

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

Corporate Governance Guidelines
Amended and Restated as of October 19, 2017

The board of directors of the Company (the “Board”) has adopted the following Corporate Governance Guidelines (“Guidelines”) to assist the Board in exercising its responsibilities. As required by that certain Investment Agreement, dated June 9, 2017, by and between the Company and Sirius XM Radio Inc. (“Sirius”), subject to certain limitations, Sirius has the contractual right to designate up to three directors for election to the Board (the “Sirius Directors”) and to have the Sirius Directors named to various committees. These Guidelines have been amended and restated to reflect Sirius’ contractual right to designate the Sirius Directors on the Board and are subject to modification from time to time as the Board deems necessary or advisable.

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 Guidelines, and shall recommend individuals for membership on the Company’s Board and its committees, subject to any provisions governing the nomination of directors to the Board that may be set forth in any agreement to which the Company is a party. The Nominating and Corporate Governance Committee shall recommend that the Board select individuals to stand for election at each annual meeting of the stockholders of the Company at which directors will be elected. The Nominating and Corporate Governance Committee and the Board have established the following process for Board and committee membership:

- a review of each director’s core competencies, independence, level of commitment, qualities, performance and professional responsibilities;
- consideration of the composition of the Board and committees in light of the current challenges and needs of the Board and its committees, including issues of judgment, diversity, age, skills, background and experience;
- review of each director’s tenure and whether new perspectives are adequately represented on the Board; and
- review of the impact of any change in the principal occupation of existing directors.

The Nominating and Corporate Governance Committee does not assign specific weights to particular criteria. Rather, the Board believes that the backgrounds and qualifications of the directors, considered as a group, should provide a significant composite mix of judgment, diversity of skills and background, age, prior performance and experience that will allow the Board to fulfill its responsibilities.

2. Director Qualifications

Independence

At all times at least a majority of the Board shall be comprised of directors meeting the independence requirements of the NYSE. 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 and in accordance with the independence requirements of the NYSE. 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 and Retirement Age

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. Similarly, 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. Although the Board has determined that term limits or a mandatory retirement age 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-nomination of current directors to the Board.

Simultaneous Service on Other Corporate Boards

Except in the case of the Sirius Directors, unless otherwise approved by the Board, a non-employee director may not serve on more than five 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 two 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.

Except in the case of the Sirius Directors, a director must notify the Nominating and Corporate Governance 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. Except in the case of the Sirius Directors, 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.

Changes in Professional Responsibilities or Personal Circumstances

A director must notify the Nominating and Corporate Governance Committee of his or her retirement, any change in employer, any other significant change in professional roles and responsibilities or any circumstances that reasonably may have an adverse effect on a director's service on the Board or the Company's business or reputation. Except in the case of the Sirius Directors, a notice to the Nominating and Corporate Governance Committee regarding any of the circumstances in the preceding sentence will either include, or be deemed to be, an offer to resign from the Board. In order to meet the Company's regulatory obligations and applicable filing deadlines, directors (other than the Sirius Directors) shall provide the notification described above in advance, if reasonably possible, and as soon as practicable. 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 whether any such offer, or deemed offer, to resign should be accepted. Thereafter, the Board shall decide whether to accept or reject the resignation.

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 of the Company, 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 Nominating and Corporate Governance 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 common stock in the Company as determined by resolutions of the Board. The Nominating and Corporate Governance Committee

shall periodically review and recommend any changes to the non-employee director stock ownership requirements that the Committee deems appropriate.

4. Director Responsibilities

The Board is elected by the stockholders to oversee the Company's management and to ensure that the long-term interests of the stockholders are served. The Board is the ultimate decision-making authority within the Company, except with respect to those matters, including the election of directors, that are reserved for the Company's stockholders.

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 and information that is relevant to the Board's understanding of matters to be discussed at an upcoming Board meeting. 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 and arrive at the meeting prepared to discuss the issues presented.

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. Executive Sessions

The Company's non-management directors shall hold executive sessions in which management or other employees do not participate in connection with each Board meeting. If this group includes directors who are not considered independent under the NYSE listing standards, 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.

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 independent, 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. 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 Lead Director.

The Lead Director's responsibilities shall include the following:

- Presiding at all meetings of the Board's non-management, independent directors at which the Chairman is not present;
- Serving as a liaison between the Chairman of the Board and the independent directors and, if the Chairman is an employee, raising issues with management on behalf of the independent directors when appropriate;
- If the Chairman is an employee, leading the Board in discussions regarding the CEO's employment, performance and dismissal;
- If the Chairman is an employee, advising the Chairman of the Board with respect to the quality, quantity and timeliness of information provided from Company management to the Board and approving the information sent to the Board;
- Consulting with the Chairman of the Board with respect to the agendas of the Board and committee meetings, as well as having the authority to add agenda items in his or her discretion;
- Developing agendas for and presiding over executive sessions of the Board's non-management, independent directors;
- Consulting with the Chairman of the Board as to appropriate scheduling for Board meetings;
- Having the authority to call meetings of the Board;
- Having the authority to call meetings of the independent directors;
- Encouraging and facilitating active participation of all directors;
- Consulting with the Nominating and Corporate Governance Committee and the Chairman of the Board on the membership of the various Board committees and the selection of committee chairs;
- Consulting with the Chairman of the Board on the retention of advisors and consultants who report directly to the Board;
- Assisting the Board and management in their efforts regarding compliance with and implementation of these Guidelines;
- Serving when necessary and appropriate, if requested by the Chairman of the Board, as the liaison between the Board and the Company's stockholders;
- Selecting an interim Lead Director to preside over meetings at which he or she cannot be present; and

- Perform such other duties and responsibilities as requested by the non-management, independent directors.

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 applicable independence requirements of the NYSE, the Securities and Exchange Act of 1934, 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, the NYSE rules and any other regulatory requirements. Committee members and committee chairs shall be appointed by the Board based upon the recommendation of the Nominating and Corporate Governance Committee, except for the members and chair of the Nominating and Corporate Governance Committee, whom are 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, subject to applicable laws and NYSE listing standards.

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. The Board shall consider rotation of committee chairs from time to time and make adjustments as it deems necessary or advisable.

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, Employees 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 engage independent legal, financial or other advisors as they may consider necessary, without obtaining the approval of management.

12. Communications

The Board believes that management speaks for the Company. Individual Board members may, from time to time, communicate with various constituencies that are involved with the Company, but it is expected that Board members would do this with knowledge of management and, in most instances, only at the request of management or the Chairman of the Board.

It is the policy of the Board that stockholders shall have reasonable access to directors at annual meetings of stockholders and an opportunity to communicate directly with members of the Board on appropriate matters, in accordance with the *Policies and Procedures for Stockholder Communications with the Board of Directors*, available on the Company's Investor Relations website.

13. Confidentiality

In order to facilitate open discussions, the Board believes maintaining confidentiality of information and deliberation is imperative. Each director has a fiduciary obligation to maintain the confidentiality of information received in connection with his or her service as a director or committee member.

14. Director Compensation

It is a general policy of the Board that non-employee director compensation should be a mix of cash and equity-based compensation in an effort to align directors' interests with the long-term interests of the Company's stockholders.

The Nominating and Corporate Governance Committee shall review and recommend to the Board compensation (including cash compensation, equity-based compensation and expense reimbursement policies, for attendance at Board and committee meetings) 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);

- review how the Company's director compensation practices compare with those of other comparable companies; 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 are clearly above and beyond the responsibilities of Board or committee membership established in or pursuant to these 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. Total additional compensation for any director shall not exceed limits imposed by the NYSE for independent directors for any twelve month period within the last three years, and shall be disclosed in accordance with applicable laws.

15. Director Orientation and Continuing Education

All new members of the Board and new members of committees are expected 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. The Company will reimburse directors for reasonable expenses associated with such programs, sessions and materials in accordance with Company policy.

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

16. Management Evaluation and Management Succession

The Compensation Committee shall evaluate the performance and 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 interim 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.

17. Annual Performance Evaluation of the Board and its Committees

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 process and shall report its findings to the Board. The Nominating and Corporate Governance Committee may, but is not required to, engage a third-party consultant to conduct or facilitate the Board and/or committee self-evaluation processes.

18. Evaluation of Individual Director Performance

It is the policy of the Board to have the Nominating and Corporate Governance Committee assess, the performance of directors at such time as (a) they are standing for re-election at the next stockholders' meeting, (b) any situation arises that interferes with the proper performance of his or her duties or (c) such director notifies the Board of any change in directorships or professional responsibilities as contemplated by Section 2 hereof. The Nominating and Corporate Governance Committee shall consider an individual's core competencies, independence, level of commitment, tenure, performance and professional responsibilities, as well as the composition, the challenges and the needs of the Board, in each case as more fully set forth in the Company's Nominating and Corporate Governance Committee Charter. Upon completion of the individual director evaluation process, the Committee shall report its findings to the full Board.