

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

OMB APPROVAL	
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Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>Arora Nikesh</u> (Last) (First) (Middle) C/O PALO ALTO NETWORKS, INC. 3000 TANNERY WAY (Street) SANTA CLARA CA 95054 (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>Palo Alto Networks Inc [PANW]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Chief Executive Officer</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>06/07/2018</u>	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	06/07/2018		p ⁽¹⁾		800	A	\$196.761 ⁽²⁾	800	D	
Common Stock	06/07/2018		p ⁽¹⁾		3,318	A	\$197.746 ⁽³⁾	4,118	D	
Common Stock	06/07/2018		p ⁽¹⁾		7,131	A	\$198.683 ⁽⁴⁾	11,249	D	
Common Stock	06/07/2018		p ⁽¹⁾		1,808	A	\$199.858 ⁽⁵⁾	13,057	D	
Common Stock	06/07/2018		p ⁽¹⁾		400	A	\$200.54 ⁽⁶⁾	13,457	D	
Common Stock	06/07/2018		p ⁽¹⁾		300	A	\$203.69 ⁽⁷⁾	13,757	D	
Common Stock	06/07/2018		p ⁽¹⁾		2,663	A	\$204.59 ⁽⁸⁾	16,420	D	
Common Stock	06/07/2018		A		198,597 ⁽⁹⁾	A	\$0.00	215,017	D	
Common Stock	06/08/2018		p ⁽¹⁾		800	A	\$196.98 ⁽¹⁰⁾	215,817	D	
Common Stock	06/08/2018		p ⁽¹⁾		4,902	A	\$197.891 ⁽¹¹⁾	220,719	D	
Common Stock	06/08/2018		p ⁽¹⁾		5,231	A	\$198.991 ⁽¹²⁾	225,950	D	
Common Stock	06/08/2018		p ⁽¹⁾		5,902	A	\$199.617 ⁽¹³⁾	231,852	D	

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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date					
Performance Stock Option (right to buy)	\$198.5	06/07/2018		A		1,158,100		(14)	12/07/2025	Common Stock	1,158,100		D	

Explanation of Responses:

- The Reporting Person's purchases were pursuant to the terms set forth in the offer letter by and between the Issuer and the Reporting Person, dated May 30, 2018, that was filed as Exhibit 10.2 to the Current Report on Form 8-K filed by the Issuer with the U.S. Securities and Exchange Commission on June 4, 2018.
- This price represents the weighted average purchase price of the shares purchased ranging from \$196.20 to \$197.14 per share. Upon request by the Commission staff, the Issuer, or a security holder of the Issuer, the Reporting Person will provide full information regarding the number of shares purchased at each separate price within the range set forth in this Form 4.
- This price represents the weighted average purchase price of the shares purchased ranging from \$197.24 to \$198.21 per share. Upon request by the Commission staff, the Issuer, or a security holder of the Issuer, the Reporting Person will provide full information regarding the number of shares purchased at each separate price within the range set forth in this Form 4.
- This price represents the weighted average purchase price of the shares purchased ranging from \$198.30 to \$199.25 per share. Upon request by the Commission staff, the Issuer, or a security holder of the Issuer, the Reporting Person will provide full information regarding the number of shares purchased at each separate price within the range set forth in this Form 4.
- This price represents the weighted average purchase price of the shares purchased ranging from \$199.33 to \$200.25 per share. Upon request by the Commission staff, the Issuer, or a security holder of the Issuer, the Reporting Person will provide full information regarding the number of shares purchased at each separate price within the range set forth in this Form 4.
- This price represents the weighted average purchase price of the shares purchased ranging from \$200.38 to \$200.72 per share. Upon request by the Commission staff, the Issuer, or a security holder of the Issuer, the Reporting Person will provide full information regarding the number of shares purchased at each separate price within the range set forth in this Form 4.
- This price represents the weighted average purchase price of the shares purchased ranging from \$203.36 to \$204.35 per share. Upon request by the Commission staff, the Issuer, or a security holder of the Issuer, the Reporting Person will provide full information regarding the number of shares purchased at each separate price within the range set forth in this Form 4.
- This price represents the weighted average purchase price of the shares purchased ranging from \$204.39 to \$205.01 per share. Upon request by the Commission staff, the Issuer, or a security holder of the Issuer, the Reporting Person will provide full information regarding the number of shares purchased at each separate price within the range set forth in this Form 4.
- Each share is represented by a Restricted Stock Unit ("RSU") and a contingent right to receive one share of PANW common stock for each RSU. One-seventh (1/7) of the RSUs will vest on June 7, 2019 and the remaining RSUs will vest in equal increments quarterly thereafter over the next six years, subject to the Reporting Person continuing to be a Service Provider through each vesting date.
- This price represents the weighted average purchase price of the shares purchased ranging from \$196.37 to \$197.35 per share. Upon request by the Commission staff, the Issuer, or a security holder of the Issuer, the Reporting Person will provide full information regarding the number of shares purchased at each separate price within the range set forth in this Form 4.
- This price represents the weighted average purchase price of the shares purchased ranging from \$197.37 to \$198.35 per share. Upon request by the Commission staff, the Issuer, or a security holder of the Issuer, the

Reporting Person will provide full information regarding the number of shares purchased at each separate price within the range set forth in this Form 4.

12. This price represents the weighted average purchase price of the shares purchased ranging from \$198.39 to \$199.37 per share. Upon request by the Commission staff, the Issuer, or a security holder of the Issuer, the Reporting Person will provide full information regarding the number of shares purchased at each separate price within the range set forth in this Form 4.

13. This price represents the weighted average purchase price of the shares purchased ranging from \$199.41 to \$200.18 per share. Upon request by the Commission staff, the Issuer, or a security holder of the Issuer, the Reporting Person will provide full information regarding the number of shares purchased at each separate price within the range set forth in this Form 4.

14. The shares subject to the Performance Stock Option become eligible to vest ("Eligible Option Shares") upon achievement of certain stock price targets (the "Stock Price Achievements") during applicable performance windows, of which such terms are set forth in the offer letter by and between the Issuer and the Reporting Person, dated May 30, 2018, that was filed as Exhibit 10.2 to the Current Report on Form 8-K filed by the Issuer with the U.S. Securities and Exchange Commission on June 4, 2018. To the extent that Stock Price Achievements have been met, Eligible Option Shares will vest as to 1/4 of such shares on each annual anniversary of June 7, subject to the Reporting Person continuing to be a Service Provider through each vesting date.

Remarks:

/s/ Jeff True, Attorney in-Fact for 06/11/2018
Nikesh Arora

** Signature of Reporting Person Date

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

* 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).

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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