
**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)
October 18, 2016

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.)

4401 Great America Parkway
Santa Clara, California 95054
(Address of principal executive offices, 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 (see General Instruction A.2. below):

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

(d) Appointment of New Director

On October 18, 2016, the Company's Board of Directors (the "Board") increased the size of the Board from nine to ten and appointed Mary Pat McCarthy to the Board effective as of October 20, 2016, to serve as a class I director whose term expires at the annual meeting of stockholders to be held in 2018. In addition, the Board appointed Ms. McCarthy to the Audit Committee of the Board ("Audit Committee").

Ms. McCarthy, age 61, retired from her position as Vice Chair of KPMG LLP, the U.S. member firm of the global audit, tax and advisory services firm, in 2011 after attaining such position in 1998. Ms. McCarthy joined KPMG LLP in 1977 and became a partner in 1987. She held numerous senior leadership positions in the firm, including Executive Director of the KPMG Audit Committee Institute from 2008 to 2011, Leader of the KPMG Client Care Program from 2007 to 2008, U.S. Leader, Industries and Markets from 2005 to 2006, and Global Leader, Information, Communication and Entertainment Practice from 1998 to 2004. Ms. McCarthy also served on KPMG's Management and Operations Committees.

Ms. McCarthy earned a Bachelor of Science degree in Business Administration from Creighton University and completed the University of Pennsylvania Wharton School's KPMG International Development Program. Ms. McCarthy serves as a director on Tesoro Corporation, a global petroleum refinery corporation and Mutual of Omaha, a mutual insurance and banking company. Ms. McCarthy was selected to serve on the Board due, in part, to her background as a member of the audit committees of Tesoro Corporation and Mutual of Omaha and her financial and accounting expertise from her prior extensive experience as the Vice Chair of KPMG LLP.

In connection with her appointment to the Board and in accordance with the Company's Director Compensation Policy, the Board approved an initial award of restricted stock units for Ms. McCarthy having a value of approximately \$1,000,000, which will be granted effective October 20, 2016 (the grant date). These restricted stock units will vest over three years, with one-third of the shares subject to the award vesting on the first anniversary of the grant date, and the remaining shares vesting equally over the next two years on a quarterly basis, subject to continued service on the Board on the applicable vesting date. In the event of a change of control, all shares subject to the award would become fully vested and immediately exercisable. The restricted stock units are subject to the terms and conditions of the Company's 2012 Equity Incentive Plan and its related grant agreements. In addition, the Company expects to grant an annual award of restricted stock units having a value of approximately \$320,000 to Ms. McCarthy on the date of each annual meeting of stockholders, beginning with the annual meeting of stockholders to be held in 2017, subject to continued service on the Board and the Audit Committee. Each annual award of restricted stock units is expected to vest over one year on a quarterly basis. The Company will also reimburse Ms. McCarthy for all reasonable expenses in connection with her services to the Company. A copy of the offer letter between Ms. McCarthy and the Company is filed as Exhibit 10.1 to this Current Report on Form 8-K.

Ms. McCarthy executed the Company's standard form of indemnification agreement, a copy of which has been filed as Exhibit 10.1 to the Company's Registration Statement on Form S-1 (File No. 333-180620) filed with the Securities and Exchange Commission on July 9, 2012.

There is no arrangement or understanding between Ms. McCarthy and any other persons pursuant to which Ms. McCarthy was elected as a director. In addition, Ms. McCarthy is not a party to any transaction, or series of transactions, required to be disclosed pursuant to Item 404(a) of Regulation S-K.

On October 24, 2016, the Company issued a press release announcing Ms. McCarthy's appointment as a director. The press release is attached hereto as Exhibit 99.1.

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 Mary Pat McCarthy, dated October 13, 2016.
99.1	Press release dated as of October 24, 2016.

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/ Mark D. McLaughlin

Mark D. McLaughlin
Chief Executive Officer

Date: October 24, 2016

EXHIBIT INDEX

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99.1	Press release dated as of October 24, 2016.



October 13, 2016

Dear Mary:

On behalf of the Board of Directors (the "Board") of Palo Alto Networks, Inc. (the "Company"), we are pleased to inform you that our Nominating and Governance Committee of the Board has nominated you for election as a member of our Board and as a member of the Audit Committee.

As you are aware, the Company is a Delaware corporation and therefore your rights and duties as a Board member of the Company are prescribed by Delaware law, SEC laws, listing rules for the stock exchange on which our shares are traded, our charter documents and by the policies established by our Board from time to time. In addition, you may also be requested to serve as a director of one or more of our subsidiaries in which case you may be subject to other laws while serving in such a capacity.

From time to time, our Board may establish certain other committees to which it may delegate certain duties. In addition to committee meetings, which shall be convened as needed, our Board meetings are generally held quarterly at the Company's offices in Santa Clara, California. We would hope that your schedule would permit you to attend all of the meetings of the Board and any committees of which you are a member. In addition, from time to time, there may be telephonic meetings to address special matters.

It is expected that during the term of your Board membership with the Company you will not engage in any other employment, occupation, consulting or other business activity that competes with the business in which the Company is now involved in or becomes involved in during the term of your service to the Company, nor will you engage in any other activities that conflict with your obligations to the Company.

If you decide to join the Board and to serve as a member of the Audit Committee, it will be recommended at the time of your election as a member of the Board that the Company grant you a restricted stock unit award under our 2012 Equity Incentive Plan (the "2012 Plan") having a value equal to \$1,000,000 (the "Award") in consideration for your service as a member of the Board consistent with our non-employee director compensation policy. The number of Award shares will be based on 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. The Award shares will vest over three years, with 1/3 of the shares subject to the Award grant vesting on the first anniversary of the grant date (which is expected to be October, 20, 2016), and the remaining shares vesting equally over the next two years on a quarterly basis, subject to you continuing to serve as a Board member on each vesting date. The vesting of the Award will accelerate upon a Change in Control (as defined in the 2012 Plan).

In addition to the Award, you will be eligible to receive annual restricted stock unit equity awards with a combined value of \$320,000 on the date of each annual meeting of stockholders (commencing with the December 2017 meeting) in accordance with our non-employee director compensation policy, subject to your continuing service on the Board and the Audit Committee. Each annual restricted stock unit equity award is expected to vest over one year on a quarterly basis and will accelerate upon a Change in Control (as defined in the 2012 Plan).

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The payment of compensation to Board members is subject to many restrictions under applicable law, and as such, you should be aware that the compensation set forth above is subject to such future changes and modifications as the Board or its committees may deem necessary or appropriate. In addition, please note that unless otherwise approved by our Board or required under applicable law, directors of our subsidiaries shall not be entitled to any compensation. You shall be entitled to reimbursement for reasonable expenses incurred by you in connection with your service to the Company and attendance of Board and committee meetings in accordance with the Company's established policies.

Please note that nothing in this letter or any agreement granting you equity should be construed to interfere with or otherwise restrict in any way the rights of the Company, its Board or stockholders from removing you from the Board or any committee in accordance with the provisions of applicable law. Furthermore, except as otherwise provided to other non-employee Board members or required by law, the Company does not intend to afford you any rights as an employee, including without limitation, the right to further employment or any other benefits.

We hope that you find the foregoing terms acceptable. You may indicate your agreement with these terms by signing and dating both the enclosed duplicate and original letter and returning them to me. By signing this letter you also represent that the execution and delivery of this agreement and the fulfillment of the terms hereof will not require the consent of another person, constitute a default under or conflict with any agreement or other instrument to which you are bound or a party.

On behalf of the Company it gives us great pleasure to welcome you as a member of our Board. We anticipate your leadership and experience shall make a key contribution to our success at this critical time in our growth and development.

Yours very truly,

/s/ Mark McLaughlin

Mark McLaughlin
Chief Executive Officer
Palo Alto Networks, Inc.

Acknowledged and agreed to

October 15, 2016

/s/ Mary Pat McCarthy

Mary Pat McCarthy

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**PALO ALTO NETWORKS APPOINTS MARY PAT MCCARTHY
TO BOARD OF DIRECTORS**

SANTA CLARA, Calif. – October 24, 2016 – Palo Alto Networks® (NYSE: PANW), the next-generation security company, today announced the appointment of Mary Pat McCarthy to the company’s board of directors. She also will be joining the board’s audit committee.

Ms. McCarthy brings more than 34 years of experience to this position. She most recently served as vice chair of KPMG LLP, the U.S. member firm of the global audit, tax and advisory services firm. Starting with KPMG in 1977, she became partner in 1987 and held numerous senior leadership positions at the firm, including executive director of the KPMG Audit Committee Institute, leader of the KPMG Client Care Program, U.S. leader of Industries and Markets, and global leader of Information, Communication and Entertainment Practice.

Ms. McCarthy is a member of the Risk Advisory Committee of the National Association of Corporate Directors. She also co-chaired the National Association of Corporate Directors (NACD) Blue Ribbon Commission on talent development and co-authored multiple books on risk, strategy and business transformation.

In addition to this new appointment to the board of directors for Palo Alto Networks, Ms. McCarthy currently serves on the boards and audit committees for Tesoro Corporation and Mutual of Omaha Insurance Company.

QUOTES

- “Palo Alto Networks mission is very important to the security of the digital age, underscored by the company’s exceptional growth. I am delighted to be joining the Palo Alto Networks team and look forward to contributing to its continued success.”
 - Mary Pat McCarthy, board member, Palo Alto Networks
- “Mary Pat is a proven leader with extensive background in financial and accounting matters. As we continue to scale the company, her expertise will be a welcome addition to our board of directors.”
 - Mark McLaughlin, chairman and CEO, Palo Alto Networks

Forward-Looking Statements

This press release contains forward-looking statements that involve risks and uncertainties, including statements regarding our ability to continue to scale the company. There are a significant number of factors that could cause actual results to differ materially from statements made in this press release, including: our limited

operating history; risks associated with managing our rapid growth, particularly outside of the United States; our limited experience with new product introductions and the risks associated with new products, including software bugs; the failure to timely develop and achieve market acceptance of new products as well as existing products and services; rapidly evolving technological developments in the market for network security products; and general market, political, economic and business conditions.

Additional risks and uncertainties that could affect our financial results are included under the captions “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K filed with the SEC on September 8, 2016, which is available on our website at investors.paloaltonetworks.com and on the SEC’s website at www.sec.gov. Additional information will also be set forth in other filings that we make with the SEC from time to time. All forward-looking statements in this press release are based on information available to us as of the date hereof, and we do not assume any obligation to update the forward-looking statements provided to reflect events that occur or circumstances that exist after the date on which they were made.

About Palo Alto Networks

Palo Alto Networks is the next-generation security company, leading a new era in cybersecurity by safely enabling applications and preventing cyber breaches for tens of thousands of organizations worldwide. Built with an innovative approach and highly differentiated cyberthreat prevention capabilities, our game-changing security platform delivers security far superior to legacy or point products, safely enables daily business operations, and protects an organization’s most valuable assets. Find out more at www.paloaltonetworks.com.

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