

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

Compensation Committee Charter

Adopted as of June 15th, 2011 and amended on March 7th, 2012

Purpose and Scope

The Compensation Committee (the “Committee”) is created by the Board of Directors of the Company (the “Board”) to discharge the responsibilities set forth in this Charter. The Committee shall have the authority and membership and shall operate according to the procedures provided in this Charter.

Membership

The Committee shall consist of at least two members, comprised solely of directors deemed by the Board to be independent and who meet independence requirements of the applicable stock exchange. In addition, members must also qualify as “non-employee directors” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, and satisfy the requirements of “outside directors” pursuant to Section 162(m) of the Internal Revenue Code. The Nominating and Corporate Governance Committee shall recommend nominees for appointment to the Committee annually and as vacancies or newly created positions occur. Committee members shall be appointed by the Board and may be removed by the Board at any time. The Nominating and Corporate Governance Committee shall recommend to the Board, and the Board shall designate, the Chairman of the Committee.

Responsibilities

In addition to any other responsibilities which may be assigned from time to time by the Board, the Committee is responsible for the following matters.

Compensation Policies and Plans

- The Committee shall review and evaluate the Company’s employee and executive compensation and benefits policies and plans generally (subject, if applicable, to shareholder approval), including the review and approval, or recommendation to the Board, if applicable, of any incentive-compensation and equity-based plans of the Company and the grants thereunder. In reviewing such compensation and benefits policies, the Committee may consider the recruitment, development, promotion, retention and compensation of executive officers and other employees of the Company and any other factors that it deems appropriate.

Executive Compensation

- The Committee shall review and approve, or recommend to the Board for approval, the compensation of the CEO and each of the Company's other executive officers. In reviewing and approving executive officer compensation, the Committee shall, among other things:
- identify, review and approve corporate goals and objectives relevant to executive officer compensation;
- evaluate each executive officer's performance in light of such goals and objectives and determine each executive officer's compensation based on such evaluation, including such other factors as the Committee deems appropriate and in the best interests of the Company; and
- determine any long-term incentive component of each executive officer's compensation.

Director and Officer Equity Ownership Guidelines

- The Committee shall establish and oversee director and officer equity ownership guidelines, if any, and review compliance with such guidelines at least annually.

Clawback Policy

- The Committee shall administer the Company's executive compensation recovery policy, if any, in accordance with its terms and applicable law or regulation.

Disclosure

- The Committee shall prepare the Compensation Committee Report required by SEC rules to be included in the Company's annual proxy statement, and the Committee shall review and discuss the Company's Compensation Disclosure and Analysis as required by SEC rules ("CD&A") with management and provide a recommendation to the Company's Board regarding the inclusion of the CD&A within the Company's proxy statement.

Reporting to the Board

- The Committee shall report to the Board periodically.
- From time to time, the Committee shall evaluate its own performance and report to the Board on such evaluation.
- The Committee shall periodically review and assess the adequacy of this charter and recommend any proposed changes to the Board for approval.

Risk Assessment

- The Committee shall review and assess risks arising from the Company's compensation policies and practices for its employees and whether any such risks are reasonably likely to have a material adverse effect on the Company.

Peer Group

- The Committee shall review and approve the selection of the Company's peer group companies. In doing so, the Committee may solicit review and assessment of the peer group list from the Nominating and Corporate Governance Committee, to the extent to which it may be used in adjusting future director compensation.

Authority and Delegations

The Committee has the sole authority to retain and terminate any advisors, including any compensation consultant assisting the Committee in the evaluation of CEO or executive officer compensation, including sole authority to approve all such advisors' fees and other retention terms

The Committee may delegate its authority to subcommittees or the Chair of the Committee when it deems it appropriate and in the best interests of the Company.

The Committee may delegate (i) to one or more officers of the Company the authority to make grants and awards of stock options or (ii) to one or more other members of the Board (including, without limitation, the CEO if the CEO is serving as a member of the Board, as a subcommittee of the Board), the authority to grant stock options, restricted stock awards, restricted stock units, and any other type of equity grants, in each case, to any non-Section 16 officer of the Company under such of the Company's incentive-compensation or other equity-based plans as the Committee deems appropriate and in accordance with the terms of such plans and such guidelines as may be approved by the Committee.

Procedures

The Committee shall meet as often as it determines is appropriate to carry out its responsibilities under this charter. The Chairman of the Committee, in consultation with the other Committee members, shall determine the frequency and length of the Committee meetings and shall set meeting agendas consistent with this charter.

No executive officer should attend that portion of any meeting where such executive's performance or compensation is discussed, unless specifically invited by the Committee. The CEO may not be present during voting or deliberations related to his or her compensation. Any members of the Committee that are not independent may not be involved in the determination or recommendation of the compensation provided to the CEO or any of the other executive officers.