

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): March 14, 2013

InfuSystem Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-35020
(Commission
File Number)

20-3341405
(I.R.S. Employer
Identification No.)

31700 Research Park Drive
Madison Heights, Michigan 48071
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (248) 291-1210

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

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

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

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

(a) Not applicable.

(b) In connection with the appointment by InfuSystem Holdings, Inc. (the "Company") of a new Chief Executive Officer, as further discussed under Item 5.02(c) below, the Company announced on March 14, 2013 that Dilip Singh will resign his position as the Company's Interim Chief Executive Officer, effective April 1, 2013.

(c) On March 14, 2013, the Company announced that its Board of Directors (the "Board") has appointed Eric K. Steen as the Company's Chief Executive Officer and a member of the Board, effective April 1, 2013.

Mr. Steen, age 56, most recently served as the principal of Eric K. Steen & Associates, a consulting business providing services to medical device and pharmaceutical companies, from February 2012 to March 2013. Prior to forming Eric K. Steen & Associates, Mr. Steen was President of Central Admixture Pharmacy Services, where he turned a start-up company into a successful \$150 million pharmacy services organization with 25 locations. Mr. Steen was employed at Central Admixture Pharmacy Services from 1992 to 2012, and served as President starting in 1997. Mr. Steen concurrently served as the Chief Marketing Officer of B. Braun Medical Inc., a \$1.5 billion organization offering infusion therapy and pain management products and services. Mr. Steen was employed at B. Braun Medical Inc. from 1997 to 2012. Mr. Steen began his career in sales and operations management at American Hospital Supply Corp., where he was employed from 1978 to 1983, and at Baxter Healthcare, where he was employed from 1983 to 1992. Mr. Steen earned a Master of Business Administration degree from Arizona State University and a Bachelor of Science Degree in Business Administration from San Diego State University.

In connection with Mr. Steen's appointment as Chief Executive Officer, the Company entered into an Employment Agreement, effective as of April 1, 2013, with Mr. Steen (the "Employment Agreement"). The Employment Agreement provides for an initial term (the "Initial Term") of one year, and the Employment Agreement shall automatically renew for subsequent one year renewal terms unless Mr. Steen is terminated, retires or resigns, or if either party provides at least ninety days written notice of non-renewal.

Under the Employment Agreement, Mr. Steen will receive a base salary of \$300,000 for the Initial Term and is eligible for an annual performance bonus of up to 75% of his base salary, or \$225,000 in the Initial Term, based upon satisfaction of performance objectives to be developed by the Compensation Committee of the Board (the "Compensation Committee"). Mr. Steen is also eligible for additional discretionary bonuses based on the achievement of certain specified goals established by the Compensation Committee.

Mr. Steen will receive, pursuant to the terms of an Inducement Stock Option Agreement by and between the Company and Mr. Steen, dated as of April 1, 2013, 700,000 inducement stock options outside the Company's 2007 Stock Option Plan, of which 300,000 options will have an exercise price of \$1.75 and 400,000 options will have an exercise price of \$2.75 (all options granted to Mr. Steen pursuant to the Inducement Stock Option Agreement, the "Options"). The Options will be granted on April 1, 2013 and will vest over a four-year period, with 25% vesting on the first anniversary of the grant date and the remaining Options vesting pro rata monthly in the thirty-six months thereafter. The Options will expire on the tenth anniversary of their grant date. In the event Mr. Steen is involuntarily terminated by the Company

without cause, the vesting of the Options that would have otherwise vested in the twelve months following the date of termination will accelerate and become exercisable. The vesting of the Options may be accelerated by the Compensation Committee, in its sole discretion.

Pursuant to the Employment Agreement, Mr. Steen will also be eligible for additional option grants as determined by the Compensation Committee. Mr. Steen will additionally be entitled to the reimbursement of reasonable relocation expenses not to exceed \$20,000. Mr. Steen will be eligible to participate in any benefit plan offered by the Company for which Mr. Steen qualifies, and Mr. Steen will accrue paid time off at a rate of four weeks per year. Any accrued paid time off that remains unused after the Initial Term shall roll over into any renewal terms.

The Company must provide Mr. Steen with six months advance notice of an involuntary termination of Mr. Steen's employment other than for cause. In such event and in exchange for the execution of a general release, Mr. Steen will be entitled to a severance payment in an amount equal to six months of Mr. Steen's then-current base salary, in addition to Mr. Steen's accrued and unpaid base salary, bonus amount in respect of the immediately preceding calendar year, paid time off and reimbursements through the date of such termination.

The Employment Agreement contains customary confidentiality, non-disparagement, protection of Company intellectual property, non-competition and non-solicitation provisions applicable to the duration of Mr. Steen's employment and thereafter.

The foregoing descriptions of the Employment Agreement and Inducement Stock Option Agreement are only a summary, do not purport to be complete, and are qualified in their entirety by the terms of the Employment Agreement and Inducement Stock Option Agreement, which are filed as Exhibit 10.1 and Exhibit 10.2 hereto and incorporated by reference herein.

(d) Pursuant to the terms of the Employment Agreement, the Company has increased the size of its Board by one member, to eight directors, and has appointed Mr. Steen to the Board, effective April 1, 2013. A description of the Employment Agreement and a biography of Mr. Steen are provided in Item 5.02(c) above.

(e) The Company and Mr. Steen entered into the Employment Agreement and Inducement Stock Option Agreement, the terms of such agreements are summarized in Item 5.02 (c) above.

(f) Not applicable.

Item 8.01. Other Events.

On March 14, 2013, the Company issued a press release announcing the resignation of Mr. Singh, the appointment of Mr. Steen as Chief Executive Officer, the Employment Agreement and the Inducement Stock Option Agreement.

The foregoing description of the press release is qualified by the complete press release filed as Exhibit 99.1 hereto and incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

- 10.1 Employment Agreement by and between the Company and Eric K. Steen, effective April 1, 2013.
- 10.2 Inducement Stock Option Agreement by and between the Company and Eric K. Steen, dated as of April 1, 2013.
- 99.1 Press Release of InfuSystem Holdings, Inc., dated March 14, 2013.

Signature

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

INFUSYSTEM HOLDINGS, INC.

By: /s/ Jonathan P. Foster

Name: Jonathan P. Foster

Title: Chief Financial Officer

Dated: March 18, 2013

Index to Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	Employment Agreement by and between the Company and Eric K. Steen, effective April 1, 2013.
10.2	Inducement Stock Option Agreement by and between the Company and Eric K. Steen, dated as of April 1, 2013.
99.1	Press Release of InfuSystem Holdings, Inc., dated March 14, 2013.

EMPLOYMENT AGREEMENT

This Employment Agreement (“Agreement”) is made as of the Effective Date between **InfuSystem Holdings, Inc.**, a Delaware corporation with offices at 31700 Research Park Drive, Madison Heights, Michigan 48071-4627 (the “Company”), and **Eric K. Steen**, an individual currently residing at [Address] (“Employee”).

WHEREAS, the Company wishes to retain Employee’s services to work for the Company as its Chief Executive Officer (the “Position”) upon the terms and condition hereinafter set forth; and

WHEREAS, Employee wishes to serve in the Position upon the terms of this Agreement.

NOW, THEREFORE, for such consideration as set forth herein, the sufficiency of which is acknowledged by the Company and Employee, the Company and Employee hereby agree as follows:

1. Defined Terms.

“**Affiliates**” shall mean all persons and entities directly or indirectly controlling, controlled by or under common control with the entity specified, where control may be by management authority, contract or equity interest.

“**Board**” shall mean the Board of Directors of the Company.

“**Code**” shall mean the Internal Revenue Code of 1986, as amended from time to time.

“**Compensation Committee**” shall mean the Compensation Committee of the Board.

“**Effective Date**” shall mean April 1, 2013.

“**Employment Period**” shall mean the period of Employee’s employment with the Company governed by the terms and provisions of this Agreement.

“**Involuntary Termination**” shall mean the termination of the Employee’s employment with the Company:

(i) involuntarily upon Employee’s discharge or dismissal or the Company’s failure to renew this Agreement pursuant to Section 5 (either in the initial term of this Agreement or in any extension); or

(ii) voluntarily or involuntarily, provided such termination occurs in connection with one of the following events without Employee’s written concurrence: (a) a change in Employee’s position with the Company or any successor which materially reduces Employee’s level of responsibility or (b) a material reduction in Employee’s level of compensation (including base salary, fringe benefits and any non-discretionary bonuses or other incentive payments earned pursuant to objective standards or criteria).

“Termination for Cause” shall mean an involuntary termination of Employee’s employment for (i) Employee’s willful misconduct or gross negligence which, in the good faith judgment of the Board, has a material adverse impact on the Company (either economically or on its reputation); (ii) Employee’s conviction of, or pleading of guilty or nolo contendere to, a felony or any crime involving fraud; (iii) Employee’s breach of his fiduciary duties to the Company; (iv) Employee’s failure to attempt in good faith to perform his duties or to follow the written legal direction of the Board, which failure, if susceptible of cure, is not remedied within 15 days of written notice from the Board specifying the details thereof; and (v) any other material breach by Employee of this Agreement, the Company’s written code of conduct, written code of ethics or other written policy that is not remedied within 15 days of written notice from the Board specifying the details thereof.

2. **Terms of Employment.** The Company hereby employs the Employee, and the Employee hereby accepts employment by the Company, upon the terms and conditions set forth in this Agreement.

3. **Employment and Duties.** During the Employment Period (as defined below), Employee will serve as the Chief Executive Officer of the Company and will report to the Board. Employee will have such duties and responsibilities that are commensurate with such position and such other duties and responsibilities commensurate with such position as are from time to time assigned to Employee by the Board (or a committee thereof). Employee’s duties and responsibilities will include without limitation the authority to hire and fire employees (other than any Executive Chairman of the Board). During the Employment Period, Employee shall diligently and conscientiously devote his full business time, attention and energies to the performance of his duties and responsibilities hereunder. Employee shall not engage in any other employment or business activity without the express prior written consent of the Board. Employee shall not, directly or indirectly, engage or participate in any activities at any time during the term of this Agreement which conflict with the best interests of the Company. Employee shall work at such times and at such places as required by the Company. Employee shall, at all times during the Employment Period, discharge his duties herein described in consultation with and under the direction, approval and control of the Board. Notwithstanding any other provision of this Agreement, the Board reserves the absolute right, in its sole and absolute discretion, to make any and all decisions with respect to actions to be taken by Employee in connection with the rendering of his duties.

4. **Service as Director.** As of the Effective Date, the Board will appoint Employee as a member of the Board. Employee’s failure to be re-elected to the Board, in and of itself, shall not constitute a termination of this Agreement, nor shall it entitle Employee to any severance benefits. Pursuant to the Company’s policies, for the duration of this Agreement, Employee will fulfill his duties as a director to the Company and as an officer or director to the any affiliate thereof without additional compensation. This Agreement shall not in any way be construed or interpreted so as to affect adversely or otherwise impair the right of the Company or the stockholders to remove the Employee from the Board at any time in accordance with the provisions of applicable law.

5. **Term.** The term of this Agreement (the "Initial Term") shall run for a period of twelve (12) months from the Effective Date. At the end of the Initial Term, this Agreement shall automatically renew for additional twelve-month periods, unless (i) Employee's employment is terminated, whether by Involuntary Termination, Termination for Cause or resignation/retirement, (ii) the Agreement otherwise has terminated as hereinafter provided, or (iii) either Employer or Employee provides written notice of non-renewal on or before the date ninety (90) days prior to the end of the Initial Term or any renewal term.

6. Compensation; Performance Bonus.

A. Employee's base salary will be paid at the rate of \$300,000 per annum.

B. Employee's base salary will be paid at periodic intervals in accordance with the Company's normal payroll practices for salaried employees. Except as otherwise provided in this Agreement, Employee shall be paid a pro rata share of his base salary in accordance with the Company's normal payroll practices for salaried employees should his employment be terminated before the end of any given pay period. Employee's base salary may be reevaluated on a yearly basis, but there is no guarantee that such compensation shall be increased, and the decision as to same remains at the sole discretion of the Compensation Committee of the Board.

C. Employee will be eligible for an annual incentive compensation bonus of up to seventy-five percent (75%) of Employee's then-current base salary based upon satisfaction of certain performance objectives. These performance objectives will be developed annually by the Compensation Committee of the Board, in its sole discretion, and will relate to, among other things, the Company's Annual Operating Plan. Employee's annual incentive compensation bonus for 2013 will be prorated based on the number of months during 2013 that Employee was actually employed by the Company. All bonuses payable to Employee hereunder will be paid within sixty (60) days after the end of the calendar year for which the incentive compensation was earned; provided, however, that if it is administratively impracticable to make the payment by such date, the payment shall be made as soon as reasonably practicable thereafter, but in any event by the fifteenth (15th) day of the third (3rd) month following the calendar year for which the incentive compensation was earned. All bonuses pursuant to this paragraph, including Employee's satisfaction of the performance objective applicable to any such bonus, are subject to approval of the Compensation Committee, in its sole discretion.

D. Employee may also be eligible for additional discretionary bonuses based on the achievement of certain specified goals established by the Compensation Committee. All bonuses pursuant to this paragraph are subject to approval by the Compensation Committee, in its sole discretion.

E. On the Effective Date, as an inducement for Employee to accept employment with the Company, the Company will grant Employee (i) non-qualified stock options to purchase a total of Three Hundred Thousand (300,000) shares of Common Stock in the Company at an exercise price equal to \$1.75 per share and (ii) non-qualified stock options to purchase a total of Four Hundred Thousand (400,000) shares of Common Stock at an exercise price of \$2.75 per share (collectively, the "Options"). The vesting of the Options may

be accelerated by the Compensation Committee, in its sole discretion; otherwise, the sole conditions of vesting of the Options are as provided in this Section 6.E. The Options will vest over a four (4) year period as follows: (x) one-fourth (1/4th) of the Options will vest upon the first anniversary of the Effective Date and (y) the remaining three-fourths (3/4th) of the Options will vest ratably on a monthly basis for the next thirty-six (36) months thereafter, provided Employee remains employed by the Company through such vesting dates. The Options shall expire on, and shall not be exercised after, the tenth (10th) anniversary of the Effective Date (the "Final Exercise Date"). The Options will otherwise be subject to the terms and conditions contained in the Inducement Stock Option Agreement dated the date hereof between Employee and the Company (the "Inducement Stock Option Agreement").

F. Employee will be eligible for additional option grants as determined by the Compensation Committee in its sole discretion.

G. The Company will deduct and withhold, from the compensation payable to Employee hereunder, any and all applicable federal, state and local income and employment withholding taxes and any other amounts required to be deducted or withheld by the Company under applicable statute or regulation.

H. To the extent that any compensation paid or payable pursuant to this Agreement is considered "incentive-based compensation" within the meaning and subject to the requirements of Section 10D of the Securities Exchange Act of 1934 (the "Exchange Act"), such compensation shall be subject to potential forfeiture or recovery by the Company in accordance with any compensation recovery policy adopted by the Board or any committee thereof in response to the requirements of Section 10D of the Exchange Act and any implementing rules and regulations thereunder adopted by the Securities and Exchange Commission or any national securities exchange on which the Company's common stock is then listed. This Agreement may be unilaterally amended by the Company to comply with any such compensation recovery policy. In addition, cash amounts paid and Company securities issued pursuant to this Agreement as "incentive-based compensation" are subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of fraud; misconduct; breach of the agreements to which Employee is currently or hereafter becomes a party; or other conduct by Employee that the Board determines is detrimental to the business or reputation of the Company and its subsidiaries, including facts and circumstances discovered after termination of employment.

7. Expense Reimbursement; Fringe Benefits; Paid Time Off (PTO).

A. Employee will be entitled to reimbursement from the Company for (i) all reasonable relocation expenses in an amount not to exceed Twenty Thousand Dollars (\$20,000), and (ii) customary, ordinary and necessary business expenses incurred by Employee in the performance of Employee's duties hereunder in accordance with the terms of the Company's expense guidelines provided on the Company's internal website, provided that Employee's entitlement to such reimbursements shall be conditioned upon Employee's provision to the Company of vouchers, receipts and other substantiation of such expenses in accordance with Company policies. Any reimbursement to which the Employee is entitled pursuant to this Section 7.A that would constitute nonqualified deferred compensation subject to Section 409A of the Code shall be subject to the following additional rules: (i) no reimbursement of any such

expense shall affect the Employee's right to reimbursement of any other such expense in any other taxable year; (ii) reimbursement of the expense shall be made, if at all, not later than the end of the calendar year following the calendar year in which the expense was incurred; and (iii) the right to reimbursement shall not be subject to liquidation or exchange for any other benefit.

B. During the Employment Period, Employee will be eligible to participate in any group life insurance plan, group medical and/or dental insurance plan, accidental death and dismemberment plan, short-term disability program, long term disability program and other employee benefit plans, including profit sharing plans, cafeteria benefit programs and stock purchase and option plans, which are made available to executives and for which Employee qualifies under the terms of such plan or plans. Employee will not be entitled to any fringe benefits not provided in this Section 7 or the Company's Employee Handbook, which handbook Employee acknowledges that the Company can amend at any time, in its sole discretion.

C. Employee will accrue paid time off ("PTO") benefits at a rate of four (4) weeks per year (6.15 hours per pay period) during the Employment Period in accordance with and subject to Company policy then in effect for executive officers. Any unused PTO that Employee has accrued from prior terms of employment with the Company shall roll over to the current term.

8. Employee Covenants.

A. Non-Disclosure of Confidential Information. Employee acknowledges that, in and as a result of Employee's performing the duties hereunder, Employee will be making use of, acquiring, creating and/or adding to confidential and proprietary information of a special and unique nature and value relating to the customers, potential customers, customer lists, suppliers, vendors and agents of the Company and its Affiliates, the contracts, pricing lists, marketing plans, business records, accounting records, sales reports, billing systems, inventory systems, financing and loan documents, bank records, financial records and statements, tax filings and records, account lists, territory reports, quotation forms, advertising and marketing methods and techniques, systems, methodologies, facts, data, patent and license information of the Company, the computer systems, computer programs, software, web portal solutions, customer sales portal design, development, and programming of the Company, the employee payroll information and records, employee medical records, information contained in employee personnel files or other employee files of the Company, and all other information concerning the business and/or affairs of the Company (hereinafter "Confidential Information").

i. As an inducement for the Company to enter into this Agreement, Employee agrees that he will not, at any time, either during the term of this Agreement or thereafter, divulge, review or communicate to any person, firm, corporation or entity whatsoever, directly or indirectly, or use for his own benefit or the benefit of others, any Confidential Information which may be in his possession or to which he has access. Employee further acknowledges that all records and lists of the customers and prospective customers of the Company, and all matters affecting or relating to the business and financial operation of the Company, are the property of the Company and are material and confidential and greatly affect the effective and successful conduct of the business of the Company and the goodwill of the

Company. Employee hereby agrees that he shall never divulge, disclose or communicate any such information to any person, firm, corporation or other entity during the term of this Agreement or thereafter.

ii. Employee agrees that any books, manuals, price lists, customer lists, supplier and/or distributor lists, plans, samples or other written or electronic evidence and/or forms of Confidential Information, including, but not limited to emails, computer files and all other electronic media, shall only be used by Employee during the term of this Agreement and constitute the property of the Company. Employee is only authorized to use these materials while undertaking his responsibilities under this Agreement. All of these materials must be returned to the Company or destroyed by Employee upon his separation from the Company for any reason whatsoever.

iii. The Company has informed Employee of the need to keep the terms of this Agreement confidential in order to prevent damage to the Company's business and its relationships with its other employees. Therefore, during the term of this Agreement and thereafter, Employee shall not disclose any of the terms of his compensation under this Agreement, or any documents generated by the Company or Employee relating to the calculation of his compensation or bonuses, to any third party other than Employee's accountant, financial and legal advisors or spouse, or as required under State or Federal law. In the event of a breach of this confidentiality provision, the Company shall be entitled to a permanent injunction, in order to prevent or restrain any such breach by Employee, as well as all of its attorney fees and costs expended in enforcing this Section 8.A, its actual damages and any other remedies available to it at law or in equity.

B. Covenants Against Competition. Employee acknowledges that his duties as herein described are of a special and unusual character which have a unique value to the Company, the loss of which could not be adequately compensated by damages in an action at law. In view of the unique value to the Company of the Employee's duties for which the Company has contracted hereunder, because of the Confidential Information to be retained by or disclosed to Employee as set forth above and as a material inducement to the Company to enter into this Agreement, Employee covenants and agrees that, unless the Company and its successors and assigns shall cease to engage in business:

i. During the term of this Agreement and for a period of two (2) years thereafter, Employee shall not, directly or indirectly, solicit the customers of the Company or its Affiliates or divert the customers of the Company from doing business with the Company, and further, shall not induce any individual or entity to refrain from referring customers or work to the Company. For purposes of this Section 8.B.ii, the customers of the Company shall include:

1. any individual, business or governmental entity which purchased goods or services from the Company at any time prior to the execution of the Agreement or during the term of the Agreement;

2. any individual, business or governmental entity whose name appears on a list of prospective customers maintained by the Company which list was existing at any time prior to the execution of the Agreement or during the term of the Agreement;

3. any suppliers, distributors, vendors or other entities which provided goods or services to the Company at any time prior to the execution of the Agreement or during the term of the Agreement; and

4. any non-profit organizations, large customer facilities or referral sources which did any business with, or referred any customers to, the Company at any time prior to the execution of the Agreement or during the term of the Agreement.

ii. During the term of this Agreement and for a period of two (2) years thereafter, Employee shall not, directly or indirectly, own, manage, operate, join, control, accept employment with, or participate in the ownership, management, operation or control of, or act as an employee, agent or consultant to, or be connected in any manner with, any business which is competitive with the Company in any states, territories or provinces of the United States, Canada, Mexico or any other countries in which the Company has conducted business at any time prior to Employee's separation from the Company, or such states, territories or provinces as to which the Company has future plans to expand its business into, for any reason whatsoever.

iii. At the conclusion of the two (2) year non-competition/non-solicitation period set forth in Sections 8.B.i and 8.B.ii, the Company may in its sole discretion elect to extend the non-competition/non-solicitation period and provisions of Sections 8.B.i and 8.B.ii by up to an additional one (1) year period by paying Employee his Annual Base Salary as set forth in Section 6.A for a commensurate period of time.

iv. During the term of this Agreement and for a period of three (3) years thereafter, regardless of the reason for Employee's separation of employment from the Company, Employee shall not, directly or indirectly, solicit for employment or employ any employees, agents or independent contractors of the Company or their assigns, unless previously agreed to in writing by the Company or its assigns.

C. Employee's Review of Sections 8.A and 8.B.

i. Employee has carefully read and considered the provisions of Sections 8.A and 8.B hereof and, having done so, agrees that the restrictions set forth in such Sections are fair and reasonable and are reasonably required for the protection of the interests of the Company, its officers, directors and other employees. Employee acknowledges that the restrictions set forth in Sections 8.A and 8.B hereof will not unreasonably restrict or interfere with Employee's ability to obtain future employment.

ii. It is the belief of the parties that the best protection which can be given to the Company which does not in any manner infringe on the rights of Employee to conduct any unrelated business, is to provide for the restrictions described above. In the event any of said restrictions shall be held unenforceable by any court of competent jurisdiction, the parties hereto agree that it is their desire that such court shall substitute a reasonable judicially enforceable limitation in place of any limitation deemed unenforceable and, as so modified, the covenant shall be as fully enforceable as if it had been set forth herein by the parties. In determining this limitation, it is the intent of the parties that the court recognize that the parties hereto desire that this covenant not to compete be imposed and maintained to the greatest extent possible.

iii. In the event of a breach of Sections 8.A and 8.B, the Company, in addition to and not in limitation of any other rights, remedies or damages available to the Company at law or in equity, shall be entitled to a permanent injunction, in order to prevent or restrain any such breach by Employee, or by Employee's partners, agents, representatives, servants, employers, employees and/or any and all persons directly or indirectly acting for or with Employee

D. No Disparagement. Employee shall not make any public statements or disclosures regarding the terms of Employee's employment with the Company, this Agreement or the termination of Employee's employment (for any reason whatsoever) which are not pre-approved in writing by the Company. Further, Employee shall not make, at any time, any public statement that would libel, slander, disparage, denigrate or criticize the Company, its parent company, subsidiaries and affiliates or any of their respective past or present officers, directors, employees or agents. Notwithstanding this Section 8.D, nothing contained herein shall limit or impair the ability of any party to provide truthful testimony in response to any validly issued subpoena.

E. Protection of Company Intellectual Property.

i. Employee hereby assigns to the Company all rights, title and interest in and to all creations which are or may become legally protectable or recognized as forms of intellectual property rights, including all works, whether registerable or not, in which copyright, design right or any form of intellectual property rights may subsist, including, but not limited to all innovations, inventions, improvements, marks, grants, designs, processes, methods, formulas, techniques, videotapes, audiotapes and computer programs, (all referred to as "Intellectual Property"), which Employee, either solely or jointly, conceives, makes or reduces to practice during the time that this Agreement is in effect, which relate to or touch upon Employee's services to the Company, or any aspect of the Company's business, including but not limited to anything related to Confidential Information. All such Intellectual Property shall be the absolute property of the Company. Employee shall make and maintain written records of and promptly and fully disclose to the Company all such Intellectual Property.

ii. During and after termination the Employment Period, Employee shall perform all useful or necessary acts to assist the Company, as it may elect, to file patent, design, mark and copyright applications in the United States and foreign countries to protect or maintain rights in the Intellectual Property, and also perform all useful or necessary acts to assist the Company in any related proceedings or litigation as to such Intellectual Property.

F. Rules and Regulations. Employee agrees to comply with all rules and regulations of the Company as established from time to time, including, but not limited to, the Employee Handbook and InfuSystem Expense Guidelines.

G. Transition and Other Assistance. During the 30 days following the termination of the Employment Period, Employee will take all actions the Company may reasonably request to maintain the Company's business, goodwill and business relationships and

to assist with transition matters, all at the Company's expense. In addition, upon the receipt of notice from the Company (including outside counsel), during the Employment Period and thereafter, Employee will respond and provide information with regard to matters in which he has knowledge as a result of his employment with the Company, and will provide assistance to the Company and its representatives in the defense or prosecution of any claims that may be made by or against the Company, to the extent that such claims may relate to the period of Employee's employment with the Company, all at Company expense.

H. Restrictive Covenant. During the Employment Period, Employee will not directly or indirectly, whether for Employee's own account or as an employee, director, consultant or advisor, provide services to any business enterprise other than the Company or its Affiliates, unless otherwise authorized by the Board in writing.

I. Survival of Provisions. The obligations contained in this Section 8 will survive the termination of Employee's employment with the Company and will be fully enforceable thereafter.

9. **Termination of Employment**. Employee expressly acknowledges that this Agreement is terminable at will by Employee or the Company, with or with cause, and without payment, penalty or further obligation except as follows:

A. Death and Permanent Disability. Upon Employee's death or permanent disability during the Employment Period, the employment relationship created pursuant to this Agreement will immediately terminate and no further compensation will become payable to Employee pursuant to Section 6 or Section 7. Should Employee's employment with the Company terminate by reason of Employee's death or permanent disability during the Employment Period, (i) the unpaid base salary earned by Employee pursuant to Section 6.A for services rendered through the date of Employee's death or permanent disability, as applicable, (ii) any accrued but unpaid compensation pursuant to Section 6.C determined by the Compensation Committee, in its sole direction, to have been earned in respect of the immediately preceding calendar year ("Bonus Amount") as of the date of death or permanent disability, (iii) the accrued but unpaid PTO earned under Section 7.C through the date of Employee's death or permanent disability, and the (iv) limited death, disability, and/or income continuation benefits provided under Section 7.B, if any, will be payable within thirty (30) days of the death or permanent disability, excluding any Bonus Amount, which will be paid in accordance with Section 6.C. For purposes of this Agreement, Employee will be deemed "permanently disabled" if Employee is so characterized pursuant to the terms of the Company's disability policies or programs applicable to Employee from time to time, or if no such policy is applicable, if Employee is unable to perform his duties or responsibilities to the Company as a result of physical or mental ailment or incapacity for an aggregate period of one hundred and eighty (180) calendar days (whether or not consecutive). Upon death or permanent disability, the relevant terms of the Inducement Stock Option Agreement will apply.

B. Involuntary Termination. Upon termination of Employee's employment by reason of Involuntary Termination (other than a Termination for Cause), the employment relationship created pursuant to this Agreement will terminate on the date six months after notice of such Involuntary Termination has been delivered to Employee, and no further compensation

will become payable to Employee pursuant to Section 6 or Section 7 upon the effectiveness of such Involuntary Termination. Upon Employee's Involuntary Termination (other than a Termination for Cause), Employee will be entitled to receive only the amounts provided in this Section 9.B: (i) the unpaid base salary earned by Employee pursuant to Section 6.A for services rendered through the date of such termination, (ii) any accrued and unpaid Bonus Amount, (iii) the accrued but unpaid PTO earned under Section 7.C, (iv) unreimbursed amounts under Section 7.A, and (v) a severance payment, in an aggregate amount equal to six months of the Employee's then current base salary. The payment of any amounts in respect of this Section 9.B shall be contingent upon Employee's execution and delivery to the Company an unconditional general release, in form satisfactory to the Company, of all claims against the Company and its Affiliates and their respective directors, officers, employees and representatives, arising from or in connection with this Agreement or Employee's employment with the Company. Further, payment of the amounts set forth in clause (v) shall be contingent upon Employee's continued performance of his obligations under Sections 8.A, 8.B, 8.D, 8.E and 8.G. Any payments in respect of clauses (i), (iii), or (iv) shall be made within thirty (30) days of such Involuntary Termination; any Bonus Amount shall be paid in accordance with Section 6.C; and any severance amount in respect of clause (v) shall be paid in accordance with the Company's regular payroll policies.

C. Termination for Cause. The Company may at any time, upon written notice, terminate Employee's employment hereunder for any act qualifying as a Termination for Cause. Such termination will be effective immediately upon such notice. Upon such Termination for Cause, the Company will only be required to pay Employee (i) any unpaid compensation earned by Employee pursuant to Section 6.A, (ii) any accrued and unpaid Bonus Amount, (iii) accrued but unpaid PTO earned under Section 7.C for services rendered through the date of such termination, and (iv) unreimbursed amounts under Section 7.A; no termination or severance benefits will be payable to Employee under Section 9.B. Any payments in respect of clauses (i), (iii), or (iv) shall be made within thirty (30) days of such Involuntary Termination; and any Bonus Amount shall be paid in accordance with Section 6.C.

D. Resignations. Upon any termination of Employee's employment, Employee will immediately resign from (1) all officer or other positions of the Company and its Affiliates and (2) all fiduciary positions (including as trustee) Employee then holds with respect to any pension plans or trusts established by the Company.

E. Options. Except as otherwise provided in this Section 9, upon an Involuntary Termination (other than a Termination for Cause) of Employee's employment, that portion of the Options that by their terms would become exercisable in the twelve (12) month period following the date of such termination will become immediately exercisable and, along with any portion of the Options that have become exercisable prior to the date of such termination, will remain exercisable for three months. Further, except as otherwise provided in this Section 9, upon termination of Employee's employment for any reason other than an Involuntary Termination or a Termination for Cause, any portion of the Options that are not then exercisable will immediately expire and the remainder of the Options will remain exercisable for three months; provided, that any portion of the Options held by Employee immediately prior to Employee's death or permanent disability, to the extent then exercisable, will remain exercisable for one year following Employee's death or permanent disability. Notwithstanding anything to

the contrary in this Agreement, in the event that Employee experiences a Termination for Cause, all Options, whether or not then vested, shall immediately expire upon such event, and no portion thereof shall remain exercisable. In no event shall any portion of the Options be exercisable after the Final Exercise Date.

10. Indemnification; Liability Insurance.

A. The Company hereby agrees to indemnify Employee and hold him harmless to the fullest extent permitted under the by-laws of the Company in effect on the date of this Agreement against and in respect to any actual or threatened actions, suits, proceedings, claims, demands, judgments, costs, expenses (including reasonable attorney's fees), losses, and damages (collectively, "Claims") resulting from the good faith performance of his assigned duties and responsibilities with the Company and any affiliates or subsidiaries of the Company. In furtherance of the Company's obligation to advance expenses under the by-laws of the Company in effect on the date of this Agreement, the Company, within 10 days of presentation of invoices, will advance to Employee reimbursement of all legal fees and disbursements Employee actually incurs in connection with any potentially indemnifiable matter provided that Employee, to the extent required by applicable law, undertake to repay such amount in the event that it is ultimately determined that Employee is not entitled to be indemnified. In addition, the Company will cover Employee under directors and officers liability insurance both during and, while potential liability exists, after the termination of Employee's employment in the same amount and to the same extent as the Company covers its other officers and directors. To the extent permitted by applicable law and the Company's by-laws in effect on the date of this Agreement, Employee will not be liable to the Company or any of its affiliates or subsidiaries for his acts or omissions, except to the extent that such acts or omissions were not made in the good faith performance of his assigned duties and responsibilities. The obligations and limits contained in this Section 10 will survive the termination of Employee's employment with the Company.

B. Employee hereby agrees to indemnify the Company, its Affiliates, and their respective successors, assigns, directors, officers, employees and representatives and hold them harmless to the fullest extent permitted under the law against and in respect of any actual or threatened Claims resulting from or attributable to any and all willful, criminal or grossly negligent acts and/or omissions of Employee in connection with Employee's actions under this Agreement; provided, however, that to the extent any such liabilities, costs, damages, expenses and attorney's fees are compensated for by insurance purchased by the Company and/or Employee, Employee shall not be required to reimburse the Company for the same.

11. Termination of Consultant Relationship. Prior to the Effective Date, Employee has served as a consultant to the Company. Employee specifically acknowledges that such consulting relationship has terminated as of the date immediately prior to the Effective Date, and that as of the Effective Date, Employee shall, with respect to the consulting relationship, be entitled only to due and unpaid amounts earned as of the date immediately prior to the Effective Date. Employee hereby releases the Company and its Affiliates and their respective directors, officers, employees and representatives with respect to, and hereby waives, any claims, obligations, demands, liabilities, costs, expenses and/or causes of action of whatever nature, whether known or unknown, and waives any and all claims, that he may have against the Company as of the date of this Agreement, including in respect of the consulting relationship.

12. **Section 409A.** This Agreement shall be interpreted and applied in all circumstances in a manner that is consistent with the intent of the parties that, to the extent applicable, amounts earned and payable pursuant to this Agreement shall constitute short-term deferrals exempt from the application of Section 409A and, if not exempt, that amounts earned and payable pursuant to this Agreement shall not be subject to the premature income recognition or adverse tax provisions of Section 409A. Any payments to be made under this Agreement upon a termination of employment shall only be made if such termination of employment constitutes a “separation from service” under Section 409A. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Employee on account of non-compliance with Section 409A.

13. **Choice of Law.** This Agreement is being executed and delivered in the State of Michigan. The provisions of this Agreement will be construed and interpreted under the laws of the State of Michigan, excluding such jurisdiction’s conflict of laws principles. The parties expressly agree that the Oakland County Circuit Court shall have exclusive jurisdiction over any disputes arising out of this Agreement and that venue is only appropriate in such circuit court.

14. **Entire Agreement; Severability; Amendments.** This Agreement and the undated Consulting Services Agreement by and between Infusystem, Inc. and Eric Steen & Associates, regarding the consulting services referenced herein, contain the entire agreement of the parties relating to the subject matter hereof and supersede any and all negotiations, discussions, proposed drafts and previous employment and compensation agreements, including, but not limited to, offers of employment. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement. The provisions of this Agreement shall be deemed severable and, if any provision is found to be illegal, invalid or unenforceable for any reason, (a) the provision will be amended automatically to the minimum extent necessary to cure the illegality or invalidity and permit enforcement and (b) the illegality, invalidity or unenforceability will not affect the legality, validity or enforceability of the other provisions hereof. No amendments, alterations or modifications of this Agreement will be valid unless made in writing and signed by Employee and a duly authorized officer or director of the Company.

15. **Assignment.** Notwithstanding anything else herein, this Agreement is personal to Employee and neither this Agreement nor any rights or obligations hereunder may be assigned or delegated by Employee. Notwithstanding anything to the contrary, in the event of Employee’s death, any amounts owing to Employee as compensation shall be payable to a beneficiary designated in writing by Employee, or if no such designation was made, to Employee’s estate. The Company may assign this Agreement to an Affiliate or to any acquiror of all or substantially all of the business, stock and/or assets of the Company, in which case the term “Company” will mean such affiliate or acquiror. This Agreement will inure to the benefit of and be binding upon the personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees, legatees and permitted assignees of the parties.

16. **Waiver.** The rights and remedies of the parties to this Agreement are cumulative and not alternative. Neither the failure nor any delay by either party in exercising any right, power, or privilege under this Agreement will operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege will preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege. To the maximum extent permitted by applicable law, (a) no claim or right arising out of this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party; (b) no waiver that may be given by a party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of such party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement.

17. **Counterparts, Signatures.** This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. To the maximum extent permitted by applicable law, this Agreement may be executed via facsimile or scanned electronic mail transmission.

18. **Binding Agreement.** This Agreement shall become effective only upon execution by both parties. The submission of this Agreement for review to Employee shall not be construed to be a binding offer of employment.

19. **Notices.** Any notice required to be given under this Agreement shall be deemed sufficient, if in writing, and sent by certified mail, return receipt requested, via overnight courier, or hand delivered to the Company at Office of the Corporate Secretary, 31700 Research Park Drive, Madison Heights, Michigan 48071-4627 and to Employee at the most recent address reflected in the Company's permanent records.

20. **Legal Costs.** The prevailing party in any action relating to this Agreement shall be entitled to recovery of all reasonable attorney fees, costs and expenses related to same. Notwithstanding the foregoing, the Company shall bear all legal costs and expenses incurred in the event the Company should contest or dispute the characterization of any amounts paid pursuant to this Agreement as being nondeductible under Section 280G of the Code or subject to imposition of an excise tax under Section 4999 of the Code.

21. **Headings.** The section headings as herein used are for convenience of reference only and in no way define, limit or describe the scope or intent of any provision of this Agreement.

22. **Construction.** The parties acknowledge that they jointly drafted this Agreement, that no party can be properly referred to as the drafter of same and that none of the language contained here can be properly construed against either party as the drafter of same.

[Signatures follow]

IN WITNESS WHEREOF, the Company and Employee have executed this Agreement as of March 14, 2013.

INFUSYSTEM HOLDINGS, INC.

ERIC K. STEEN

By: /s/ Ryan Morris

/s/ Eric K. Steen

Name: Ryan Morris

Title: Executive Chairman

INDUCEMENT STOCK OPTION AGREEMENT

THIS INDUCEMENT STOCK OPTION AGREEMENT (the "Agreement"), made as of April 1, 2013, by and between InfuSystem Holdings, Inc (the "Company") and Eric K. Steen ("Optionee").

RECITALS

WHEREAS, the Board has determined to offer employment to Optionee;

WHEREAS, as an inducement to accept such employment offer, the Board has determined to offer Optionee the options (the "Options") to purchase an aggregate of Seven Hundred Thousand (700,000) shares of the Company's common stock ("Shares") under the terms and conditions set forth herein.

WHEREAS, all capitalized terms in this Agreement, to the extent not otherwise defined herein, shall have the meaning assigned to them in the attached Appendix.

NOW, THEREFORE, it is hereby agreed as follows:

1. **Grant of Options**. The Company hereby grants to Optionee, as of the Grant Date, (i) an Option to purchase up to Three Hundred Thousand (300,000) Shares at Exercise Price A ("Option A"), and (ii) an Option to purchase up to Four Hundred Thousand Shares (400,000) Shares at Exercise Price B ("Option B"). The Shares shall be purchasable from time to time in accordance with the Vesting Schedule, subject to acceleration under Sections 4(c) and 5 below.

2. **Option Term**. The Options shall have a maximum term of ten (10) years measured from the Grant Date and shall accordingly expire at the close of business on the tenth anniversary of the Grant Date (the "Expiration Date"), unless sooner terminated in accordance with Sections 4 or 5.

3. **Exercisability/Vesting**. The right to exercise the Options shall vest in the Optionee, and the Options shall become exercisable for any or all of the Shares in accordance with the Vesting Schedule set forth in this Section 3. The Options shall remain exercisable to the extent vested until the Expiration Date or the sooner termination of the Options term under Sections 4 or 5. The right to exercise Option A and Option B shall vest in the Optionee as follows: (i) one-fourth (25%) of the Shares shall vest on the first anniversary of the Grant Date and (ii) the remaining three-fourths (75%) of the Shares shall vest in a series of thirty-six (36) equal monthly installments upon Optionee's completion of each month of Service after the first anniversary of the Grant Date. Vesting in the Shares may be accelerated pursuant to the provisions of Section 4(c) or 5. Unless otherwise specifically provided herein, no additional Shares shall vest following Optionee's cessation of Service.

4. Cessation of Service.

(a) Should Optionee die while the Option is outstanding, then the personal representative of Optionee's estate or the person or persons to whom the Option is transferred pursuant to Optionee's will or in accordance with the laws of inheritance shall have the right to exercise the Option to the extent the Option is vested as of the date of Optionee's death. Such right shall lapse, and the Option shall cease to be outstanding, upon the earlier of (A) the expiration of the twelve (12)-month period measured from the date of Optionee's death or (B) the Expiration Date.

(b) Should Optionee cease to remain in Service by reason of Permanent Disability while the Option is outstanding, then the Optionee shall have a period of twelve (12) months (commencing with the date of such cessation of Service) during which to exercise the Option to the extent the Option is vested as of the date of such cessation of Service. In no event shall the Option be exercisable at any time after the Expiration Date.

(d) Should the Optionee terminate Service voluntarily while this Option is outstanding, then the Option shall immediately terminate and cease to be exercisable with respect to the number of Option Shares for which the right to exercise this Option has not then vested under this Agreement, and the Optionee shall have a period of three (3) months (commencing with the date of such cessation of Service) during which to exercise this Option for the remainder of the Option Shares, but in no event shall this Option be exercisable at any time after the Expiration Date.

(e) Should the Optionee's Service be terminated due to an Involuntary Termination (other than a Termination for Cause), then that portion of the Option that by its terms would become exercisable under the Vesting Schedule in the twelve (12) month period following the date of such termination will become immediately exercisable and, along with any portion of the Option that have become exercisable prior to the date of such termination, will remain exercisable for a period of three (3) months, but in no event shall this Option be exercisable at any time after the Expiration Date. Any portion of the Option which is not exercisable under the Vesting Schedule or by operation of this Section 4(e) shall immediately terminate and cease to be exercisable.

(f) During the limited period of post-Service exercisability, the Option may not be exercised in the aggregate for more than the number of Shares for which the Option is exercisable at the time of Optionee's cessation of Service according to the Vesting Schedule. Upon the expiration of such limited exercise period or (if earlier) upon the Expiration Date, the Option shall terminate and cease to be outstanding for any otherwise exercisable Shares for which the Option has not been exercised. To the extent the Option is not exercisable for one or more Shares at the time of Optionee's cessation of Service, the Option shall immediately terminate and cease to be outstanding with respect to those Shares.

(g) Should Optionee's Service be terminated due to a Termination for Cause, the Option shall terminate immediately, whether or not then exercisable, and cease to remain outstanding upon the Optionee's termination of Service.

5. **Adjustment in Shares.** Should any change be made to the Common Stock by reason of any stock split, stock dividend, recapitalization, combination of shares, exchange of shares or other change affecting the outstanding Common Stock as a class without the Company's receipt of consideration, appropriate adjustments shall be made to (i) the number and/or class of securities subject to the Option and (ii) the Exercise Price A or Exercise Price B, as applicable, in order to reflect such change and thereby preclude a dilution or enlargement of benefits hereunder; provided, however, that the aggregate Exercise Price A or Exercise Price B, as applicable, shall remain the same.

6. **Stockholder Rights.** The holder of the Option shall not have any stockholder rights with respect to the Shares until such person shall have exercised the Option, paid the Exercise Price A or Exercise Price B, as applicable, and become a holder of record of the purchased Shares.

7. **Manner of Exercising Option.**

(a) In order to exercise the Option for all or any part of the Shares for which the Option is at the time exercisable, Optionee or, in the case of exercise after Optionee's death, Optionee's executor, administrator, heir or legatee, as the case may be, must take the following actions:

(i) The Secretary of the Company shall be provided with written notice of the Option exercise (the "Exercise Notice") in substantially the form of Exhibit I attached hereto, in which there is specified the number of Shares to be purchased under the exercised Option.

(ii) The Exercise Price A and/or Exercise Price B, as applicable, for the purchased Shares shall be paid in one or more of the following alternative forms:

- cash or check made payable to the Company's order; or
- shares of Common Stock held by Optionee (or any other person or persons exercising the Option) for the requisite period necessary to avoid a charge to the Company's earnings for financial reporting purposes and valued at Fair Market Value on the Exercise Date; or
- if established by the Company and permitted under applicable law, through a "same day sale" commitment from Optionee and a broker-dealer selected by the Company whereby the Optionee irrevocably elects to exercise the Option and to sell a portion of the shares so purchased sufficient to pay for the total exercise price and whereby the broker-dealer irrevocably commits upon receipt of such shares to forward the total exercise price directly to the Company plus the applicable Federal, state and local income taxes required to be withheld by the Company by reason of such exercise.

(iii) Appropriate documentation evidencing the right to exercise the Option shall be furnished to the Company if the person or persons exercising the Option is other than Optionee.

(iv) Appropriate arrangement must be made with the Company for the satisfaction of all Federal, state and local income tax withholding requirements applicable to the Option exercise.

(b) Except to the extent the sale and remittance procedure specified above is utilized in connection with the exercise of the Option, payment of the Exercise Price A and/or Exercise Price B, as applicable, for the purchased Shares must accompany the Exercise Notice delivered to the Company in connection with the Option exercise.

(c) As soon as practicable after the Exercise Date, the Company shall enter the purchased shares in book-entry form. Upon the Optionee's request, the Company shall issue to or on behalf of Optionee (or any other person or persons exercising the Option) a certificate or certificates representing the purchased Shares.

(d) In no event may the Option be exercised for fractional Shares.

8. **No Impairment of Rights.** This Agreement shall not in any way affect the right of the Company to adjust, reclassify, reorganize or otherwise make changes in its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

9. **Compliance with Laws and Regulations.**

(a) The exercise of the Option and the issuance of the Shares upon such exercise shall be subject to compliance by the Company and Optionee with all applicable requirements of law relating thereto and with all applicable regulations of any stock exchange on which the Common Stock may be listed for trading at the time of such exercise and issuance.

(b) The inability of the Company to obtain approval from any regulatory body having authority deemed by the Company to be necessary to the lawful issuance and sale of any Common Stock pursuant to the Option shall relieve the Company of any liability with respect to the non-issuance or sale of the Common Stock as to which such approval shall not have been obtained. However, the Company shall use its best efforts to obtain all such applicable approvals.

10. **Limited Transferability.** This Option may, in connection with the Optionee's estate plan, be assigned in whole or in part during Optionee's lifetime to one or more members of the Optionee's immediate family or to a trust established for the exclusive benefit of one or more such family members. The assigned portion shall be exercisable only by the person or persons who acquire a pecuniary interest in the Option pursuant to such assignment. The terms applicable to the assigned portion shall be the same as those in effect for this Option immediately prior to such assignment and shall be set forth in such documents issued to the assignee as the Company may deem appropriate. Should the Optionee die while holding this Option, then this Option shall be transferred in accordance with Optionee's will or the laws of descent and distribution.

11. **Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of, and be binding upon, the Company and its successors and assigns and Optionee, Optionee's assigns and the legal representatives, heirs and legatees of Optionee's estate.

12. **Governing Law.** The interpretation, performance, and enforcement of this Agreement shall be governed by the laws of the State of Delaware without resort to its conflict-of-laws rules.

13. **Non-Statutory Stock Options.** The Option granted hereunder is not intended to be an incentive stock option within the meaning of Section 422 of the Code.

14. **No Right to Continued Service.** Nothing in this Agreement shall confer upon Optionee any right to continue in the Service of the Company or shall interfere with or restrict in any way the rights of the Company which are hereby expressly reserved, to discharge Optionee at any time for any reason whatsoever, with or without cause.

15. **Notices.** Any notice required to be given or delivered to the Company under the terms of this Agreement shall be in writing and addressed to the Company at its principal corporate offices. Any notice required to be given or delivered to Optionee shall be in writing and addressed to Optionee at the most recent address reflected in the Company's employment records. All notices shall be deemed effective upon personal delivery or upon deposit in the U.S. mail, postage prepaid and properly addressed to the party to be notified.

16. **Administration of Option.** The Board or the Compensation Committee thereof shall have full discretion to interpret all provisions of this Option, and all decisions of the Board or such Committee regarding the Option shall be binding on all parties.

Signatures follow on next page.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

INFUSYSTEM HOLDINGS, INC.

By: /s/ Ryan Morris

Name: Ryan Morris

Title: Executive Chairman

/s/ Eric K. Steen

Eric K. Steen

Optionee

EXHIBIT I

NOTICE OF EXERCISE

I hereby notify InfuSystem Holdings, Inc. (the "Company") that I elect to purchase _____ shares of the Company's Common Stock (the "Purchased Shares") at the Option exercise price of \$ _____ per share (the "Exercise Price") pursuant to that certain Option (the "Option") granted to me pursuant to the Company's inducement Option grant program.

Concurrently with the delivery of this Exercise Notice to the Secretary of the Company, I shall hereby pay to the Company the Exercise Price for the Purchased Shares in accordance with the provisions of my agreement with the Company evidencing the Option and shall deliver whatever additional documents may be required by such agreement as a condition for exercise. Alternatively, I may utilize the special broker/dealer sale and remittance procedure specified in my agreement to effect payment of the Exercise Price for any Purchased Shares in which I am vested at the time of exercise to the extent established by the Company and permitted by applicable law.

_____, 20____

Date

Optionee

Address: _____

Print name in exact manner it is to appear on the stock certificate: _____

Address to which certificate is to be sent, if different from address above: _____

Social Security Number: _____

APPENDIX

The following definitions shall be in effect under the Agreement:

A. **Agreement** shall mean this Inducement Stock Option Agreement.

B. **Board** shall mean the Company's Board of Directors.

C. **Code** shall mean the Internal Revenue Code of 1986, as amended.

D. **Common Stock** shall mean the Company's common stock, par value \$0.0001 per share.

E. **Exercise Date** shall mean the date on which the Option shall have been exercised in accordance with Section 8 of the Agreement.

F. **Exercise Price A** shall mean \$1.75 per share.

G. **Exercise Price B** shall mean \$2.75 per share.

H. **Fair Market Value** per share of Common Stock on any relevant date shall be determined in accordance with the following provisions:

(i) If the Common Stock is at the time listed on any national stock exchange, then the Fair Market Value shall be the closing selling price per share of Common Stock on the date in question on the national stock exchange determined by the Board to be the primary market for the Common Stock, as such price is officially quoted in the composite tape of transactions on such exchange. If there is no closing selling price for the Common Stock on the date in question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists.

(ii) If the Common Stock is not at the time traded on any national stock exchange, then the Fair Market Value shall be the average between the highest bid and lowest asked prices for the Common Stock on the relevant date by an established quotation service for over-the-counter securities.

(iii) If the Common Stock is not at the time traded on any national stock exchange and is not otherwise publicly traded, then the Fair Market Value shall be established by the Board acting in good faith and taking into consideration all factors which it deems appropriate, including, without limitation, recent sale or offer prices for the Common Stock in private arms-length transactions.

I. **Grant Date** shall mean April 1, 2013, the date of grant of the Option.

J. **Permanent Disability** shall mean the disability as characterized pursuant to the terms of the Company's disability policies or programs applicable to Optionee from time to time, or if no such policy is applicable, if Optionee is unable to perform the essential functions of Optionee's duties for physical or mental reasons for thirty (30) consecutive days.

K. **Service** shall mean Optionee's service with the Company, whether as an employee, director or consultant, which has not been interrupted or terminated. Optionee's Service shall not be deemed to have terminated merely because of a change in the capacity in which Optionee renders service to the Company.

L. **Termination for Cause** shall mean an Involuntary Termination of Optionee's employment for (i) willful misconduct or gross negligence which, in the good faith judgment of the Board, has a material adverse impact on the Company (either economically or on its reputation); (ii) conviction of, or pleading of guilty or nolo contendere to, a felony or any crime involving fraud; (iii) breach of his fiduciary duties to the Company; (iv) failure to attempt in good faith to perform his duties or to follow the written legal direction of the Board, which failure, if susceptible of cure, is not remedied within 15 days of written notice from the Board specifying the details thereof; and (v) any other material breach by Optionee of this Agreement, the Employment Agreement, the Company's written code of conduct, written code of ethics or other written policy, including the Proprietary Information and Non-Competition Agreement, that is not remedied within 15 days of written notice from the Board specifying the details thereof.

M. **Vesting Schedule** shall mean the vesting schedule specified in Section 3 of the Agreement, pursuant to which Optionee will vest in the Shares in one or more installments over his period of Service, subject to adjustment in accordance with the provisions of the Agreement.



InfuSystem Holdings, Inc.
31700 Research Park Drive
Madison Heights, MI 48071
248-291-1210

FOR IMMEDIATE RELEASE

March 14, 2013

CONTACT: Rob Swadosh / Patrick Malone
The Dilenschneider Group
212-922-0900

**INFUSYSTEM HOLDINGS, INC. NAMES ERIC STEEN CHIEF EXECUTIVE
OFFICER; INTERIM CEO DILIP SINGH STEPPING DOWN**

MADISON HEIGHTS, MICHIGAN, March 14, 2013—InfuSystem Holdings, Inc. (NYSE MKT: INFU) (“InfuSystem” or the “Company”), a leading national provider of infusion pumps and related services for the U.S. healthcare industry, today announced its Board of Directors has appointed Eric Steen, who has more than 30 years of medical device and pharmaceutical industry experience, as Chief Executive Officer, effective April 1, 2013.

Dilip Singh, who has served as the Company’s Interim CEO since April 2012, will step down from that position on the same date, while continuing as a member of the Board.

“I am proud of the significant progress our InfuSystem team has achieved on a number of important fronts, including a return to profitability, improved operational performance, and strengthened financial footing,” commented Singh. “I am equally delighted the Board has decided that Eric is the right person to advance the Company’s next stage of strategic growth and value creation, and look forward to a smooth transition.”

Eric Steen comes to InfuSystem with a wide range of leadership and management-level experience in sales, marketing, business development, operations, and finance. He previously served as President of Central Admixture Pharmacy Services, turning a start-up into a successful \$150 million pharmacy services organization with 25 locations. Concurrently, Steen served as Chief Marketing Officer for B. Braun Medical Inc, a \$1.5 billion organization that offers infusion therapy and pain management products and services. Since February 2012, he has been Principal of Eric K. Steen & Associates, a consulting business that provides services to medical device and pharmaceutical companies, including InfuSystem.

“Eric Steen brings an accomplished record of success in the medical device and healthcare services industries,” added InfuSystem Executive Chairman Ryan Morris. “He has demonstrated time and again his ability to drive profitable growth and create value, and is the ideal person to lead InfuSystem through another period of sustained growth. The Board would also like to express its profound thanks to Dilip, who joined us at a critical juncture in the Company’s history. His vision and actions over the past year have helped reaffirm our industry leadership role.”

Note

In connection with his appointment as the new Chief Executive Officer, Mr. Steen will receive 700,000 inducement stock options outside the Company’s 2007 Stock Option Plan. Of these, 300,000 options will have an exercise price of \$1.75 and 400,000 options will have an exercise price of \$2.75. The options will be granted on April 1, 2013 and will vest over a four-year period (25% on the first anniversary of the grant date and pro rata monthly thereafter) and will expire in ten years.

About InfuSystem Holdings, Inc.

InfuSystem Holdings, Inc. is a leading provider of infusion pumps and related services to hospitals, oncology practices and other alternate site healthcare providers. Headquartered in Madison Heights, Michigan, the Company delivers local, field-based customer support and also operates Centers of Excellence in Michigan, Kansas, California, and Ontario, Canada. The Company’s stock is traded on the NYSE MKT under the symbol INFU.

Forward-Looking Statements

Certain matters discussed in this press release, other than statements of historical fact, are forward-looking statements within the meaning of the U.S. Securities Act of 1933, as amended, including any statement that refers to expectations, projections or other characterizations of future events or circumstances and those which can be identified by the use of forward-looking terminology such as “expects,” “plans,” “may,” “should,” “believes” or “anticipates” and other similar expressions. These forward-looking statements involve known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied, or otherwise predicted, by such forward-looking statements. These risks and uncertainties include general economic conditions, as well as other risks, detailed from time-to-time in the Company’s publicly filed documents and in news releases and other communications. The Company disclaims any intention or duty to update any forward-looking statements made in this release.

Additional information about InfuSystem Holdings, Inc. is available at www.infusystem.com.