

SIRIUS XM HOLDINGS INC.

Form 8-K

December 26, 2018

**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): December 26, 2018 (December 21, 2018)

**SIRIUS XM HOLDINGS INC.**

(Exact Name of Registrant as Specified in Charter)

**Delaware**

(State or Other Jurisdiction  
of Incorporation)

**001-34295**

(Commission File Number)

**38-3916511**

(I.R.S. Employer  
Identification No.)

**1290 Avenue of the Americas, 11th Fl., New York, NY 10104**

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code: **(212) 584-5100**

N/A

(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:

☒ 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

On December 24, 2018, our subsidiary, Sirius XM Radio Inc., entered into a new employment agreement with Scott A. Greenstein (the “Employment Agreement”). Mr. Greenstein’s Employment Agreement provides for his continued service as our President and Chief Content Officer through May 24, 2022. The Employment Agreement is substantially similar to the executive’s existing employment agreement, other than with respect to certain economic changes described below.

Ms. Greenstein’s Employment Agreement specifies an annual base salary of \$1,600,000 and an opportunity to earn a target annual bonus equal to 150% of his base salary based on the achievement of performance goals.

The Employment Agreement also provides, in the case of certain qualifying terminations, for continuation of health and life insurance benefits for eighteen months and for a lump sum severance payment in an amount equal to one and one-half times the sum of (i) Mr. Greenstein’s annual base salary plus (ii) the greater of \$2,600,000 or the last annual bonus paid (or due and payable) to him. Our obligation to pay the severance is subject to Mr. Greenstein’s execution of a release of claims against us.

We granted Mr. Greenstein an option to purchase 3,180,872 shares of our common stock, as well as 680,581 time-based restricted stock units and 1,361,162 performance-based restricted stock units. The option granted to Mr. Greenstein has an exercise price equal to \$5.51 per share. Each option and time-based restricted stock unit award vests in equal annual amounts on December 24, 2019, December 24, 2020 and May 24, 2022. Each performance-based restricted stock unit award vests based upon the achievement of applicable performance conditions, subject to his continued employment through May 24, 2022. Each of these awards is subject to acceleration or termination under certain circumstances.

The Employment Agreement also contains other provisions consistent with his existing employment agreement, including confidentiality and non-competition restrictions, as well as a compensation clawback to the extent required by applicable law, regulations or stock exchange listing requirement, or any company policy adopted pursuant thereto.

The foregoing description is qualified in its entirety by the Employment Agreement attached as Exhibit 10.1 to this Current Report on Form 8-K.

**Item 8.01. Other Events.**

As previously disclosed, on September 23, 2018, we entered into an Agreement and Plan of Merger and Reorganization (the “Merger Agreement”) with Pandora Media, Inc. (“Pandora”) and White Oaks Acquisition Corp., our

wholly owned subsidiary, pursuant to which we will acquire Pandora (the “Transaction”).

In connection with the Transaction, on November 20, 2018, Pandora and our ultimate parent entity each filed a Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “HSR Act”), with the U.S. Federal Trade Commission and the U.S. Department of Justice. The waiting period under the HSR Act expired at 11:59 P.M., New York City time, on December 21, 2018. The Transaction was also previously approved by the competition authorities of Germany and Austria, and accordingly all requisite antitrust approvals for the closing of the Transaction have been obtained.

The Transaction remains subject to approval by Pandora stockholders and other customary closing conditions. Pandora’s special meeting of stockholders to vote on the Transaction is scheduled to be held on January 29, 2019. Pandora stockholders of record as of the close of business on November 30, 2018 will be entitled to vote at the special meeting in person or by proxy. We continue to expect the Transaction to close in the first quarter of 2019.

A copy of the press release announcing the filing of the definitive proxy statement/prospectus, the scheduling of Pandora’s special meeting of stockholders to vote on the Transaction, and the expiration of the HSR Act waiting period is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

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#### **IMPORTANT ADDITIONAL INFORMATION AND WHERE TO FIND IT**

This communication is being made in respect of the proposed merger transaction involving Sirius XM Holdings Inc. (“Sirius”) and Pandora. In connection with the proposed merger transaction, Sirius filed a registration statement on Form S-4 with the SEC on October 31, 2018, which includes a proxy statement of Pandora and a prospectus of Sirius and each party will file other documents regarding the proposed transaction with the SEC. The Form S-4, as amended, was declared effective by the SEC on December 20, 2018. This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. **Before making any voting or investment decision, investors and stockholders of Pandora are urged to carefully read the entire registration statement and proxy statement/prospectus, when they become available, and any other relevant documents filed with the SEC, as well as any amendments or supplements to these documents, because they will contain important information about the proposed transaction.** The documents filed by Sirius and Pandora with the SEC may be obtained free of charge at the SEC’s website at [www.sec.gov](http://www.sec.gov). In addition, the documents filed by Sirius may be obtained free of charge from Sirius at [www.siriusxm.com](http://www.siriusxm.com), and the documents filed by Pandora may be obtained free of charge from Pandora at [www.Pandora.com](http://www.Pandora.com). Alternatively, these documents, when available, can be obtained free of charge from Sirius upon written request to Sirius, 1290 Avenue of the Americas, 11<sup>th</sup> Floor, New York, New York 10104, Attn: Investor Relations, or by calling (212) 584-5100, or from Pandora upon written request to Pandora, 2100 Franklin Street, Suite 700, Oakland, California 94612 Attn: Investor Relations or by calling (510) 451-4100.

Sirius and Pandora and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of Pandora in favor of the approval of the merger. Information

regarding Sirius' directors and executive officers is

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contained in Sirius' Annual Report on Form 10-K for the year ended December 31, 2017, its Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2018, June 30, 2018 and September 30, 2018 and its Proxy Statement on Schedule 14A, dated April 23, 2018, which are filed with the SEC. Information regarding Pandora's directors and executive officers is contained in Pandora's Annual Report on Form 10-K for the year ended December 31, 2017, its Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2018, June 30, 2018 and September 30, 2018 and its Proxy Statement on Schedule 14A, dated April 10, 2018, which are filed with the SEC. Additional information regarding the interests of those participants and other persons who may be deemed participants in the transaction may be obtained by reading the registration statement and the proxy statement/prospectus when they become available. Free copies of these documents may be obtained as described in the preceding paragraph.

## **FORWARD-LOOKING STATEMENTS**

This communication contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about future financial and operating results, our plans, objectives, expectations and intentions with respect to future operations, products and services; and other statements identified by words such as "will likely result," "are expected to," "will continue," "is anticipated," "estimated," "believe," "intend," "plan," "projection," "outlook" or words of similar meaning. Such forward-looking statements are based upon the current beliefs and expectations of our management and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and generally beyond our control. Actual results and the timing of events may differ materially from the results anticipated in these forward-looking statements.

In addition to factors previously disclosed in Sirius' and Pandora's reports filed with the SEC and those identified elsewhere in this communication, the following factors, among others, could cause actual results and the timing of events to differ materially from the anticipated results or other expectations expressed in the forward-looking statements: ability to meet the closing conditions to the merger, including the approval of Pandora's stockholders on the expected terms and schedule; delay in closing the merger; failure to realize the expected benefits from the proposed transaction; risks related to disruption of management time from ongoing business operations due to the proposed transaction; Sirius' or Pandora's substantial competition, which is likely to increase over time; Sirius' or Pandora's ability to retain subscribers or increase the number of subscribers is uncertain; Sirius' or Pandora's ability to profitably attract and retain subscribers; failing to protect the security of the personal information about Sirius' or Pandora's customers; interference to Sirius' or Pandora's service from wireless operations; Sirius and Pandora engage in substantial marketing efforts and the continued effectiveness of those efforts are an important part of Sirius' and Pandora's business; consumer protection laws and their enforcement; Sirius' or Pandora's failure to realize benefits of acquisitions or other strategic initiatives; unfavorable outcomes of pending or future litigation; the market for music rights, which is changing and subject to uncertainties; Sirius' dependence upon the auto industry; general economic conditions; existing or future government laws and regulations could harm Sirius' or Pandora's business; failure of Sirius' satellites would significantly damage its business; the interruption or failure of Sirius' or Pandora's information technology and communications systems; rapid technological and industry changes; failure of third parties to perform; Sirius'

failure to comply with FCC requirements; modifications to Sirius' or Pandora's business plan; Sirius' or Pandora's indebtedness; Sirius' studios, terrestrial repeater networks, satellite uplink facilities or Sirius' or Pandora's other ground facilities could be damaged by natural catastrophes or terrorist activities; Sirius' principal stockholder has significant influence over its affairs and over actions requiring stockholder approval and its interests may differ from interests of other holders of Sirius' common stock; Sirius is a "controlled company" within the meaning of the NASDAQ listing rules; impairment of Sirius' or Pandora's business by third-party intellectual property rights; changes to Sirius' dividend policies which could occur at any time; and risks related to the inability to realize cost savings or revenues or to implement integration plans and other consequences associated with mergers, acquisitions and divestitures. The information set forth herein speaks only as of the date hereof, and Sirius and Pandora disclaim any intention or obligation to update any forward looking statements as a result of developments occurring after the date of this communication. Annualized, pro forma, projected and estimated numbers are used for illustrative purpose only, are not forecasts and may not reflect actual results.

**Statements**

**Item 9.01. and**

**Exhibits**

(d) Exhibits.

**Exhibit  
Number**

**Description of Exhibit**

10.1 Employment Agreement, dated as of December 24, 2018, between Sirius XM Radio Inc. and Scott A. Greenstein

99.1 Press Release, dated December 24, 2018

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**SIGNATURES**

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 thereunto duly authorized.

SIRIUS XM HOLDINGS INC.

By: /s/ Patrick L. Donnelly  
Patrick L. Donnelly  
Executive Vice President, General Counsel and Secretary

Dated: December 26, 2018