

PANDORA MEDIA, INC.
A Delaware corporation
(the “**Company**”)

Corporate Governance Guidelines
Amended as of September 11, 2013

1. Composition of the Board and Board Membership Criteria

The Nominating and Corporate Governance Committee shall recommend to the Board criteria for Board membership, which shall include the criteria set forth in these Corporate Governance Guidelines, and shall recommend individuals for membership on the Company’s Board of Directors. In making its recommendations, the Nominating and Corporate Governance Committee shall:

- review candidates’ qualifications for membership on the Board (including a determination as to the independence of the candidate) based on the criteria approved by the Board (and taking into account (i) any actual or potential conflicts of interest due to existing service on another corporate board or employment by another company and (ii) the enhanced independence, financial literacy and financial expertise standards that may be required by law or applicable stock exchange rules for audit committee and compensation committee membership purposes);
- assess the performance of each director for re-nomination to the Board; and
- periodically review the composition of the Board in light of the current challenges and needs of the Board, and determine whether it may be appropriate to add or remove individuals after considering issues of judgment, diversity, age, skills, background, prior performance and experience.

2. Director Qualifications

Independence

At all times a majority of the Board shall be comprised of directors meeting the independence requirements of the applicable stock exchange rules. The Board shall make an affirmative determination at least annually as to the independence of each director based upon the recommendation of the Nominating and Corporate Governance Committee. The Board shall take into account all relevant factors in determining independence.

One of the factors the Board will consider in determining independence is charitable contributions made by the Company to an entity for which a director or a member of his or her immediate family serves as a director, officer, employee or member of such entity's fund-raising organization or committee. Proposed charitable contributions or pledges of charitable contributions, by the Company within any given fiscal year in an aggregate amount of \$1,000 or more, to an entity for which a director or a member of his or her immediate family serves as a director, officer, employee or member of such entity's fund-raising organization or committee, shall be subject to prior review and approval by the Audit Committee.

In connection with its annual determination of the independence of directors and nominations for election to the Board, the Nominating and Corporate Governance Committee shall be provided with a report from management itemizing the charitable contributions or pledges made by the Company during the fiscal year in an amount of \$1,000 or more, to an entity for which a director or executive officer, or a member of his or her immediate family, serves as a director, officer, employee or member of such entity's fund-raising organization or committee.

Term Limits

It is the policy of the Board to avoid implementing term limits, which have the disadvantage of curtailing the availability and contributions of directors who have developed experience with, and insight into, the Company and its needs over a longer period of time. Although the Board has determined that term limits for its members are not in the best interests of stockholders, the Nominating and Corporate Governance Committee shall consider a director's tenure and whether new perspectives are adequately represented on the Board when evaluating the re-nominating of current directors to the Board.

Retirement Age

It is the policy of the Board to avoid implementing a mandatory retirement age for directors which would have the disadvantage of curtailing the availability and contributions of directors who are capable and valuable members of the Company's Board.

Simultaneous Service on Other Corporate Boards

A non-employee director may not serve on more than six public company boards, including the Company's Board, and a non-employee director who is also the chief executive officer of a public company may not serve on more than three public company boards, including the Company's Board.

No member of the Audit Committee of the Board may simultaneously serve on the audit committees of more than three public companies, including the Company.

A director must notify the Audit Committee prior to accepting any invitation to serve on another corporate board, whether public or private, in order for the Company to confirm the absence of any actual or potential conflicts of interest. The Audit Committee shall evaluate the continued appropriateness of Board membership under the new circumstances and make a recommendation to the Board as to any action to be taken with respect to continued Board membership.

Changes in Primary Employment

A director must notify the Nominating and Corporate Governance Committee of his or her retirement, any change in employer and any other significant change in professional roles and responsibilities (other than proposed service on another corporate board, which is to be reported to the Audit Committee). The Nominating and Corporate Governance Committee shall evaluate the continued appropriateness of Board membership under the new circumstances and make a recommendation to the Board as to any action to be taken with respect to continued Board membership. In order to meet the Company's regulatory obligations and applicable filing deadlines, directors shall provide the notification described above in advance and as soon as practicable.

Conflicts of Interest

If an actual or potential conflict of interest develops because of a change in the business of the Company or a subsidiary, or in a director's circumstances (for example, significant and ongoing competition between the Company and a business with which the director is affiliated), the director, as well as any other director who becomes aware of such actual or potential conflict of interest, should report the matter immediately to the Audit Committee for evaluation and appropriate resolution.

If a director has a personal interest in a matter before the Board, the director, as well as any other director who becomes aware of the personal interest, shall disclose the interest to the full Board. The interested director shall recuse himself or herself from participation in the discussion, and shall not vote on the matter.

3. Non- Employee Director Stock Ownership Guidelines

Non-employee directors are required to own shares of stock in the Company. The Nominating and Corporate Governance Committee shall

periodically review and recommend changes to the non-employee director stock ownership requirements.

4. Director Responsibilities

The Board acts as the ultimate policy-making and governing body of the Company and advises and oversees management, which is responsible for the day-to-day operations and management of the Company. In fulfilling these roles, each director must act in what he or she reasonably believes to be in the best interests of the Company and must exercise his or her business judgment.

Participation at and Preparation for Board Meetings

The Company expects directors to be active and engaged in discharging their duties and to keep themselves informed about the business and operations of the Company. Directors are expected to attend all Board meetings and the meetings of the committees on which they serve and to prepare themselves for these meetings.

In order for the Board to exercise fully its oversight functions, management shall provide the Board with access to information regarding the Company and the markets in which the Company operates. This information may come from a variety of sources, including management reports, security analysts' reports, information regarding peer performance, interaction with senior management at Board meetings and visits to Company facilities. Any written materials which would assist directors in preparing for a Board or committee meeting shall be distributed to the directors in advance of the meeting, to the extent possible, and directors are expected to review such materials prior to the meeting.

Attendance at Annual Stockholder Meetings

Directors are also encouraged to attend the Company's annual meeting with stockholders.

Company Performance and Corporate Strategy

The Board shall review the Company's financial performance on a regular basis at Board meetings and through periodic updates, with a particular focus on peer and competitive comparisons. These reviews shall include the views of management as well as those of investors and securities analysts where appropriate.

The Board shall annually review and approve the Company's operating budget for the following year. The Board shall also review on a regular basis the Company's strategic, competitive and financial performance, on both an absolute

basis and in relation to the performance, practices and policies of its peers and competitors.

5. Board Agenda

In conjunction with the CEO, the Chairman of the Board (or, if the CEO also serves as the Chairman of the Board, the Lead Director) shall determine the frequency and length of Board meetings and shall set the agenda for each Board meeting. Board members are encouraged to suggest the inclusion of additional items on an agenda, and any director may request that an item be placed on an agenda.

6. Meetings of Non-Management Directors

The Company's non-management directors shall hold executive sessions in which management does not participate in connection with each Board meeting. If this group includes directors who are not considered independent, the independent directors must also meet in executive session not less than four times per year.

The Chairman of the Board (or Lead Director, if any) shall preside at each executive session. If there is a Lead Director, the Company's annual proxy statement will identify the Lead Director and the method for interested parties to communicate directly and confidentially with the Company's non-management directors.

7. Board Size

Although the Board considers its present size to be appropriate, it may consider expanding its size to accommodate an outstanding candidate or candidates or reducing its size if the Board determines that a smaller Board would be appropriate. The Nominating and Corporate Governance Committee shall periodically review the size of the Board and recommend any proposed changes to the Board.

8. Chairman of the Board and CEO

The Board believes it is important to retain its flexibility to allocate the responsibilities of the offices of the Chairman and CEO in any way that is in the best interests of the Company at a given point in time. The Board may make a determination as to the appropriateness of its current policies in connection with the recruitment and succession of the Chairman of the Board and/or the CEO.

9. Lead Director

If the CEO also serves as the Chairman of the Board or if the Chairman of the Board is not independent, the non-management members of the Board shall designate an independent director to act as the Lead Director. The Nominating and Corporate Governance Committee shall oversee the process of selecting the Lead Director.

The Lead Director's responsibilities shall include the following:

- Presiding at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors;
- Serving as a liaison between the Chairman and the independent directors;
- Advising the Chairman with respect to the quality, quantity and timeliness of information provided from Company management to the Board;
- Advising the Chairman with respect to the agendas of Board and committee meetings;
- Developing agendas for and presiding over executive sessions of the Board's non-management directors;
- Advising the Chairman as to appropriate scheduling for Board meetings;
- Having the authority to call meetings of the independent directors; and
- If requested by major shareholders, ensuring that he is available for consultation and direct communication.

10. Board Committees

The Board shall have at all times an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. Only independent directors meeting the independence requirements of the applicable stock exchange and the Sarbanes-Oxley Act of 2002 and any related rules promulgated by the Securities and Exchange Commission may serve on these three committees. The Audit Committee members shall also satisfy the financial literacy, experience and independence requirements of Section 10A of the Securities Exchange Act of 1934, applicable stock exchange rules and any other regulatory requirements. Committee members shall be appointed by the Board

based upon the recommendation of the Nominating and Corporate Governance Committee, except for the Nominating and Corporate Governance Committee, which is directly appointed by the independent members of the Board. The Board may, from time to time, establish or maintain additional committees as it deems appropriate and in the best interests of the Company.

In making its recommendations for committee appointments, the Nominating and Corporate Governance Committee shall:

- review candidates' qualifications for membership on a given committee (including a determination as to the independence of the candidate) based on the criteria established by the Nominating and Corporate Governance Committee;
- evaluate current directors for re-appointment to a given committee, assess the performance of such director and of such committee; and
- periodically review the composition of each committee in light of the current challenges and needs of the committee, and determine whether it may be appropriate to add or remove individuals after considering issues of judgment, diversity, age, skills, background and experience.

While the rotation of committee members at certain set intervals should be considered as part of the nomination process, rotation is not required because the Board believes there are significant benefits attributable to continuity and experience gained in service on a particular committee over time.

Each of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee shall operate pursuant to its own written charter approved by the Board. These charters shall, among other things, set forth the purpose, goals and responsibilities of the particular committee, the procedures for committee member appointment and removal, and committee structure and operations, as well as reporting to the Board. The charters shall also provide for an annual evaluation of each committee's performance.

11. Board Member Access to Management and Independent Advisors

Board members shall have access to the management and employees of the Company and to its internal and outside counsel and auditors. Any meetings or contacts that a director wishes to initiate may be arranged through the CEO or the Secretary or directly by the director in appropriate circumstances.

Executive officers and other members of senior management are expected to be present at Board meetings at the invitation of the Board. The Board

encourages senior management to make presentations and to invite to Board meetings managers and other employees who can provide additional insight into the items being discussed. The Board also encourages senior management to include in Board meetings individuals that the senior management believes may become prospective leaders of the Company.

The Board and each of its committees is authorized to direct the hiring of independent legal, financial or other advisors as they may consider necessary, without obtaining the approval of management.

12. Director Compensation

The Nominating and Corporate Governance Committee shall review and recommend to the Board compensation (including stock option grants and other equity-based compensation) for the Company's non-employee directors. In so reviewing and approving director compensation, the Nominating and Corporate Governance Committee shall, among other things:

- identify corporate goals and objectives relevant to director compensation;
- evaluate the performance of the Board in light of such goals and objectives and set director compensation based on such evaluation and such other factors as the Nominating and Corporate Governance Committee deems appropriate and in the best interests of the Company (including the cost to the Company of such compensation);
- determine any long-term incentive component of director compensation based on the awards given to directors in past years, the Company's performance, stockholder return and the value of similar incentive awards relative to such targets at comparable companies and such other factors as the Nominating and Corporate Governance Committee deems appropriate and in the best interests of the Company (including the cost to the Company of such compensation); and
- evaluate the possibility that directors' independence may be compromised for Board or committee purposes if director compensation exceeds customary levels, if the Company makes substantial charitable contributions to an organization with which a director is affiliated or if the company enters into consulting contracts with (or provides other indirect forms of compensation to) a director or an organization with which a director is affiliated (which consulting contracts or other indirect forms of

compensation are expressly prohibited for Audit Committee members).

The Nominating and Corporate Governance Committee may approve additional compensation for directors whom it deems have performed services as a director for the Company that is clearly above and beyond the responsibilities of Board or committee membership established in or pursuant to these Corporate Governance Guidelines. All such work must be performed at the request of the Board or a committee of the Board made to the Nominating and Corporate Governance Committee. Compensation for such work is to be on an hourly or per diem basis at rates, as determined by the Nominating and Corporate Governance Committee, that do not exceed those prevailing at the time for comparable transactions with non-affiliated persons. Total additional compensation for any director shall not exceed limits imposed by the applicable stock exchange for independent directors for any twelve month period within the last three years.

13. Director Orientation and Continuing Education

All new members of the Board and new members of committees are encouraged to participate in the Company's orientation program for directors. Other directors may also attend the orientation program.

All directors will be offered the opportunity, and are encouraged, to participate in continuing education programs in order to stay current and knowledgeable about the business of the Company.

Such orientation and continuing education shall be directed and reviewed by the Nominating and Corporate Governance Committee of the Board.

14. Management Evaluation and Management Succession

The Compensation Committee shall evaluate the compensation of the senior management of the Company and shall present its findings to the full Board. The Board shall review the Compensation Committee's report in order to ensure that management's compensation is satisfactory in light of performance and that management is providing the best leadership for the Company in the short and long-term.

The Board or a committee delegated by the Board shall, in consultation with the Company's CEO, annually review the Company's management succession planning, including policies for selection and succession in the event of the incapacitation, retirement or removal of the CEO and other key executives, and evaluations of, and development plans for, any potential successors to the CEO and other key executives.

15. Annual Performance Evaluation

The Board, led by the Nominating and Corporate Governance Committee, shall establish and conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Nominating and Corporate Governance Committee shall oversee the evaluation with each director completing a questionnaire developed by the Nominating and Corporate Governance Committee with respect to various criteria. The collective evaluations shall be compiled in advance of the review session and shall be presented by the Chairman of the Nominating and Corporate Governance Committee to the full Board for discussion. This process shall also include annual self-assessments by each Board committee, relying on a review process similar to that used by the Board, with performance criteria for each committee established on the basis of its charter.

16. Evaluation of Individual Director Performance

It is the policy of the Board to have the Nominating and Corporate Governance Committee assess, on the basis of established criteria, the performance of each individual director standing for re-election at the next stockholders' meeting. The established criteria address each director's core competencies, independence and level of commitment.

The Nominating and Corporate Governance Committee considers not only an individual's qualities, performance and professional responsibilities, but also the composition of the Board at that time and the challenges and needs of the Board at that same time. The Nominating and Corporate Governance Committee also considers the impact of any change in the principal occupation of existing directors. Upon completion of the individual director evaluation process, the Committee reports to the full Board its conclusions and recommendations for nominations to the Board.

It is the policy of the Board that the Nominating and Corporate Governance Committee should review and consider the performance of any individual director if a situation were to arise that interfered with the proper performance of his or her duties as a member of the Board.