

Pandora Media, Inc.  
Form 4  
February 17, 2016

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Herring Michael S

(Last) (First) (Middle)  
PANDORA MEDIA, INC., 2101  
WEBSTER STREET #1650  
(Street)

OAKLAND, CA 94612

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
Pandora Media, Inc. [P]

3. Date of Earliest Transaction  
(Month/Day/Year)  
02/12/2016

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_ 10% Owner  
 Officer (give title below) \_\_\_ Other (specify below)  
Chief Financial Officer

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
\_\_\_ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  | Code                           | V   | Amount (A) or (D) Price   |  |                                   |
| Common Stock                    | 02/12/2016                           |  | M                              |   | 5,646<br>(1)  | A  | 138,021 D                         |
| Common Stock                    | 02/12/2016                           |  | F                              |   | 2,467<br>(1)  | D  | \$ 8 135,554 D                    |
| Common Stock                    | 02/12/2016                           |  | F                              |   | 194 (3)   | D  | \$ 8 135,360 D                    |
| Common Stock                    | 02/12/2016                           |  | F                              |   | 10,897<br>(4)   | D  | \$ 8 124,463 D                    |
| Common Stock                    | 02/12/2016                           |  | A(5)                           | V   | 1,303   | A  | \$ 6.8 125,766 D                  |

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price or Derivative Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|
| Market Share Units                         | (2)  | 02/12/2016                           |  | M                              | 5,646<br>(6)  | (7) (7)  | Common Stock  | 5,646 \$   |

**Reporting Owners**

| Reporting Owner Name / Address   | Relationships |           |                         |       |
|--|---------------|-----------|-------------------------|-------|
|  | Director      | 10% Owner | Officer                 | Other |
| Herring Michael S<br>PANDORA MEDIA, INC.<br>2101 WEBSTER STREET #1650<br>OAKLAND, CA 94612 |               |           | Chief Financial Officer |       |

**Signatures**

/s/ Jeremy Liegl, 02/17/2016  
Attorney-in-Fact

\*\*Signature of Reporting Person Date

**Explanation of Responses:**

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).  
Pursuant to the terms of the March 11, 2015 grant of market share units ("MSUs"), 5,646 shares of Pandora Media, Inc. ("Pandora") common stock ("Shares") were earned and vested on February 15, 2016, and 2,467 Shares were withheld at vesting to cover required tax withholding.
- (1) Each MSU represents a contingent right to receive one Share.
- (2)
- (3)

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Pursuant to the terms of the March 3, 2014 RSU grant as reported on a Form 4 filed on March 5, 2014, 194 shares were withheld at vesting to cover required tax withholding.

- (4) Pursuant to the terms of the March 11, 2015 RSU grant as reported on a Form 4 filed on March 13, 2015, 10,897 shares were withheld at vesting to cover required tax withholding.
- (5) These shares were acquired under the Issuer's 2014 Employee Stock Purchase Plan in transactions that were exempt under both Rule 16b-3(d) and Rule 16b-3(c).

- (6) Based on Pandora's annual relative total shareholder return compared to that of the Russell 2000 Index over the period beginning January 1, 2015 and ending on December 31, 2015, the reporting person earned 5,646 MSUs, or 22% of the MSUs eligible for vesting during such performance period.

- (7) The MSUs vest in three annual installments, on February 15, 2016, February 15, 2017, and February 15, 2018, subject to the reporting person's continued service. The number of MSUs which may be earned at each installment is based on Pandora's annual relative total shareholder return compared to that of the Russell 2000 Index, over a period beginning January 1, 2015 and ending on December 31 of the year prior to the annual installment date. On each of the first two annual installments, depending on actual performance, the reporting person has the ability to earn up to one-third of the total number of MSUs granted; on the third annual installment, the reporting person has the ability to earn up to 200% of the total MSUs granted less any MSUs earned over the first two annual installments.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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