

RadNet, Inc.
Form DEF 14A
April 30, 2019
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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

RADNET, INC.

(Name of Registrant as Specified in its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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| Title of each class of securities to which transaction applies:
(1) | Not applicable |
| Aggregate number of securities to which transaction applies:
(2) | Not applicable |
| Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11
(Set forth the amount on which the filing fee is calculated and state how it was determined):
(3) | Not applicable |
| Proposed maximum aggregate value of transaction:
(4) | |
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Amount Previously Paid:
(1)

Form, Schedule or Registration Statement No.:
(2)

Filing Party:
(3)

(4) Date Filed:

RADNET, INC.
1510 Cotner Ave.
Los Angeles, CA 90025

April 30, 2019

Dear Stockholder:

On behalf of the Board of Directors and management, we cordially invite you to attend the 2019 Annual Meeting of Stockholders of RadNet, Inc. (the “Annual Meeting”), to be held at our principal executive office at 1510 Cotner Avenue, Los Angeles, CA 90025, on Thursday, June 13, 2019, at 10:00 a.m. (Pacific Time) or at any adjournment or postponement thereof. At this meeting, stockholders will vote on matters set forth in the accompanying Notice of Annual Meeting of Stockholders and Proxy Statement.

We have also enclosed a copy of our annual report on Form 10-K for our fiscal year ended December 31, 2018 (the “2018 Annual Report”). We encourage you to read our 2018 Annual Report, which includes information on our business, as well as our audited financial statements for the fiscal year ended December 31, 2018.

This year we are again taking advantage of the Securities and Exchange Commission rule that permits us to furnish proxy materials to our stockholders via the Internet. On or about April 30, 2019, we are mailing a short Notice of Internet Availability of Proxy Materials (the “Notice”) to most of our stockholders instead of a paper copy of our full proxy materials. The Notice contains instructions on how to cast your vote online and how to access our proxy materials, including the Notice of Annual Meeting of Stockholders, Proxy Statement, 2018 Annual Report and a Proxy Card or voting instruction form. The Notice also contains instructions on how to request a paper copy of our proxy materials. All stockholders who do not receive the Notice will receive a paper copy of the proxy materials.

Your vote is very important. Regardless of the number of shares you own, please vote. Whether or not you plan to attend the Annual Meeting, we hope you will vote as soon as possible. You may vote by submitting your proxy via the Internet, by phone, or if you have elected to receive printed proxy materials, by completing, signing, dating and returning the Proxy Card enclosed with your printed proxy materials.

Thank you for your continued support and ownership of RadNet, Inc. We look forward to seeing you at the Annual Meeting.

Sincerely,

Norman R. Hames

Corporate Secretary

Important Notice Regarding Availability of Proxy Materials for the 2019 Annual Meeting of Stockholders:

The Proxy Statement for the 2019 Annual Meeting of Stockholders, the Proxy Card and the 2018 Annual Report are available at www.proxyvote.com.

RADNET, INC.
1510 Cotner Ave.
Los Angeles, CA 90025

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
JUNE 13, 2019

RadNet, Inc. will hold its 2019 Annual Meeting of Stockholders (the “Annual Meeting”) on Thursday, June 13, 2019, at 10:00 a.m. (Pacific Time) or any adjournment or postponement thereof, at our principal executive office at 1510 Cotner Avenue, Los Angeles, CA 90025.

The following items are on the agenda and are more fully described in the accompany proxy statement:

1. The election of seven nominees named in the attached Proxy Statement as directors to hold office until the 2020 Annual Meeting of Stockholders;
2. The ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019;
3. A non-binding advisory vote to approve executive compensation;
4. A non-binding stockholder proposal requesting that we adopt “majority voting” in uncontested elections of directors, if properly presented at the Annual Meeting; and
5. Other business that may properly come before the Annual Meeting.

Our Board of Directors has fixed April 17, 2019 as the record date for determining stockholders entitled to notice of, and to vote at, the Annual Meeting.

We are mailing to our stockholders on or about April 30, 2019, a Notice of Internet Availability of Proxy Materials containing instructions on how to access our Proxy Statement and our annual report on Form 10-K for our fiscal year ended December 31, 2018, via the Internet and how to vote online. The Notice of Internet Availability of Proxy Materials also contains instructions on how you can receive a paper copy of the proxy materials.

By Order of the Board of Directors,

Norman R. Hames

Corporate Secretary

April 30, 2019

Los Angeles, California

Whether or not you expect to attend the Annual Meeting, please vote as soon as possible to ensure your representation at the Annual Meeting. You may vote via the Internet, by phone, or if you have elected to receive printed proxy materials, by completing, signing, dating and returning the Proxy Card enclosed with your printed proxy materials. Even if you have given your proxy, you may still vote in person if you attend the meeting. Please note, however, that if a broker, bank or other nominee holds your shares of record and you wish to vote at the Annual Meeting, then you must obtain from the record holder a proxy issued in your name.

RADNET, INC.
1510 Cotner Ave.
Los Angeles, CA 90025

**PROXY STATEMENT
FOR ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD JUNE 13, 2019**

The Board of Directors of RadNet, Inc., a Delaware corporation, is providing these proxy materials to you in connection with the solicitation of the accompanying proxy for use at our 2019 Annual Meeting of Stockholders (the “Annual Meeting”).

The Annual Meeting will be held at our principal executive office at 1510 Cotner Avenue, Los Angeles, CA 90025, on Thursday, June 13, 2019, at 10:00 a.m. (Pacific Time) or at any adjournment or postponement thereof, for the purposes stated herein.

On or about April 30, 2019 we are mailing a Notice of Internet Availability of Proxy Materials (the “Notice”) containing instructions on how to access our Proxy Statement and our annual report on Form 10-K for our fiscal year ended December 31, 2018 (the “2018 Annual Report”), via the Internet and how to vote online. The Notice also contains instructions on how you can receive a paper copy of the proxy materials.

This Proxy Statement summarizes certain information to assist you in voting in an informed manner.

All stockholders are cordially invited to attend the Annual Meeting in person. Whether you expect to attend the meeting or not, please vote as soon as possible.

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THE PROXY PROCESS AND THE ANNUAL MEETING

The following questions and answers are intended to briefly address potential questions that our stockholders may have regarding this Proxy Statement and the Annual Meeting. They are also intended to provide our stockholders with certain information that is required to be provided under the rules and regulations of the Securities and Exchange Commission (the “SEC”). These questions and answers may not address all of the questions that are important to you as a stockholder. If you have additional questions about this Proxy Statement or the Annual Meeting, please see the response to the question entitled “*Whom should I contact with other questions?*” below. RadNet, Inc. is sometimes referred to herein as “RadNet”, “we”, “us”, “our” or the “Company.”

Q: Why did I receive these materials?

Our Board of Directors has made these materials available to you on the Internet or, upon your request, has delivered printed versions of these materials to you by mail, in connection with the Board of Directors’ solicitation of proxies for use at our Annual Meeting, which will take place on June 13, 2019 or any adjournment or postponement thereof. Our stockholders are invited to attend the Annual Meeting and are requested to vote on the proposals described in this Proxy Statement.

Q: What is a proxy?

Our Board of Directors is asking for your proxy, which is a legal designation of another person to vote the shares you own. We have designated two officers of the Company, Deborah Saly and Mark Stolper, to vote your shares at the meeting in the way you instruct and, with regard to any other business that may properly come before the meeting, as they think best.

Q: Why haven’t I received a printed copy of the proxy materials and the 2018 Annual Report?

On or about April 30, 2019, we will mail the Notice to our stockholders who have not previously requested the receipt of paper proxy materials advising them that they can access this Proxy Statement, the 2018 Annual Report and voting instructions over the Internet at www.proxyvote.com. You may then access these materials and vote your shares over the Internet. Please keep the Notice for your reference through the meeting date.

A:

Alternatively, you may request that a printed paper copy of the proxy materials be mailed to you. If you want to receive a paper copy of the proxy materials, you may request one over the Internet at www.proxyvote.com, by calling toll-free 1-800-579-1639, or by sending an email to sendmaterial@proxyvote.com. There is no charge to you for requesting a copy. Please make your request for a copy on or before May 30, 2019 to facilitate timely delivery.

Q: What does it mean if I receive more than one Notice of Internet Availability of Proxy Materials or set of proxy materials?

A: This means you hold shares of the Company in more than one way. For example, you may own some shares directly as a “registered holder” and other shares through a broker, or you may own shares through more than one broker. In these situations, you may receive multiple Notices or, if you request proxy materials to be delivered to you by mail, multiple Proxy Cards. You must follow the instructions on how to vote on each of the Notices you receive in order to vote all of the shares you own. If you request proxy materials to be delivered to you by mail, each Proxy Card you receive will come with its own prepaid return envelope; if you vote by mail, make sure you complete and sign each Proxy Card and return each in the return envelope which accompanied that particular Proxy Card.

Q: What is the purpose of the Annual Meeting?

A: At the Annual Meeting, our stockholders will vote on the following items:

1. The election of seven nominees named in the attached Proxy Statement as directors to hold office until the 2020 Annual Meeting of Stockholders;
2. The ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019;
3. A non-binding advisory vote to approve executive compensation;
4. A non-binding stockholder proposal requesting that we adopt “majority voting” in uncontested elections of directors, if properly presented at the Annual Meeting; and
5. Other business that may properly come before the Annual Meeting.

Q: Who is entitled to vote at the Annual Meeting?

Only stockholders of record at the close of business on April 17, 2019 (the “Record Date”), are entitled to receive notice of and to participate in the Annual Meeting. If you were a stockholder of record on the Record Date, you will be entitled to vote all of the shares that you held on that date at the Annual Meeting and at any postponements or adjournments thereof. Stockholders who hold shares of our common stock in “street name,” that is, through an account with a bank, broker or other holder of record, as of the Record Date, may direct the holder of record how to vote their shares at the meeting by following the instructions that the street name holders will receive from the bank, broker or other holder of record.

Q: What are the voting rights of the holders of common stock?

A: Each share of our common stock outstanding as of the close of business on the Record Date is entitled to one vote on each matter considered at the Annual Meeting.

Q: How is a quorum determined?

A: We will have a quorum to conduct the business of the Annual Meeting if holders of a majority of the shares of our common stock outstanding as of the Record Date are present in person or represented by proxy. On the Record

Date 50,081,479 shares of our common stock were issued and outstanding. Consequently, we will need to have 25,040,740 shares present in person or represented by proxy at the Annual Meeting in order to establish a quorum. Abstentions and broker non-votes will be counted in determining whether a quorum is present at the meeting.

Q: Who will count the votes?

A: An officer of the Company will count the votes and act as the inspector of elections. The inspector of elections will separately tabulate affirmative and negative votes, abstentions and broker non-votes. The Company has also engaged Broadridge Financial Solutions as its proxy distribution agent and tabulation service provider and they will also be calculating the votes received prior to the Annual Meeting.

Q: What is the deadline for voting my shares?

A: If you are a stockholder of record, your proxy must be received by telephone (1-800-690-6903) or via the Internet (www.proxyvote.com) by 11:59 p.m. Eastern Time on June 12, 2019 in order for your shares to be voted at the Annual Meeting. However, if you are a stockholder of record and you received a copy of the proxy materials by mail, you may instead mark, sign, date and return the Proxy Card enclosed with your proxy materials, which must be received before the polls close at the Annual Meeting, in order for your shares to be voted at the meeting. If you are a beneficial stockholder, please follow the voting instructions provided by the bank, broker, trustee or other nominee who holds your shares.

Q: What is a “broker non-vote”?

A: A “broker non-vote” occurs when a nominee (typically a broker or bank) holding shares for a beneficial owner (typically referred to as shares being held in “street name”) submits a proxy for the Annual Meeting, but does not vote on a particular proposal because the nominee has not received voting instructions from the beneficial owner and does not have discretionary authority to vote the shares with respect to that particular proposal. Shares that constitute broker non-votes will be counted as present for purposes of establishing a quorum, but will not be counted as having voting power to vote on the proposal in question. Under the applicable rules of the exchanges and other self-regulatory organizations, brokers will generally have discretionary authority to vote on routine matters. The ratification of the appointment of Ernst & Young as our independent registered public accounting firm (Proposal No. 2) is generally considered a routine matter, and we do not expect to receive any broker non-votes on that proposal. We believe brokers do not have discretionary authority to vote on the other proposals. You must instruct your bank, broker or nominee on how to vote your shares for all of the proposals other than Proposal No. 2 in order for your vote to count for those proposals.

Q: What do I need to bring with me in order to attend the Annual Meeting?

A: If you are a stockholder of record, you will need to bring either the Notice or any Proxy Card that is sent to you to the meeting. Otherwise, you will be admitted only if we can verify your ownership of common stock on the Record Date. If you own shares held in street name, bring with you to the meeting either the Notice or any voting instruction form that is sent to you, or your most recent brokerage statement or a letter from your bank, broker or other record holder indicating that you beneficially owned shares of our common stock on the Record Date. We can use that to verify your beneficial ownership of common stock and admit you to the meeting. Additionally, all persons will need to bring a valid government-issued photo ID to gain admission to the meeting.

Q: How do I vote my shares in person at the Annual Meeting?

A: If you are a stockholder of record, you have the right to vote in person at the Annual Meeting. If you choose to do so, you can vote using the ballot provided at the Annual Meeting, or, if you requested and received printed copies of the proxy materials by mail, you can complete, sign and date the Proxy Card enclosed with the proxy materials you received and submit the Proxy Card at the Annual Meeting. If you are a beneficial stockholder, you may not vote your shares in person at the Annual Meeting unless you obtain a “legal proxy” from the bank, broker, trustee or other nominee that holds your shares, giving you the right to vote the shares at the Annual Meeting. **Even if you plan to attend the Annual Meeting, we recommend that you submit your proxy or voting instructions in advance of the meeting as described below so that your vote will be counted if you later decide not to attend the Annual Meeting.**

Q: How do I vote my shares without attending the Annual Meeting?

A: Whether you are a stockholder of record or a beneficial stockholder, you may direct how your shares are voted without attending the Annual Meeting. If you are a stockholder of record, you may submit a proxy to

authorize how your shares are voted at the Annual Meeting. You can submit a proxy over the Internet or by telephone by following the instructions provided in the Notice, or, if you requested and received printed copies of the proxy materials, you can also submit a proxy by mail pursuant to the instructions provided in the Proxy Card enclosed with the printed proxy materials.

If you are a stockholder who holds stock in “street name” you will likely receive instructions for voting your shares from your broker, bank, or other nominee rather than through our voting system. A number of brokers and banks participate in a program that allows stockholders to grant their proxy to vote shares by means of the telephone or the Internet. If your shares are held in an account with a broker or bank participating in such a program, then you may vote your shares via the Internet or telephonically by following the instructions on the form received from your broker or bank.

Stockholders who submit a proxy by Internet or telephone need not return a Proxy Card or the form forwarded by your broker, bank, trust or other holder of record by mail.

Q: Can I revoke my proxy or voting instructions later?

A: If you are a stockholder of record or a beneficial stockholder, then once you have submitted your proxy you may revoke it at any time before it is voted at the Annual Meeting. You may revoke your proxy in one of three ways:

- (1) You may submit a duly executed written proxy bearing a date that is later than the date of your original proxy or you can submit a later dated proxy electronically via the Internet or by telephone;
- (2) You may notify our Corporate Secretary in writing that you wish to revoke your proxy before it is voted at the Annual Meeting; or

You may vote in person at the Annual Meeting. However, if your shares are held in “street name” and you wish to

- (3) vote at the Annual Meeting, you must first obtain from the broker, bank or other nominee record holder a proxy issued in your name.

Q: What vote is required to approve the proposals?

A: The election of directors requires a plurality of votes cast by shares present or represented at the Annual Meeting. Accordingly, if a quorum exists, the directorships to be filled at the Annual Meeting will be filled by the nominees receiving the highest number of votes in favor of their election. Shares not present at the Annual Meeting and broker non-votes will have no impact on the election of directors.

The ratification of the appointment of our independent registered public accounting firm must be approved by a majority of the shares present in person or represented by proxy and entitled to vote on such matter at the Annual Meeting. With respect to that proposal, abstentions will be included in the number of shares present and entitled to vote and, accordingly, will have the effect of a vote “AGAINST” the proposal. However, broker non-votes with respect to that proposal will not be counted as shares entitled to vote and, accordingly, will not have any effect with respect to the approval of that proposal (other than to reduce the number of affirmative votes required to approve the proposal).

The advisory votes to (1) approve the compensation of our Named Executive Officers (Proposal No. 3) and (2) adopt the stockholder proposal for “majority voting” in uncontested elections of directors (Proposal No. 4) must be approved by a majority of the shares present in person or represented by proxy and entitled to vote on such matters at the Annual Meeting. With respect to those proposals, abstentions will be included in the number of shares present and entitled to vote and, accordingly, will have the effect of a vote “AGAINST” the proposal. However, broker non-votes with respect to that proposal will not be counted as shares entitled to vote and, accordingly, will not have any effect with respect to the approval of that proposal (other than to reduce the number of affirmative votes required to approve the proposal).

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Although the vote on the compensation of our Named Executive Officers, Proposal No. 3, is advisory only, meaning that it is not binding on the Company, our Board of Directors will consider the results of the vote in its future consideration of the compensation of our Named Executive Officers.

Similarly, although the vote on the stockholder proposal to adopt “majority voting” in uncontested elections of directors, Proposal No. 4, is advisory only, meaning that it is not binding on the Company, our Board of Directors will consider the results of the vote in its future consideration of the voting requirements in elections of directors.

Q: What are my voting choices for each proposal?

A: With respect to the election of directors, stockholders may vote for all nominees, withhold authority for all nominees or vote for all except for those individual nominees for director for which the stockholder indicates it is withholding authority. With respect to each other proposal, stockholders may vote “for” the proposal, “against” the proposal, or abstain from voting.

Q: How does the Board of Directors recommend I vote on the proposals?

Our Board of Directors **unanimously recommends** that stockholders vote:

“FOR” all seven director nominees set forth in Proposal No. 1

A: “FOR” the ratification of the appointment of Ernst & Young LLP in Proposal No. 2

“FOR” the approval of our executive compensation in Proposal No. 3.

Our Board of Directors makes no recommendation on the advisory stockholder proposal requesting “majority voting” in uncontested elections of directors in Proposal No. 4.

Q: How will my shares be voted if I return a blank Proxy Card?

A: If you are a record holder and submit a valid proxy or voting instruction form but do not indicate your specific voting instructions on one or more of the proposals listed in the Notice, your shares will be voted as recommended by our Board of Directors on those proposals (and will be recorded as “ABSTAIN” for Proposal No. 4) and as the proxyholders may determine in their discretion with respect to any other matters properly presented for a vote at the Annual Meeting.

Q: Is my vote confidential?

A: Proxy instructions, ballots, and voting tabulations that identify individual stockholders are handled in a manner that protects your voting privacy. Your vote will not be disclosed either within the Company or to third parties, except: (1) as necessary to meet applicable legal requirements and (2) to allow for the tabulation of votes and certification of the vote. Occasionally, stockholders include additional comments on their Proxy Card or with their voting instruction, which are then forwarded to the Company’s management.

Q: How will voting on any other business be conducted?

A: We do not know of any business to be conducted at the Annual Meeting other than the proposals discussed in this Proxy Statement. If any other business comes before the Annual Meeting, the individuals that we have designated as proxies for the Annual Meeting, Deborah Saly and Mark Stolper, will have the discretionary authority to vote for or against any other matter that is properly presented at the Annual Meeting.

Q: Who will bear the costs of this solicitation?

A: This solicitation is made by our Board of Directors on behalf of the Company, and we will bear the entire cost of soliciting proxies, including preparation, assembly, posting of this Proxy Statement online, printing and mailing of the Notice and the proxy materials for the Annual Meeting. We will also make available solicitation materials to banks, brokerage houses, fiduciaries and custodians holding in their names shares of our common stock that are beneficially owned by others for forwarding to the beneficial owners. We may reimburse persons representing beneficial owners of common stock for their costs of forwarding solicitation materials to the beneficial owners. Solicitations will be made primarily through the mail, but may be supplemented by telephone, facsimile, Internet or personal solicitation by our directors, executive officers and employees. No additional compensation will be paid to these individuals for these services.

Q: How can I find out the results of the voting at the Annual Meeting?

A: Preliminary voting results will be announced at the Annual Meeting. Final voting results will be published in a report on Form 8-K within four business days after the Annual Meeting.

Q: Whom should I contact with other questions?

If you have additional questions about this Proxy Statement or the Annual Meeting, please contact our Corporate Secretary at: RadNet, Inc., 1510 Cotner Avenue, Los Angeles, CA 90025, Attention: Corporate Secretary, Telephone: (310) 445-2800.

Q: When are stockholder proposals due for next year's annual meeting?

Requirements for Stockholder Proposals to be Considered for Inclusion in RadNet, Inc.'s Proxy Materials.
A: Stockholder proposals submitted pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") must be received by us not later than December 31, 2019, in order to be considered for inclusion in our proxy materials for the 2020 Annual Meeting of Stockholders.

Requirements for Stockholder Proposals to be Brought Before an Annual Meeting. Our bylaws provide that, for stockholder nominations to the Board of Directors or other proposals to be considered at an annual meeting, the stockholder must have given timely advance notice of the proposal or nomination in writing to our Corporate Secretary. To be timely for the 2020 Annual Meeting of Stockholders, a stockholder's notice must be delivered to or mailed and received by our Corporate Secretary at our principal executive offices between February 14, 2020 and March 15, 2020. A stockholder's notice to the Corporate Secretary must set forth, as to each matter the stockholder proposes to bring before the annual meeting, the information required by our bylaws.

CORPORATE GOVERNANCE

Role of the Board of Directors

Our business is managed under the direction of our Board of Directors. Our Board of Directors provides oversight, strategic direction and counsel to our management. In addition, our Board of Directors elects our officers, delegates responsibilities for the conduct of our operations to those officers, and evaluates their performance.

Our Board of Directors held five meetings during 2018. Each of the current directors serving in 2018 attended at least 75% of the total number of meetings of the Board of Directors and applicable committees that each director was eligible to attend.

Board Leadership Structure

Our Chairman of the Board of Directors, Dr. Berger, also serves as our Chief Executive Officer. Our Board of Directors has determined that this leadership structure is appropriate and effective for our Company at this time. This structure effectively utilizes Dr. Berger's knowledge of our Company and the industry in which we operate, as well as fostering greater communication and producing a greater degree of transparency between management and our directors. Dr. Berger co-founded RadNet in 1980 and has served as Chairman of the Board and Chief Executive Officer for over 30 years.

Mr. Swartz serves as Lead Independent Director of the Board of Directors. In this capacity, Mr. Swartz serves as Chairman of meetings of the Board of Directors in the absence of the Chairman of the Board, calls, sets the agenda and chairs the executive sessions of the independent directors, works collaboratively with the Chairman of the Compensation and Management Development Committee to oversee the evaluation of our Chief Executive Officer and serves as the liaison between the independent directors and the Chairman of the Board.

Director Independence

Four of the seven members of our Board of Directors are independent directors and only those individuals may serve on the committees of our Board of Directors. Our Chairman and Chief Executive Officer does not serve on any committee. Our Board of Directors holds regular executive sessions outside the presence of the Chief Executive

Officer and other management, which our Board of Directors believes promotes appropriate independent leadership.

Our Board of Directors annually determines the independence of our directors in accordance with the independence requirements under the NASDAQ Stock Market LLC (“NASDAQ”) and the SEC rules which require at least a majority of the directors to be independent. As a result of this review, our Board of Directors has determined that Marvin S. Cadwell, Lawrence L. Levitt, Michael L. Sherman, M.D. and David Swartz each qualifies as an independent director in accordance with the NASDAQ and the SEC rules. Each of Howard G. Berger, M.D., John V. Crues, III M.D., and Norman R. Hames is an executive officer of our Company and therefore does not qualify as an independent director under the NASDAQ and the SEC rules.

Committees of the Board of Directors

We have three standing committees: the Audit Committee, the Compensation and Management Development Committee and the Nominating and Governance Committee. The committees are comprised entirely of independent directors. Each committee operates under a written charter adopted by the Board of Directors which is available at www.radnet.com under Investor Relations – Corporate Governance.

The composition of those committees is as set forth below:

	Audit Committee	Compensation and Management Development Committee	Nominating and Governance Committee	Independent Director
Director				
Lawrence L. Levitt	X	C	X	X
Marvin S. Cadwell	X	X	X	X
Michael Sherman, M.D.	–	X	C	X
David L. Swartz	C	X	X	X
Howard G. Berger, M.D.	–	–	–	–
John V. Crues, III, M.D.	–	–	–	–
Norman R. Hames	–	–	–	–

“C” denotes chair of committee

Audit Committee

The Audit Committee’s responsibilities include, among other things:

- overseeing our accounting and financial reporting processes and the audits of our financial statements;
- overseeing, along with management, the reliability and integrity of our accounting policies and financial reporting and disclosure practices;
- serving as an independent and objective party to monitor our financial reporting processes and internal controls systems;
- retaining our independent registered public accounting firm, reviewing and evaluating their independence, qualifications and performance, approving the terms of the annual engagement letter and approving all audit and non-audit services to be performed by our independent registered public accounting firm; and

providing independent, direct, and open communications among our independent registered public accounting firm, financial and senior management and the full Board of Directors.

The Board of Directors has determined that each of Mr. Swartz and Mr. Levitt qualifies as an “audit committee financial expert” as defined under the applicable SEC rules and that each member of the Audit Committee meets the additional criteria for independence of Audit Committee members under Rule 10A-3(b)(1) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). The Audit Committee held four meetings in 2018.

Compensation and Management Development Committee

The Compensation and Management Development Committee's responsibilities include, among other things:

· reviewing and determining the base salary of executive officers and certain other senior management and setting the maximum bonus amount that each executive officer (other than the Chief Executive Officer) and certain other senior management is entitled to receive, which may be in the form of cash or equity incentive awards, as ultimately determined by our Chief Executive Officer;

· reviewing and administering our equity incentive plans, including any amendments thereto;

· reviewing and recommending amounts and types of compensation for the Company's directors;

· overseeing the compensation philosophy and strategy of the Company;

· monitoring the Company's compliance with rules and regulations relating to compensation arrangements for directors and executive officers; and

· reviewing and approving our Company's corporate goals and objectives relevant to Chief Executive Officer compensation and evaluating the Chief Executive Officer's performance in light of those goals and determining the Chief Executive Officer's compensation levels and bonus based on such evaluation.

The Compensation and Management Development Committee held two meetings and took action by written consent on one occasion in 2018.

Nominating and Governance Committee

The Nominating and Governance Committee's responsibilities include, among other things:

developing and recommending the criteria to be used in screening and evaluating potential candidates or nominees for election or appointment as director;

· establishing and overseeing a policy for considering stockholder nominees for directors, and developing the procedures that must be followed by stockholders in submitting recommendations;

· monitoring and reviewing any issues regarding the independence of directors or involving potential conflicts of interest and evaluating any change of status or circumstances with respect to a director;

· evaluating all nominees for election of directors;

· developing and recommending to the Board of Directors, as necessary, corporate governance policies to be adopted and maintained;

· identifying committee member qualifications and recommending appropriate committee member appointments to the Board of Directors; and

· establishing and reviewing annually with the Board of Directors the procedures for stockholders to send communications to the Board of Directors.

The Nominating and Governance Committee held one meeting during 2018.

Board Role in Risk Oversight

Our Board of Directors performs an oversight role in managing the Company's risk. In reviewing our strategy, business plan, budgets and historical and anticipated future major transactions, the Board of Directors considers, among other factors, the risks our Company faces, and how such risks can be appropriately managed. While our Board of Directors oversees risk management strategy, our management is responsible for implementing and supervising day to day risk management processes. Our senior management regularly reports to the Board of Directors on areas of material risk, including operational, financial, legal and strategic risks, which enables the Board of Directors to understand management's views and strategies regarding risk identification, risk management and risk mitigation.

In addition to the oversight role assumed by the full Board of Directors, various committees of the Board of Directors also have responsibility for risk management. The Director of Internal Audit reports directly to our Audit Committee on areas of material financial risk, including internal controls, and the Audit Committee reports to the full Board of Directors on risks identified by the Director of Internal Audit that the Audit Committee believes to be material. In addition, the Compensation and Management Development Committee oversees the risks associated with our compensation policies and practices to ensure that the compensation programs and incentives do not encourage short term risk taking at the expense of long term results or create risks that may have a material adverse effect on the Company.

Code of Financial Ethics

We have adopted a written Code of Financial Ethics that is applicable to our directors, officers and employees and is designed to deter wrongdoing and to promote:

- honest and ethical conduct;

- full, fair, accurate, timely and understandable disclosure in reports and documents that we file with the SEC and in other public communications;

- compliance with applicable laws, rules and regulations, including insider trading compliance; and

- accountability for adherence to the code and prompt internal reporting of violations of the code, including illegal or unethical behavior regarding accounting or auditing practices.

You may obtain a copy of our Code of Financial Ethics on our website at www.radnet.com under Investor Relations – Corporate Governance. The Board of Directors has designated the Audit Committee to be responsible for reviewing the Code of Financial Ethics and making any appropriate updates or amendments. We intend to disclose any changes in this code or waivers from this code that apply to our principal executive officer, principal financial officer, or principal accounting officer by posting such information to our website or by filing with the SEC a Current Report on Form 8-K, in each case if such disclosure is required by SEC or Nasdaq rules.

Review and Approval of Related Party Transactions

As a matter of policy, the Board of Directors reviews and determines whether or not to approve any transaction between the Company and its directors, director nominees, executive officers and greater than 5% beneficial owners and each of their respective immediate family members where the amount involved in the transaction exceeds or is expected to exceed \$120,000 in a single year and the related party has or will have a direct or indirect interest in the transaction.

Related Party Transactions

Howard G. Berger, M.D., is our President and Chief Executive Officer, a member of our Board of Directors, and also owns, indirectly, 99% of the equity interests in BRMG. BRMG is responsible for all of the professional medical services at nearly all of our facilities located in California under a management agreement with us, and employs physicians or contracts with various other independent physicians and physician groups to provide the professional medical services at most of our California facilities. We generally obtain professional medical services from BRMG in California, rather than provide such services directly or through subsidiaries, in order to comply with California's prohibition against the corporate practice of medicine. We have a management agreement with BRMG, that expires on January 1, 2024 but includes an automatic renewal for consecutive 10-year periods. Under our management agreement, BRMG pays us, as compensation for the use of our facilities and equipment and for our services, a percentage of the gross amounts collected for the professional services it renders. The percentage, which was 79% at December 31, 2018, is adjusted, if necessary, to ensure that the parties receive fair value for the services they render. In operation and historically, the annual revenue of BRMG from all sources closely approximates its expenses, including Dr. Berger's compensation, fees payable to us and amounts payable to third parties. Dr. Berger also owns a controlling interest in two medical groups that provide professional medical services to one of our imaging facilities located in New York. In 2018, Dr. Berger received \$500,000 of his salary and his entire bonus payment from an affiliate of BRMG, a consolidated entity.

John V. Crues III, M.D. is our Medical Director, a member of our Board of Directors and a 1% owner of BRMG. Dr. Crues receives all of his salary from BRMG. Dr. Crues also owns a controlling interest in four medical groups that provide professional medical services to some of our imaging facilities located in Manhattan and Brooklyn, New York.

Jeffrey L. Linden was our Executive Vice President and General Counsel until his death in October 2018. Joseph Berman, the brother-in-law of Mr. Linden, has an interest in a property in Delaware that the Company leases. The monthly rent under this lease is approximately \$36,000. We believe that the monthly lease amounts are commensurate with available leases with similar lease terms for comparable buildings in the area. Mr. Linden did not have any interest in this property or this transaction.

Board Attendance at Annual Meetings of Stockholders

We, as a matter of policy, encourage our directors to attend meetings of stockholders but we do not require attendance. Two of the seven directors attended the 2018 Annual Meeting of Stockholders.

Compensation Committee Interlocks and Insider Participation

Messrs. Levitt, Cadwell, Sherman and Swartz were members of the Compensation and Management Development Committee in 2018. No member of the Compensation and Management Development Committee has had a relationship with our Company or any of our subsidiaries other than as a director and stockholder and no member has been an officer or employee of our Company or any of our subsidiaries, a participant in a “related person” transaction or an executive officer of another entity where one of our executive officers serves on the Board of Directors.

Communication with our Board of Directors

Stockholders may communicate with our Board of Directors through the Corporate Secretary by writing to the following address: Board of Directors, c/o Corporate Secretary, RadNet, Inc., 1510 Cotner Avenue, Los Angeles, CA 90025. The envelope containing such communication should contain a clear notation that the letter is “Stockholder-Board Communication” or “Stockholder-Director Communication” or a similar statement to indicate it is intended for the Board of Directors. All such communications must clearly indicate the author as a stockholder and state whether the intended recipients are all members of the Board of Directors or just certain specified directors.

DIRECTORS

Nomination Process

Our Nominating and Governance Committee recommends nominees to the Board of Directors for election after carefully considering all candidates, taking into account all factors the Committee considers appropriate, which may include career specialization, relevant technical skills or financial acumen, diversity of viewpoint, industry knowledge and the qualifications set forth in the Nominating and Governance Committee Charter. Our Nominating and Governance Committee does not have a formal policy with regard to the consideration of diversity in the identification of director nominees. However, as part of its evaluation of Board composition, the Nominating and Governance Committee considers the diversity of candidates to ensure that our Board of Directors is comprised of individuals with a broad range of experiences and backgrounds (including, among other things, career specialization, relevant technical skills or financial acumen, diversity of viewpoint and industry knowledge) who can contribute to the Board's overall effectiveness in carrying out its responsibilities and can represent diverse viewpoints on our Board of Directors. The Nominating and Governance Committee assesses the effectiveness of these efforts when evaluating the composition of the Board of Directors as part of the annual nomination process.

The Nominating and Governance Committee considers stockholder nominees made in accordance with our bylaws, and evaluates candidates recommended by stockholders in the same manner as all other candidates brought to the attention of the Nominating and Governance Committee. Stockholder recommendations may be submitted to the Nominating and Governance Committee in care of the Corporate Secretary at the address set forth under "Communication with Our Board of Directors."

Nominees for Election

The names of the director nominees, their ages as of March 31, 2019, and other information about them are set forth below. Each of the seven nominees currently serves on the Board.

Name of Director Nominee	Age	Position	Our Director Since
Howard G. Berger, M.D.	73	Chief Executive Officer and Chairman of the Board	1992
Marvin S. Cadwell	75	Director	2007
John V. Crues, III, M.D.	69	Director, Vice President, Medical Director	2000
Norman R. Hames	63	Director, President, Chief Operating Officer-Western Operations, Secretary	1996
Lawrence L. Levitt	76	Director	2005

Michael L. Sherman, M.D.	76	Director	2007
David L. Swartz	75	Director	2004

The following biographies describe the skills, qualities, attributes, and experience of the nominees that led the Board of Directors and the Nominating and Governance Committee to determine that it is appropriate to nominate these directors for election to the Board of Directors.

Howard G. Berger, M.D. has served as President and Chief Executive Officer of our Company and its predecessor entities since 1987. Dr. Berger received his M.D. at the University of Illinois Medical School, is Board Certified in Nuclear Medicine and trained in an Internal Medicine residency, as well as in a master's program in medical physics in the University of California system. Dr. Berger is also the president or co-president of the entities that own Beverly Radiology Medical Group, or BRMG. Dr. Berger brings senior business leadership skills to our Board of Directors and deep industry knowledge derived from his more than 30 years of experience in the development and management of the Company.

Marvin S. Cadwell has been a member of our Audit Committee since 2007, a member of our Nominating and Governance Committee since 2011 and a member of our Compensation and Management Development Committee since 2014. Mr. Cadwell served as a director of Radiologix, Inc. between June 2002 and November 2006, until its acquisition by the Company. He was appointed Chairman of the Board of Radiologix in December 2002 and served as Chairman of the Nominations and Governance Committee of the Board of Radiologix. He was the Radiologix interim Chief Executive Officer from September 2004 until November 2004. From December 2001 until November 2002, Mr. Cadwell served as Chief Executive Officer of SoftWatch, Ltd., an Israeli based company that provided Internet software. Mr. Cadwell previously served as a director of ChartOne, Inc., a private company that provides patient chart management services to the healthcare industry, from 2003 until its acquisition in September 2008. Mr. Cadwell has served as an executive officer and consultant for several companies in the healthcare industry. He brings to our Board of Directors a strong background in operating management of various organizations.

John V. Crues, III, M.D. is a world-renowned radiologist. Dr. Crues has served as our Vice President and Medical Director since 2000. Dr. Crues received his M.D. at Harvard University, completed his internship at the University of Southern California in Internal Medicine, and completed a residency at Cedars-Sinai in Internal Medicine and Radiology. Dr. Crues has authored numerous publications while continuing to actively participate in radiological societies such as the Radiological Society of North America, American College of Radiology, California Radiological Society, International Society for Magnetic Resonance Medicine and the International Skeletal Society. Dr. Crues is also currently Co-President of Pronet Imaging Medical Group, a director of BRMG and owns a controlling interest in four medical groups which provide professional medical services at our imaging facilities located in New York, New York. Dr. Crues plays a significant role as a musculoskeletal specialist for many of our patients as well as a resource for physicians providing services at our facilities. His active participation in radiological societies gives our Board of Directors access to thought leadership in the field of radiology.

Norman R. Hames has served as an executive officer of the Company since 1996 and currently serves as our President, Chief Operating Officer-Western Operations and Corporate Secretary. Applying his more than 20 years of experience in the industry, Mr. Hames oversees all aspects of our California facility operations. His management team, comprised of regional directors, managers and sales managers, is responsible for responding to all of the day-to-day concerns of our California facilities, patients, payors and referring physicians. Prior to joining our Company, Mr. Hames was President and Chief Executive Officer of his own company, Diagnostic Imaging Services, Inc. (which we acquired), which owned and operated 14 multi-modality imaging facilities throughout Southern California. Mr. Hames gained his initial experience in operating imaging centers for American Medical International, or AMI, and was responsible for the development of AMI's single and multi-modality imaging centers. Mr. Hames brings business leadership skills from his experience as President and Chief Executive Officer of his own company and has a 20-year background in the day-to-day operations of imaging centers.

Lawrence L. Levitt has been a member of our Audit Committee since March 2005 and a member of our Nominating and Governance Committee since 2011. Mr. Levitt has served as the Chair of our Compensation and Management Development Committee since 2007. Mr. Levitt is a certified public accountant and received his MBA in Accounting from the University of California Los Angeles. Since 1987, Mr. Levitt has been the President and Chief Financial Officer of Canyon Management Company, a company which manages a privately held investment fund. Mr. Levitt brings to our Board of Directors extensive financial accounting experience and is an audit committee financial expert

under the SEC rules.

Michael L. Sherman, M.D., F.A.C.R., has been a member of our Compensation and Management Development Committee since 2007 and was elected to serve as the chair of our Nominating and Governance Committee in 2011. Dr. Sherman served as a director of Radiologix between 1997 and November 2006, until its acquisition by the Company. He founded and served as President of Advanced Radiology, P.A., a 90-person radiology practice located in Baltimore, Maryland, from its inception in 1995 to 2001, and subsequently as its board chairman and a consultant until his retirement from active clinical practice in 2005. In addition, Dr. Sherman was a director of MedStar Health, a ten-hospital system in the Baltimore-Washington, D.C. area from 1998 until 2006 and served as a director of Medstar's captive insurance company until 2011. Dr. Sherman has trained as a mediator and since 2006 has served as president of Medical Mediation, LLC through which he has mediated professional liability and business cases. He was a director of HX Technologies, a healthcare IT private company, from 2006 until its sale in 2010. Dr. Sherman has broad experience in the medical and business aspects of radiology as a board member and chairman of various companies in the healthcare industry.

David L. Swartz has been chair of our Audit Committee since 2004, has been a member of our Nominating and Governance Committee since 2007 and was appointed as Lead Independent Director in 2011. Mr. Swartz is a certified public accountant with experience providing accounting and advisory services to clients. Since 2010, Mr. Swartz has owned and continues to operate his own consulting services firm. Mr. Swartz served as a member of the Board of Directors of the California State Board of Accountancy until November 2012 and previously served as its president. Prior to 1988, Mr. Swartz served as managing partner and was on the national Board of Directors of a 50 office international accounting firm. Between 1990 and 2008, Mr. Swartz served as the managing partner of Good, Swartz, Brown & Berns LLP which was acquired by J.H. Cohn LLP in 2008. From 2008 to 2010, Mr. Swartz served as a partner at J.H. Cohn LLP. Mr. Swartz also served as chief financial officer of a publicly held shopping center and development company from 1988 to 2000. Mr. Swartz brings to our Board of Directors extensive public financial accounting experience and is an audit committee financial expert under the SEC rules.

COMPENSATION OF DIRECTORS

Overview of Director Compensation

We use cash and stock based incentive compensation to attract and retain qualified candidates to serve on our Board of Directors. In setting director compensation, we consider the significant amount of time that our directors expend in fulfilling their duties to our Company as well as the skill level required by the members of our Board of Directors. The Compensation and Management Development Committee considers and evaluates compensation arrangements and makes recommendations to the Board of Directors, which has ultimate authority to approve such compensation. In addition, our certificate of incorporation and bylaws include indemnification provisions for our directors and executive officers and we maintain liability insurance for our directors and executive officers. Employee directors do not receive any compensation for their service as a director.

Cash Compensation Paid to Non-Employee Board Members

Based on the recommendation of the Compensation and Management Development Committee's independent compensation consultant Pearl Meyer & Partners LLC ("Pearl Meyer") and a review of peer group data, the Compensation and Management Development Committee elected in 2018 to keep the existing cash compensation structure in place as is for non-employee directors to continue to align our director compensation structure with general market practices. The 2018 cash compensation structure for non-employee directors is set forth below:

Annual cash compensation	\$55,000
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Audit Committee Chair annual cash compensation	\$20,000
Compensation and Management Development Committee Chair annual cash compensation	\$10,000
Nominating and Governance Committee Chair annual cash compensation	\$10,000
Lead Director annual cash compensation	\$10,000
Committee Meeting Attendance (per meeting)	\$1,500

Equity Compensation in 2018

In 2018, non-employee directors each received a restricted stock award of 9,728 common shares under our 2006 Equity Incentive Plan, as amended (the “Restated 2006 Plan”), with a grant date value of approximately \$125,000 based on the \$12.85 per-share closing price of the Company’s common stock on June 7, 2018. Subject to continued service, vesting of the equity grant will occur at the end of each non-employee director’s current term which coincides with the Annual Meeting.

Nonqualified Deferred Compensation Arrangements

Non-employee directors are eligible to participate in our Nonqualified Deferred Compensation Plan. No non-employee directors elected to defer any portion of their equity compensation granted in 2018.

Non-Employee Director Compensation - 2018

The table below summarizes the compensation received for the fiscal year ended December 31, 2018 by each of our non-employee directors.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) ⁽¹⁾⁽²⁾	Total (\$)
Marvin S. Cadwell ⁽³⁾	64,000	125,000	189,000
Lawrence L. Levitt ⁽³⁾	75,500	125,000	200,500
Michael L. Sherman, M.D. ⁽³⁾	68,750	125,000	193,750
David L. Swartz ⁽³⁾	94,000	125,000	219,000

In accordance with SEC rules, the amounts shown reflect the aggregate grant date fair value of stock awards granted in 2018 computed in accordance with FASB ASC Topic 718. The grant date value is measured based on the closing price of Radnet's common stock on the date of grant. These are not amounts actually paid to or realized by the non-employee director.

⁽²⁾Reflects the restricted stock awards described above in "Equity Compensation in 2018" section above.

⁽³⁾As of December 31, 2018, each of Messrs. Cadwell, Levitt, Sherman and Swartz held 9,728 shares of unvested restricted stock. None of the non-employee directors held any stock options.

EXECUTIVE OFFICERS

The names of our current executive officers, their ages as of March 31, 2019, and their positions are shown below.

Name of Executive Officer	Age	Position	Executive Officer Since
Howard G. Berger, M.D.	73	President, Chief Executive Officer and Chairman of the Board	1992
John V. Crues, III, M.D.	69	Vice President and Medical Director	2000
Stephen M. Forthuber	58	President and Chief Operating Officer – Eastern Operations	2006
Norman R. Hames	63	President, Secretary, Chief Operating Officer – Western Operations	1996
Michael M. Murdock	64	Executive Vice President and Chief Development Officer	2007
Mital Patel	33	Executive Vice President of Financial Planning and Analysis	2016
Mark D. Stolper	47	Executive Vice President and Chief Financial Officer	2004

Biographical summaries of each of our executive officers who are not also members of our Board of Directors are included below.

Stephen M. Forthuber has served as an executive officer of the Company since our acquisition of Radiologix, Inc. and currently serves as our President and Chief Operating Officer-Eastern Operations. He joined Radiologix in January 2000 as Regional Director of Operations, Northeast. From July 2002 until January 2005 he served as Regional Vice President of Operations, Northeast and from February 2005 until December 2005 he was Senior Vice President and Chief Development Officer for Radiologix. Prior to working at Radiologix, Mr. Forthuber was employed from 1982 until 1999 by Per-Se Technologies, Inc. and its predecessor companies, where he had significant physician practice management and radiology operations responsibilities. Mr. Forthuber received a B.A. in Business Administration from the College of William and Mary in Virginia.

Michael Murdock has served as our Executive Vice President and Chief Development Officer since 2007. Mr. Murdock has spent the majority of his career in senior financial positions with healthcare companies, ranging in size from venture-backed startups to multi-billion dollar corporations, including positions with American Medical International and its successor American Medical Holding, Inc., a publicly traded owner and operator of acute care facilities that was acquired by National Medical Enterprises, now Tenet Healthcare (NYSE: THC). From 1999 through 2004, Mr. Murdock served as Chief Financial Officer of Dental One, a venture capital-backed owner and operator of 48 dental practices in Texas, Arizona, Colorado and Utah. From 2005 to 2006, Mr. Murdock served as Chief Financial Officer of Radiologix and joined us following the Radiologix acquisition. Mr. Murdock began his career in 1978 as an auditor with Arthur Andersen after receiving a B.S. degree from California State University, Northridge.

Mital Patel has served as our Executive Vice President of Financial Planning and Analysis since 2016. Mr. Patel has over a decade of senior healthcare management experience. Mr. Patel started his career at Truxtun Radiology and served as part of the Management team before the acquisition to RadNet. At Truxtun, Mr. Patel increased practice revenue, managed operation initiatives and quality compliance measures, and managed Truxtun's acquisition by RadNet. Mr. Patel began his career at RadNet in 2010 where he applied his extensive healthcare industry experience to drive profitability and market share for RadNet. Mr. Patel received a B.A. degree in Business Administration from California State University in Bakersfield. Mr. Patel has also been very active in the community, having held board seats in several non-profit organizations.

Mark D. Stolper has served as our Executive Vice President and Chief Financial Officer since July 2004 and prior to that was an independent member of our Board of Directors. Prior to joining us, he had diverse experiences in investment banking, private equity, venture capital investing and operations. Mr. Stolper began his career as a member of the corporate finance group at Dillon, Read and Co., Inc., executing mergers and acquisitions, public and private financings, and private equity investments with Saratoga Partners LLP, an affiliated principal investment group of Dillon Read. After Dillon Read, Mr. Stolper joined Archon Capital Partners, which made private equity investments in media and entertainment companies. Mr. Stolper also worked for Eastman Kodak, where he was responsible for business development for Kodak's Entertainment Imaging subsidiary (\$1.5 billion in sales). Mr. Stolper was also co-founder of Broadstream Capital Partners, a Los Angeles-based investment banking firm focused on advising middle market companies engaged in financing and merger and acquisition transactions. Mr. Stolper has been a member of the board of directors of RTI Surgical, Inc. (NASDAQ: RTIX) since March 2017. He was a member of the board of directors and audit committee for On Track Innovations, Ltd. (NASDAQ: OTIV) from December 2012 until December 2016. He was previously a member of the board of directors and audit committee for Metropolitan Health Networks, Inc. (NYSE: MDF) from April 2010 until its sale in December 2012, was a member of the board of directors for a privately held entertainment company providing discount ticketing services and branded event merchandising and was Chairman of the board for a private telemedicine and eHealth provider. Mr. Stolper graduated with a liberal arts degree from the University of Pennsylvania and a finance degree from the Wharton School. Additionally, Mr. Stolper earned a postgraduate Award in Accounting from the University of California, Los Angeles.

Our officers are elected annually and serve at the discretion of the Board of Directors. There are no family relationships among any of our executive officers and directors.

EXECUTIVE COMPENSATION

COMPENSATION COMMITTEE REPORT*

The Compensation and Management Development Committee of the Board of Directors is comprised of independent non-employee directors and operates pursuant to a written charter. A copy of the charter can be viewed by visiting our website at www.radnet.com and clicking on “Investor Relations” and then on “Corporate Governance.” The Compensation and Management Development Committee is responsible for setting and overseeing the administration of the policies governing annual compensation of the Company’s executive officers. The Compensation and Management Development Committee reviews the performance and compensation levels for executive officers, including the Chief Executive Officer, and sets salary levels.

The Compensation and Management Development Committee has reviewed and discussed with RadNet’s management the “Compensation Discussion and Analysis” included below in this Proxy Statement. Based upon that review and analysis, the Compensation and Management Development Committee unanimously recommended to the Board of Directors that the “Compensation Discussion and Analysis” be included in this Proxy Statement.

Submitted by the Compensation and Management Development Committee:

Lawrence L. Levitt, Chair

Marvin S. Cadwell

Michael L. Sherman, M.D.

David L. Swartz

* The material in this report is not “soliciting material,” is not deemed filed with the SEC and is not to be incorporated by reference into any of our filings under the Securities Act or the Exchange Act whether made before or after the date of this Proxy Statement and irrespective of any general incorporation language therein.

COMPENSATION DISCUSSION AND ANALYSIS

Our executive compensation program is designed to attract, retain and motivate talented executive officers who are capable of providing leadership, vision and execution necessary to achieve our business objectives. We actively seek to foster an environment that aligns the interests of our Named Executive Officers with the creation of stockholder value through our equity compensation program.

During 2018 we completed several important transactions within existing core markets. In April, we completed the acquisition of five imaging centers in Fresno, California. In October, we completed our first acquisition in Long Island, New York (Medical Arts Radiology) to coincide with becoming operational with our first east coast capitation contract with Emblem Health.

2018 Revenue of \$975.1 million reflects a 5.7% increase over 2017.

Our annualized total return to our stockholders over the most recent five completed calendar years was 43.5% and this means that our stockholders would have sextupled their investment over this five year period. As shown in the following graph, our cumulative stockholder return has outperformed both the S&P 500 Index and S&P Health Care Sector return during this period. This graph compares the cumulative five-year total return provided to stockholders on the Company's common stock relative to the S&P 500 Index and S&P Health Care Sector and assumes a \$100 initial investment and the reinvestment of dividends in each of the indices.

We believe the compensation paid to our Named Executive Officers for 2018 appropriately reflects and rewards their contribution to our performance.

This Compensation Discussion and Analysis explains the guiding principles and practices upon which our executive compensation program is based and the compensation paid to our 2018 Named Executive Officers:

Howard G. Berger, M.D. – President and Chief Executive Officer (our principal executive officer)

Mark D. Stolper – Executive Vice President and Chief Financial Officer (our principal financial officer)

Jeffrey L. Linden – Former Executive Vice President and General Counsel

Norman R. Hames – President and Chief Operating Officer – Western Operations

Stephen M. Forthuber – President and Chief Operating Officer – Eastern Operations

Mital Patel – Executive Vice President of Financial Planning and Analysis

Under the SEC Rules Jeffrey Linden is considered a Named Executive Officer despite his death in October 2018 based on the level of compensation that he received. Mr. Linden served as our Executive Vice President and General Counsel from 2001 until his death in October 2018.

Compensation Philosophy

The following principles influence and guide the compensation decisions of the Compensation and Management Development Committee:

The Compensation and Management Development Committee Believes it is Important to Retain the Management Team

At the core of our compensation philosophy is the guiding belief that our management team is an integral component to the Company's continued success. Equity compensation and cash bonuses are determined in December and paid at the beginning of the fiscal year with the goal of rewarding prior year performance and continuing to retain and incentivize our Named Executive Officers to achieve or exceed the strategic initiatives set for the year.

Compensation Decisions Should Promote the Interests of Stockholders

Compensation should create incentives for management to achieve strong short-term (annual) performance in a manner that supports and ensures our long-term success and profitability. The Compensation and Management Development Committee believes that stock option and restricted stock awards create long-term incentives that align the interests of management with the long-term interests of stockholders.

Compensation Should Reflect Position and Responsibility

Total compensation and accountability should generally increase with position and responsibility. Consistent with this philosophy:

- total compensation is higher for individuals with greater responsibility and greater ability to influence the Company's achievement of targeted results and strategic initiatives; and

- equity-based compensation is higher for persons with higher levels of responsibility, making a significant portion of their total compensation dependent on long-term stock appreciation.

Internal Pay Equity

The Compensation and Management Development Committee believes that internal pay equity is an important factor to be considered in establishing compensation for our Named Executive Officers. We have not established a formal policy regarding the ratio of total compensation of the Chief Executive Officer to that of the other officers, but the Compensation and Management Development Committee does review compensation levels to ensure that appropriate pay equity exists.

Compensation Should be Reasonable and Responsible

It is essential that our overall compensation levels be sufficiently competitive to attract and retain talented leaders and motivate those leaders to achieve superior results. At the same time, we believe that compensation should be set at responsible levels and the Compensation and Management Development Committee periodically reviews market information from external sources or advisors to determine appropriate levels. Our executive compensation programs

are intended to be consistent with our focus on controlling costs.

Compensation Disclosures Should be Clear and Complete

The Compensation and Management Development Committee and management believe that all aspects of executive compensation should be clear, comprehensible and promptly disclosed in plain English. The Compensation and Management Development Committee and management believe that compensation disclosures should provide all of the information necessary to permit stockholders to understand our compensation philosophy, our compensation-setting process and how and how much our executives are paid.

Board and Committee Process

The Role of the Compensation and Management Development Committee

Our Board of Directors has delegated to the Compensation and Management Development Committee the authority to approve all compensation and awards to Named Executive Officers. With respect to equity compensation awarded to the Named Executive Officers and others, the Compensation and Management Development Committee acts as the administrator under the Restated 2006 Plan, and has the authority under that plan to grant stock options, restricted stock, or restricted stock units.

Our Compensation and Management Development Committee meets as often as necessary to perform its duties and responsibilities. The Committee meets with the Company's compensation consultant and, as applicable, executive management, including our Chief Executive Officer, and conducts meetings in executive session. The Compensation and Management Development Committee meets in executive session each year to: (1) evaluate the performance of the Named Executive Officers, (2) set the annual compensation of the Named Executive Officers, and (3) consider and approve any grants of equity incentive compensation to the Named Executive Officers.

The Compensation and Management Development Committee has ultimate authority, including delegated authority over all aspects of Named Executive Officer compensation, including the base salary for each Named Executive Officer and the overall compensation of the Chief Executive Officer. The Compensation and Management Development Committee has, for several years, adhered to an informal policy pursuant to which each year the Committee determines, based on a number of factors, the aggregate maximum value of cash bonus, restricted stock and stock options that may be awarded to each Named Executive Officer. The Compensation and Management Development Committee has delegated to the Chief Executive Officer the authority to allocate the exact amount of such awards and the combination of cash and equity for the other Named Executive Officers.

The Role of Management in the Compensation-Setting Process

Management's role in the compensation-setting process, includes the following:

to establish the operating budget approved by the Board of Directors, which forms the basis for evaluating corporate achievements and the achievements of the divisions our Named Executive Officers manage that are taken into consideration when evaluating compensation levels for Named Executive Officers;

to make recommendations to the Compensation and Management Development Committee on salary levels and stock option and restricted stock awards; and

our Chief Executive Officer allocates the amount of cash bonus, restricted stock and stock option amounts to be awarded to our Named Executive Officers (other than himself), in all cases subject to the guidelines and limitations placed by the Compensation and Management Development Committee.

Management also prepares meeting information for each Compensation and Management Development Committee meeting. Our Chief Executive Officer also participates in committee meetings at the request of the Compensation and Management Development Committee to provide, among other things:

background information regarding the Company's strategic objectives; and

his evaluation of the performance of the Named Executive Officers, including accomplishments, and areas of strength and weakness.

The Role of the Compensation Consultant

Under its charter, the Compensation and Management Development Committee is granted the authority to retain outside advisors and compensation consultants. The Company is obligated to pay for the advisors and consultants.

The Compensation and Management Development Committee retained the compensation consulting firm Pearl Meyer & Partners, LLC (“Pearl Meyer”) to serve as its independent outside compensation consultant and provide compensation analysis and advice with respect to fiscal year 2016 compensation and has since retained Pearl Meyer again for the same services with respect to executive compensation in fiscal years 2017, 2018 and 2019.

Pearl Meyer provides the following services with respect to compensation determinations:

- Executive compensation benchmarking and framework;
- Assess market trends of non-employee director compensation;
- Review of market compensation practices and trends;
- Annual incentive plan and equity award design;
- Advice on merit increases, target bonuses and equity award levels;
- Legislative and regulatory updates;
- Attendance at certain Compensation and Management Development Committee meetings.

Pearl Meyer also attends certain Compensation and Management Development Committee meetings in person or by telephone, including executive sessions as requested, and consults with the Compensation and Management Development Committee Chair between meetings. Pearl Meyer also reviewed and commented on this executive compensation disclosure and the Named Executive Officer and director compensation tables contained in this Proxy Statement.

As part of the selection and retention process, the Compensation and Management Development Committee analyzes the independence of Pearl Meyer under SEC and Nasdaq Rules. Pearl Meyer reports directly to the Compensation and Management Development Committee and performs no other work for the Company besides rendering compensation consulting services.

The Role of Peer Companies and Benchmarking

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The Compensation and Management Development Committee reviews a peer group of companies (“Peer Group”) to assess the competitiveness of the Company’s executive officer compensation level and structure. The composition of the Peer Group is reviewed each year. The Peer Group currently includes the following companies:

AAC Holdings, Inc.	Amedisys Inc.	American Renal Associates Holdings, Inc.
Chemed Corp.	Civitas Solutions, Inc.	The Ensign Group, Inc.
Healthways Inc. (changed to Trivity Health, Inc.)	LHC Group, Inc.	National Healthcare Corp.
Premier, Inc.	Providence Service Corp.	Surgery Partners, Inc.
US Physical Therapy Inc.		

The following selection criteria was established to identify companies for inclusion in the Peer Group:

- U.S. publicly traded companies with revenues approximately one-third to two times RadNet’s revenues
- Primary operations in the healthcare facility and services industry

Elements of Executive Compensation

Base Salary

Base salary is a critical element of executive compensation. We seek to establish a salary compensation level that is appropriate recognizing the Named Executive Officer's achievements and contributions. Base salary also provides executives with a secure level of monthly income that is not at risk, and our Compensation and Management Development Committee believes that this gives our Named Executive Officers the ability to focus on the longer term and avoid the urgency that could otherwise encourage a Named Executive Officer to take unnecessary risks. In determining base salaries, our Compensation and Management Development Committee considers the Named Executive Officer's qualifications and experience, scope of responsibilities and future potential, the executive's ability to influence the Company's achievements of targeted results and strategic initiatives, the goals and objectives established for the Named Executive Officer, the Named Executive Officer's past performance, the general pay practices at other companies in our industry, internal pay equity and the tax deductibility of base salary.

Discretionary Cash Bonuses

In recent years, in lieu of increasing base salary compensation, we have elected to supplement base salary and equity based compensation with discretionary cash bonus awards generally paid in the beginning of the fiscal year. These discretionary cash bonuses are utilized to provide a greater incentive for our Named Executive Officers to achieve shorter term performance objectives and to reward them for exceptional achievement.

Equity Based Compensation

We believe that equity compensation is the most effective means of creating a long-term link between the compensation provided to officers and other key management personnel with gains realized by our stockholders.

Our equity compensation plan has been established to provide certain of our employees, including our Named Executive Officers, with incentives to help align those employees' interests with the interests of our stockholders. Our equity compensation plan has provided the principal method for our Named Executive Officers (other than our Chief Executive Officer) to acquire equity or equity linked interests in our Company.

The Compensation and Management Development Committee uses equity awards, including restricted stock, restricted stock units (“RSUs”) and stock options, as a long-term incentive vehicle because:

- restricted stock, RSUs and stock options align the interests of executives with those of our stockholders, support a pay-for-performance culture, foster employee stock ownership and focus the management team on increasing value for our stockholders; and
- the vesting period encourages executive retention and the creation of stockholder value.

We use a mix of restricted stock, RSUs, and stock options for equity compensation grants to the Named Executive Officers. In determining the maximum number of shares of restricted stock, RSUs and stock options to be granted to Named Executive Officers, the Compensation and Management Development Committee considers the individual’s position, scope of responsibility, ability to affect profits and stockholder value and the individual’s historic and recent performance, the value of the equity awards in relation to other elements of total compensation, internal pay equity and market competitiveness. The Chief Executive Officer considers similar factors when allocating the number of shares of restricted stock, RSUs and stock options to be granted to the senior executive officers, within the limitations set by the Compensation and Management Development Committee.

We have one long-term equity incentive plan--the Restated 2006 Plan—which was most recently approved by our stockholders at our annual stockholders meeting on June 8, 2017. Unless terminated earlier, the Restated 2006 Plan will terminate on March 9, 2027.

The Restated 2006 Plan permits the discretionary award of incentive stock options (ISOs), nonqualified stock options (NSOs), stock appreciation rights (SARs), restricted stock, restricted stock units, and cash awards. Employees, consultants and Board members of the Company and certain of our affiliated companies are eligible to receive awards under the Restated 2006 Plan. As of April 17, 2019, approximately 7,400 employees (including 7 executive officers) and 4 non-employee directors were eligible to participate in the Restated 2006 Plan.

The Compensation and Management Development Committee administers the Restated 2006 Plan and, among other things, selects individuals to whom awards may be granted, determines the type of award as well as the number of shares of common stock to be covered by each award, determines the terms and conditions of any awards, including performance goals (if any) and their degree of satisfaction and interprets the terms and provisions of the Restated 2006 Plan and any stock award issued under the Restated 2006 Plan. However, the exercise prices of outstanding stock options and SARs may not be lowered or reduced without the approval of our stockholders.

As of April 17, 2019, there remained 2,606,805 shares available under the Restated 2006 Plan for future issuance. Shares underlying forfeited or terminated awards, or awards which are entirely settled with cash or which are repurchased by the Company for a repurchase price that does not exceed what the grantee paid for such shares, will become fully available again for issuance under the Restated 2006 Plan. No fractional shares may be issued under the Restated 2006 Plan. No shares will be issued with respect to a participant's award unless applicable tax withholding obligations have been satisfied by the participant.

In addition, the Restated 2006 Plan provides that any non-employee director can receive total compensation in any calendar year that in the aggregate does not exceed \$500,000. Such total compensation limit includes all cash compensation such as annual retainers and other fees (whether or not granted under the Restated 2006 Plan) plus the aggregate grant date fair market value (computed as of the date of grant in accordance with applicable financial accounting rules) of all awards issued under the Restated 2006 Plan (or under any other incentive plan).

Additional Benefits

Our executive officers, including our Named Executive Officers, participate in other employee benefit plans generally available to all employees on the same terms as similarly situated employees. Perquisites to our Named Executive Officers are not a material element of our compensation program. We pay the premiums for some of our Named Executive Officers' coverage under our health insurance plans and all of our Named Executive Officers are provided a

monthly car allowance. Also, beginning in 2017, we began matching 401(k) contributions for our employee participants.

Change in Control and Severance Arrangements

The awards held by our Named Executive Officers under the Restated 2006 Plan and Deferred Nonqualified Compensation Plan provide them with benefits if their employment is terminated under certain circumstances, including termination following a change in control of the Company. These plans, including the change in control provisions and the right to receive severance, were initially used to attract qualified executive officers and have continued to be used as a way to retain such qualified executive officers. None of our Named Executive Officers are eligible for gross-up payments to cover excise taxes in connection with a change in control transaction.

If, in anticipation of or during the 24 months following a change in control of the Company, the employment of the Named Executive Officer is terminated either by the Company without Cause (as defined in the Restated 2006 Plan) or by the Named Executive Officer for Good Reason (as defined in the Restated 2006 Plan), then all then-unvested shares subject to restricted stock awards, restricted stock units or stock option awards become fully vested upon the date of termination of employment.

Nonqualified Deferred Compensation Arrangements

On May 5, 2016, the Board of Directors approved the RadNet, Inc. Nonqualified Deferred Compensation Plan (the “Deferred Compensation Plan”). The Deferred Compensation Plan provides the terms and conditions that the Company would generally follow in permitting an eligible service provider to defer certain portions of his/her compensation. The Compensation and Management Development Committee generally administers the Deferred Compensation Plan.

The Named Executive Officers, the members of the Board of Directors, and other executives or highly compensated employees of the Company or designated affiliated entities (collectively, “Participants”) who are selected by the Compensation and Management Development Committee in its discretion are eligible to participate in the Deferred Compensation Plan. Participants have the opportunity to voluntarily elect to defer the timing of payment of base salary, incentive compensation and/or stock units. The Company determines which forms of compensation are eligible for deferral and can prescribe limits on the amount of deferrals. The Company may also, in its discretion, credit a Participant’s account with a Company contribution amount.

Cash-based deferrals may also accrue notional investment returns based on the performance of one or more measurement funds selected by the Company and in which the Participant may elect to have portions of his/her cash account hypothetically invested. Deferrals of Company stock units will be settled on a one-for-one basis with Company common shares (or their cash equivalent). The Deferred Compensation Plan is not funded; payments are made out of the Company’s general assets and Participants are unsecured general creditors of the Company with respect to deferred amounts. However, the Company may, in its discretion, establish a “rabbi trust” to provide the Company with a source of funds for meeting its financial obligations under the Deferred Compensation Plan.

Participants generally must have submitted their elections to defer compensation before the calendar year in which compensation is earned (except that Participants can make a deferral election within 30 days of their initial eligibility to participate in the Deferred Compensation