
**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 6, 2021

PALO ALTO NETWORKS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-35594
(Commission
File Number)

20-2530195
(IRS Employer
Identification No.)

3000 Tannery Way
Santa Clara, California 95054
(Address of principal executive office, including zip code)

(408) 753-4000
(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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.0001 par value per share	PANW	New York Stock Exchange

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

On September 6, 2021, Josh Paul joined Palo Alto Networks, Inc. (the “Company”) as the Company’s Chief Accounting Officer. Prior to joining the Company, Mr. Paul, age 45, served as Sr. Director of Accounting and Controller-Corporate Accounting of Alphabet, Inc., the parent company of Google LLC, a company that provides internet-related services and products, from January 2016 to September 2021 and as a partner at PricewaterhouseCoopers LLP from July 2012 to December 2015. Jean Compeau will remain Deputy Chief Financial Officer.

Pursuant to an offer letter, Mr. Paul will be entitled to an annual base salary of \$425,000 and his target annual incentive compensation will be 40% of his base salary. He will also be paid a \$250,000 one-time sign-on bonus, which must be repaid to the Company, on a pro-rata basis, if he voluntarily resigns from his position within two years of his start date. In addition, Mr. Paul will receive a restricted stock unit award having an approximate value of \$4,600,000, which will vest 25% on the one-year anniversary of the date of grant and the remainder vesting on a quarterly basis thereafter, subject to his continuing with the Company on each vesting date. The equity grants will be granted under the Company’s 2012 Equity Incentive Plan. The foregoing description of Mr. Paul’s offer letter does not purport to be complete and is qualified in its entirety by reference to the offer letter, which is attached as Exhibit 10.1 to this report.

Mr. Paul executed the Company’s standard form of indemnification agreement (see Exhibit 10.1 to our Annual Report on Form 10-K for the fiscal year ended July 31, 2020 filed with the Securities and Exchange Commission on September 4, 2020).

There are no family relationships between Mr. Paul and any director or executive officer of the Company, there is and was no arrangement or understanding between him and any other person pursuant to which he was selected as an officer and he has no direct or indirect material interest in any transaction, or series of transactions, required to be disclosed pursuant to Item 404(a) of Regulation S-K.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
10.1	Offer Letter between the Registrant and Mr. Paul, dated August 5, 2021.
104	Cover Page Interactive Data File (formatted as inline XBRL).

SIGNATURES

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.

PALO ALTO NETWORKS, INC.

By: /s/ Dipak Golechha
Dipak Golechha
Chief Financial Officer

Date: September 8, 2021

August 5, 2021

Josh Paul

Dear Josh,

This letter agreement (the "**Agreement**") is entered into between Palo Alto Networks, Inc. ("**Company**" or "**we**") and Josh Paul ("**Executive**" or "**you**"). We intend that your start date will be September 6th, 2021. This Agreement will be effective on your actual start date (the "**Effective Date**").

Position. I am pleased to offer you the opportunity to join Palo Alto Networks, Inc. (the "**Company**") in the position of **SVP, Chief Accounting Officer** reporting to the Chief Financial Officer. I am confident that you will find the position tremendously challenging and rewarding. The terms of this offer are contingent upon the satisfactory completion of a background and reference check.

While you render services to the Company, you will not engage in any other employment, consulting or other business activity (whether full-time or part-time) that would create a conflict of interest with the Company. You may engage in civic and not-for-profit activities as long as such activities do not interfere with the performance of your duties hereunder. By signing this Agreement, you confirm to the Company that you have no contractual commitments or other legal obligations that would prohibit you from performing your duties for the Company.

Compensation. Your base salary will be \$425,000 USD per year, less payroll deductions and all required withholdings. You will be paid semi-monthly and you will be eligible for standard Company benefits. Most insurance benefits will be effective on your start date. Your position will be full time, Exempt employment.

Variable Incentive Program ("VIP"). Additionally, you will be eligible for an annual variable incentive target of 40% of your base salary (less payroll deductions and all required withholdings) in accordance with the applicable Palo Alto Networks incentive compensation plan, details are attached.

You will also be paid in the gross amount of \$250,000 USD as a one-time sign-on bonus. By signing below and accepting the bonus, you agree that if you voluntarily resign from your position with the Company within two years of your start date you will be required to repay a prorated portion of your gross sign-on bonus based on the time remaining to reach two years of employment.

Benefits. You will be eligible for the Company's standard employee benefit programs including paid time off, medical, dental, and vision coverage, and a 401(k) retirement program subject to the applicable plan terms. Details about these benefits will be made available to you for your review.

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You should note that the Company retains the right to modify, in its sole discretion, any or all these preceding terms of employment from time to time as is deemed necessary.

Stock. After your employment has started, the Company will recommend to the Compensation Committee of the Board of Directors that you be granted a restricted stock unit (“RSU”) award with a value of \$4,600,000 USD (four million, six hundred thousand). The number of shares you receive will be determined by dividing this value by the average closing price of the Company’s common stock over the 30 calendar days prior to the 15th day of the month in which the grant occurs. If you are hired on or before the 15th of the month your grant should occur on the 20th of that month. If you are hired after the 15th of the month, your grant should occur on the 20th of the following month. Under the standard terms and conditions of the 2012 Equity Incentive plan, new hire grants vest over 4 years from the grant date with 1/4 vesting on the first anniversary of your grant date and the remainder vesting on a quarterly basis thereafter, subject to the terms of the grant. However, the grant of an RSU award by the Company is subject to the Compensation Committee’s approval and grant recommendation is not a promise of compensation and is not intended to create any obligation on the part of the Company. Specific terms and conditions will be provided after approval from the Compensation Committee of the Board of Directors.

The number of RSUs you receive will be determined by dividing this value by the average closing price of the Company’s common stock over the 30 calendar days prior to the 15th day of the month in which the grant occurs. If you are hired on or before the 15th of the month your grant should occur on the 20th of that month. If you are hired after the 15th of the month, your grant should occur on the 20th of the following month. However, the grant of an RSU award by the Company is subject to the Compensation Committee’s approval and, pending that approval, the grant recommendation is not a promise of compensation and is not intended to create any obligation on the part of the Company. Specific terms and conditions will be provided after approval from the Compensation Committee of the Board of Directors.

ESPP. You may be eligible to participate in Palo Alto Networks Employee Stock Purchase Plan, under the terms and conditions of the Plan, which allows you to purchase the Company stock at a discount from fair market value. We will provide further details and enrollment information after your start date. Please understand that this and all other Company benefits are subject to change, including discontinuation at the Company’s discretion.

Confidentiality. As a Company employee, you will be expected to abide by Company rules and policies. You will also have access to certain confidential information of the Company, and you may, during the course of your employment, develop certain information or inventions that will be the property of the Company. To protect the interests of the Company, you will need to sign the Company’s standard “Employee Invention Assignment and Confidentiality Agreement” as a condition of your employment. We wish to impress upon you that we do not want you to, and we hereby direct you not to, bring with you any

confidential or proprietary material of any former employer or to violate any other obligations you may have to any former employer. Rather, you will be expected to use only that information which is generally known and used by persons with training and experience comparable to your own, which is common knowledge in the industry or otherwise legally in the public domain, or which is otherwise provided or developed by the Company. You agree that you will not bring onto Company premises any unpublished documents or property belonging to any former employer or other person to whom you have an obligation of confidentiality. You represent that your signing of this offer letter and the Company's Employee Invention Assignment and Confidentiality Agreement, and your commencement of employment with the Company will not violate any agreement currently in place between yourself and current or past employers.

Non-disparagement. During the period that you render services to the Company, you must not make false statements about a competitor or other disparaging comments about them. This does not affect your ability to make true, factual statements about competitors, their products, and/or services.

Duty of Loyalty. During your employment, you agree not to engage in any employment, business or activity that is in any way competitive with the business or proposed business of the Company. You will disclose to the Company in writing any other gainful employment, business or activity that you are currently associated with or participate in that competes with the Company. You will not assist any other person or organization in competing with the Company or in preparing to engage in competition with the business or proposed business of the Company.

At Will Employment. Your employment with the Company is for no specified time and constitutes at will employment. As a result, you are free to terminate your employment with the Company at any time and for any reason whatsoever simply by notifying the Company. Likewise, the Company is free to conclude its employment relationship with you at any time and for any reason whatsoever, with or without cause or advance notice. Any modification or change in your at will employment status may only occur by way of a written employment agreement signed by you and the Chief Executive Officer of the Company.

Complete Agreement. This letter, together with your Employee Invention Assignment and Confidentiality Agreement, forms the complete and exclusive statement of your employment agreement with the Company. The employment terms in this letter supersede any other agreements or promises made to you by anyone, whether oral or written.

Proof of Authorization to Work in the U.S. As required by law, this offer is subject to satisfactory proof of your right to work in the United States. Within three (3) business days of starting your new position you will need to present documentation demonstrating that you have authorization to work in the United States. If you have questions about this requirement, which applies to U.S. citizens and non-U.S. citizens alike, you may contact Human Resources.

Orientation. If your hire date falls on a Monday, you will also receive a calendar invite the week before your start date inviting you to attend New Hire Orientation. If you are remote but will be in Head Quarters on your first day, please let your recruiter know. Should your start date fall on a Tuesday through Friday, your hiring manager will contact you with your first day details.



To indicate your acceptance of the Company's employment offer, please sign and date this letter in the space provided below and return it to me.

I know I speak for the rest of the team in saying that we are looking forward to working with you as you bring your unique and significant skills to the Company.

Sincerely,

/s/ Liane Hornsey

Liane Hornsey, Chief People Officer
Palo Alto Networks, Inc.

I have read and understood this offer letter and hereby acknowledge, accept and agree to the terms as set forth above and further acknowledge that no other commitments were made to me as part of my employment offer except as specifically set forth herein:

/s/ Josh Paul

Josh Paul

8/9/2021

Date

September 6, 2021

Employment Start Date

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