended December 31, 2018.

The Board of Directors has determined that Mr. Whitters qualifies as an "audit committee financial expert" as that term is defined under Item 407 of Regulation S-K of the Exchange Act. The Board of Directors has adopted a written charter for the Audit Committee, a copy of which is posted on the Company's website at www.infusystem.com.

Nominating and Governance Committee

The Nominating and Governance Committee (the “Nominating Committee”) is composed entirely of Independent Directors. The following individuals are current members of the Nominating Committee: Messrs. Montgomery, Sansone and Shuda. Mr. Montgomery serves as Chairman of the Nominating Committee. The Board of Directors has affirmatively determined that the members of the Nominating Committee are “independent” as defined in the NYSE American LLC listing standards. The Nominating Committee held one meeting during the fiscal year ended December 31, 2018. The Board of Directors has adopted a written charter for the Nominating Committee, a copy of which is posted on the Company’s website at www.infusystem.com.

The Nominating Committee identifies individuals for nomination to the Board of Directors by the full Board of Directors. The Nominating Committee will consider all qualified director candidates identified by members of the Nominating Committee, by senior management and stockholders. Stockholders who would like to propose an independent director candidate for the consideration of the Nominating Committee may do so by submitting the candidate’s name, résumé and biographical information care of InfuSystem Holdings, Inc., 31700 Research Park Drive, Madison Heights, Michigan 48071, Attn: Corporate Secretary, no later than the deadline for submission of stockholder proposals set forth under the section of this proxy statement entitled “Stockholder Proposals for the 2020 Annual Meeting.” All proposals for nomination received by the Corporate Secretary will be presented to the Nominating Committee for consideration.

Table of Contents

The Nominating Committee reviews each director candidate's biographical information and assesses each candidate's independence, skills and expertise based on a variety of factors, including the following criteria:

- Whether the candidate has exhibited behavior that indicates he or she is committed to the highest ethical standards;

- Whether the candidate has had broad business, governmental, non-profit or professional experience that indicates that the candidate will be able to make a significant and immediate contribution to the Board of Directors' discussion and decision-making; and

- Whether the candidate will be able to devote sufficient time and energy to the performance of his or her duties as a director.

In addition to the above listed criteria, the Nominating Committee considers the diversity of candidates, which may include diversity of skills and experience as well as geographic, gender, age, and ethnic diversity. The Nominating Committee does not, however, have a formal policy with regard to the consideration of diversity in identifying candidates.

Application of these factors requires the exercise of judgment by members of the Nominating Committee and cannot be measured in a quantitative way.

The Nominating Committee applied each of these factors in its review and assessment of the background, independence, skills and expertise of each of the director nominees included in this proxy statement. Members of the Nominating Committee had several meetings and conversations with each of the director nominees.

Compensation Committee

The Compensation Committee is composed entirely of Independent Directors. The following individuals are current members of the Compensation Committee: Messrs. Shuda, Montgomery and Sansone. Mr. Shuda serves as Chairman of the Compensation Committee. The Board of Directors has affirmatively determined that the members of the Compensation Committee are "independent" as defined in the NYSE American LLC listing standards. The Compensation Committee is responsible for approving the salaries, bonuses and other compensation and benefits of executive officers and directors and administering the InfuSystem Holdings, Inc. (i) 2014 Equity Plan, and (ii) Employee Stock Purchase Plan. The Compensation Committee held four meetings during the fiscal year ended December 31, 2018. The Board of Directors has adopted a written charter for the Compensation Committee, a copy of which is posted on the Company's website at www.infusystem.com.

The Compensation Committee evaluates executive officer performance, with input from the Board of Directors and the Chief Executive Officer (for executive officers other than the Chief Executive Officer), in light of the Company's strategic objectives and establishes compensation levels based on such evaluation. The objectives of the Compensation Committee are to attract and retain experienced and highly qualified personnel and reward our executive officers for advancing critical elements of our strategic plan.

The Compensation Committee has the authority to retain, oversee, terminate, and approve fees for compensation consultants to assist in the discharge of its responsibilities.

Communications with the Board of Directors

Stockholders may communicate with the Board of Directors by sending written communications addressed to such person or persons care of InfuSystem Holdings, Inc., 31700 Research Park Drive, Madison Heights, Michigan 48071, Attn: Corporate Secretary. All communications will be compiled by the Corporate Secretary and submitted to the addressee.

Table of Contents

Code of Conduct and Business Ethics

The Company also has a Code of Business Conduct and Ethics Policy applicable to the Chief Executive Officer, Chief Financial Officer and principal accounting officer, and other financial professionals. The Code of Business Conduct and Ethics Policy is available on the "Governance" page of our website at www.infusystem.com. Only the Board of Directors can amend or grant waivers from the provisions of the Company's Code of Ethics, and any such amendments or waivers will be posted promptly at www.infusystem.com. To date, no such amendments have been made or waivers granted.

The Board of Directors' Role in Risk Oversight

The Board of Directors is actively engaged in overseeing and reviewing the Company's strategic direction and objectives, taking into account (among other considerations) the Company's risk profile and exposures. It is management's responsibility to manage risk and bring to the Board of Directors' attention the most material risks to the Company. The Board of Directors has oversight responsibility of the processes established to report and monitor systems for material risks applicable to the Company. The Board annually reviews the Company's enterprise risk management and receives regular updates on risk exposures via the Audit Committee and senior management.

While the Board as a whole has responsibility for risk oversight, including Chief Executive Officer succession planning, the committees of the Board also oversee the Company's risk profile and exposures relating to matters within the scope of their authority. The Board regularly receives detailed reports from the committees regarding risk oversight in their areas of responsibility.

Directors' Compensation

The following table sets forth the compensation for the Company's non-employee directors who served during the fiscal year ended December 31, 2018.

Name	Fees Earned or Paid in	Option Awards ($) (1)	All Other Compensation ($)	Total ($)

	Cash ($)			
Terry Armstrong (2)	$12,164	$22,190	$ -	$34,354
Gregg Lehman (4)	96,959	31,066	-	128,025
Darrell Montgomery (6)	62,996	22,190	-	85,186
Ronald Peele, Jr. (2)	12,164	22,190	-	34,354
Christopher Sansone (6)	67,974	22,190	-	90,164
Scott Shuda (5)	62,005	22,190	-	84,195
Joseph Whitters (3)	67,658	22,190	-	89,848

(1) As part of their 2018 compensation package, each Independent Director received options to purchase 25,000 shares of the Company's Common Stock, except for Dr. Lehman, who received options to purchase 35,000 shares of the Company's Common Stock as Chairman.

(2) Messrs. Armstrong and Peele were elected to the Board of Directors on July 19, 2018 and received a pro-rata portion of their directors fees for 2018. As of December 31, 2018, Messrs. Armstrong and Peele each had 25,000 aggregate outstanding stock options (8,333 of which were exercisable) which expire on August 15, 2019 (or three months after Messrs. Armstrong and Peele cease to be directors of the Company).

(3) As of December 31, 2018, Mr. Whitters had 100,000 aggregate outstanding stock options (83,333 of which were exercisable), all of which expire on August 15, 2019 (or three months after Mr. Whitters ceases to be director of the Company).

(4) As of December 31, 2018, Dr. Lehman had 215,000 aggregate outstanding stock options (191,667 of which were exercisable) that will expire in equal installments of 60,000 on May 12, 2020, January 17, 2022, and September 6, 2022 and 35,000 options will expire on August 22, 2023.

(5) As of December 31, 2018, Mr. Shuda had 75,000 aggregate outstanding stock options (58,333 of which were exercisable) that will expire in equal installments of 25,000 on January 17, 2022, September 6, 2022 and August 22, 2023.

(6) As of December 31, 2018, Mr. Montgomery and Sansone each had 50,000 aggregate outstanding stock options (33,333 of which were exercisable) that will expire in equal installments of 25,000 on September 6, 2022 and August 22,2023.

Table of Contents

Current Independent Director Compensation

The following is a description of the cash compensation for the Company's non-employee directors. Each of the non-employee directors will receive the following annual cash compensation arrangements in 2018:

- $50,000 for each non-executive Independent Director on the Board;
- $85,000 for the Chairman;
- $70,000 for Vice Chairman
- $15,000 for the Chair of the Audit Committee and $10,000 for each Audit Committee member;
- $10,000 for the Chair of the Compensation Committee and $6,667 for each Compensation Committee member; and
- $5,000 for the Chair of the Nominating and Governance Committee and $3,334 for each Nominating and Governance Committee member.

Board and Committee compensation are paid quarterly, on calendar quarters.

The following is a description of the typical annual stock compensation for the Company's non-employee directors. The non-employee directors received the following annual stock compensation grants in 2018:

- Options for 25,000 shares of the Company's Common Stock for each Independent Director; and
- Options for 35,000 shares of the Company's Common Stock for the Chairman.

Any such grant of options to non-employee directors are contingent upon sufficient share capacity under the Company's 2014 Equity Plan. Further, such options are typically granted on the date of the Company's annual meeting of stockholders. Options were granted in 2018 with an exercise price equal to the average closing price of the stock for the five most recent trading days prior to the grant and vested monthly over a period of one year and immediately upon a change in control, as defined under the Company's 2014 Equity Plan.

Table of Contents

PROPOSAL 2—

APPROVAL OF AMENDMENTS TO THE INFUSYSTEM HOLDINGS, INC. 2014 EQUITY PLAN

On February 27, 2019, the Board of Directors adopted additional amendments to the Company's 2014 Equity Plan subject to stockholder approval at the 2019 Annual Meeting to increase the number of shares of our Common Stock available for issuance under the 2014 Equity Plan and to make additional amendments as described below. We believe that operation of the 2014 Equity Plan is important in attracting, retaining, and rewarding directors, officers, other employees, and persons who provide services to the Company and its subsidiaries. It is the judgment of our Board of Directors that the proposed amendments to the 2014 Equity Plan are in the best interests of the Company and its stockholders.

The 2014 Equity Plan was approved by our stockholders at our 2014 Annual Meeting and became effective on April 8, 2014, and was initially amended at the 2018 Annual Meeting. The 2014 Equity Plan replaced the Company's 2007 Stock Incentive Plan. Under the 2014 Equity Plan, as initially amended at the 2018 Annual Meeting, the maximum number of shares reserved for issuance under the 2014 Equity Plan is 3,000,000 shares. The current amendment to the 2014 Equity Plan, as proposed, would further increase the maximum number of shares reserved for issuance to 4,000,000 shares. In addition, if an award under the 2014 Equity Plan is cancelled, forfeited, or expires, or if shares subject to such an award are used to satisfy the exercise price with respect to such award, the shares subject to such forfeited, expired, or cancelled award or the shares used to satisfy such exercise price may again be awarded under the 2014 Equity Plan. As of March 27, 2019, there were 289,711 shares remaining available for issuance under the 2014 Equity Plan and 2,525,140 shares subject to outstanding awards under the 2014 Equity Plan. If stockholders do not approve the amendments to the 2014 Equity Plan, the amendments will not be given effect, and the 2014 Equity Plan will continue as in effect prior to amendment.

Summary of Key Amendments

If approved, the amendments would make the following changes to the 2014 Equity Plan:

Increase in Authorized Shares	The amendments would increase the number of shares authorized for issuance under the 2014 Equity Plan by 1,000,000 shares.
Additional	

Changes	The amendments would also include several changes to the 2014 Equity Plan to incorporate guidance from the IRS issued in Notice 2018-68 regarding the repeal of the performance-based compensation exemption under Section 162(m) of the Internal Revenue Code made by the Tax Cuts and Jobs Act (TCJA).

Background and Determination of Share Amounts

The following factors, among others, were taken into account by our Board of Directors in approving the increase in the number of shares available for issuance under the 2014 Equity Plan as proposed in the amendments to the 2014 Equity Plan: the historical burn rate under our stockholder-approved equity plans; the number of shares remaining available under the 2014 Equity Plan for future awards; the number of outstanding unvested and unexercised equity awards; and the potential dilution resulting from the proposed increase in shares available under the amended 2014 Equity Plan.

Table of Contents

In setting the number of proposed additional shares issuable under the 2014 Equity Plan under the proposed amendments, our Board of Directors also considered the following annual share usage under our equity compensation program for fiscal 2016-2018 as follows:

		Fiscal 2018	Fiscal 2017	Fiscal 2016	Average
Options Granted		800,000	1,112,500	600,000	837,500
Stock Appreciation Rights (SARs)	*	-	200,000	-	66,667
Restricted Stock Granted - Full Value Awards	**	250,000	-	-	83,333
Total Shares Granted		1,050,000	1,312,500	600,000	987,500
Weighted Average Common Shares Outstanding		21,417,628	22,739,651	22,617,901	22,258,393
Burn Rate - Annual Usage	***	*4.90* %	*5.77* %	*2.65* %	*4.44* %

* SARs were granted on November 15, 2017. The Compensation committee certified that SARs were earned and vested and will be settled in shares of Common Stock prior to March 31, 2019.

** The number of shares subject to restricted stock awards in the table equals the actual number of shares subject to such awards multiplied by 2.0, as required under 6.1 of the Plan.

*** Represents Total Shares Granted divided by Weighted Average Common Stock Outstanding. Total Shares Granted includes shares subject to awards that were forfeited, expired, or cancelled and shares used to satisfy the exercise price of awards, which became available again for awards under the 2014 Equity Plan.

The historical amounts shown above are not necessarily indicative of the shares that might be awarded in fiscal 2019 and beyond, including under the 2014 Equity Plan.

If we continue making equity awards consistent with our practices over the past three years as set forth above, we estimate that the shares available for future awards, including the increase of 1,000,000 additional shares available for issuance if the amendments to the 2014 Equity Plan are approved, will be sufficient for awards for at least another year. However, the number of shares of stock utilized in future awards are expected to be less than the number of awards granted during the past three years. The number of shares utilized in the previous year reflected larger than normal amounts due to a one-time grant of equity incentives to our new President and CEO. While we believe this estimate is reasonable, there are a number of factors that could impact our future equity share usage. Among the factors that will impact our actual share usage are changes in market grant values, changes in the number of recipients, changes in our stock price, payout levels of performance-based awards, changes in the structure of our long-term equity incentive program and forfeitures of outstanding awards.

As of March 27, 2019, we had approximately 2,525,140 shares of common stock subject to outstanding equity awards. The 2,525,140 shares are comprised of 129,583 restricted shares plus 2,195,557 shares subject to outstanding stock options and 200,000 shares subject to stock appreciation right award agreement. The 2,525,140 shares comprise

12.90% of the Company's weighted average common shares outstanding. The increase of 1,000,000 additional shares available for issuance under the 2014 Equity Plan as proposed by the amendments, together with the 289,711 remaining shares available for issuance under the 2014 Equity Plan, would increase the fully diluted overhang percentage by an additional 6.59% to approximately 19.49%.

Additional information in respect of price, term and overhang by equity grant award type currently outstanding, as of March 27, 2019, is included in the following table:

	Options	**SARs**	**Restricted Shares**
Weighted Average Exercise Price/Grant Date Fair Value *	$2.67	$2.00	$ 1.42
Weighted Average Remaining Recognition Period	2.7 years	0 years	2.3 years
Overhang of Currently Outstanding Awards	11.2%	1.0%	0.7%

* Represents the weighted average grant date exercise price for options and weighted average grant date fair value for shares of restricted stock.

In its determination to recommend that the Board approve the amendments to the 2014 Equity Plan, the members of the Compensation Committee have reviewed the foregoing burn rate, dilution and overhang metrics, as well as peer group market practices and trends, and the cost of the amended 2014 Equity Plan.

Table of Contents

Description of the Amended 2014 Equity Plan

The principal provisions of the 2014 Equity Plan, as proposed to be amended, are summarized below. The summary is not a complete description of all of the amended 2014 Equity Plan’s provisions and is qualified in its entirety by reference to a composite copy of the 2014 Equity Plan, as proposed to be amended, which is attached to this Proxy Statement as Appendix A. All references to the 2014 Equity Plan in the following description refer to the 2014 Equity Plan, as proposed to be amended. Capitalized terms used in the summary below that are not defined in the summary have the meanings set forth in the 2014 Equity Plan, as proposed to be amended.

Purpose

The purpose of the 2014 Equity Plan is to advance the interests of the Company and its stockholders by providing a means (i) to attract, retain, and reward directors, officers, other employees, and persons who provide services to the Company and its Subsidiaries, (ii) to link compensation to measures of the Company’s performance in order to provide additional incentives, including stock-based incentives and cash-based incentives, to such persons for the creation of stockholder value, and (iii) to enable such persons to acquire or increase a proprietary interest in the Company in order to promote a closer identity of interests between such persons and the Company’s stockholders.

Aggregate Limitation on Stock-Based Awards

Shares issued pursuant to the 2014 Equity Plan will be the Company’s Common Stock. The aggregate number of Shares that may be issued under the 2014 Equity Plan during the life of the 2014 Equity Plan will not exceed 4,000,000, subject to adjustment as discussed below. Shares issued that are reacquired by the Company in connection with a forfeiture or other failure to satisfy performance conditions will not be treated as having been issued for purposes of this limit. Shares delivered under the 2014 Equity Plan may be newly issued Shares, treasury Shares or any combination of the two.

Administration

The Compensation Committee will have the authority to select award recipients, determine the type, size and other terms and condition of the award, and make all other decisions and determinations as may be required under the 2014 Equity Plan.

Type of Awards

The Compensation Committee is authorized to grant awards payable in either Shares or cash, including Shares, Shares subject to restrictions and a risk of forfeiture, options to purchase Shares, stock appreciation rights, Share units, performance units and dividend equivalents. These awards may be granted as a bonus, or in lieu of obligations of the Company or any Subsidiary to pay cash or grant other awards under other plans or compensatory arrangements.

Terms and Conditions of Awards

The Compensation Committee will determine the size of each award to be granted (including, where applicable, the number of Shares to which an award will relate), and all other terms and conditions of each award (including any exercise price, grant price, or purchase price, any restrictions or conditions relating to transferability, forfeiture, exercisability or settlement of an award, and any schedule or performance conditions for the lapse of such restrictions or conditions, and accelerations or modifications, in each case based on such considerations as the Compensation Committee may determine). The Compensation Committee will have the authority to delegate any or all of its authority to the extent such delegation is consistent with applicable law.

Terms and Conditions of Options

In no event will the exercise price of any option be less than the Market Value (as defined below) of a Share on the date of grant. Except in the event of an adjustment, as described below under the heading “Adjustments,” the exercise price of any outstanding option to purchase Shares or an outstanding stock appreciation right may not be reduced, nor may an outstanding option to purchase Shares or stock appreciation right be cancelled in exchange for a new award with a lower (or no) purchase price or for cash, without stockholder approval. “Market Value” means the closing price (or the average mean of the closing bid and asked prices for a Share) of the Company’s Common Stock reported on the Company’s principal stock exchange, NYSE American LLC, for trading on the date of grant.

Table of Contents

Stand-Alone, Additional, Tandem, and Substitute Awards

The Compensation Committee may, in its discretion, grant awards under the 2014 Equity Plan alone or in addition to, in tandem with, or in substitution or exchange for, any other award granted under the 2014 Equity Plan or under another plan of the Company, any Subsidiary, or any business entity that may be acquired by the Company or a Subsidiary, or any other right of a participant to receive payment from the Company or any Subsidiary.

Eligibility

Individuals who are (i) employees (including officers) of the Company or any Subsidiary, (ii) Non-Employee Directors, (iii) any other individual or entity who provides substantial personal services to the Company or any Subsidiary, and (iv) any individual who has agreed to become an employee of the Company or a Subsidiary are eligible to receive awards under the 2014 Equity Plan, if selected by the Compensation Committee in its discretion. As of March 27, 2019, there were approximately 251 employees, seven non-employee Directors, one person who provides services to the Company, and no other individuals who would be eligible for awards under the 2014 Equity Plan.

Per Participant Limitations

In any calendar year, Participants other than Non-Employee Directors may not be granted stock-based awards under the 2014 Equity Plan that relate to more than 500,000 Shares, or cash-based awards that can be settled for more than $500,000. In any calendar year after December 31, 2017, Non-Employee Directors may not be granted any Award with a fair market value in excess of $200,000.

Certain Performance-Based Awards

The Compensation Committee may grant performance awards, which may be cash-denominated awards or stock-based awards. Generally, performance awards require satisfaction of pre-established performance goals, consisting of one or more business criteria and a targeted performance level with respect to such criteria as a condition to the grant, exercise or settlement of the performance awards. Performance may be measured over a period of any length specified by the Compensation Committee, up to ten (10) years. If so determined by the Compensation Committee, the business criteria used by the Compensation Committee in establishing performance goals applicable to performance awards to the named executive officers will be based on one or more of the following individual, corporate-wide or subsidiary, division or operating unit financial measures: (1) pre-tax or after-tax net income; (2)

pre-tax or after-tax operating income; (3) gross revenue; (4) profit margin; (5) stock price (including market capitalization; (6) cash flow(s); (7) market share; (8) pre-tax or after-tax earnings per share; (9) pre-tax or after-tax operating earnings per share; (10) expenses; (11) return on equity; and (12) strategic business criteria, consisting of one or more objectives based on meeting specified revenue, market penetration, geographic business expansion goals, cost targets, goals relating to acquisitions or divestitures, clinical goals, distribution and development goals, sales force goals and strategic alliance goals.

Each such goal may be expressed on an absolute and/or relative basis, may be based on or otherwise employ comparisons based on current internal targets and/or the past performance of the Company (including the performance of one or more subsidiaries, divisions and/or operating units), and in the case of earnings-based measures, may use or employ comparisons relating to capital (including, but not limited to, the cost of capital), stockholders' equity and/or shares outstanding, or to assets or net assets.

Adjustments

In the event of any change in the outstanding shares of Common Stock by reason of any Share dividend or split, reorganization, recapitalization, merger, amalgamation, consolidation, spin-off, combination or exchange of shares of Common Stock, repurchase, liquidation, dissolution or other corporate exchange, any large, special and non-recurring dividend or distribution to stockholders, or other similar corporate transaction, the Compensation Committee shall make such substitution or adjustment as is equitable and appropriate in order to preserve, without enlarging, the rights of participants, as to (i) the number and kind of Shares which may be delivered pursuant to awards, (ii) the number and kind of Shares subject to or deliverable in respect of outstanding awards, and (iii) the exercise price, grant price or purchase price relating to any award. In addition, the Compensation Committee shall make such equitable and appropriate adjustments in the terms and conditions of, and the criteria included in, awards (including cancellation of awards in exchange for the intrinsic (i.e., in-the-money) value, if any, of the vested portion thereof, substitution of awards using securities or other obligations of a successor or other entity, acceleration of the expiration date for awards, or adjustment to performance goals in respect of awards) in recognition of unusual or nonrecurring events (including events described in the preceding sentence, as well as acquisitions and dispositions of businesses and assets) affecting the Company, any Subsidiary or any business unit, or the financial statements of the Company or any Subsidiary, or in response to changes in applicable laws, regulations, or accounting principles. Notwithstanding the foregoing, if any such event will result in the acquisition of all or substantially all of the Company's outstanding shares of Common Stock, then if the document governing such acquisition (e.g., merger agreement) specifies the treatment of outstanding awards, such treatment shall govern without the need for any action by the Compensation Committee.

Table of Contents

Amendment, Termination

The Compensation Committee may amend, suspend, discontinue, or terminate the 2014 Equity Plan or the Board of Director's authority to grant awards under the plan without stockholder approval, except as required by law or regulation. Unless earlier terminated, the 2014 Equity Plan will terminate ten years after its approval by stockholders.

Federal Income Tax Implications of the Plan

The Federal income tax consequences arising with respect to awards granted under the 2014 Equity Plan will depend on the type of the award. As a general rule, the recipient will recognize ordinary income at the time of payment of cash, or delivery of actual Shares. Future appreciation on Shares held beyond the ordinary income recognition event will be taxable to the recipient at capital gains rates when the Shares are sold. The Company as a general rule, will be entitled to a tax deduction that corresponds in time and amount to the ordinary income recognized by the recipient, and the Company will not be entitled to any tax deduction in respect of capital gain income recognized by the recipient. Exceptions to these general rules may arise under the following circumstances, among others: (i) if Shares, when delivered, are subject to a substantial risk of forfeiture by reason of failure to satisfy any employment or performance-related condition, ordinary income taxation and the Company's tax deduction will be delayed until the risk of forfeiture lapses (unless the recipient makes a special election to include the amount in income notwithstanding the risk of forfeiture); (ii) if an employee is granted an option that qualifies as "incentive stock option", no ordinary income will be recognized (but rather any gain recognized will be capital), and the Company will not be entitled to any tax deduction, if Shares acquired upon exercise of such option are held at least one year from the date of exercise and two years from the date of grant; (iii) the Company will not be entitled to a tax deduction for compensation attributable to awards granted to certain covered employees, if and to the extent, such compensation, along with any other compensation paid in the same calendar year to such individual, exceeds $1 million, and (iv) an award may be taxable at 20 percentage points above ordinary income tax rates at the time it becomes vested, even if that is prior to the delivery of the cash or stock in settlement of the award, if the award constitutes "deferred compensation" under Code Section 409A, and the requirements of Code Section 409A are not satisfied. The foregoing provides only a general description of the application of federal income tax laws to certain awards under the 2014 Equity Plan. This discussion is intended for the information of stockholders considering how to vote at the Annual Meeting and not as tax guidance to participants in the 2014 Equity Plan, as the consequences may vary with the types of awards made, the identity of the recipients and the method of payment or settlement. The summary does not address the effects of other federal taxes (including possible "golden parachute" excise taxes) or taxes imposed under state, local, or foreign tax laws.

New Plan Benefits under the Plan

The Compensation Committee has not made any grants of awards under the 2014 Equity Plan that are conditioned upon stockholder approval of the proposed amendments to the 2014 Equity Plan. Awards under the 2014 Equity Plan generally will be granted in the discretion of the Compensation Committee. Accordingly, future benefits that would be received by the executive officers and other eligible employees under the 2014 Equity Plan cannot be determined at this time.

Equity Compensation Plan Information

A summary of our securities authorized for issuance under equity compensation plans as of December 31, 2018 is set forth on page 34 of this Proxy Statement and additional information is included in the Company's Annual Report on Form 10-K filed with the SEC on March 22, 2019.

Table of Contents

Other Information

The market value of our Common Stock was $4.95 per share based on the closing price on March 27, 2019.

The following persons and groups have received grants of stock options to purchase the following number of shares under the 2014 Equity Plan since its inception through March 27, 2019: (a) the named executive officers, Richard DiIorio — options to purchase 565,000 shares, 200,000 stock appreciation rights and 125,000 restricted stock units, Gregory Schulte — options to purchase 25,000 shares; Thomas Ruiz — options to purchase 165,000 shares and 2,083 restricted stock units; (b) all current executive officers as a group (three persons) — options to purchase 755,000 shares, 200,000 stock appreciation rights for and 127,083 restricted stock units; (c) all current directors who are not executive officers as a group (seven persons) — options to purchase 540,000 shares; and (d) all employees, including all current officers who are not executive officers, as a group — options to purchase 903,055 shares. The amounts shown include shares subject to options that may have been forfeited in whole or in part.

Required Vote

The proposal to approve the amendments to the Company's 2014 Equity Plan (Proposal 2) will require the affirmative vote of a majority of the votes cast by the shares of the Company’s Common Stock issued and outstanding as of the Record Date that are present at the Annual Meeting, in person or by proxy, and entitled to vote in accordance with applicable listing rules of the NYSE American LLC. Abstentions will be treated as votes “against” the proposal. Broker non-votes and failures to vote will have no effect on the outcome of the vote.

Recommendation

THE BOARD OF DIRECTORS RECOMMENDS THAT THE STOCKHOLDERS VOTE “FOR” THE APPROVAL OF THE AMENDMENTS TO THE COMPANY'S 2014 EQUITY PLAN.

PROPOSAL 3—

ADVISORY VOTE REGARDING EXECUTIVE COMPENSATION

Pursuant to Section 14A to the Exchange Act adopted in connection with the Dodd-Frank Wall Street Reform and Consumer Protection Act, we are providing stockholders with the opportunity to vote to approve, on an advisory basis, the compensation of our named executive officers. Such a “say-on-pay” vote gives our stockholders the opportunity to express their views on the Company’s executive compensation policies and programs and the compensation paid to the named executive officers.

We are asking our stockholders to indicate their support for the compensation of our named executive officers as described in this proxy statement by approving the following resolution at the Annual Meeting:

“RESOLVED, that the Company’s stockholders approve, on an advisory basis, the compensation paid to the named executive officers, as disclosed in the Company’s proxy statement for the 2019 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the compensation tables and accompanying narrative disclosure.”

The Board of Directors recommends a vote FOR approval of the advisory resolution in this Proposal 3 because it believes that the Company’s executive compensation policies and practices are effective in incentivizing our named executive officers to achieve the Company’s goals of growth and sustained financial and operating performance, aligning executives’ interests with those of the stockholders, and attracting, retaining, motivating and rewarding highly talented executives. Please refer to “Executive Officers” and “Executive Compensation” in this proxy statement, including the tabular and narrative disclosure regarding executive compensation, for details about our executive compensation policies and programs and information about the fiscal year 2018 and current compensation of our named executive officers.

The vote on this Proposal 3 is advisory and therefore not binding on the Company, the Board of Directors or the Compensation Committee. However, the Board of Directors and the Compensation Committee will review and consider the voting results in future decisions regarding executive compensation. The Company currently submits the compensation of named executive officers to an advisory vote of stockholders on an annual basis, and the next such vote will occur at the 2020 Annual Stockholders Meeting.

Recommendation

THE BOARD OF DIRECTORS RECOMMENDS THAT THE STOCKHOLDERS VOTE “FOR” THE ADVISORY RESOLUTION APPROVING THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS AS DISCLOSED IN THIS PROXY STATEMENT.

Table of Contents

PROPOSAL 4 —

RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has selected BDO USA, LLP as the independent registered public accounting firm to audit the financial statements of the Company for the fiscal year ending December 31, 2019. The Board of Directors is submitting the appointment of BDO USA, LLP to the stockholders for ratification as a matter of good corporate practice.

In the event that the stockholders fail to ratify the appointment of BDO USA, LLP, the Audit Committee will reconsider its selection of audit firms, but may decide not to change its selection. Even if the appointment is ratified, the Audit Committee may appoint a different independent registered public accounting firm at any time if it determines that such a change would be in the best interest of the Company's stockholders.

Representatives of BDO USA, LLP are expected to be present at the Annual Meeting. These representatives will have the opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions.

Recommendation

THE AUDIT COMMITTEE AND THE BOARD OF DIRECTORS RECOMMENDS THAT THE STOCKHOLDERS VOTE "FOR" THE PROPOSAL TO RATIFY THE APPOINTMENT OF BDO USA, LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2019.

Table of Contents

EXECUTIVE OFFICERS

Executive Officers

The Company's executive officers are appointed by the Board of Directors and serve at the discretion of the Board of Directors, and hold office until such officer's successor is elected and qualified or until such officer's earlier death, resignation or removal. Set forth below are the names and certain biographical information regarding the Company's executive officers.

Name	**Age**	**Position**
Richard DiIorio (1)	44	President, Chief Executive Officer and Director
Gregory Schulte	52	Executive Vice President and Chief Financial Officer
Thomas Ruiz	61	Senior Vice President of Sales and Marketing

(1) See "Directors" for biographical information regarding Mr. DiIorio.

Gregory Schulte

Gregory Schulte was hired to serve as the Company's Chief Financial Officer in April 2018. Mr. Schulte served as the Vice President and Corporate Controller at Innocor, Inc. ("Innocor"), a manufacturer, from June 2015 until he joined the Company. Prior to joining Innocor, Mr. Schulte was at OfficeWorks, a provider of staffing services, and served as Chief Financial and Operating Officer, from August 2014 to June 2015. Mr. Schulte served as Vice-President and Corporate Controller at Corporate Resource Services, a provider of staffing services, from December 2010 to July 2014. Prior to 2010, Mr. Schulte held various positions as Chief Financial Officer, Vice President, and Corporate Controller at various public and private equity-owned corporations. Mr. Schulte holds a Bachelor of Science degree from Boston College and an MBA from New York University. He also served as a First Lieutenant in the United States Army and led a platoon in Operation Desert Storm.

Thomas Ruiz

Thomas Ruiz joined InfuSystem in 2010 and has held various sales positions with the Company. He was promoted to Senior Vice President, Sales and Marketing in January 2018, and prior to that served as Senior Vice President of Sales IPD and Pain Management since 2015 and Vice President of Sales and Marketing in 2014. Mr. Ruiz began his medical sales career with Smiths Medical, a medical device company with a broad portfolio of products. Over his years there he was recognized for his development and leadership of sales teams. He received his Bachelor of Science degree in Business Administration with an emphasis in Marketing from the Entrepreneurial Program at California State University, Los Angeles.

Table of Contents

EXECUTIVE COMPENSATION

Smaller Reporting Company Status

The Company is a "smaller reporting company," as defined in Item 10(f)(1) of Regulation S-K. As a "smaller reporting company," the Company is permitted to provide the scaled disclosure required by Items 402(m)-(r) of Regulation S-K in lieu of the more extensive disclosure required of other reporting companies.

Summary Compensation Table

The following table sets forth the compensation of the named executive officers of the Company for the fiscal years presented below.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards (1) ($)	Option Awards (1) ($)	All Other Compensation (2) ($)	Total ($)
Rich DiIorio President and Chief Executive Officer	2018	$312,000	$151,827	$171,535	$399,260	$ 14,695	$1,049,317
	2017	235,227	78,602	-	287,981	32,813	634,622
Gregory Schulte Executive Vice President and Chief Financial Officer	2018	147,692	91,392	-	124,304	6,848	370,236
Thomas Ruiz Senior Vice President of Sales and Marketing	2018	220,850	95,513	-	24,561	16,593	357,517

(1) In accordance with the SEC's proxy disclosure rules, included in the "Stock Awards" and "Option Awards" columns are the aggregate grant date fair values of stock awards and option awards made during the respective fiscal years computed in accordance with FASB ASC Topic 718. The measurement objective of FASB ASC Topic 718 is to estimate the fair value at the grant date of the equity instruments that the entity is obligated to issue when employees have rendered the requisite service and satisfied any other conditions necessary to earn the right to benefit from the instruments (for example, to exercise share options). That estimate is based on the share price and other pertinent factors, such as in the case of stock options the expected volatility at the grant date. The grant date fair value of an award reflects the accounting expense and may not represent the actual value that will be realized. For a discussion of the assumptions used in computing this valuation, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 11 of the Notes to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

(2) The Company matches all of an employee's 401(k) contribution up to a maximum of 5% of a participant’s eligible salary, or certain statutory limits. All Other Compensation for 2018 consists of the following: (i) for Mr. DiIorio $13,750 for 401(k) match and miscellaneous other benefits; (ii) for Mr. Schulte $6,504 for 401(k) match and miscellaneous other benefits; and (iii) for Mr. Ruiz $13,750 for employer 401(k) match and miscellaneous other benefits.

Table of Contents

Outstanding Equity Awards at Fiscal Year End

The following table shows all unexercised options, stock that has not vested and stock incentive plan awards for each of the named executive officers as of December 31, 2018:

	Option Awards:				Stock Awards:			
Name	**Number of Securities Underlying Unexercised Options Exercisable (#)**	**Number of Securities Underlying Unexercised Options Unexercisable (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested (#)**	**Market Value of Shares or Units of Stock That Have Not Vested ($)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (1) ($)**
Rich DiIorio (2)	50,000	-	$ 2.69	12/08/24	-	$-	-	$ -
	23,438	1,562	$ 2.60	03/10/25	-	$-	-	$ -
	31,111	8,889	$ 2.76	08/18/26	-	$-	-	$ -
	14,583	10,417	$ 2.15	03/15/27	-	$-	-	$ -

	8,333	16,667	$ 1.98	09/06/22	-	$ -	-	$ -
	54,167	145,833	$ 2.00	11/15/22	-	$ -	-	$ -
	200,000	-	$ 2.00	03/31/19	-	$ -	-	$ -
	-	200,000	$ 3.18	08/22/23	-	$ -	-	$ -
					-	$ -	25,000	$ 86,000
	-	-	$ -		-	$ -	50,000	$ 172,000
	-	-	$ -		-	$ -	50,000	$ 172,000
Gregory Schulte (3)	-	125,000	$ 2.55	05/06/23	-	$ -	-	$ -
	-	25,000	$ 3.18	08/23/28	-	$ -	-	$ -
Thomas Ruiz (4)					2,083	$ 7,166.00	-	$ -
	50,000	-	$ 2.69	12/08/24	-	$ -	-	$ -
	31,111	8,889	$ 2.76	08/18/26	-	$ -	-	$ -
	14,583	10,417	$ 2.15	03/15/27				