

SIRIUS XM HOLDINGS INC.  
Form DEF 14A  
April 08, 2014  
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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**  
**(Amendment No. )**

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

**Sirius XM Holdings Inc.**

**(Name of Registrant as Specified In Its Charter)**

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

(1) Title of each class of securities to which transaction applies:

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

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

(3) Filing Party:

(4) Date Filed:

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**NOTICE OF 2014 ANNUAL MEETING OF STOCKHOLDERS**

**Time and Date:** 9:00 a.m., New York City time, on Monday, May 19, 2014

**Place:** The McGraw-Hill Building

Auditorium

1221 Avenue of the Americas

New York, New York 10020

**Items of Business:**

1. To elect the thirteen director nominees listed herein;
2. To approve, in a non-binding, advisory vote, the compensation paid to our named executive officers;
3. To ratify the appointment of KPMG LLP as our independent registered public accountants for 2014; and
4. To transact any other business properly coming before the annual meeting and any adjournments or postponements thereof.

**Who may Vote:** Stockholders of record at the close of business on March 28, 2014.

**Important Notice Regarding the Date of Availability of Proxy Materials for the Stockholder Meeting to be Held on Monday, May 19, 2014:** We are pleased to be using the Securities and Exchange Commission's rules that allow companies to furnish proxy materials to their stockholders over the Internet. In accordance with these rules, we first sent stockholders of record at the close of business on or about April 8, 2014, a Notice of Internet Availability of Proxy Materials (Notice). The Notice contains instructions on how to access our Proxy Statement and Annual Report for the year ended December 31, 2013 over the Internet and how to vote.

Whether or not you expect to attend in person, we urge you to vote your shares over the Internet, by phone, or by signing, dating, and returning a proxy card at your earliest convenience.

Voting over the Internet or by telephone is fast and convenient, and your vote is immediately confirmed and tabulated. By using the Internet or telephone, you help us reduce postage, printing and proxy tabulation costs.

By Order of the Board of Directors,

PATRICK L. DONNELLY

*Executive Vice President, General Counsel and Secretary*

New York, New York

April 8, 2014

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1221 Avenue of the Americas

36th Floor

New York, New York 10020

**PROXY STATEMENT**

This proxy statement contains information related to the annual meeting of stockholders of Sirius XM Holdings Inc. to be held on Monday, May 19, 2014, beginning at 9:00 a.m., New York City time, in the Auditorium at The McGraw-Hill Building, 1221 Avenue of the Americas, New York, New York 10020, and at any adjournments or postponements thereof. This proxy statement is first being distributed or made available, as the case may be, to stockholders on or about April 8, 2014.

**ABOUT THE MEETING**

**What is the purpose of the annual meeting?**

At our annual meeting, stockholders will act upon the following matters outlined in the Notice of 2014 Annual Meeting of Stockholders, including:

Item 1 the election of thirteen director nominees to our board (Joan L. Amble, Anthony J. Bates, George W. Bodenheimer, David J.A. Flowers, Eddy W. Hartenstein, James P. Holden, Gregory B. Maffei, Evan D. Malone, James E. Meyer, James F. Mooney, Carl E. Vogel, Vanessa A. Wittman and David M. Zaslav);

Item 2 the approval of, in a non-binding, advisory vote, the compensation paid to our named executive officers;

Item 3 the ratification of the appointment of KPMG LLP as our independent registered public accountants for 2014; and

such other business that may properly be conducted at the annual meeting or any adjournments or postponements thereof. At the annual meeting, management will also report on our performance and respond to appropriate questions from stockholders. On March 28, 2014 (the Record Date), 6,063,845,329 shares of our common stock were outstanding.

**Is Sirius XM Holdings Inc. different from Sirius XM Radio Inc.?**

On November 15, 2013, we reorganized our corporate structure (the Reorganization). As a result of the Reorganization, Sirius XM Radio Inc. became a direct, wholly-owned subsidiary of Sirius XM Holdings Inc. Delaware law permits the formation of a holding company without a vote

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of the stockholders of the constituent corporations.

In connection with the Reorganization, among other things:

each share of common stock of Sirius XM Radio Inc. was converted automatically into the right to receive one validly issued, fully paid and non-assessable share of Sirius XM Holdings Inc. common stock, each share having the same designations, rights, powers and preferences, and the qualifications, limitations and restrictions thereof as the shares of Sirius XM Radio Inc. common stock;



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Sirius XM Holdings Inc. did not assume any of Sirius XM Radio Inc.'s existing debt obligations, except it became co-obligor of its 7% Exchangeable Senior Subordinated Notes due 2014 and such Notes became exchangeable for common stock of Sirius XM Holdings Inc. in lieu of Sirius XM Radio Inc. common stock;

Sirius XM Holdings Inc. assumed and agreed to perform all of Sirius XM Radio Inc.'s obligations under its long-term incentive plans, including under various award and related agreements;

Sirius XM Holdings Inc. assumed and agreed to perform all of Sirius XM Radio Inc.'s obligations under its existing warrants for the issuance of common stock, with the number of shares issuable upon exercise of such warrants, and the exercise price under such warrants, identical to the number of shares and the exercise price in effect immediately prior to the Reorganization; and

the business, management and directors of Sirius XM Holdings Inc., immediately following the Reorganization were identical to the business, management and directors of Sirius XM Radio Inc. immediately prior to the Reorganization.

This summary description of the Reorganization and its effects are qualified in its entirety by reference to the documents and information that has been filed by us with the SEC. The terms Sirius XM, we, us, our, and the company as used herein and unless otherwise stated or indicated in this context, refer to Sirius XM Radio Inc. and its consolidated subsidiaries prior to the Reorganization and to Sirius XM Holdings Inc. and its consolidated subsidiaries after the Reorganization.

### **What are the voting rights of the holders of our common stock?**

Each holder of our common stock is entitled to one vote per share of common stock on all matters to be acted upon at the annual meeting.

### **What vote is required to approve each item?**

Assuming the presence of a quorum, the directors will be elected by the holders of a plurality of the voting power of our common stock present in person or represented by proxy and entitled to vote. This means that the thirteen director nominees who receive the most votes cast by the holders of shares of our common stock will be elected. You may vote For or Withhold with respect to each nominee. Votes that are withheld will be excluded entirely from the vote with respect to the nominee from whom they are withheld. Votes that are withheld and broker non-votes (as described below) will not have any effect on the outcome of the election of the directors because directors are elected by plurality voting but they will be counted for the purpose of determining whether a quorum is present at the annual meeting.

The affirmative vote of the holders of a majority of the voting power of our common stock, present in person or represented by proxy, and entitled to vote on the matter is required for Item 2 (the approval of, in a non-binding, advisory vote, the compensation paid to our named executive officers) and Item 3 (the ratification of the appointment of KPMG LLP as our independent registered public accountants for 2014). You may vote For, Against or Abstain with respect to Items 2 and 3. For Items 2 and 3 an Abstain vote will have the same effect as a vote against the proposal. Items 2 and 3 are not binding on our board of directors or the Company.

### **When will voting results be available?**

We will announce preliminary voting results at the annual meeting. We will report final results in a Current Report on Form 8-K filed with the SEC shortly after the annual meeting.

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### **Who can attend the annual meeting?**

Subject to space availability, all stockholders as of the Record Date, or their duly appointed proxies, may attend the meeting. Since seating is limited, admission to the meeting will be on a first-come, first-served basis. Only persons who have proof of their stock ownership as of the Record Date will be allowed to enter the meeting. Proof of ownership will be any statement from their bank or broker showing the ownership of our common stock. Registration and seating will begin at 8:30 a.m., New York City time.

### **What constitutes a quorum?**

The presence, in person or by proxy, of the holders of a majority of the aggregate voting power of the issued and outstanding shares of our common stock entitled to vote at the annual meeting is necessary to constitute a quorum to transact business at the annual meeting. If a quorum is not present or represented at the annual meeting, the stockholders entitled to vote thereat, present in person or represented by proxy, may adjourn the annual meeting from time to time without notice or other announcement until a quorum is present or represented. Abstentions and broker non-votes are counted as present for purposes of determining a quorum.

### **What is a broker non-vote?**

A broker non-vote occurs if you hold shares in street name (that is, your shares are held on your behalf by a bank, broker or other nominee) and do not provide voting instructions to your broker on a proposal and your broker does not have the discretionary authority to vote on such proposal. A broker is entitled to vote shares held for a beneficial holder on routine matters, such as Item 3 (the ratification of the appointment of KPMG as our independent registered public accountants for 2014), without instructions from the beneficial holder of those shares. On the other hand, absent instructions from the beneficial holders of such shares, a broker will not be entitled to vote shares held for a beneficial holder on certain non-routine items, such as Item 1 (the election of directors) and Item 2 (the approval of, in a non-binding, advisory vote, the compensation paid to our named executive officers). **It is therefore important that you provide instructions to your broker if your shares are held by a broker so that your vote with respect to Items 1 and 2 are counted.**

### **What if I don't return my proxy card and don't attend the annual meeting?**

If you are a holder of record (that is, your shares are registered in your own name with our transfer agent) and you don't vote your shares, your shares will not be voted.

If you are a beneficial owner, you hold your shares through your broker, bank or other nominee, and you do not provide voting instructions to your broker, bank or other nominee with respect to Item 1 (the election of directors) and Item 2 (the approval of, in a non-binding, advisory vote, the compensation paid to our named executive officers), your shares will be considered broker non-votes and will not be counted in determining the outcome of the vote. Broker non-votes will be counted for purposes of determining whether a quorum is present to hold the annual meeting.

### **How do I vote?**

Stockholders of record can vote as follows:

*By Internet:* Stockholders may vote over the Internet at [www.envisionreports.com/SIRI](http://www.envisionreports.com/SIRI) by following the instructions included on your Notice. You will need the 15-digit Control Number included on the Notice to obtain your records and to create an electronic voting instruction form.

*By Telephone:* Stockholders may vote by telephone 1-800-652-VOTE (8683) by following the instructions included with your Notice. You will need the 15-digit Control Number included on the Notice in order to vote by telephone.

*At the Meeting:* If you attend the annual meeting, you may vote in person by ballot, even if you have previously returned a proxy card or otherwise voted.



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Only your latest executed vote will count.

If your shares are held in street name, you may also submit voting instructions to your bank, broker or other nominee. In most instances, you will be able to do this over the Internet, by telephone or by mail. Please refer to information from your bank, broker or other nominee on how to submit voting instructions. The deadline for voting by telephone or electronically is 11:59 p.m., New York City time, on Friday, May 16, 2014.

Street name stockholders who wish to vote in person at the meeting will need to obtain a proxy form from the institution that holds their shares.

### **What is householding?**

As permitted by the Securities Exchange Act of 1934, as amended (the Exchange Act), only one copy of this proxy statement and annual report or Notice is being delivered to stockholders residing at the same address, unless the stockholders have notified us of their desire to receive multiple copies of our proxy statement. This is known as householding.

We will promptly deliver, upon oral or written request, a separate copy of this proxy statement and annual report to any stockholder residing at an address to which only one copy was mailed. Requests for additional copies for this year's or future years' proxy materials should be directed to: Sirius XM Holdings Inc., Attention: Corporate Secretary, 1221 Avenue of the Americas, 36th Floor, New York, New York 10020. Requests can also be made by telephone by calling (212) 584-5100.

Stockholders of record residing at the same address and currently receiving multiple copies of this proxy statement may contact our Corporate Secretary (in writing or by phone at the contact information indicated above) to request that only a single copy of our proxy statement be mailed in the future.

### **How can I obtain a printed copy of the proxy materials?**

To receive free of charge a separate copy of the Notice and, if applicable, this proxy statement and our annual report, stockholders may write or call us at the following:

Investor Relations

Sirius XM Holdings Inc.

1221 Avenue of the Americas

36th Floor

New York, New York 10020

(212) 584-5100

### **Can I change my vote or revoke my proxy?**

Yes. If you are a stockholder of record, you may change your vote or revoke your proxy at any time before your shares are voted at the annual meeting by:

Notifying our Corporate Secretary in writing at Sirius XM Holdings Inc., 1221 Avenue of the Americas, 36th Floor, New York, New York 10020 that you are revoking your proxy;

Executing and delivering a later-dated proxy card or submitting a later-dated vote by telephone or the Internet; or

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Attending the annual meeting, revoking your proxy and voting in person.

If you hold your shares in street name, you may submit new voting instructions by contacting your bank, broker or other nominee. You may also change your vote or revoke your proxy in person at the annual meeting if you obtain a signed proxy from the record holder (broker, bank or other nominee) giving you the right to vote the shares.

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### **Who will count the votes?**

A representative of Computershare will tabulate the votes and act as inspector of elections.

### **What is a proxy?**

A proxy is a person you appoint to vote on your behalf. We are soliciting your vote so that all shares of our stock may be voted at the annual meeting.

### **Whom am I designating as my proxy?**

You will be designating Patrick L. Donnelly, our Executive Vice President, General Counsel and Secretary, and Ruth A. Ziegler, our Senior Vice President and Deputy General Counsel, as your proxies. However, you may appoint a person (who need not be a stockholder) other than Patrick L. Donnelly and Ruth A. Ziegler to vote on your behalf at the meeting by completing another proper proxy.

### **How will my proxy vote my shares?**

Your proxy will vote your shares according to your instructions. If you complete your proxy card but do not indicate how you would like your shares voted, your proxy will vote in accordance with the recommendation of our board of directors.

### **Who is soliciting my proxy, and who will pay for the costs of the solicitation?**

Sirius XM Holdings Inc. is soliciting your proxy. The cost of soliciting proxies will be borne by Sirius XM, which has engaged MacKenzie Partners, Inc. to assist in the distribution and solicitation of proxies. We have agreed to pay MacKenzie \$10,000 and reimburse the firm for its reasonable out-of-pocket expenses. We will also reimburse brokerage firms, banks and other custodians for their reasonable out-of-pocket expenses for forwarding these proxy materials to you. Our directors, officers and employees may solicit proxies on our behalf by telephone or in writing, but will receive no additional compensation for their services.

### **When, and how, do I submit a proposal for next year's annual meeting of stockholders?**

Under the SEC's rules and regulations, any stockholder desiring to submit a proposal to be included in our 2015 proxy statement must submit such proposal to us in writing at our principal executive offices located at: 1221 Avenue of the Americas, 36th Floor, New York, New York 10020, to the attention of the Corporate Secretary, no later than the close of business on December 9, 2014.

Our By-laws provide for advance notice provisions. The By-laws require the timely notice of certain information to be provided by any stockholder who proposes director nominations or any other business for consideration at a stockholders' meeting. Failure to deliver a proposal in accordance with the procedures discussed above and in the By-laws may result in the proposal not being deemed timely received. To be timely, notice of a director nomination or any other business for consideration at a stockholders' meeting must be received by our Corporate Secretary at our principal executive offices not less than 70 days nor more than 90 days prior to the first anniversary of the preceding year's annual meeting. Therefore, to be presented at our 2015 Annual Meeting of Stockholders, such a proposal must be received by the Corporate Secretary on or after February 20, 2015 but no later than March 12, 2015. In the event that the date of the 2015 Annual Meeting is advanced by more than 20 days, or delayed by more than 70 days, from the anniversary date of the 2014 Annual Meeting of Stockholders, notice must be delivered no earlier than the 90th day prior to the 2015 Annual Meeting and not later than the close of business on the later of the 70th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of the 2015 Annual Meeting of Stockholders is first made. In addition, for the purposes of the application of Rule 14a-4(c) of the Exchange Act, the date for timely notice specified in this paragraph shall be the earlier of the date calculated above or the date specified in paragraph (c)(1) of Rule 14a-4 of the Exchange Act.

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**ITEM 1 ELECTION OF DIRECTORS**

Thirteen director nominees are standing for election at the annual meeting. The Nominating and Corporate Governance Committee of our board of directors has nominated the director nominees listed below after consideration of each individual's qualifications, contributions to the company and other reasons discussed in this proxy statement.

The Nominating and Corporate Governance Committee believes that a well-functioning board includes a diverse group of individuals who bring a variety of complementary skills and experiences. Although our board of directors does not have a formal policy with regard to the consideration of diversity in identifying director candidates, diversity is one of the factors that the Nominating and Corporate Governance Committee may, pursuant to its charter, take into account in identifying director candidates. The Nominating and Corporate Governance Committee generally considers each nominee in the broad context of the overall composition of our board of directors with a view toward constituting a board that, as a group, possesses the appropriate mix of skills and experience to oversee our business. The experience, qualifications, attributes, or skills that led the Nominating and Corporate Governance Committee to conclude that our nominees should serve on the board of directors are generally described in the biographical information below.

Set forth below are the nominees to be elected to serve until the 2015 annual meeting of stockholders or until their respective successors have been duly elected and qualified.

To be elected as a director, each nominee must receive a plurality of the votes cast by the holders of our common stock.

Should any nominee become unable or unwilling to accept election, the proxy holders may vote the proxies for the election, in his or her stead, of any other person our board of directors may nominate or designate. Each nominee has consented to serve as a director if elected.

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<b>Name</b>	<b>Age</b>	<b>Position, Principal Occupation, Business Experience and Directorships</b>
Joan L. Amble	60	Ms. Amble has been a director since July 2008. From December 2006 until the closing of our merger with XM Satellite Radio Holdings Inc. ( XM ) in July 2008, Ms. Amble served as a director of XM. From May 2011 to December 2011, Ms. Amble was the Executive Vice President, Finance of the American Express Company and also served as its Executive Vice President and Corporate Comptroller from December 2003 until May 2011. Prior to joining American Express, Ms. Amble served as Chief Operating Officer and Chief Financial Officer of GE Capital Markets, a service business within GE Capital Services, Inc., overseeing securitizations, debt placement and syndication, as well as structured equity transactions. From 1994 to March 2003, Ms. Amble served as Vice President and Controller of GE Capital. Ms. Amble serves as a member of the board of directors of Booz Allen Hamilton Holding Corporation and Brown-Forman Corporation. Ms. Amble also served as a director at Broadcom Corporation during the last five years.

*Key Attributes, Experience and Skills:*

Ms. Amble has extensive experience in financial reporting, including experience with the rules and regulations of the SEC, based, in part, on her experience at Ernst & Young, The Financial Accounting Standards Board, the General Electric Company and American Express. Ms. Amble also has significant experience in the areas of financial controls; Sarbanes-Oxley Act compliance; operations; risk management; six sigma quality; and consumer-oriented subscription businesses.

<b>Name</b>	<b>Age</b>	<b>Position, Principal Occupation, Business Experience and Directorships</b>
Anthony J. Bates	46	Mr. Bates has been a director since September 2013. From July 2013 until March 2014, Mr. Bates was the Executive Vice President, Business Development and Evangelism, of Microsoft Corporation. Prior to July 2013, he was the President of Microsoft's Skype Division since its acquisition by Microsoft in 2011. Mr. Bates was the Chief Executive Officer of Skype, a leading provider of software applications and related internet communications products, since 2010. Before joining Skype, Mr. Bates spent fifteen years at Cisco Systems, Inc. where he had been Senior Vice President and General Manager of several business groups, including Enterprise, Commercial and Small Business, and Cisco's core high-end router business.

*Key Attributes, Experience and Skills:*

Mr. Bates brings to the board of directors extensive executive leadership experience in the technology industry, including the management of worldwide operations, sales, service and support, areas that the board considers valuable given the evolving nature of the audio entertainment industry and the increasing competition we face.



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<b>Name</b>	<b>Age</b>	<b>Position, Principal Occupation, Business Experience and Directorships</b>
George W. Bodenheimer	55	Mr. Bodenheimer has been a director since September 2013. Mr. Bodenheimer is Chairman Emeritus of ESPN, Inc., a multimedia, multinational sports entertainment company. He was Executive Chairman of ESPN, Inc. from January 2012 until December 2013. He served as Co-Chairman of Disney Media Networks from April 2004 until January 2012 and as President of ABC Sports from March 2003 until January 2012. Mr. Bodenheimer was named President of ESPN in November 1998, a position he held until January 2012. Mr. Bodenheimer joined ESPN in 1981 and served in a variety of senior sales and marketing positions prior to his appointment as President.

*Key Attributes, Experience and Skills:*

Mr. Bodenheimer has extensive experience in: acquiring rights to, as well as marketing, promoting and producing, sports and entertainment programming, including live major sporting events; identifying emerging sports properties; and assessing on-air and executive talent. The board of directors believes this experience is a significant asset to our company. Mr. Bodenheimer also has unique experience in evaluating and assessing the desirability of sports properties that are likely to be attractive to both the core demographics of our subscriber base and other segments of our existing and targeted customer base.

<b>Name</b>	<b>Age</b>	<b>Position, Principal Occupation, Business Experience and Directorships</b>
David J.A. Flowers	59	Mr. Flowers has been a director since April 2009. Mr. Flowers has served as Senior Vice President and Managing Director, Alternative Investments, of Liberty Media Corporation (formerly known as Liberty Spingo, Inc.) since January 2013. He served as a Senior Vice President of Liberty Media Corporation (now known as Starz) from May 2007 to January 2013 and as Managing Director, Alternative Investments, from November 2011 to January 2013. He has served as a Senior Vice President of Liberty Interactive Corporation since October 2000 and as Managing Director, Alternative Investments, since November 2011. Mr. Flowers served as the Treasurer of Liberty Interactive Corporation from April 1997 to October 2011, and as a Vice President from June 1995 to October 2000. Previously, Mr. Flowers worked in various treasury positions at Toronto Dominion Bank and ended his career there as a Managing Director of Media Telecom. Mr. Flowers has served as a director of Interval Leisure Group, Inc. since August 2008.

*Key Attributes, Experience and Skills:*

Mr. Flowers brings to the board significant financial, investment and public company experience as a senior finance executive of large public companies. His extensive experience leading finance and business development initiatives in the technology, media and telecommunications areas is a significant asset to the board.

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<b>Name</b>	<b>Age</b>	<b>Position, Principal Occupation, Business Experience and Directorships</b>
Eddy W. Hartenstein	63	<p>Mr. Hartenstein has been a director since July 2008, has served as our lead independent director since April 2013 and served as the chairman of our board from November 2009 to April 2013. From May 2005 until the closing of the merger with XM in July 2008, Mr. Hartenstein served as a director of XM. Mr. Hartenstein has been Publisher and Chief Executive Officer of the Los Angeles Times, which is owned by the Tribune Company, since August 2008. In addition, Mr. Hartenstein served as Co-President of the Tribune Company from October 2010 to May 2011 and as President and Chief Executive Officer from May 2011 until January 2013. Since January 2013, he has also been a member of the board of directors of the Tribune Company. In December 2008, the Tribune Company filed for Chapter 11 bankruptcy protection and, under his leadership, emerged in December 2012. Mr. Hartenstein was Vice Chairman and a member of the board of directors of The DIRECTV Group, Inc. (formerly Hughes Electronics Corporation), a television service provider, from December 2003 until his retirement in December 2004. He served as Chairman and Chief Executive Officer of DIRECTV, Inc. from late 2001 through 2004 and as President of DIRECTV, Inc. from its inception in 1990 to 2001. Previously, Mr. Hartenstein served in various capacities for Hughes Communications, Inc., a provider of satellite-based communications, Equatorial Communications Services Company, a provider of telephony and data distribution services, and NASA's Jet Propulsion Laboratory, the lead U.S. center for robotic exploration of the solar system. Mr. Hartenstein also serves as a member of the board of directors of SanDisk Corporation and The City of Hope. Mr. Hartenstein also serves on the board of directors and as chairman of the compensation committee of Broadcom Corporation.</p>

*Key Attributes, Experience and Skills:*

As the former Chief Executive Officer of DIRECTV, Inc., Mr. Hartenstein has extensive experience in building, managing, marketing and operating a satellite service. He brings direct and highly relevant expertise to the board in such areas as the construction and procurement of satellites, managing a large consumer subscriber base, consumer marketing, and the design and implementation of systems necessary to support a growing and dynamic consumer-oriented business.

<b>Name</b>	<b>Age</b>	<b>Position, Principal Occupation, Business Experience and Directorships</b>
James P. Holden	62	<p>Mr. Holden has been a director since August 2001. From October 1999 until November 2000, Mr. Holden was the President and Chief Executive Officer of DaimlerChrysler Corporation, one of the world's largest automakers. Prior to being appointed President in 1999, Mr. Holden held numerous senior positions within Chrysler Corporation during his 19-year career at that company. Mr. Holden is a director of Speedway MotorSports, Inc. and the Lead Director of Snap-On Incorporated. Mr. Holden also served as a director at Motors Liquidation Corporation and Meridian Automotive during the last five years.</p>

*Key Attributes, Experience and Skills:*

Mr. Holden has spent his career in the automotive business, a key market for our services. Mr. Holden's perspective on, and knowledge of, the workings, business and product planning processes, and knowledge of individuals in the automotive industry are significant assets to the board.

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<b>Name</b>	<b>Age</b>	<b>Position, Principal Occupation, Business Experience and Directorships</b>
Gregory B. Maffei	53	Mr. Maffei has been a director since March 2009 and has served as the chairman of our board since April 2013. He has served as a director and the President and Chief Executive Officer of Liberty Media Corporation (formerly known as Liberty Spinco, Inc.) since August 2012. Mr. Maffei served as a director and the President and Chief Executive Officer of Liberty Media Corporation (now known as Starz) from May 2007 to January 2013. Mr. Maffei has served as the President and Chief Executive Officer of Liberty Interactive Corporation since February 2006 and as a director since November 2005. He also served as its CEO-Elect from November 2005 through February 2006. Prior thereto, Mr. Maffei served as President and Chief Financial Officer of Oracle Corporation during 2005, and as Chairman of 360networks Corporation from 2002 to 2011, Chief Executive Officer from 2000 to 2005 and as President from 2002 to 2005. Previously, Mr. Maffei was the Chief Financial Officer of Microsoft Corporation from 1997 to 2000. Mr. Maffei has served as (i) the Chairman of the Board of Starz since January 2013, (ii) the Chairman of the Board of TripAdvisor, Inc. since February 2013, (iii) the Chairman of the Board of Live Nation Entertainment, Inc. since March 2013 and a director since February 2011, (iv) a director of Electronic Arts, Inc. since June 2003, (v) a director of Zillow, Inc. since May 2005, and (vi) a director of Barnes & Noble, Inc. since September 2011. He served as a director of DIRECTV, Inc. from November 2009 to June 2010, and as a director of its predecessor, DIRECTV Group, Inc., from February 2008 to November 2009.

*Key Attributes, Experience and Skills:*

Mr. Maffei brings to the board significant financial and operational experience based on his senior policy-making positions at Liberty Media, Oracle, 360networks and Microsoft. He also provides the board with executive leadership perspective on the operations and management of large public companies, including companies in the technology, media and telecommunications space. The board also benefits from his extensive public company board experience.

<b>Name</b>	<b>Age</b>	<b>Position, Principal Occupation, Business Experience and Directorships</b>
Evan D. Malone	43	Dr. Malone has been a director since May 2013. Dr. Malone has served as President of NextFab Studio, LLC, a high-tech workshop offering technical training, consulting, and product design and prototyping services, since June 2009 and has been an engineering consultant for over five years. Since January 2008, Dr. Malone has served as the owner and manager of a real estate property and management company, 1525 South Street LLC. During 2008, Dr. Malone also served as a post-doctoral research assistant at Cornell University and an engineering consultant with Rich Food Products, a food processing company. Dr. Malone has served as co-owner and director of Drive Passion PC Services, CC, an Internet café, telecommunications and document services company, in South Africa since 2007 and served as an applied physics technician for Fermi National Accelerator Laboratory, part of the national laboratory system of the Office of Science, U.S. Department of Energy, from 1999 until 2001. He also is a founding member of Jet Wine Bar, LLC, a start-up company in Philadelphia, which began operations in 2010. Dr. Malone has served as a director of Liberty Media Corporation (formerly known as Liberty Spinco, Inc.) since January 2013. He previously served as a director of Liberty Media Corporation (now known as Starz) from September 2011 until January 2013. Dr. Malone has served as a director of Liberty Interactive Corporation since August 2008.

*Key Attributes, Experience and Skills:*

Dr. Malone brings an applied science and engineering perspective to the board. Dr. Malone's perspectives assist the board in adapting to technological changes facing the audio entertainment

industry. His entrepreneurial experience also provides the board valuable insights in evaluating strategic opportunities in existing, new and emerging technologies.

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<b>Name</b>	<b>Age</b>	<b>Position, Principal Occupation, Business Experience and Directorships</b>
James E. Meyer	59	Mr. Meyer has served as our Chief Executive Officer since December 2012 and has been a director since January 2013. Previously, Mr. Meyer was our President, Operations and Sales. Prior to joining us in May 2004, Mr. Meyer was the President of Aegis Ventures, a general management consulting company. Before Aegis, he held a number of senior management positions in consumer electronics over a 25 year period, including as the Senior Executive Vice President of Digital Media Solutions of Thomson, a worldwide leader in consumer electronics. Prior to joining Thomson, Mr. Meyer held several senior management positions at General Electric and RCA. Mr. Meyer serves on the board of ROVI Corporation.

*Key Attributes, Experience and Skills:*

As our Chief Executive Officer, Mr. Meyer is responsible for setting and executing our goals and strategies. Mr. Meyer provides the board not only with a knowledge of our daily workings, but also with the essential experience, insight and expertise that can be provided only by a person who is intimately involved in running our business. His ability as director to share his views during the board's deliberations is of significant benefit to the other members of the board of directors.

<b>Name</b>	<b>Age</b>	<b>Position, Principal Occupation, Business Experience and Directorships</b>
James F. Mooney	59	Mr. Mooney has been a director since July 2003. Mr. Mooney is the Chief Executive Officer of Four Horsemen Consulting Group. Mr. Mooney was a director and chairman of the board of directors of Virgin Media Inc., a U.K. entertainment and communications business, from March 2003 until June 2013. From December 2004 to December 2007, Mr. Mooney was the chairman of the board of directors of RCN Corporation, a provider of bundled telephone, cable and high speed internet services. From April 2001 to September 2002, Mr. Mooney was the Executive Vice President and Chief Operating Officer of Nextel Communications Inc., a provider of wireless communications services. From January 2000 to January 2001, Mr. Mooney was the Chief Executive Officer and Chief Operating Officer of Tradeout Inc., an asset management firm owned jointly by General Electric Capital, Ebay Inc. and Benchmark Capital. From March 1999 to January 2000, Mr. Mooney was the Chief Financial Officer/Chief Operating Officer at Baan Company, a business management software provider. From 1980 until 1999, Mr. Mooney held a number of positions with IBM Corporation, including Chief Financial Officer of the Americas. Mr. Mooney was previously a member of the board of directors of Sidera Networks, LLC, a provider of high capacity communications services to carrier and enterprise customers.

*Key Attributes, Experience and Skills:*

Mr. Mooney has had a varied career in industries ranging from computer products to telecommunications, including relevant experience in subscriber-based businesses. His diverse experience is useful in our business and budget planning process, in analyzing subscriber growth and its trends and subscriber churn, assessing marketing opportunities, evaluating personnel and compensation, assessing financing alternatives, and assessing and evaluating our long-term business plans.

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<b>Name</b>	<b>Age</b>	<b>Position, Principal Occupation, Business Experience and Directorships</b>
Carl E. Vogel	56	Mr. Vogel has been a director since April 2011. Mr. Vogel is a private investor and is also a senior advisor and operating partner with The Gores Group, a private equity firm, and affiliated with Bulldog Capital Partners, Inc. Mr. Vogel is also a member of the board of directors of Dish Network Corporation, a satellite television provider, and a senior advisor to its Chairman. He served as President of Dish Network Corporation from September 2006 until February 2008 and served as its Vice Chairman from June 2005 until March 2009. From October 2007 until March 2009, Mr. Vogel served as the Vice Chairman of the board of directors of, and as a Senior Advisor to, EchoStar Communications Corporation. From 2001 until 2005, Mr. Vogel served as the President and Chief Executive Officer of Charter Communications Inc., a cable television and broadband services provider. Prior to joining Charter, Mr. Vogel worked as an executive officer in various capacities for companies affiliated with Liberty Media. Mr. Vogel is a member of the boards of directors and audit committees of Shaw Communications, Inc., a diversified communications company providing broadband cable and direct-to-home satellite services in Canada, Universal Electronics, Inc., a provider of wireless control technology for connected homes, and is a member of the board of directors, audit committee, corporate governance and nominating committee and executive committee of Ascent Media Corporation. He is also a member of the board of directors, chairman of the audit committee, and a member of the compensation committee of AMC Networks, Inc., a provider of cable television programming. Mr. Vogel served on the board of directors of NextWave Wireless Inc., a wireless technology company that developed, produced and marketed mobile multimedia and consumer electronics solutions, during the past five years.

*Key Attributes, Experience and Skills:*

Mr. Vogel brings executive level leadership experience in the communications industry as a result of his high level executive roles at Dish Network Corporation, Charter Communications Inc. and Liberty Media. Mr. Vogel also has extensive experience in reviewing financial statements as a result of his background as a certified public accountant and his role as a chief executive and senior finance executive of public companies.

<b>Name</b>	<b>Age</b>	<b>Position, Principal Occupation, Business Experience and Directorships</b>
Vanessa A. Wittman	46	Ms. Wittman has been a director since April 2011. Since May 2012, Ms. Wittman has been the Senior Vice President and Chief Financial Officer of Motorola Mobility, a subsidiary of Google. From September 2008 to March 2012, she served as Executive Vice President and Chief Financial Officer of Marsh & McLennan Companies, Inc., a professional services company providing advice and solutions in the areas of risk, strategy, and human capital. Prior to joining Marsh & McLennan, Ms. Wittman was Chief Financial Officer and Executive Vice President of Adelphia Communications Corp., a cable television company, from 2003 to 2007. Prior to Adelphia, Ms. Wittman served as Chief Financial Officer of 360networks, a wholesale provider of telecommunications services. She also has held positions with Microsoft, Metricom Inc. and Morgan Stanley & Co. Incorporated. Ms. Wittman served as a director of kgb, an independent provider of directory assistance and enhanced information services, and Infospace, an internet search services company.

*Key Attributes, Experience and Skills:*

Ms. Wittman has been the Chief Financial Officer of various public companies and has held senior positions in multi-national companies throughout her career. She also has been a director at several companies, including serving as audit committee chair for a public company.



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Name	Age	Position, Principal Occupation, Business Experience and Directorships
David M. Zaslav	54	Mr. Zaslav has been a director since May 2013. Mr. Zaslav has been the President, Chief Executive Officer and a director of Discovery Communications, Inc., one of the largest nonfiction media companies in the world, since September 2008. Mr. Zaslav has served as President and Chief Executive Officer of Discovery Communications, Inc. since January 2007. Mr. Zaslav served as President, Cable & Domestic Television and New Media Distribution of NBC Universal, Inc., a media and entertainment company, from May 2006 to December 2006. Mr. Zaslav served as Executive Vice President of NBC and President of NBC Cable, a division of NBC, from October 1999 to May 2006. Mr. Zaslav was a member of the board of TiVo Inc. through 2010.

*Key Attributes, Experience and Skills:*

Mr. Zaslav, as the Chief Executive Officer of Discovery Communications and through his prior work in television, has developed a deep understanding of the media and entertainment industry. This experience, together with his general management expertise, uniquely positions him as a valued presence on our board of directors to assist us in evaluating programming and marketing opportunities and further understand our diverse and growing subscriber base, including trends in the audio entertainment industry.

**The board of directors recommends a vote FOR the election of each of the nominees named above.**

**What are the responsibilities of the board of directors?**

The business and affairs of our company are managed under the direction of our board of directors. Our board oversees senior management selection and compensation, monitors overall corporate performance and ensures the integrity of our financial controls. Our board of directors also oversees our strategic and business planning processes.

**How are nominees for the board of directors selected?**

Our Nominating and Corporate Governance Committee reviews possible candidates to be directors and is responsible for overseeing matters of corporate governance, including the evaluation of performance and practices of the board of directors, the board's committees, management succession plans and executive resources. The Nominating and Corporate Governance Committee considers suggestions from many sources, including stockholders, for possible directors. Such suggestions, together with appropriate biographical and other information required pursuant to our By-laws, should be submitted to our Corporate Secretary, Sirius XM Holdings Inc., 1221 Avenue of the Americas, 36th Floor, New York, New York 10020. Candidates who are suggested by our stockholders are evaluated by the Nominating and Corporate Governance Committee in the same manner as are other possible candidates to be directors.

During 2013, our board of directors retained Spencer Stuart, one of the world's leading executive search consulting firms, to assist it in the process of identifying and evaluating potential nominees to be directors. Spencer Stuart worked with the Nominating and Corporate Governance Committee to evaluate the skills and experience of the members of the board of directors and discuss any perceived areas where the board could be improved by adding one or more directors with relevant expertise. Spencer Stuart conducted a search which identified Messrs. Bates and Bodenheimer as candidates for election to the board of directors.

In its assessment of each potential candidate, including those recommended by stockholders, the Nominating and Corporate Governance Committee takes into account all factors it considers appropriate, which may include (a) ensuring that the board of directors, as a whole, is diverse and consists of individuals with various and relevant career experience, relevant technical skills, industry knowledge and experience, financial



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expertise (including expertise that could qualify a director as a financial expert, as that term is defined by the rules of the SEC), local or community ties, and (b) minimum individual qualifications, including strength of character, mature judgment, familiarity with our business and related industries, independence of thought and ability to work collegially. The Nominating and Corporate Governance Committee also may consider the extent to which a candidate would fill a present need on the board of directors. After conducting an initial evaluation of a candidate, the Nominating and Corporate Governance Committee will interview that candidate if it believes the candidate might be qualified to be a director and may ask the candidate to meet with other directors and management. If the Nominating and Corporate Governance Committee believes a candidate would be a valuable addition to the board of directors, it will recommend to the board that candidate's nomination as a director.

### **What is the board's leadership structure?**

Gregory B. Maffei is the Chairman of our board of directors. The Chairman of our board organizes the work of the board and ensures that the board has access to sufficient information to enable the board to carry out its functions, including monitoring our performance and the performance of management. The Chairman, among other things, presides over meetings of the board of directors, establishes the agenda for each meeting of the board in consultation with our Chief Executive Officer, oversees the distribution of information to directors, and performs other duties or assignments as agreed with either the board of directors or our Chief Executive Officer. The board of directors has determined that it is currently in our best interests to separate the Chairman of the board position and the Chief Executive Officer position because it allows the Chief Executive Officer to focus on our day-to-day business, including risk management, while allowing the Chairman of the board to lead the board and assist the board in its fundamental role of providing advice to, and oversight of, management. Further, the board recognizes that the Chief Executive Officer position requires a significant dedication of time, effort, and energy in the current business environment. Our *Corporate Governance Guidelines* (the *Guidelines*) do not establish this approach as a policy, but as a matter that is considered from time-to-time.

### **Does the board have a lead independent director?**

Liberty Media beneficially owns, directly and indirectly, over 50% of our outstanding common stock. In light of that control relationship, the board of directors believes it is appropriate, and a matter of good corporate governance, to designate a director to serve as the lead independent director. The board has designated Eddy W. Hartenstein, the former Chairman of our board of directors, to serve as the lead independent director. The lead independent director coordinates the activities of the other independent directors and performs such other duties and responsibilities as the board of directors determines.

### **Are all of the directors required to be independent?**

Liberty Media beneficially owns, directly and indirectly, over 50% of our outstanding common stock. As a result, we are exempt from certain corporate governance requirements of The NASDAQ Global Select Market (NASDAQ) Rules including, among other items, the requirement that our board of directors be comprised of a majority of independent directors and that we have independent director oversight over executive officer compensation and director nominations. We may, in the future, rely on these exemptions available to a controlled company. The controlled company exemption does not extend to the audit committee independence requirements. Accordingly, our audit committee will continue to be comprised solely of directors meeting the independence standards under the applicable NASDAQ listing standards, Section 10A(m)(3) of the Exchange Act and our *Guidelines*. References to Liberty Media in this proxy statement include Liberty Media Corporation and its predecessors, unless the context otherwise requires.

### **How does the board determine which directors are considered independent?**

Our board reviews the independence of our directors annually. The provisions of our *Guidelines* regarding director independence meet, and in some areas exceed, the listing standards of NASDAQ. A copy of the *Guidelines* is available on our website at <http://investor.siriusxm.com>.

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The Nominating and Corporate Governance Committee undertook a review of director independence in March 2014. As part of this review, the committee reviewed with our Corporate Secretary written questionnaires submitted by directors. These questionnaires disclose transactions and relationships between each director or members of his immediate family, on one hand, and us, other directors, members of our senior management and our affiliates, on the other hand.

As a result of this review, the Nominating and Corporate Governance Committee determined that all of our directors and nominees are independent under the standards set forth in our *Guidelines* and applicable NASDAQ listing standards, with the exception of James E. Meyer, our Chief Executive Officer, Gregory B. Maffei, Mark D. Carleton, David J.A. Flowers and Robin S. Pringle, each of whom is an employee of Liberty Media, and Evan D. Malone, whose father is the Chairman of Liberty Media. Mark D. Carleton and Robin S. Pringle resigned as members of our board of directors in 2013. With respect to Joan L. Amble, the board evaluated ordinary course transactions during the last three fiscal years between us and the American Express Company, for which she served as an executive officer until December 2011, and found that the amount paid by us to American Express was less than 5% of American Express' consolidated gross revenues during each of its last three fiscal years. With respect to Vanessa A. Wittman, the board evaluated an ordinary course transaction that occurred during 2011 between us and an indirect wholly-owned subsidiary of Marsh & McLennan Companies, Inc. ( MMC ). Ms. Wittman served as an executive officer of MMC until March 2012. The board found that the amount we paid to this subsidiary of MMC was less than one tenth of one percent of MMC's reported consolidated revenues in the applicable year. Similarly, with respect to Anthony J. Bates and George W. Bodenheimer, the board evaluated the ordinary course transactions during the last three fiscal years between us and Microsoft and ESPN, respectively, for which each served as an executive officer during the last three years, and found that the amounts paid by us to Microsoft and ESPN was not material to either entity.

The board has determined that a majority of the members of the Compensation Committee meet the independence standards under the applicable NASDAQ listing standards and our *Guidelines* and qualify as non-employee directors for purposes of Rule 16b-3 of the Exchange Act and as outside directors for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended. The board has determined that a majority of the members of the Nominating and Corporate Governance Committee meet the independence requirements mandated by the NASDAQ listing standards applicable to serving on the Nominating and Corporate Governance Committee and our *Guidelines*.

The board has also determined that all of the members of the Audit Committee are financially literate and meet the independence requirements mandated by the applicable NASDAQ listing standards, Section 10A(m)(3) of the Exchange Act and our *Guidelines*.

Our independent directors meet regularly in executive sessions.

### **What are the current standing committees of the board of directors and who are the members of these committees?**

Our board of directors has three standing committees: the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. From time to time the board may also form ad hoc committees. In 2012, our board of directors formed a Search Committee to evaluate candidates to be our Chief Executive Officer. In 2013, our board of directors also formed a Special Committee of independent directors to consider Liberty Media's proposal (as discussed further below. See GOVERNANCE OF THE COMPANY What is the relationship between Sirius XM and Liberty Media Corporation? ). The board of directors selected Joan L. Amble, James P. Holden and Eddy W. Hartenstein to serve on the Special Committee. The Special Committee is chaired by Mr. Hartenstein.

Copies of the charters for the Audit Committee and the Nominating and Corporate Governance Committee are available on our website at <http://investor.siriusxm.com>. The Compensation Committee has not adopted a charter.

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The following table shows the current members and chair of each committee and the principal functions performed by each committee:

<b>Committee</b>	<b>Functions</b>
<b>Audit</b>	
Members:	Selects our independent registered public accounting firm
Joan L. Amble*	Reviews reports of our independent registered public accounting firm
Eddy W. Hartenstein	Reviews and approves the scope and cost of all services, including all non-audit services, provided by the firm selected to conduct the audit
Vanessa A. Wittman	Monitors the effectiveness of the audit process
	Reviews the adequacy of financial and operating controls
	Monitors our corporate compliance program
	Monitors our policies and procedures for enterprise risks
<b>Compensation</b>	
Members:	Reviews our executive compensation policies and strategies
George W. Bodenheimer	Oversees and evaluates our overall compensation structure and programs
David J.A. Flowers	
James P. Holden	
Carl E. Vogel*	
<b>Nominating and Corporate Governance</b>	
Members:	Develops and implements policies and practices relating to corporate governance
Gregory B. Maffei	Reviews and monitors implementation of our policies and procedures related to the selection of director candidates
James F. Mooney*	Assists in developing criteria for open positions as directors on the board of directors
Carl E. Vogel	Reviews background information on potential candidates for directors and makes recommendations to the board of directors
David M. Zaslav	Makes recommendations to the board of directors with respect to committee assignments

\* Chair

**How often did the board and its committees meet during 2013?**

During 2013, there were ten meetings of our board of directors, seven Audit Committee meetings, eight Compensation Committee meetings and two Nominating and Corporate Governance Committee meetings. Each director nominee attended 75% or more of the total number of meetings of the board and meetings held by committees on which he or she served.

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Directors are also encouraged to attend the annual meeting of stockholders. Eddy W. Hartenstein, Vanessa A. Wittman and David M. Zaslav attended our 2013 annual meeting of stockholders.

### **How can stockholders communicate with the board of directors?**

Stockholders may communicate directly with our board of directors, or specified individual directors, according to the procedures described on our website at <http://investor.siriusxm.com> under Corporate Governance Contact our Board.

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Our Corporate Secretary reviews all correspondence to our directors and forwards to the board a summary and/or copies of any such correspondence that, in the opinion of the Corporate Secretary, deals with the functions of the board or committees thereof or that he otherwise determines requires their attention. Directors may at any time review all correspondence received by us that is addressed to members of our board.

In addition, the Audit Committee has established procedures for the receipt, retention and treatment, on a confidential basis, of complaints received by us, our board of directors and the Audit Committee regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submissions by employees of concerns regarding questionable accounting or auditing matters. These procedures are available upon written request to our Corporate Secretary.

**Compensation Committee Interlocks and Insider Participation**

Mr. Bodenheimer, Mr. Flowers, Mr. Holden, and Mr. Vogel were the members of the Compensation Committee during 2013. None of the members of the Compensation Committee is or has been an executive officer of our company, and no director who served on the Compensation Committee during 2013 had any relationships requiring disclosure by us under the SEC's rules requiring disclosure of certain relationships and related-party transactions. None of our executive officers served as a director or a member of a compensation committee (or other committee serving an equivalent function) of any other entity, the executive officers of which served as a director of our company or as a member of the Compensation Committee during 2013.

**Director Compensation Table for 2013**

The following table provides compensation information for the year ended December 31, 2013 for each of our non-employee directors. Directors who are employees do not receive compensation for their services as directors.

Name	Fee Earned or Paid in Cash (\$)	Stock Awards(1) (\$)	Option Awards(2)(3) (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value of		Total (\$)
					Non-Qualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	
Joan L. Amble	80,000		70,000				150,000
Anthony J. Bates(4)	12,500		46,666				59,166
George W. Bodenheimer(4)	12,500		46,666				59,166
David J.A. Flowers	50,000		70,000				120,000
Eddy W. Hartenstein	100,000		70,000				170,000
James P. Holden	50,000		70,000				120,000
Gregory B. Maffei	100,000		70,000				170,000
Evan D. Malone(5)	25,000		70,000				95,000
James F. Mooney	60,000		70,000				130,000
Carl E. Vogel	70,000		70,000				140,000
Vanessa A. Wittman	50,000		70,000				120,000
David M. Zaslav(5)	25,000		70,000				95,000

- (1) Non-employee directors were not awarded restricted stock units in 2013. At December 31, 2013, the aggregate number of unvested restricted stock units outstanding for Mr. Holden was 143,235 and for Mr. Mooney was 93,748. No other non-employee director holds any unvested restricted stock units. Messrs. Holden and Mooney acquired the restricted stock units as part of our former director compensation program. These restricted stock units will vest on the first anniversary of the date that Mr. Holden and Mr. Mooney cease to be directors.

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- (2) The aggregate grant date fair values of stock option awards were computed in accordance with FASB ASC Topic 718 (excluding estimated forfeitures). The assumptions used in the valuation are discussed in Note 15 to our audited consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2013. On May 22, 2013, non-employee directors, excluding Mr. Bates and Mr. Bodenheimer, were each awarded 49,059 options at an exercise price of \$3.5150 per share with a grant date fair value of \$70,000. Upon joining our board of directors, on September 10, 2013, Mr. Bates and Mr. Bodenheimer were each awarded 28,540 options at an exercise price of \$3.80 per share with a fair value of \$46,666.
- (3) At December 31, 2013, the aggregate number of option awards outstanding for each non-employee director was as follows: Ms. Amble 1,498,221; Mr. Bates 28,540; Mr. Bodenheimer 28,540; Mr. Flowers 555,984; Mr. Hartenstein 1,544,221; Mr. Holden 367,719; Mr. Maffei 555,984; Dr. Malone 49,059; Mr. Mooney 180,743; Mr. Vogel 185,759; Ms. Wittman 185,759; and Mr. Zaslav 49,059.
- (4) Mr. Bates and Mr. Bodenheimer joined our board of directors on September 10, 2013.

- (5) Dr. Malone and Mr. Zaslav joined our board of directors on May 21, 2013, immediately following their election at the 2013 annual meeting of stockholders. As Chairman of the board of directors, in 2013, Mr. Maffei received an annual cash retainer of \$100,000. Mr. Hartenstein as our lead independent director received an annual cash retainer of \$100,000. The other members of our board of directors each receive an annual cash retainer of \$50,000. Each director who serves as chair of a committee of the board of directors receives an additional annual cash retainer as follows: the audit committee chairwoman receives \$30,000; the compensation committee chairman receives \$20,000; and the nominating and corporate governance committee chairman receives \$10,000.

The members of the Special Committee formed to evaluate the Liberty Media proposal also each received an additional cash retainer of \$100,000 in 2014.

In addition, each member receives an award with a grant date value equal to \$70,000 in the form of options to purchase our common stock. The options are granted annually on the next business day following that year's annual meeting of stockholders. All options to purchase our common stock awarded to our non-employee directors vest over a four-year period, with 25% vesting on each anniversary of the date of grant. No options vest in a given year if, in the prior calendar year, the director failed to attend at least 75% of the meetings of the board.

Any director who fails to attend at least 75% of the meetings of the board of directors in any given year forfeits 25% of his or her compensation that is payable in cash. During 2013, all of our directors attended over 75% of the meetings of the board.

We also pay reasonable travel and accommodation expenses of directors in connection with their participation in meetings of the board.

**Table of Contents****STOCK OWNERSHIP****Who are the principal owners of our stock?**

The following table sets forth information regarding beneficial ownership of our common stock as of March 17, 2014 by each person known by us to be the beneficial owner of more than 5% of our outstanding common stock. In general, beneficial ownership includes those shares a person has or shares the power to vote or transfer, and options to acquire our common stock that are exercisable currently or become exercisable within 60 days. Unless otherwise indicated, we believe that the beneficial owner of the common stock listed below, based on information furnished by this owner, has sole investment and voting power with respect to these shares.

Name and Address of Beneficial Owner of Common Stock	Shares Beneficially Owned as of March 17, 2014	
	Number	Percent
Liberty Media Corporation(1) 12300 Liberty Boulevard Englewood, CO 80112	3,255,062,556	53.3%

- (1) Based upon a Schedule 13D/A filed on March 17, 2014 by Liberty Media Corporation. The ownership percentage is based upon the information contained in a Schedule 13D/A filed on March 17, 2014 by Liberty Media Corporation and the number of shares outstanding as of March 17, 2014. Such shares include 5,974,509 shares of common stock issuable upon the exchange of \$11 million aggregate principal amount of our 7% Exchangeable Senior Subordinated Notes due 2014 beneficially owned by Liberty Media Corporation and 92,888,561 shares of common stock subject to the Share Repurchase Agreement, dated as of October 9, 2013, as amended, between Liberty Media Corporation and Sirius XM Holdings Inc.

**How much stock do our directors and executive officers own?**

The following table shows the number of shares of common stock beneficially owned by each of our directors, each of our named executive officers and all of our directors and executive officers as a group as of February 28, 2014.

Name of Beneficial Owner	Number of Shares of Common Stock Beneficially Owned(1)	Percent of Class
Joan L. Amble	1,336,111	*
Anthony J. Bates		*
George W. Bodenheimer		*
David J.A. Flowers(2)	393,874	*
Eddy W. Hartenstein	1,382,111	*
James P. Holden	205,609	*
Gregory B. Maffei(2)	393,874	*
Evan D. Malone(2)		*
James F. Mooney(3)	1,352,624	*
Carl E. Vogel	49,152	*
Vanessa A. Wittman	49,152	*
David M. Zaslav		*
James E. Meyer	10,504,237	*
Scott A. Greenstein	2,364,729	*
Stephen R. Cook	3,379,571	*
David J. Frear(4)	9,077,946	*
Enrique Rodriguez	212,500	*
All Executive Officers and Directors as a Group (20 persons)	37,122,653	*%





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\* Less than 1% of our outstanding shares of common stock.

- (1) These amounts include shares of common stock, restricted shares of common stock and restricted stock units that the individuals hold. Also included are the following numbers of shares of common stock acquired under and held in the Sirius XM Radio Inc. 401(k) savings plan as of February 28, 2014: Mr. Meyer 5,355 shares; Mr. Greenstein 72,729 shares; Mr. Cook 10,872 shares; Mr. Frear 85,046 shares; Mr. Rodriguez 0 shares; and all other executive officers not shown above 72,215 shares.
- (2) Messrs. Flowers and Maffei are employees of Liberty Media, which beneficially owns 3,255,062,556 shares (or 53.3%) of our common stock, and they disclaim beneficial ownership of the shares owned by Liberty Media and its affiliates. Dr. Malone is a member of the board of directors of Liberty Media and also disclaims beneficial ownership of the shares owned by Liberty Media and its affiliates.
- (3) Includes 9,100 shares held as custodian for Mr. Mooney's child.
- (4) Includes 1,900 shares held by Mr. Frear's spouse.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Based solely upon a review of reports filed pursuant to Section 16(a) of the Exchange Act and written representations furnished to us during our most recent fiscal year, we know of no director, executive officer or beneficial owner of more than 10% of our common stock who failed to file on a timely basis reports of beneficial ownership of our common stock as required by Section 16(a) of the Exchange Act.

**GOVERNANCE OF THE COMPANY**

**How does the board of directors oversee our risk management process?**

The board executes its oversight responsibility for risk management directly and through its committees, as follows:

The Audit Committee has primary responsibility for monitoring our internal audit, corporate, financial and risk management processes and overseeing our system of internal controls and financial reporting. The Audit Committee discusses specific risk areas throughout the year, including those that may arise from time to time and the measures taken by management to monitor and limit risks.

The Audit Committee receives regular reports throughout the year on matters related to risk management. At each regularly scheduled meeting, the Audit Committee receives reports from our (i) external auditor on the status of audit activities and findings and (ii) executive in charge of internal audit (who reports directly to the Audit Committee) on the status of the internal audit plan, audit results and any corrective action taken in response to internal audit findings.

We have a Compliance Officer who is in charge of our compliance with FCC related laws and regulations and training and monitoring compliance with those laws and regulations. Our Executive Vice President, General Counsel and Secretary reports to the Audit Committee throughout the year on calls to our compliance hotline and any changes or developments in compliance matters. Each quarter, our Chief Financial Officer reports to the board of directors on our performance and discusses how actual performance compares to our business plan and budget. Our executive officers report regularly to the board about the risks and exposures related to our business.

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The other committees of the board of directors oversee risks associated with their respective areas of responsibility. For example, the Compensation Committee assesses risks associated with our compensation policies and programs for executives.

The committees report to the board of directors at every regular board meeting on the topics discussed and actions taken at the most recent committee meeting. Our board of directors discusses the risks and exposures, if any, involved in the matters or recommendations of the committees, as necessary.

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Our board of directors also considers specific risk topics throughout the year, including risks associated with our business plan, operational efficiency, government regulation, physical facilities, information technology infrastructure and capital structure, among many others. The board is informed about and regularly discusses our risk profile, including legal, regulatory and operational risks to our business.

### **What are our policies and procedures for related party transactions?**

We have adopted a written policy and written procedures for the review, approval and monitoring of transactions involving the Company or its subsidiaries and related persons. For the purposes of the policy, related persons include executive officers, directors or their immediate family members, or stockholders owning five percent or greater of our common stock.

Our related person transaction policy requires:

that any transaction in which a related person has a material direct or indirect interest and which exceeds \$120,000 (such transaction referred to as a related person transaction) and any material amendment or modification to a related person transaction, be reviewed and approved or ratified by a committee of the board composed solely of independent directors who are disinterested or by the disinterested members of the board; and

that any employment relationship or transaction involving an executive officer and the Company must be approved by the Compensation Committee or recommended by the Compensation Committee to the board for its approval.

In connection with the review and approval or ratification of a related person transaction, management must:

disclose to the committee or disinterested directors, as applicable, the material terms of the related person transaction, including the approximate dollar value of the amount involved in the transaction, and all the material facts as to the related person's direct or indirect interest in, or relationship to, the related person transaction;

advise the committee or disinterested directors, as applicable, as to whether the related person transaction complies with the terms of our agreements governing our material outstanding indebtedness that limit or restrict our ability to enter into a related person transaction;

advise the committee or disinterested directors, as applicable, as to whether the related person transaction will be required to be disclosed in our SEC filings. To the extent required to be disclosed, management must ensure that the related person transaction is disclosed in accordance with SEC rules; and

advise the committee or disinterested directors, as applicable, as to whether the related person transaction constitutes a personal loan for purposes of Section 402 of the Sarbanes-Oxley Act of 2002.

In addition, the related person transaction policy provides that the Compensation Committee, in connection with any approval or ratification of a related person transaction involving a non-employee director or director nominee, should consider whether such transaction would compromise the director or director nominee's status as an independent, outside, or non-employee director, as applicable, under the rules and regulations of the SEC, NASDAQ and Internal Revenue Code.

Except as described below, in 2013, there were no related party transactions that are required to be disclosed pursuant to the SEC rules and regulations.

### **What is the relationship between Sirius XM and Liberty Media Corporation?**

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In February and March 2009, we entered into several transactions to borrow up to \$530 million from Liberty Media Corporation and its affiliates. All of these loans were repaid in cash in 2009.

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As part of the transactions with Liberty Media, in February 2009, we entered into an investment agreement (the *Investment Agreement*) with Liberty Radio, LLC, an indirect wholly-owned subsidiary of Liberty Media. Pursuant to the *Investment Agreement*, we issued to Liberty Radio, LLC 12,500,000 shares of convertible preferred stock with a liquidation preference of \$0.001 per share in partial consideration for the loan investments. The preferred stock was convertible into approximately 40% of our outstanding shares of common stock (after giving effect to such conversion).

In September 2012, Liberty Radio, LLC converted 6,249,900 shares of its preferred stock into 1,293,467,684 shares of our common stock. In January 2013, the Federal Communications Commission granted Liberty Media approval to acquire de jure control of us and Liberty Radio, LLC converted its remaining preferred stock into 1,293,509,076 shares of our common stock. As a result of these conversions of preferred stock and additional purchases of our common stock, Liberty Media beneficially owned, directly and indirectly, over 50% of our outstanding common stock as of March 17, 2014.

Two current Liberty Media executives and one Liberty Media director are members of our board of directors. Gregory B. Maffei, the President and Chief Executive Officer of Liberty Media, is the Chairman of our board of directors.

As a result, Liberty Media has the ability to control our affairs, policies and operations, such as the appointment of management, future issuances of our common stock or other securities, the payment of dividends, if any, on our common stock, the incurrence of debt by us, amendments to our certificate of incorporation and bylaws and the entering into of extraordinary transactions, and their interests may not in all cases be aligned with the interests of other stockholders. In addition, Liberty Media can determine the outcome of all matters requiring general stockholder approval and has the ability to cause or prevent a change of control of our Company or a change in the composition of our board of directors and could preclude any unsolicited acquisition of our Company. The concentration of ownership could deprive stockholders of an opportunity to receive a premium for their common stock as part of a sale of our Company and might ultimately affect the market price of our common stock.

On October 9, 2013, we entered into an agreement with Liberty Media to repurchase \$500 million of our common stock from Liberty Media. Pursuant to that agreement with Liberty Media, we repurchased \$160 million of our common stock from Liberty Media as of December 31, 2013. On January 23, 2014, we entered into an amendment to the agreement with Liberty Media to defer the previously scheduled \$240 million repurchase of shares of our common stock from Liberty Media from January 27, 2014 to April 25, 2014, the date of the final purchase installment under the agreement. As a result of this deferral, we expect to repurchase \$340 million of our shares of common stock from Liberty Media on April 25, 2014 at a price of \$3.66 per share. We entered into this amendment at the request of the Special Committee of our board of directors that was formed to review and evaluate the Liberty Media proposal described below. That Special Committee was comprised of independent directors.

On January 3, 2014, our board of directors received a non-binding letter from Liberty Media proposing a transaction pursuant to which all outstanding shares of our common stock not owned by Liberty Media would be converted into the right to receive 0.0760 of a new share of Liberty Series C common stock, which would have no voting rights. Our board of directors formed a Special Committee of independent directors, consisting of Joan L. Amble, James P. Holden and Eddy W. Hartenstein, to consider the proposal. On March 13, 2014, Liberty Media announced that its proposal was no longer applicable.

### **Does Sirius XM have corporate governance guidelines and a code of ethics?**

Our board of directors adopted the *Guidelines* which set forth a flexible framework within which the board, assisted by its committees, directs our affairs. The *Guidelines* cover, among other things, the composition and functions of our board of directors, director independence, management succession and review, committee assignments and selection of new members of our board of directors.

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Our board of directors has also adopted a *Code of Ethics*, which is applicable to all our directors and employees, including our chief executive officer, principal financial officer and principal accounting officer.

Our *Guidelines* and the *Code of Ethics* are available on our website at <http://investor.siriusxm.com> under Corporate Governance and in print to any stockholder who provides a written request for either document to our Corporate Secretary. If we amend or waive any provision of the *Code of Ethics* with respect to our directors, chief executive officer, principal financial officer or principal accounting officer, we will post the amendment or waiver at this location on our website.

## **EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

#### **Introduction**

This Compensation Discussion and Analysis, or CD&A, describes and analyzes our executive compensation program for our Chief Executive Officer, our Chief Financial Officer and our three other most highly compensated executive officers named in our Summary Compensation Table. We refer to these five officers throughout the CD&A and the accompanying tables as our named executive officers.

#### **Executive Summary**

The Compensation Committee is responsible for developing and maintaining a compensation program for our named executive officers. The Compensation Committee has strived to design this compensation program with great care, focusing first and foremost on the incentives that the program promotes. The Compensation Committee believes that our ability to recruit and retain top executive talent is essential to our long-term success. Accordingly, the Compensation Committee believes it has successfully balanced the sometimes competing obligations to make decisions which meet the needs of our company against a one size fits all approach.

Our executive compensation program consists primarily of three elements: base salary, performance-based annual bonus and long-term equity compensation. We believe that these three elements, when taken together, provide an optimum mix of fixed compensation and short- and long-term incentives, and serve as the most effective means of attracting, retaining and motivating a talented, entrepreneurial and creative team of executives with the skills and experience necessary to achieve our business goals and enhance stockholder value, and ensure stability in the senior management of our company while also avoiding unnecessary or excessive risk-taking. In addition, in connection with the extension of the term of executive agreements, we have, among other things, eliminated golden parachute excise tax gross ups and added clawback provisions.

At our annual meeting three years ago we held an advisory say on pay vote on the compensation of our named executive officers. In May 2011, our stockholders overwhelmingly approved the compensation of our named executive officers, with over 98% of the voting power casting votes in favor of our say-on-pay resolution. The Compensation Committee considered the strong support our stockholders expressed for our pay for performance compensation philosophy and has not made any changes to the core elements of our compensation programs since that vote. We have included an advisory say on pay vote on the compensation of our named executive officers in this proxy statement and intend to conduct such advisory vote every three years. Accordingly, the next such vote will be held at our 2017 annual meeting of stockholders.

#### ***Fiscal Year 2013 Performance Summary***

We believe that our compensation program for the named executive officers was instrumental in helping us achieve strong financial and operating performance in 2013. In the face of increasing and intense competition for our products, our financial results exceeded our public guidance and our internal budget and business plan. The following highlights our financial and operating results for 2013:

achieving adjusted EBITDA growth of 27% to \$1.17 billion in 2013;

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increasing our revenues by 12%;

increasing our free cash flow by 31% to \$927 million;

negotiating and consummating the acquisition of Agero, Inc.'s connected vehicle services business for \$530 million, establishing Sirius XM as one of the leading providers of telematics services;

retiring on attractive terms \$1.5 billion of debt; and

managing our stock buyback program.

In addition, 2013 was marked by key subscriber and content-based achievements and other measures that contributed to our growth and success, including:

adding approximately 1.66 million net new subscribers, resulting in a total of approximately 25.6 million subscribers, an increase of almost 7% as compared to 2012;

launching MySXM, an innovative feature allowing subscribers to personalize our existing commercial-free music and comedy channels to create a more tailored listening experience;

expanding our relationships with automakers and large independent resellers, including surpassing 10,000 franchise and independent auto dealers nationwide that provide trial subscriptions to purchasers and lessees of pre-owned vehicles; and

entering into an agreement with Ford to allow, for the first time, subscribers to have access to MySXM and SiriusXM On Demand in their vehicles by using voice commands, steering wheel or radio controls.

In this CD&A, we use certain financial performance measures that are not calculated and presented in accordance with generally accepted accounting principles in the United States of America ( Non-GAAP ). These Non-GAAP financial measures include adjusted EBITDA and free cash flow. We also use in this CD&A subscriber churn, a performance metric which management uses in measuring our business. We use these Non-GAAP financial measures and other performance metrics to manage our business, set operational goals and, in certain cases, as a basis for determining compensation for our employees. Please refer to the glossary contained in our Annual Report for the year ended December 31, 2013 which accompanies this proxy statement for a discussion of such Non-GAAP financial measures and reconciliations to the most directly comparable GAAP measure and a discussion of these other performance metrics.

## **Overall Program Objectives and Processes**

### ***Program Objectives***

We strive to attract, motivate and retain highly qualified executives with the skills and experience necessary to provide leadership for our success in dynamic and competitive markets and enhance stockholder value by providing total compensation that is largely performance-based and competitive with the various markets and industries in which we compete for talent. We strive to provide incentives to align the interests of our executives with those of our stockholders and deliver levels of compensation that we believe are commensurate with performance.

We achieve these objectives through three primary compensation elements:

a base salary;

a performance-based discretionary annual bonus that constitutes the short-term incentive element of our program; and

equity-based awards that constitute the long-term incentive element of our program.

The Compensation Committee believes that a program comprised principally of the above-described three elements is consistent with programs adopted by companies with which we compete for executive talent. The



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program is structured to meet the requirements of the intensely competitive and rapidly changing environment in which we operate, while ensuring that we maintain continuity in our senior management, and that the named executive officers are compensated in a manner that advances both the short- and long-term interests of our stockholders and avoids unnecessary or excessive risk-taking.

A high proportion of the compensation for our named executive officers also involves pay that is at risk – namely, the annual bonus and equity-based awards. The Compensation Committee uses at risk compensation to motivate the named executive officers to achieve goals and objectives that support our business plan and align our executives' interests with those of our stockholders. The Compensation Committee further believes that delivering compensation in the form of, or based on the value of, our common stock promotes alignment between executive performance and stockholder interests. Accordingly, the value of equity-based compensation represents a large portion of our executives' total compensation, including through grants of equity-based awards.

### ***Processes and Compensation Decisions***

The Compensation Committee regularly reviews our practices to assess whether our existing compensation structure properly enhances stockholder value. In 2013, the Compensation Committee received advice from an independent compensation consultant regarding trends in general compensation practices, including trends in equity-based awards. The members of the Compensation Committee also relied on their significant experience, general industry knowledge and informed judgment in making compensation decisions as to our named executive officers' base salaries, annual bonuses and equity-based awards.

The Compensation Committee does not attempt to set compensation levels for each named executive officer within a particular range related to levels provided by peers. The Compensation Committee relies on the general business and industry knowledge and experience of its members and occasionally uses informal market comparisons as one of many factors in making compensation decisions. Other factors considered when making individual executive compensation decisions include individual contribution and performance, reporting structure, historical compensation, internal pay equity, complexity and importance of roles and responsibilities, expected future contributions, leadership and growth potential and our performance. The Compensation Committee also believes that it is in our stockholders' interests, and consistent with industry practice, to enter into arrangements with our named executive officers in order to provide stability for our senior executives. Further, any compensation or equity awards provided to the named executive officers are subject to clawback as may be required pursuant to any law or regulation.

In determining compensation element levels, including the annual grants of equity-based awards, if any, for each named executive officer (other than the Chief Executive Officer), the Compensation Committee also consults with and considers the recommendations and input of our Chief Executive Officer.

### ***Total Compensation for Named Executive Officers***

The Compensation Committee's goal is to award compensation that incentivizes our named executive officers to enhance value for our stockholders without encouraging the taking of inappropriate business risks, and is not considered excessive when all elements of potential compensation are considered. In making decisions with respect to any single element of a named executive officer's compensation, the Compensation Committee considers the officer's level of responsibility, experience and contributions, internal pay equity and the total compensation that may be awarded to the officer, including salary, annual bonus, long-term incentives, perquisites and other benefits. In addition, the Compensation Committee considers the other benefits to which the officer is entitled under his employment agreement, including compensation payable upon termination of employment. (Each named executive officer is employed pursuant to agreements described under [Potential Payments upon Termination or Change-in-Control](#) – [Employment Agreements](#) – below.)

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### ***Executive Compensation Elements***

Our practices with respect to the key compensation elements identified above, as well as other elements of compensation, are described below, followed by a discussion of the specific factors considered in determining the levels of these compensation elements for the named executive officers for 2013.

#### ***Base Salary***

Base salaries for the named executive officers are determined consistent with the terms of their employment agreements. The minimum amount of base salaries set forth in the employment agreements and any increases over these amounts are determined by the Compensation Committee based on a variety of factors, including:

the nature and responsibility of the position and, to the extent available and deemed relevant, salary trends for persons in similar positions at comparable companies;

the expertise, demonstrated leadership and management ability, and past performance of the individual executive;

the executive's salary history and total compensation, including other cash bonus and stock-based awards;

the competitiveness of the market for the executive's services; and

the recommendations of our Chief Executive Officer (except as to his own compensation).

In setting base salaries, the Compensation Committee also considers the amount of base salary as a percentage of total compensation with the goal that a substantial percentage of each executive officer's total compensation should be variable.

#### ***Annual Bonus***

The Compensation Committee may award annual bonuses in cash, restricted stock, restricted stock units, stock options or a combination thereof. The Compensation Committee believes that bonuses should take into consideration all factors relevant to the Company's and an executive's performance, including numerous financial and operational metrics, without being limited by a purely formulaic approach. None of our named executive officers are entitled to a guaranteed or minimum bonus.

Consistent with prior years, the bonuses approved by the Compensation Committee for 2013 were intended to achieve two principal objectives:

to link compensation with performance that enhances stockholder value; and

to reward our named executive officers based on individual performance and contributions to our success.

To guide the Compensation Committee in determining bonus amounts for the named executive officers, in 2013, the Compensation Committee adopted a bonus plan that generally measures our performance using various criteria, such as increases in subscribers, revenue, adjusted EBITDA and free cash flow. This plan does not require the Compensation Committee to provide a guaranteed bonus or a minimum bonus to any of the named executive officers. Rather, this plan is used by the Compensation Committee as one set of factors, along with other financial and operational metrics that the Compensation Committee deems relevant, in evaluating and benchmarking bonus amounts for the named executive officers.

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The bonus awards to our named executive officers are described below under Fiscal Year 2013 Pay Implications Payment of Performance-Based Discretionary Annual Bonuses for 2013 and are reflected in the Summary Compensation Table.

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### *Long-term Incentive Compensation*

The Compensation Committee grants long-term incentive awards to directly align compensation for our named executive officers over a multi-year period with the interests of our stockholders by motivating and rewarding actions that enhance long-term stockholder value, while also ensuring the continued retention of our named executive officers. The Compensation Committee determines the level of long-term incentive compensation in conjunction with total compensation provided to named executive officers and the objectives of the above-described compensation program. Long-term incentive awards have historically represented a significant portion of our named executive officers compensation, thus ensuring that our executives have a continuing stake in our success, aligning their interests with that of our stockholders and supporting the goal of retention through vesting requirements and forfeiture provisions.

In previous years, long-term compensation was granted solely in the form of stock options. Stock options have an exercise price equal to the market price on the date of grant, and therefore provide value to the executives if the executives create value for our stockholders. In 2013, the Compensation Committee determined that in light of current market conditions, long-term compensation for our named executive officers would consist of both stock options and restricted stock units ( RSUs ). The value of RSUs increases or decreases in conjunction with the price of our common stock, and also creates incentives for performance and further aligns the executives' interests with those of our stockholders. Stock options generally vest over a period of three or four years in equal annual installments and RSUs vest on varying schedules. Both stock options and RSUs will generally vest subject to the executive's continued employment, which incentivizes the executives to sustain increases in stockholder value over extended periods of time. The specific number of options and RSUs granted is determined either as part of the employment agreement or by the Compensation Committee with the assistance of our Chief Executive Officer (other than in the case of any equity awards to himself) and by using their informed judgment, taking into account the executive's role and responsibilities and our overall performance and the performance of our common stock, and is not based on any specific quantitative or qualitative factors. As part of the process, the Compensation Committee also considered the value and structure of the awards as a retention tool.

### *Retirement and Other Employee Benefits*

We maintain broad-based benefits for all employees, including health and dental insurance, life and disability insurance and a 401(k) savings plan, including a matching component for that plan. Our named executive officers are eligible to participate in all of our employee benefit plans on the same basis as other employees. We do not sponsor or maintain any other retirement or deferred compensation plans for any of our named executive officers in addition to our Sirius XM Radio Inc. 401(k) savings plan.

### *Perquisites and Other Benefits for Named Executive Officers*

The Compensation Committee supports providing other benefits to named executive officers that are almost identical to those offered to our other full time employees and are provided to similarly situated executives at companies with which we compete for executive talent.

In limited circumstances, a named executive officer may receive certain tailored benefits. As part of Mr. Meyer's previous employment agreement, we reimbursed Mr. Meyer for the reasonable costs of an apartment in the New York metropolitan area and other incidental living expenses, up to a maximum of \$5,000 per month for rent. We also reimbursed Mr. Meyer for the reasonable costs of coach class air-fare from his homes to our offices in New York City. Further, we paid Mr. Meyer an additional amount to hold him harmless as a result of any federal, state or New York City income taxes imputed in respect of the expenses for which he received reimbursement. The costs of these benefits for Mr. Meyer constituted less than 10% of his total compensation. These arrangements terminated and Mr. Meyer's current employment agreement does not include any obligation to reimburse him for living expenses or the costs of travel from his homes or to gross up any payments we make to him. Mr. Rodriguez, due to his principal residence being in the State of Washington, is

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reimbursed for the reasonable costs of coach class air-fare from his home to our various offices, along with reasonable hotel and meal expenses. The costs of these benefits for Mr. Rodriguez constitute less than 10% of his total compensation.

### *Payments to Named Executive Officers Upon Termination or Change-in-Control*

The employment agreements with our named executive officers provide for severance payments upon an involuntary termination of employment without cause or for good reason (as each term is defined in their employment agreement). These arrangements vary from executive to executive due to individual negotiations based on each executive's history and individual circumstances. None of the employment agreements for the named executive officers provide for any special payments solely due to a change-in-control. Under the terms of the Sirius XM Radio Inc. 2009 Long-Term Stock Incentive Plan (the Plan), if the employment of any of our named executive officers is terminated by us without cause, or by the executive for good reason, within two years following a change-in-control, then in accordance with the Plan, their equity awards are subject to accelerated vesting.

We believe that these severance arrangements mitigate some of the risk that exists for executives working in our highly competitive industry. These arrangements are intended to attract and retain qualified executives who could have other job alternatives that may appear to them, in the absence of these arrangements, to be less risky, and such arrangements allow the executives to focus exclusively on our interests.

## **Fiscal Year 2013 Pay Implications**

### *2013 Base Salary Decisions*

We have entered into employment agreements with each of our named executive officers.

In December 2012, we entered into an amendment to our then-existing employment agreement with Mr. Meyer, pursuant to which he was appointed as our Chief Executive Officer. In connection with his appointment, Mr. Meyer's base salary was reinstated from \$1,100,000 to \$1,300,000, the amount that Mr. Meyer was scheduled to receive under the terms of his then-existing employment agreement and that he had previously waived. In April 2013, we entered into a new employment agreement with Mr. Meyer in connection with his appointment as our Chief Executive Officer on a non-interim basis. In connection with this employment agreement his base salary was increased from \$1,300,000 to \$1,550,000.

In February 2013, Mr. Greenstein's base salary was restored from \$1,000,000 to \$1,250,000, the amount that he was entitled to receive in 2012 under the terms of his then-existing employment agreement and that he had waived.

In connection with his appointment as our Executive Vice President, Operations and Products, from Group Vice President in August 2013, we entered into a new employment agreement with Mr. Rodriguez pursuant to which the Compensation Committee approved an increase in his base salary from \$475,000 to \$625,000.

In connection with his appointment as our Executive Vice President, Sales and Automotive, from Group Vice President, General Manager, Automotive Division, in August 2013, we entered into a new employment agreement with Mr. Cook pursuant to which the Compensation Committee approved an increase in his base salary from \$450,000 to \$600,000.

There was no base salary increase in 2013 for Mr. Frear.

### *Payment of Performance-Based Discretionary Annual Bonuses for 2013*

In 2013, the Compensation Committee again adopted, under the Plan, a bonus program designed to qualify as performance-based compensation within the meaning of Section 162(m) (the NEO Bonus Plan). Pursuant

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to the NEO Bonus Plan, a bonus pool was established for our Chief Executive Officer and the other named executive officers, other than our Chief Financial Officer, consisting of 2.75% of our EBITDA. The maximum bonus that a named executive officer could receive under the NEO Bonus Plan was limited to a percentage of the bonus pool (which percentages were not changed during the performance year); and could not exceed the cash equivalent of 120 million shares of our common stock (based on our closing share price as of the last trading day of 2013). In addition, no amounts could be paid under the NEO Bonus Plan unless a threshold amount of EBITDA was achieved for 2013.

Following the end of 2013, the Compensation Committee met to consider bonuses for our named executive officers with respect to 2013 and whether to consider bonuses for other employees. The Compensation Committee carefully reviewed our performance against key metrics in our budget and business plan for 2013, including the generation of EBITDA, as required by the NEO Bonus Plan, our efforts to increase subscribers, revenue, adjusted EBITDA and free cash flow.

Following its review of our 2013 performance, which the Compensation Committee determined to be exceptional, the Compensation Committee:

approved a cash bonus pool to be divided among our employees, other than the named executive officers;

reviewed the NEO Bonus Plan pool and exercised its negative discretion and approved the individual bonus amounts granted to each of the named executive officers under the NEO Bonus Plan as well as other executive officers; and

reviewed and approved the payment to our Chief Financial Officer whose bonus, pursuant to Section 162(m), is not included in the NEO Bonus Plan.

The actual amount of the bonus paid to each named executive officer was based on a combination of factors, including our 2013 corporate performance, their individual contributions and performance in their functional areas of responsibility and, with respect to all named executive officers other than himself, recommendations made by Mr. Meyer. Various specific factors taken into consideration in determining the bonus amounts for the named executive officers are set forth below. The annual bonuses for Mr. Meyer is discussed below under the heading **Related Policies and Considerations – Compensation of our Chief Executive Officer.**

Mr. Greenstein was awarded a bonus for his contributions during the year, including his role in the continued enhancement of our programming, such as the expansion of our channel lineup to include new music, sports and comedy channels, including a new Entertainment Weekly Radio channel focusing on pop culture, celebrities and entertainment and a National Basketball Association channel focusing exclusively on the NBA; securing and creating additional compelling and exclusive content, such as extending our agreement with Fox News to include the Fox Business Network; reducing the costs of certain programming; streamlining and introducing efficiencies into our programming operations; the sale of advertisements on our non-music channels; and understanding and analyzing customer satisfaction levels as they relate to our programming and content offerings.

Mr. Cook was awarded a bonus for his contributions during the year, including his role in analyzing, evaluating and managing our subscriber churn and new vehicle conversion rate; maintaining, nurturing and expanding our relationships with automakers and large independent auto resellers, including surpassing 10,000 franchise and independent auto dealers nationwide that provide trial subscriptions to purchasers and lessees of pre-owned vehicles; and entering into an arrangement with Ford to permit subscribers to access to MySXM and SiriusXM On Demand in their vehicles by using voice commands, steering wheel or radio controls.

Mr. Frear was awarded a bonus for his contributions during the year, including his regular on-going contributions as our Chief Financial Officer and his role in managing our fixed and variable costs; overseeing our investor relations efforts; refinancing \$1.5 billion of debt; managing our stock buyback program; overseeing our

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investment in Sirius XM Canada; managing the construction and launch of our FM-6 satellite; and his efforts in the continued integration of our legacy operations, particularly in the area of information technology.

Mr. Rodriguez was awarded a bonus for his contributions during the year, including his role in integrating and managing our newly acquired connected vehicle services business; reducing subscriber acquisition costs; overseeing the development of our transmission and radio technology; and launching MySXM, an innovative personalization feature.

Based on the foregoing, the Compensation Committee approved the specific bonus amounts set forth in the Summary Compensation Table under the Bonus column for each of the above named executive officers.

### *Long-Term Equity Grants for 2013*

In 2013, in connection with Messrs. Meyer, Greenstein, Rodriguez and Cook entering new employment agreements, we granted stock options and RSUs to each of them. The specific number of options and RSUs granted was determined by the Compensation Committee with the assistance of our Chief Executive Officer (other than in the case of any equity awards to himself), and are identified in the Grants of Plan-Based Awards in 2013 table and also discussed below under Potential Payments or Benefits Upon Termination or Change-in-Control Employment Agreements. The stock options and RSUs are generally subject to the named executive officers continued employment through the vesting period, which enhances the retention value of the award and incentivizes the officers to create and sustain long-term value for our stockholders. These awards are expected to be the officers primary long-term incentive compensation over a multi-year period.

There were no long-term equity grants to Mr. Frear in 2013.

### *Fiscal Year 2014 Considerations*

The Compensation Committee expects to review our executive compensation program in 2014 with a view to ensuring that it continues to provide the correct incentives and is properly sized given the scope and complexity of our business and the competition we face. The Compensation Committee may employ the same process, or may adopt a modified or wholly different process, in making future bonus decisions.

The Compensation Committee has again adopted a bonus program which is intended to comply with Section 162(m) for our Chief Executive Officer and the other named executive officers (except for our Chief Financial Officer) under the Plan that is designed to promote the achievement of our key financial goals for 2014. This bonus program provides for a bonus pool which is based on a percentage of EBITDA. No bonus amount is payable under such program if we do not achieve a specified level of EBITDA.

The Compensation Committee expects that our executive compensation program will continue to respond to changes in economic conditions and our business with flexibility, as needed, to advance our objectives of motivating, attracting and retaining highly qualified executives with the skills and experience necessary to achieve our key business objectives and increase stockholder value.

### **Related Policies and Considerations**

#### *Compensation of our Chief Executive Officer*

The material terms of Mr. Meyer s employment agreement are described below under Potential Payments or Benefits Upon Termination or Change-in-Control Employment Agreements James E. Meyer.

The terms of Mr. Meyer s employment were established by negotiations between Mr. Meyer and the Chairman of our board of directors in consultation with the other members of the ad hoc committee created to direct the chief executive officer search. This ad hoc search committee concluded that, in its business judgment,

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Mr. Meyer's qualifications and prior experience as our President, Operations and Sales, were well suited to our needs, and that his compensation, including the base salary and equity components, was, taken as a whole, appropriate under the circumstances. As part of the process, the Compensation Committee reviewed the proposed compensation of Mr. Meyer and ratified the recommendation of the ad hoc search committee.

In February 2014, Mr. Meyer was awarded a cash bonus of \$4,720,000 in recognition of his performance and our corporate performance in 2013, including:

increasing our net subscriber additions by approximately 1.66 million, resulting in a total of nearly 25.6 million subscribers, an increase of 7% as compared to 2012;

achieving adjusted EBITDA growth of 27% to \$1.17 billion;

increasing our 2013 revenue by 12%;

increasing free cash flow by 31% to \$927 million;

retiring \$1.5 billion of debt;

negotiating and consummating the acquisition of Agero, Inc.'s connected vehicle services business for \$530 million, establishing Sirius XM as one of the leading providers of telematics services;

launching MySXM;

continuing to expand our ability to identify and acquire subscribers in certified pre-owned and used vehicles and managing our investment in infrastructure in this area;

adding compelling content to our services while managing programming expenses;

continuing to improve our customer care experience, including through further enhancements to our Internet-based self-care functionality and Internet-based chat services;

creating a corporate culture that fosters quality, creativity, diversity, integrity and innovation to differentiate our content and services; and

maintaining Sirius XM as one of the largest subscription-based media companies in the United States.

***Policy with Respect to Internal Revenue Code Section 162(m)***

As described above under Fiscal Year 2014 Considerations, in 2014 the Compensation Committee again adopted a bonus plan which is intended to comply with Section 162(m) for our Chief Executive Officer and the other named executive officers, except for our Chief Financial Officer.



The Committee anticipates that this plan will result in tax deductibility for any compensation we pay to such executive officers that exceeds \$1 million in 2014. However, the Compensation Committee may from time to time approve compensation that is not deductible under Section 162(m) if it determines that it is in our best interest to do so.

**Compensation Committee Report**

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management. Based on such review and discussion, we recommended to the board of directors that the Compensation Discussion and Analysis be included in this proxy statement and incorporated by reference into our annual report on Form 10-K for the year ended December 31, 2013.

Compensation Committee

CARL E. VOGEL, *Chairman*

GEORGE W. BODENHEIMER

DAVID J.A. FLOWERS

JAMES P. HOLDEN

**Table of Contents****Summary Compensation Table**

The following table provides information concerning total compensation earned by or paid to our Chief Executive Officer, our Chief Financial Officer and our three other most highly compensated executive officers who served in such capacities as of December 31, 2013 for services rendered to us during each of the past three fiscal years. These five officers are referred to herein as the named executive officers.

Name and Principal Position	Year	Salary \$	Bonus \$	Stock Awards(1) \$	Option Awards(1) \$	All Other Compensation(2) \$	Total \$
James E. Meyer Chief Executive Officer	2013	1,468,590	4,720,000	3,249,998	13,568,656	58,063	23,065,307
	2012	1,107,692	2,000,000			205,295	3,312,987
	2011	1,100,000	1,750,000			236,221	3,086,221
Scott A. Greenstein President and Chief Content Officer	2013	1,224,520	1,700,000	1,000,002	6,500,000	7,650	10,432,172
	2012	1,000,000	1,375,000			7,500	2,382,500
	2011	1,000,000	1,250,000			7,350	2,257,350
Stephen R. Cook(3) Executive Vice President, Sales and Automotive	2013	518,583	950,000	1,000,000	4,400,000	7,650	6,876,233
	2012	450,000	475,000		923,904	7,500	1,856,404
	2011	434,536	430,000		846,635	7,350	1,718,521
David J. Frear Executive Vice President and Chief Financial Officer	2013	850,000	1,450,000			7,650	2,307,650
	2012	850,000	1,200,000			7,500	2,057,500
	2011	795,833	1,100,000		18,895,552	7,350	20,798,735
Enrique Rodriguez(4) Executive Vice President, Operations and Products	2013	531,827	950,000	1,000,000	4,400,000	47,987	6,929,814
	2012	93,782	200,000		1,099,512		1,393,294
	2011						

(1) The aggregate grant date fair value of stock option and restricted stock unit awards were computed in accordance with Financial Accounting Standards Board ( FASB ) Accounting Standard Codification ( ASC ) Topic 718 (excluding estimated forfeitures). The assumptions used in the valuation are discussed in Note 15 to our audited consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2013.

(2) For each named executive officer, with the exception of Mr. Rodriguez, the amount in the All Other Compensation column for 2013 reflects \$7,650 of matching contributions by us under the Sirius XM Radio Inc. 401(k) savings plan. In addition to \$7,650 of matching contributions by us under the Sirius XM Radio Inc. 401(k) savings plan, All Other Compensation for Mr. Meyer includes amounts reimbursed for temporary living and travel expenses, all of which were reimbursed based upon receipts. In 2013, Mr. Meyer was paid \$20,000 for rent, \$7,256 for travel, and \$637 for utilities. Travel-related expenses include airfare, taxi/car services, and other incidental travel-related costs. In addition, in 2013 All Other Compensation for Mr. Meyer includes \$22,520 for reimbursement of taxes associated with these expenditures in accordance with his previous employment agreement. Mr. Meyer entered into a new employment agreement in 2013 which eliminated our obligation to reimburse him for the reasonable costs of an apartment in the New York metropolitan area and other incidental living expenses, and for the reasonable costs of coach class airfare from his homes to our offices in New York City. That agreement also released us from our future obligation to pay Mr. Meyer an additional amount to hold him harmless as a result of any federal, state or New York City income taxes imputed in respect of the expenses for which he receives reimbursement.

All Other Compensation for Mr. Rodriguez also includes amounts reimbursed for travel expenses, meals and lodging, all of which were reimbursed based upon receipts. In 2013, Mr. Rodriguez was reimbursed \$39,580 for travel and \$8,407 for meals and lodging. Travel-related expenses include airfare, taxi and car services, and other incidental travel-related costs.

(3) Mr. Cook became an executive officer in August 2013 upon his promotion to Executive Vice President, Sales and Automotive.



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(4) Mr. Rodriguez became an executive officer in August 2013 upon his promotion to Executive Vice President, Operations and Products.  
**Grants of Plan-Based Awards in 2013**

The following table provides information with respect to equity grants made during fiscal year 2013 to the named executive officers.

Name	Grant Date	All Other Stock Awards: Number of Shares of Stock or Units (#)(1)	All Other Option Awards: Number of Securities Underlying Options (#)(2)	Exercise or Base Price of Option Awards (\$/Sh)(3)	Grant Date Fair Value of Stock and Option Awards \$(4)
James E. Meyer	05/02/2013		10,128,894	3.3000	13,568,656
	05/02/2013	984,848			3,249,998
Scott A. Greenstein	07/26/2013		5,499,340	3.7550	6,500,000
	07/26/2013	266,312			1,000,002
Stephen R. Cook	08/15/2013		2,761,018	3.6950	4,400,000
	08/15/2013	270,636			1,000,000
Enrique Rodriguez	08/15/2013		2,761,018	3.6950	4,400,000
	08/15/2013	270,636			1,000,000

- (1) The restricted stock units granted to the named executive officers were in connection with the extension and/or execution of new employment agreements by each of them. The restricted stock units granted to Mr. Meyer will vest on October 30, 2015. The restricted stock units granted to Mr. Greenstein will vest on July 22, 2016. The restricted stock units granted to Mr. Cook will vest on August 13, 2017. The restricted stock units granted to Mr. Rodriguez will vest on August 15, 2017.
- (2) All grants were made under the Plan. The stock option awards granted to Mr. Meyer vest on October 30, 2015 and have a term of ten years. The stock option awards granted to Mr. Greenstein vest in equal installments on each of July 22, 2014, 2015 and 2016 and have a term of ten years. The stock option awards granted to Mr. Cook vest in equal annual installments over four years from August 13, 2013 and have a term of ten years. The stock option awards granted to Mr. Rodriguez vest in equal annual installments over four years from August 15, 2013 and have a term of ten years. The options may be subject to earlier vesting upon certain qualifying terminations of employment and a change of control transaction.
- (3) The exercise price of the options granted to each of the named executive officers was equal to the closing price of our common stock on the date of grant.
- (4) The aggregate grant date fair value of stock option and restricted stock unit awards were computed in accordance with FASB ASC Topic 718 (excluding estimated forfeitures). The assumptions used in the valuation are discussed in Note 15 to our audited consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2013.

**Table of Contents****Outstanding Equity Awards at Fiscal Year-End 2013**

The following table provides information with respect to the status at December 31, 2013 of all unexercised options and unvested restricted stock units awarded to each of the named executive officers.

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units that have not Vested (#)	Market Value of Shares or Units of Stock that have not Vested(1) (\$)
James E. Meyer(2)	1,350,000		5.49	2/2/2016		
	512,000		3.65	2/1/2017		
	707,000		2.82	1/23/2018		
	830,500		0.6235	8/31/2019		
	6,296,246	10,128,894	3.30	5/02/2023	984,848	3,437,120
Scott A. Greenstein(3)	1,250,000		6.552	8/8/2015		
	435,000		3.65	2/1/2017		
	607,000		2.82	1/23/2018		
		5,499,340	3.755	7/25/2023	266,312	929,429
Stephen R. Cook(4)	460,000		4.74	2/18/2014		
	1,108,000		0.6235	8/31/2019		
	631,350	210,450	0.99	8/09/2020		
	425,000	425,000	1.64	8/23/2021		
	212,500	637,500	2.48	8/14/2022		
	2,761,018	3.695	8/14/2023	270,636	944,520	
David J. Frear(5)	700,000		6.56	8/10/2015		
	307,000		3.65	2/1/2017		
	483,000		2.82	1/23/2018		
	1,500,000		3.05	2/12/2018		
		561,200	0.99	8/9/2020		
	6,000,000	8,000,000	2.13	7/21/2021		
Enrique Rodriguez(6)	212,500	637,500	2.87	10/22/2022		
		2,761,018	3.695	08/14/2023	270,636	944,520

- (1) Market value of shares or units of stock that have not vested were calculated based on the closing price on the NASDAQ Global Select Market of our common stock on December 31, 2013 of \$3.49. The restricted stock units are valued at (a) the closing price of the stock on December 31, 2013 multiplied by (b) the number of shares of restricted stock units that have not vested. The awards may be subject to earlier vesting upon certain qualifying terminations of employment and a change of control transaction.
- (2) Outstanding equity awards for Mr. Meyer vest as follows: options granted at an exercise price of \$5.49 vested in four equal annual installments from the date of grant on February 2, 2006; options granted at an exercise price of \$3.65 vested in four equal annual installments from the date of grant on February 1, 2007; options granted at an exercise price of \$2.82 vested in four equal annual installments from the date of grant on January 23, 2008; options granted at an exercise price of \$0.6235 vested in four equal annual installments from the date of grant on August 31, 2009; options granted at an exercise price of \$0.5252 vested in four equal annual installments from the date of grant on October 14, 2009; and options granted at an exercise price of \$3.30 vest on October 30, 2015. The restricted stock units granted to Mr. Meyer cliff vest on October 30, 2015.



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- (3) Outstanding equity awards for Mr. Greenstein vest as follows: options granted at an exercise price of \$6.552 vested in three equal annual installments from the date of grant on August 8, 2005; options granted at an exercise price of \$3.65 vested in four equal annual installments from the date of grant on February 1, 2007; options granted at an exercise price of \$2.82 vested in four equal annual installments from the date of grant on January 23, 2008; and options granted at an exercise price of \$3.755 vest in three annual installments from July 22, 2013. The restricted stock units granted to Mr. Greenstein cliff vest on July 22, 2016.
- (4) Outstanding equity awards for Mr. Cook vest as follows: options granted at an exercise price of \$4.74 vested in three equal annual installments from the date of grant on February 18, 2004; options granted at an exercise price of \$0.6235 vested in four equal annual installments from the date of grant on August 31, 2009; options granted at an exercise price of \$0.99 vest in four equal annual installments from the date of grant on August 9, 2010; options granted at an exercise price of \$1.64 vest in four equal annual installments from the date of grant on August 23, 2011; options granted at exercise price of \$2.48 vest in four equal installments from the date of grant of August 14, 2012; and options granted at an exercise price of \$3.695 vest in four equal installments from August 13, 2013. The restricted stock units granted to Mr. Cook cliff vest on August 13, 2017.
- (5) Outstanding equity awards for Mr. Frear vest as follows: options granted at an exercise price of \$6.56 vested in three equal annual installments from the date of grant on August 10, 2005; options granted at an exercise price of \$3.65 vested in four equal annual installments from the date of grant on February 1, 2007; options granted at an exercise price of \$2.82 vested in four equal annual installments from the date of grant on January 23, 2008; options granted at an exercise price of \$3.05 vested in three equal annual installments from the date of grant on February 12, 2008; options granted at an exercise price of \$0.99 vest in four equal annual installments from the date of grant on August 9, 2010; and options granted at an exercise price of \$2.13 vest in four equal annual installments from the date of grant on July 21, 2011.
- (6) Outstanding equity awards for Mr. Rodriguez vest as follows: options granted at an exercise price of \$2.87 vest in four equal installments from the date of grant of October 22, 2012; and options granted at exercise price of \$3.695 vest in four equal installments from the date of grant of August 15, 2013. The restricted stock units granted to Mr. Rodriguez cliff vest on August 15, 2017.

**Option Exercises and Stock Vested in 2013**

The following table provides information with respect to option exercises and restricted stock units that vested during 2013.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)(1)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
James E. Meyer				
Scott A. Greenstein	7,942,034	23,439,292		
Stephen R. Cook	105,000	213,150		
David J. Frear	3,114,950	6,785,500		
Enrique Rodriguez				

- (1) Value realized on exercise is based on the gain equal to the difference between the closing price on the NASDAQ Global Select Market of the stock acquired upon exercise on the exercise date less the exercise price, multiplied by the number of options exercised.

**Non-Qualified Deferred Compensation and Pension Benefits**

We do not offer non-qualified deferred compensation or pension benefits to our named executive officers.

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**Potential Payments or Benefits Upon Termination or Change-in-Control**

***Employment Agreements***

We have entered into employment agreements with each of our named executive officers that contain provisions regarding payments or benefits upon a termination of employment. We do not have any provisions in any of our employment agreements for the named executive officers that provide for any special payments solely in the event of a change-in-control. Under the terms of the Plan, if the employment of any of our named executive officers is terminated by us without cause, or by the executive for good reason, within two years following a change-in-control, then in accordance with the Plan, their equity awards shall be subject to accelerated vesting.

*James E. Meyer*

On December 18, 2012, Mr. Meyer was appointed our Chief Executive Officer on an interim basis. In connection with this appointment, we entered into an amendment to our existing employment agreement with Mr. Meyer that extended the term of his employment agreement to October 31, 2013, and restored his base salary to \$1,300,000 from \$1,100,000, the amount that Mr. Meyer was scheduled to receive under the terms of his existing employment agreement and that he had previously waived.

In April 2013, in connection with Mr. Meyer's appointment as our Chief Executive Officer on a non-interim basis, we entered into a new employment agreement with Mr. Meyer to continue to serve as our Chief Executive Officer through October 31, 2015. The employment agreement provided for an increase in Mr. Meyer's base salary from \$1,300,000 to \$1,550,000, subject to approved increases, and obligates us to offer Mr. Meyer a three-year consulting agreement upon the expiration of his employment agreement on October 31, 2015. Mr. Meyer is also entitled to participate in any bonus plans generally offered to our executive officers, with an annual target bonus opportunity of 200% of his annual base salary.

If Mr. Meyer's employment is terminated without cause or he terminates his employment for good reason (each as described in his employment agreement), then subject to his execution of a release of claims and his compliance with certain restrictive covenants, we are obligated to continue his health benefits for 18 months and his life insurance benefits for one year, and pay him on the 60th day following the termination of his employment a lump sum payment equal to Mr. Meyer's annual base salary plus the amount of \$6,600,000 as consideration for a consulting agreement for a period of three years, and the greater of (x) a bonus equal to 60% of his then annual base salary or (y) the prior year's bonus actually paid to him. We are also obligated to pay Mr. Meyer any earned but unpaid bonus for the year prior to the year of his termination, and a prorated bonus for the year in which his employment is terminated.

*Scott A. Greenstein*

In July 2013, we entered into a new employment agreement with Scott A. Greenstein to continue to serve as our President and Chief Content Officer through July 22, 2016. The employment agreement provides for an annual base salary of \$1,250,000, subject to approved increases. Mr. Greenstein is also entitled to participate in any bonus plans generally offered to our executive officers, with an annual target bonus opportunity of 150% of his annual base salary.

In the event Mr. Greenstein's employment is terminated by us without cause or he terminates his employment for good reason (each as described in his employment agreement), subject to his execution of a release of claims and his compliance with certain restrictive covenants, we are obligated to pay him a lump sum payment equal to his then annual base salary and the cash value of the bonus last paid or payable to him in respect of the fiscal year preceding the fiscal year in which the termination occurs, and to continue his health and life insurance benefits for one year.



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*Stephen R. Cook*

In August 2013, we entered into a new employment agreement with Stephen R. Cook to serve as our Executive Vice President, Sales and Automotive, with an annual base salary of \$600,000, subject to approved increases. Mr. Cook is also entitled to participate in any bonus plans generally offered to our executive officers, with an annual target bonus opportunity of 150% of his annual base salary.

In the event Mr. Cook's employment is terminated by us without cause or he terminates his employment for good reason (each as described in his employment agreement), subject to his execution of a release of claims and his compliance with certain restrictive covenants, we are obligated to pay Mr. Cook a lump sum equal to his annual base salary as of the date of the termination and the bonus last paid or payable to him in respect of the fiscal year preceding the fiscal year in which the termination occurs, and to continue his health insurance benefits for one year.

*David J. Frear*

In July 2011, we entered into an employment agreement with David J. Frear to continue to serve as our Executive Vice President and Chief Financial Officer through July 20, 2015. The employment agreement provides for an annual base salary of \$850,000, subject to approved increases.

If Mr. Frear's employment is terminated without cause or he terminates his employment for good reason (each as described in his employment agreement), subject to his execution of a release of claims and his compliance with certain restrictive covenants, we are obligated to pay him a lump sum equal to his annual salary as of the date of the termination and the cash value of the bonus last paid or payable to him in respect of the preceding fiscal year and to continue his health and life insurance benefits for one year.

In the event that any payment we make, or benefit we provide, to Mr. Frear would require him to pay an excise tax under Section 280G of the Internal Revenue Code, we have agreed to pay Mr. Frear the amount of such tax and such additional amount as may be necessary to place him in the exact same financial position that he would have been in if the excise tax was not imposed.

*Enrique Rodriguez*

In August 2013, we entered into a new employment agreement with Enrique Rodriguez to serve as our Executive Vice President, Operations and Products, with an annual base salary of \$625,000, subject to approved increases. Mr. Rodriguez is also entitled to participate in any bonus plans generally offered to our executive officers, with an annual target bonus opportunity of 150% of his annual base salary.

In the event Mr. Rodriguez's employment is terminated by us without cause or he terminates his employment for good reason (each as described in his employment agreement), subject to his execution of a release of claims and his compliance with certain restrictive covenants, we are obligated to pay him his annual base salary for one year and an amount equal to the bonus last paid or payable to him in respect of the fiscal year preceding the fiscal year in which the termination occurs, and to continue his health insurance benefits for one year.

***2003 Long-Term Stock Incentive Plan***

Messrs. Meyer, Greenstein and Frear also have outstanding options as of December 31, 2013 that were granted under our 2003 Long-Term Stock Incentive Plan. Under the 2003 Long-Term Stock Incentive Plan, the outstanding equity awards granted to these named executive officers are subject to potential accelerated vesting upon a change of control. In addition, Mr. Frear's award agreements relating to options and restricted stock units granted to him in February 2008 under the 2003 plan provide that such equity awards are subject to potential accelerated vesting upon his death and disability. All of the outstanding options granted under the 2003 plan were vested as of December 31, 2013, and, therefore, are not included in the table of potential payments and benefits below.

**Table of Contents****2009 Long-Term Stock Incentive Plan**

All of our named executive officers have outstanding equity awards as of December 31, 2013 that were granted under the Plan. Under the terms of the Plan, the outstanding equity awards granted to the named executive officers are subject to potential accelerated vesting upon termination without cause by the company or termination by the executive for good reason during a two year period following a change of control, to the extent outstanding awards granted under the Plan are either assumed, converted or replaced by the resulting entity in the event of a change of control.

**Potential Payments and Benefits**

The following table describes the potential payments and benefits under the named executive officers' agreements and our stock incentive plans to which they would have been entitled if a termination of employment or change-in-control had occurred as of December 31, 2013:

Name	Triggering Event	Lump Sum Severance Payment (\$)	Accelerated Equity Vesting(1) (\$)	Continuation of Insurance Benefits(2) (\$)	Excise Tax Gross-Up (\$)	Total (\$)
James E. Meyer(3)	Termination due to death or disability	6,600,000	5,361,609			11,961,609
	Termination without cause or for good reason	10,150,000	5,361,609	35,055		15,546,664
Scott A. Greenstein	Termination due to death or disability		929,429			929,429
	Termination without cause or for good reason	2,625,000	929,429	23,646		3,578,075
Stephen R. Cook	Termination due to death or disability		944,520			944,520
	Termination without cause or for good reason	1,075,000	944,520	22,954		2,042,474
	Termination without cause or for good reason following change-in-control	1,075,000	2,900,770	22,954		3,998,724
David J. Frear	Termination due to death or disability		10,880,000			10,880,000
	Termination without cause or for good reason	2,050,000	10,880,000	23,646		12,953,646
	Termination without cause or for good reason following change-in-control	2,050,000	12,283,000	23,646		14,356,646
Enrique Rodriguez	Termination due to death or disability		944,520			944,520
	Termination without cause or for good reason	825,000	944,520	22,954		1,792,474
	Termination without cause or for good reason following change-in-control	825,000	1,339,770	22,954		2,187,724

- (1) Amounts were calculated based on the closing price on the NASDAQ Global Select Market of our common stock on December 31, 2013 of \$3.49. The accelerated vesting of options is valued at (a) the difference between the closing price and the exercise price of the options multiplied by (b) the number of shares of common stock underlying the options. The accelerated vesting of restricted stock units is valued at the closing price times the number of shares of restricted stock units.

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- (2) Assumes that health benefits would be continued under COBRA for up to 18 months at current rates. Assumes that life insurance would be continued at rate of two times current employer cost.
  
- (3) Mr. Meyer is also eligible to receive a prorated bonus for the year in which his employment is terminated. Payment is based on actual performance for such year, and payable at such time as the bonuses for such year are paid to other senior executives. This potential payment is not reflected in the table above.

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**ITEM 2 ADVISORY VOTE TO APPROVE EXECUTIVE OFFICER COMPENSATION**

We provide stockholders with the opportunity to cast an advisory vote to approve the compensation of our named executive officers every three years as disclosed pursuant to the SEC's compensation disclosure rules (which disclosure includes the Compensation Discussion and Analysis, the compensation tables, and the narrative disclosures that accompany the compensation tables) (a "say-on-pay proposal"). We believe it is appropriate to seek and take into account the views of stockholders on the design and effectiveness of our executive compensation program.

Our goal for our executive compensation program is to attract, motivate, and retain a talented, entrepreneurial and creative team of executives who will provide leadership for success in the dynamic and highly competitive markets in which we operate. We seek to accomplish this goal in a way that rewards performance and is aligned with our stockholders' long-term interests. We believe our executive compensation program, which emphasizes long-term equity awards, satisfies this goal and is strongly aligned with the long-term interests of stockholders.

At our 2011 annual meeting of stockholders, approximately 98% of the votes cast supported the say-on-pay proposal. We encourage our stockholders to evaluate our executive compensation program over a multi-year horizon and to review our named executive officers' compensation over the past three years as reported in the Summary Compensation Table on page 32. We have in the past been, and will in the future continue to be, engaged with our stockholders on a number of topics and in a number of forums. We view the advisory vote on executive compensation as an additional, but not exclusive, opportunity for our stockholders to communicate with us regarding their views on executive compensation. Our executive compensation program has not changed materially year-to-year and is designed to operate over a period of several years and to enhance long-term performance.

The Compensation Discussion and Analysis, beginning on page 23 of this proxy statement, describes our executive compensation program and the decisions made by the Compensation Committee in 2013 in more detail.

In accordance with the requirements of Section 14A of the Exchange Act and the related rules of the SEC, we will request that stockholders vote to approve the following resolution at the annual meeting:

RESOLVED, that the compensation paid to the named executive officers, as disclosed in this proxy statement pursuant to the SEC's executive compensation disclosure rules (which disclosure includes the Compensation Discussion and Analysis, the compensation tables, and the narrative disclosures that accompany the compensation tables), is hereby approved.

As an advisory vote, this proposal is not binding on us, our board of directors or the Compensation Committee, and will not be construed as overruling a decision by our board of directors or the Compensation Committee or creating or implying any additional fiduciary duty for us, our board of directors or the Compensation Committee. However, the Compensation Committee and our board of directors values the opinions expressed by stockholders in their vote on this proposal and will consider the outcome of the vote when making future compensation decisions regarding named executive officers.

Our current policy is to provide stockholders with an opportunity to approve the compensation of the named executive officers every three years at the annual meeting of stockholders. It is expected that the next such vote will occur at our 2017 annual meeting of stockholders.

This vote is not intended to address any specific item of compensation, but rather our executive compensation as disclosed in this proxy statement. Accordingly, your vote will not directly affect or otherwise limit any existing compensation or award arrangement of any of our named executive officers.

**The board of directors recommends that stockholders vote FOR this proposal.**

**Table of Contents****ITEM 3 RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS**

The Audit Committee has selected KPMG LLP ( KPMG ) as our independent registered public accountants for 2014. As such, KPMG will audit and report on our financial statements for the year ending December 31, 2014 and on the effectiveness of internal control over financial reporting as of December 31, 2014. KPMG has served as our independent registered public accountants since September 2008. The Audit Committee and the board are requesting, as a matter of policy, that stockholders ratify the selection of KPMG. The Audit Committee and the board are not required to take any action as a result of the outcome of the vote on this proposal.

Representatives of KPMG are expected to be present at the annual meeting. They will have an opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

**The board of directors recommends a vote FOR the ratification of KPMG LLP as our independent registered public accountants for 2014.**

**Principal Accountant Fees and Services**

The following table sets forth the fees billed to us by KPMG as of and for the years ended December 31, 2013 and 2012:

	For the Years Ended December 31,	
	2013	2012
Audit fees(1)	\$ 1,997,222	\$ 1,857,649
Audit-related fees(2)	377,000	78,000
Tax fees(3)		48,018
All other fees(4)	15,000	
	<b>\$ 2,389,222</b>	<b>\$ 1,983,667</b>

(1) Audit fees billed by KPMG related to the financial statement audit, quarterly reviews, audit of internal control over financial reporting, accounting consultations with KPMG's National Office, comfort letters, SEC comment letters, audit services that are normally provided by independent auditors in connection with regulatory filings or engagements and statutory audits. The amount also includes reimbursement for direct out-of-pocket expenses.

(2) Audit-related fees billed by KPMG related to audits of employee benefit plans, financial due diligence services, and other attestation services required by contract.

(3) Tax fees billed by KPMG were for services relating to state and local tax consulting.

(4) All other fees billed by KPMG related to seminars purchased by us.

**Pre-Approval Policy for Services of Independent Auditor**

It is the Audit Committee's responsibility to review and consider, and ultimately pre-approve, all audit and permitted non-audit services to be performed by our independent registered public accounting firm. In accordance with its charter, the Audit Committee's pre-approval policies with respect to audit and permitted non-audit services to be provided by our independent registered public accounting firm are as follows:

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The independent registered public accounting firm is not permitted to perform consulting, legal, book-keeping, valuation, internal audit, management functions, or other prohibited services, under any circumstances;

The engagement of our independent registered public accounting firm, including related fees, with respect to the annual audits and quarterly reviews of our consolidated financial statements is specifically approved by the Audit Committee on an annual basis;

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The Audit Committee reviews and pre-approves a detailed list of other audit and audit-related services annually or more frequently, if required. Such services generally include services performed under the audit and attestation standards established by regulatory authorities or standard setting bodies and include services related to SEC filings, employee benefit plan audits and subsidiary audits;

The Audit Committee reviews and pre-approves a detailed list of permitted non-audit services annually or more frequently, if required; and

The Audit Committee pre-approves each proposed engagement to provide services not previously included in the approved list of audit and non-audit services and for fees in excess of amounts previously pre-approved.

The Audit Committee has delegated to the chair of the Audit Committee the authority to approve permitted services by the independent registered public accounting firm so long as he or she reports decisions to the Audit Committee at its next meeting.

All of the services covered under the captions *Audit Fees* , *Audit-Related Fees* and *Tax Fees* were pre-approved by the Audit Committee.

### **Who is the Audit Committee's financial expert?**

Our board of directors has determined that Joan L. Amble, the chairwoman of the Audit Committee and an independent director, is qualified as an audit committee financial expert within the meaning of SEC regulations and that she is financially sophisticated within the meaning of the NASDAQ listing standards.

## **REPORT OF THE AUDIT COMMITTEE**

As described more fully in its charter, the purpose of the Audit Committee is to assist our board of directors in its general oversight of our financial reporting, internal control and audit functions. Management is responsible for the preparation, presentation and integrity of our consolidated financial statements; accounting and financial reporting principles; and internal controls and procedures designed to ensure compliance with accounting standards, applicable laws and regulations. KPMG LLP, our independent registered public accounting firm, is responsible for performing an independent audit of our consolidated financial statements and the effectiveness of internal control over financial reporting in accordance with auditing standards of the Public Company Accounting Oversight Board (United States).

In the performance of its oversight function, the Audit Committee reviewed and discussed our audited financial statements with management and with our independent registered public accounting firm. The Audit Committee also discussed with the independent registered public accounting firm the matters required to be discussed by the statement on Auditing Standards No. 16, *Communications with Audit Committees* , as adopted by the Public Company Accounting Oversight Board. In addition, the Audit Committee received the written disclosures and the letter from the independent registered public accounting firm required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence, and discussed with the independent registered public accounting firm their independence.

Based upon the review and discussions described in the preceding paragraph, the Audit Committee recommended to the board of directors that our audited financial statements be included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2013 filed with the SEC.

Audit Committee

JOAN L. AMBLE, *Chairwoman*

EDDY W. HARTENSTEIN

VANESSA A. WITTMAN

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**OTHER MATTERS**

Our board of directors does not intend to present, or have any reason to believe others will present, any other items of business. If other matters are properly brought before the annual meeting, the persons named in the accompanying proxy will vote the shares represented by it in accordance with the recommendation of our board of directors.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR  
THE STOCKHOLDER MEETING TO BE HELD ON MAY 19, 2014**

This proxy statement and our annual report for the year ended December 31, 2013 are available for you to view online at <http://www.envisionreports.com/SIRI>.

By Order of the Board of Directors,

Patrick L. Donnelly

*Executive Vice President,*

*General Counsel and Secretary*

New York, New York

April 8, 2014

**We make available, free of charge on our website, all of our filings that are made electronically with the SEC, including Forms 10-K, 10-Q and 8-K. To access these filings, go to our website, [www.siriusxm.com](http://www.siriusxm.com), and click on Reports & Filings and then on SEC Filings under the Investor Relations heading. Copies of our Annual Report on Form 10-K for the fiscal year ended December 31, 2013, including financial statements and schedules thereto, are also available without charge to stockholders upon written request addressed to:**  
**Investor Relations**

**Sirius XM Holdings Inc.**

**1221 Avenue of the Americas**

**36th Floor**

**New York, New York 10020**



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**Electronic Voting Instructions**

**Available 24 hours a day, 7 days a week!**

Instead of mailing your proxy, you may choose one of the voting methods outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.

**Proxies submitted by the Internet or telephone must be received by 11:59 p.m., Eastern Time, on May 18, 2014.**

**Vote by Internet**

Go to **[www.envisionreports.com/SIRI](http://www.envisionreports.com/SIRI)**

Or scan the QR code with your smartphone

Follow the steps outlined on the secure website

**Vote by telephone**

Call toll free 1-800-652-VOTE (8683) within the USA, US territories & Canada

on a touch tone telephone

Follow the instructions provided by the recorded message

Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not write outside the designated areas.

x

**q IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE**



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Date (mm/dd/yyyy) Please print date Signature 1 Please keep signature Signature 2 Please keep signature  
below. within the box. within the box.

/ /

**IF VOTING BY MAIL, YOU MUST COMPLETE SECTIONS A - C ON BOTH SIDES OF THIS CARD.**

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**SIRIUS XM HOLDINGS INC.**

**ADMISSION TICKET**

**2014 ANNUAL MEETING OF STOCKHOLDERS**

**MONDAY, MAY 19, 2014**

**9:00 A.M. EASTERN TIME**

**TO BE HELD AT**

**THE MCGRAW HILL BUILDING**

**THE AUDITORIUM**

**1221 AVENUE OF THE AMERICAS**

**NEW YORK, NEW YORK**

**THIS TICKET MUST BE PRESENTED TO ENTER THE MEETING**

**Important notice regarding the Internet availability of proxy materials for the Annual Meeting of Stockholders.**

The Proxy Statement and 2013 Annual Report are available at: <http://www.envisionreports.com/SIRI>

**q IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. q**

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Proxy Sirius XM Holdings Inc.

**Proxy Solicited on behalf of the Board of Directors of Sirius XM Holdings Inc.**

The undersigned hereby appoints Patrick L. Donnelly and Ruth A. Ziegler, and each of them, proxies, with full power of substitution, for and on behalf of the undersigned to represent the undersigned and vote, as directed and permitted herein, the undersigned's shares of Sirius XM Holdings Inc. common stock (including any shares of common stock which the undersigned has the right to direct the proxies to vote under the Sirius XM Radio Inc. 401(k) Savings Plan) at the Annual Meeting of Stockholders of Sirius XM Holdings Inc. to be held on Monday, May 19, 2014, at 9:00 A.M., Eastern time, in the Auditorium at The McGraw Hill Building, 1221 Avenue of the Americas, New York, New York, and at any adjournments or postponements thereof upon all matters set forth on the reverse side hereof and, in their judgment and discretion, upon such other business as may properly come before the meeting.

This proxy when properly executed will be voted in the manner directed on the reverse side hereof by the undersigned. **If this proxy is executed but no direction is given, this proxy will be voted FOR all nominees listed herein under Proposal 1 and FOR Proposals 2 and 3.**

(Continued and to be dated and signed on the reverse side)

**C Non-Voting Items**

**Change of Address** Please print new address below.

**Comments** Please print your comments below.

¢ **IF VOTING BY MAIL, YOU MUST COMPLETE SECTIONS A - C ON BOTH SIDES OF THIS +  
CARD.**