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

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): September 22, 2017

Pandora Media, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-35198
(Commission
File Number)

94-3352630
(IRS Employer
Identification No.)

2101 Webster Street, Suite 1650
Oakland, CA 94612
(Address of principal executive offices, including zip code)

(510) 451-4100
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01 Entry into a Material Definitive Agreement.

As previously disclosed, on June 9, 2017, Pandora Media, Inc. (the “Company”) entered into an Investment Agreement (the “Investment Agreement”) by and between the Company and Sirius XM Radio Inc. (“Sirius”) relating to the issuance and sale to Sirius of 480,000 shares of the Company’s Series A Convertible Preferred Stock, par value \$0.0001 per share (the “Series A Preferred Stock”), for an aggregate purchase price of \$480 million, or \$1,000 per share. Pursuant to the Investment Agreement, 172,500 shares of Series A Preferred Stock were issued and sold to Sirius on June 9, 2017, and the remaining 307,500 shares were to be issued and sold to Sirius at a future date (the “Additional Closing”).

On September 22, 2017, following expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and satisfaction of other customary closing conditions, the Company and Sirius consummated the Additional Closing, whereby the Company issued and sold to Sirius 307,500 shares of Series A Preferred Stock for \$307.5 million. The preferences, rights, limitations and other terms and conditions of the Series A Preferred Stock are set forth in a Certificate of Designation of Preferences, Rights and Limitations of Series A Convertible Preferred Stock (the “Certificate of Designation”), filed with the Secretary of State of the State of Delaware on June 9, 2017.

The Investment Agreement, the Certificate of Designation and the transactions contemplated thereby were previously disclosed by the Company in its Current Report on Form 8-K filed with the Securities and Exchange Commission on June 14, 2017, which disclosure is incorporated herein by reference.

The foregoing descriptions of the Investment Agreement and the Certificate of Designation do not purport to be complete and are subject to, and are qualified in their entirety by, the full text of the Investment Agreement and the Certificate of Designation, which are attached hereto as Exhibit 10.1 and Exhibit 3.1, respectively, and are incorporated herein by reference.

Item 3.02 Unregistered Sales of Equity Securities.

The information contained in Item 1.01 is incorporated herein by reference.

As described in Item 1.01, on September 22, 2017, the Company issued and sold to Sirius 307,500 shares of Series A Preferred Stock for an aggregate purchase price of \$307.5 million, or \$1,000 per share, pursuant to the Investment Agreement. This issuance and sale is exempt from registration under the Securities Act of 1933, as amended (the “Securities Act”), pursuant to Section 4(a)(2) thereof. Sirius represented to the Company that it is an “accredited investor” as defined in Rule 501 of the Securities Act and that the Series A Preferred Stock is being acquired for investment purposes and not with a view to, or for sale in connection with, any distribution thereof.

Item 3.03 Material Modification to Rights of Security Holders.

The information contained in Item 1.01 is incorporated herein by reference.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

The information contained in Item 1.01 is incorporated herein by reference.

Appointment of Directors

Effective immediately after the consummation of the Additional Closing, as required by the Investment Agreement, the board of directors of the Company (the “Board”) appointed Gregory B. Maffei as a Class III director of the Company to serve until the expiration of the Class III term at the Company’s 2020 annual meeting of stockholders, or until his earlier death, resignation or removal, and appointed each of David J. Frear and James E. Meyer as a Class II director of the Company (Mr. Maffei, Mr. Frear and Mr. Meyer, collectively, the “Sirius Directors”), to serve until the expiration of the Class II term at the Company’s 2019 annual meeting of stockholders, or until his earlier death, resignation or removal.

Gregory B. Maffei, age 57, has served as a director and the President and Chief Executive Officer of Liberty Media Corporation (“Liberty Media,” which term includes its predecessors) since May 2007, Liberty Broadband Corporation since June 2014 and Liberty TripAdvisor Holdings, Inc. (“Liberty TripAdvisor”) since July 2013 and has served as Chairman of the Board of Liberty TripAdvisor since June 2015. Mr. Maffei has served as the President and Chief Executive Officer of Liberty

Interactive Corporation (including its predecessor) 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, as Chairman, Chief Executive Officer and President of 360networks Corporation, and as Chief Financial Officer of Microsoft Corporation. Mr. Maffei has served as the Chairman of the Board of Sirius XM Holdings Inc. ("Sirius XM Holdings") since April 2013 and a director since March 2009; the Chairman of the Board of TripAdvisor, Inc. since February 2013; the Chairman of the Board of Live Nation Entertainment, Inc. since March 2013 and a director since February 2011; a director of Charter Communications, Inc. since May 2013; and a director of Zillow Group, Inc. since February 2015, having previously served as a director of its predecessor, Zillow Inc., from May 2005 to February 2015. Mr. Maffei served as a director of Barnes & Noble, Inc. from September 2011 to April 2014, as a director of Electronics Arts, Inc. from June 2003 to July 2013 and as the Chairman of the Board of Directors of Starz from January 2013 to December 2016.

David J. Frear, age 60, has served as Sirius XM Holdings' Senior Executive Vice President and Chief Financial Officer since June 2015. From June 2003 to June 2015, he served as Executive Vice President and Chief Financial Officer of Sirius XM Holdings. From 1999 to 2003, Mr. Frear was Executive Vice President and Chief Financial Officer of Savvis Communications Corporation, a global managed service provider, delivering internet protocol applications for business customers. Mr. Frear also served as a director of Savvis. From 1993 to 1998, Mr. Frear was Senior Vice President and Chief Financial Officer of Orion Network Systems Inc., an international satellite communications company that was acquired by Loral Space & Communications Ltd. in 1998. From 1990 to 1993, Mr. Frear was Chief Financial Officer of Millicom Incorporated, a cellular, paging and cable television company. Prior to joining Millicom, he was an investment banker at Bear, Stearns & Co., Inc. and Credit Suisse. Mr. Frear is a member of the board of directors of The NASDAQ Stock Market LLC, NASDAQ PHLX LLC, and NASDAQ BX, Inc., subsidiaries of Nasdaq, Inc., a leading provider of trading, clearing, exchange technology, listing, information and public company services.

James E. Meyer, age 62, has served as Sirius XM Holdings' Chief Executive Officer since December 2012 and has been a director of Sirius XM Holdings since January 2013. Previously, Mr. Meyer was President, Operations and Sales, of Sirius XM Holdings. Prior to joining Sirius XM Holdings 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 is Chairman of the Board of Directors and a director of TiVo Corporation (and Rovi Corporation prior to its merger with TiVo Corporation).

Effective upon their appointments to the Board, Mr. Maffei was appointed to serve as Chairman of the Board and a member of the Board's Nominating and Corporate Governance Committee (the "NCGC"), and Mr. Meyer was appointed to serve as a member of the Board's Compensation Committee.

The Board also appointed Michael M. Lynton and Timothy Leiweke to serve as members of the NCGC, and appointed Roger Faxon to serve as Lead Director in accordance with the Company's Corporate Governance Guidelines (the "Lead Director").

Each of the Sirius Directors will be compensated for his service on the Board pursuant to the Company's non-employee director compensation practices (pro-rated for any partial year of service), which currently includes annual cash compensation of \$40,000 and an equity award valued at \$200,000, which will vest on the earlier of June 1, 2018, the date of the Company's 2018 annual stockholder meeting or upon certain changes in control of the Company. Mr. Maffei will also be entitled to \$60,000 in additional annual compensation as Chairman of the Board and \$5,000 in additional annual compensation for his service on the NCGC. Mr. Meyer will be entitled to an additional \$7,500 annually for his service on the Compensation Committee. Each of the Sirius Directors have also entered into the Company's standard form of director indemnification agreement.

The Company has not entered into any transactions identified in Item 404(a) of Regulation S-K with any of the Sirius Directors.

Departure of a Director

Effective immediately prior to the consummation of the Additional Closing, Elizabeth A. Nelson resigned from the Board (including all committees of the Board of which she was a member). The resignation of Ms. Nelson did not result from any disagreement with the Company, the Company's management or the Board.

In connection with the appointments and departure described above, the Board resolved to fix the size of the Board at nine directors, consisting of three directors in each of Class I, Class II and Class III. As a result of the foregoing, all seats on the Board are currently filled.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

In connection with the Additional Closing, the Board approved a Certificate of Amendment to the Amended and Restated Bylaws of the Company (the “Bylaws Amendment”), which authorized the Lead Director to call special meetings of the Board.

The foregoing description of the Bylaws Amendment does not purport to be complete and is subject to, and is qualified in its entirety by, the full text of the Bylaws Amendment, which is attached hereto as Exhibit 3.2 and is incorporated herein by reference.

Item 8.01 Other Events.

A copy of the Company’s press release announcing the Additional Closing is attached as Exhibit 99.1 hereto and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Exhibit Description
3.1	Certificate of Designation of Preferences, Rights and Limitations of Series A Convertible Preferred Stock (incorporated by reference to Exhibit 3.1 to the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission on June 14, 2017)
3.2	Certificate of Amendment to the Amended and Restated Bylaws of Pandora Media, Inc., dated as of September 22, 2017
10.1	Investment Agreement, dated as of June 9, 2017, by and between Pandora Media, Inc. and Sirius XM Radio Inc. (incorporated by reference to Exhibit 10.3 the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission on June 14, 2017)
99.1	Press Release “SiriusXM Completes \$480 Million Strategic Investment in Pandora,” dated as of September 22, 2017

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

PANDORA MEDIA, INC.

Dated: September 26, 2017

By: /s/ Stephen Bené
Stephen Bené
General Counsel and Corporate Secretary

EXHIBIT INDEX

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<u>99.1</u>	<u>Press Release "SiriusXM Completes \$480 Million Strategic Investment in Pandora," dated as of September 22, 2017</u>

CERTIFICATE OF AMENDMENT
TO THE
AMENDED AND RESTATED BYLAWS
OF
PANDORA MEDIA, INC.

* * * * *

The undersigned, Secretary of Pandora Media, Inc., a Delaware corporation (the “Corporation”), hereby represents that, in accordance with Article 6, Section 6.06 of the Amended and Restated Bylaws (the “Bylaws”) of the Corporation effective as of June 20, 2011, and as amended on July 21, 2016, March 2, 2017, March 16, 2017, March 30, 2017, April 14, 2017 and April 26, 2017, the Board of Directors of the Corporation has amended and restated Article 3, Section 3.07 of the Bylaws as follows:

“Section 3.07. *Special Meetings*. Special meetings of the Board of Directors may be called by the Chairman of the Board, the Lead Director designated in accordance with the Corporation’s Corporate Governance Guidelines (“**Lead Director**”) or the President and shall be called by the Chairman of the Board, Lead Director, President or Secretary on the written request of three directors. Notice of special meetings of the Board of Directors shall be given to each director at least 48 hours before the date of the meeting in such manner as is determined by the Board of Directors.”

The undersigned hereby certifies that he is the duly elected, qualified, and acting Secretary of the Corporation, and that the foregoing amendment to the Amended and Restated Bylaws was adopted by the Corporation's Board of Directors effective as of September 21, 2017.

PANDORA MEDIA, INC.

By: /s/ Stephen Bené

Name: Stephen Bené

Title: General Counsel and Corporate Secretary

SiriusXM Completes \$480 Million Strategic Investment in Pandora

NEW YORK, Sept. 22, 2017 /PRNewswire/ -- SiriusXM (NASDAQ: SIRI) and Pandora (NYSE: P) today announced that SiriusXM has purchased \$307.5 million of Series A preferred stock in Pandora, completing the \$480 million strategic investment announced on June 9, 2017.

Under the terms of the agreement, a subsidiary of SiriusXM purchased \$172.5 million of Series A preferred stock upon execution of the agreement on June 9, 2017 and today purchased an additional \$307.5 million of the Series A preferred stock.

The Series A preferred stock is convertible into common stock at a purchase price of \$10.50 per share. The Series A preferred stock bears a 6% cumulative dividend, payable in cash, accretion of the Series A preferred stock or a combination thereof. The Series A preferred stock represents a stake of 19% of Pandora's currently outstanding common stock, and a 16% interest on an as-converted basis.

Upon the closing of this second investment, Gregory B. Maffei, the Chairman of SiriusXM, James E. Meyer, the Chief Executive Officer of SiriusXM, and David J. Frear, the Senior Executive Vice President and Chief Financial Officer of SiriusXM, were named to the Pandora Board of Directors. Mr. Maffei was also named Chairman of Pandora. With these additions, Elizabeth Nelson concluded her tenure on Pandora's board, effective immediately. Nelson has served on Pandora's board since 2013. The Pandora Board now consists of nine directors.

SiriusXM may require Pandora to redeem the Series A preferred stock beginning on September 22, 2022, the fifth anniversary of the closing, for an amount equal to its liquidation preference plus all accrued and unpaid dividends. Pandora may also redeem the Series A preferred stock at any time after September 22, 2020, the third anniversary of the closing, if the daily volume weighted average price of Pandora's common stock is greater than or equal to 175% of the then applicable conversion price for a period of at least 20 days during a 30 day trading window prior to the notice of redemption.

Additional information relating to the SiriusXM investment may be found in the Form 8-K that will be filed by Pandora and the Form 8-K that was previously filed by Pandora on June 14, 2017 in connection with the announcement of the transaction with the U.S. Securities and Exchange Commission.

Allen & Company LLC and BofA Merrill Lynch served as financial advisors to SiriusXM and Jones Day and Simpson Thacher & Bartlett LLP served as its legal counsel. Centerview Partners LLC and Morgan Stanley & Co. LLC served as financial advisors to Pandora and Sidley Austin LLP and Wachtell, Lipton, Rosen & Katz served as its legal counsel.

About SiriusXM

Sirius XM Holdings Inc. (NASDAQ: SIRI) is the world's largest radio company measured by revenue and has more than 32 million subscribers. SiriusXM creates and offers commercial-free music; premier sports talk and live events; comedy; news; exclusive talk and entertainment, and a wide-range of Latin music, sports and talk programming. SiriusXM is available in vehicles from every major car company and on smartphones and other connected devices as well as online at siriusxm.com. SiriusXM radios and accessories are available from retailers nationwide and online at SiriusXM. SiriusXM also provides premium traffic, weather, data and information services for subscribers through SiriusXM Traffic™, SiriusXM Travel Link, NavTraffic®, NavWeather™. SiriusXM delivers weather, data and information services to aircraft and boats through SiriusXM Aviation™ and SiriusXM Marine™. In addition, SiriusXM Music for Business provides commercial-free music to a variety of businesses. SiriusXM holds a minority interest in SiriusXM Canada which has approximately 2.8 million subscribers. SiriusXM is also a leading provider of connected vehicles services, giving customers access to a suite of safety, security, and convenience services including automatic crash notification, stolen vehicle recovery assistance, enhanced roadside assistance and turn-by-turn navigation. To download SiriusXM logos and artwork, visit <http://www.siriusxm.com/LogosAndPhotos>.

This communication contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about future financial and operating results, our plans, objectives, expectations and intentions with respect to future operations, products and services; and other statements identified by words such as "will likely result," "are expected to," "will continue," "is anticipated," "estimated," "believe," "intend," "plan," "projection," "outlook" or words of similar meaning. Such forward-looking statements are based upon the current beliefs and expectations of our management and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and generally beyond our control. Actual results and the timing of events may differ materially from the results anticipated in these forward-looking statements.

The following factors, among others, could cause actual results and the timing of events to differ materially from the anticipated results or other expectations expressed in the forward-looking statements: our substantial competition, which is likely to increase over time; our ability to attract and retain subscribers, which is uncertain; interference to our service from wireless operations; consumer protection laws and their enforcement; unfavorable outcomes of pending or future litigation; the market for music rights, which is changing and subject to uncertainties; our dependence upon the auto industry; general economic conditions; the security of the personal information about our customers; existing or future government laws and regulations could harm our business; failure of our satellites would significantly damage our business; the interruption or failure of our information technology and communications systems; our failure to realize benefits of acquisitions or other strategic initiatives; rapid technological and industry changes; failure of third parties to perform; our failure to comply with FCC requirements; modifications to our business plan; our indebtedness; our principal stockholder has significant influence over our affairs and over actions requiring stockholder approval and its interests may differ from interests of other holders of our common stock; impairment of our business by third-party intellectual property rights; and changes to our dividend policies which could occur at any

time. Additional factors that could cause our results to differ materially from those described in the forward-looking statements can be found in our Annual Report on Form 10-K for the year ended December 31, 2016, which is filed with the Securities and Exchange Commission (the "SEC") and available at the SEC's Internet site (<http://www.sec.gov>). The information set forth herein speaks only as of the date hereof, and we disclaim any intention or obligation to update any forward looking statements as a result of developments occurring after the date of this communication.

About Pandora

Pandora is the world's most powerful music discovery platform - a place where artists find their fans and listeners find music they love. We are driven by a single purpose: unleashing the infinite power of music by connecting artists and fans, whether through earbuds, car speakers, live on stage or anywhere fans want to experience it. Our team of highly trained musicologists analyze hundreds of attributes for each recording which powers our proprietary Music Genome Project®, delivering billions of hours of personalized music tailored to the tastes of each music listener, full of discovery, making artist/fan connections at unprecedented scale. Founded by musicians, Pandora empowers artists with valuable data and tools to help grow their careers and connect with their fans.

www.pandora.com | [@pandoramusic](https://twitter.com/pandoramusic) | www.pandoraforbrands.com | [@PandoraBrands](https://twitter.com/PandoraBrands) | [amp.pandora.com](mailto:amp@pandora.com)

This press release contains forward-looking statements within the meaning established by the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements regarding our strategic relationship with SiriusXM and certain of the parties' expectations with respect to the issuance of the Series A preferred stock, the payment of dividends on and the conversion or redemption of the Series A preferred stock. These forward-looking statements are based on Pandora's current assumptions, expectations and beliefs and involve substantial risks and uncertainties that may cause results, performance or achievement in connection with our relationship with Sirius XM to materially differ from those expressed or implied by these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to: our achievement of the potential benefits of our strategic relationship with SiriusXM; SiriusXM's achievement of the potential benefits of its investment; SiriusXM's continued ownership of the Series A preferred stock (or common stock issued thereon); our operation in an emerging market and our relatively new and evolving business model; our ability to increase our listener base and listener hours; our ability to attract and retain advertisers; our ability to generate additional revenue on a cost-effective basis; competitive factors; our ability to continue operating under existing laws and licensing regimes; our ability to enter into and maintain commercially viable direct licenses with record labels for the right to reproduce and publicly perform sound recordings on our service; our ability to establish and maintain relationships with makers of mobile devices, consumer electronic products and automobiles; our ability to manage our growth and geographic expansion; our ability to continue to innovate and keep pace with changes in technology and our competitors; our ability to expand our operations to delivery of non-music content; our ability to protect our intellectual property; risks related to service interruptions or security breaches; and general economic conditions worldwide. Although the Company believes the assumptions underlying the forward-looking statements are

reasonable, any of the assumptions could prove to be inaccurate. Therefore, the Company can give no assurance that the expectations expressed or implied by the forward-looking statements will be realized. Further information on these factors and other risks that may affect the business are included in filings with the Securities and Exchange Commission (SEC) from time to time, including under the heading "Risk Factors" in our Annual Report on Form 10-K for the current period.

These documents are available online from the SEC or on the SEC Filings section of the Investor Relations section of our website at investor.pandora.com. Information on our website is not part of this release. All forward-looking statements in this press release are based on information currently available to the Company, which assumes no obligation to update these forward-looking statements in light of new information or future events.

Contacts:

For SiriusXM:

Press:

Patrick Reilly

212-901-6646

patrick.reilly@siriusxm.com

Investors:

Hooper Stevens

212-901-6718

hooper.stevens@siriusxm.com

For Pandora:

Press:

Stephanie Barnes

415-722-0883

sbarnes@pandora.com

Investors:

Dominic Paschel

510-842-6960

investor@pandora.com

SOURCE Sirius XM Holdings Inc.