
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 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 18, 2012

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.)

3300 Olcott Street
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 September 18, 2012, the Board of Directors (the "Board") of Palo Alto Networks, Inc. (the "Company") appointed John M. Donovan to serve as a member of the Board, effective immediately. Mr. Donovan will serve in the class of directors whose term expires at the Annual Meeting of Stockholders to be held in 2012. In addition, Mr. Donovan was appointed as a member of the audit committee of the Board, effective immediately.

Mr. Donovan, age 51, has worked at AT&T since April 2008, first as Chief Technology Officer and currently as Senior Executive Vice President – AT&T Technology and Network Operations. Before joining AT&T, Mr. Donovan was executive vice president of product, sales, marketing and operations at Verisign, Inc. He also has served as chairman and CEO of inCode Telecom Group Inc. and as a partner with Deloitte Consulting where he was the Americas industry practice director for telecom. Mr. Donovan holds a B.S. in Electrical Engineering from the University of Notre Dame and an M.B.A. from the University of Minnesota.

In connection with his appointment to the Board, Mr. Donovan was granted an initial restricted stock unit equity award on September 18, 2012 in the amount of 15,000 shares of common stock. These restricted stock units will vest over three years, with 1/3 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. In addition, the Company expects to grant an additional restricted stock unit equity award in the amount of 1,000 shares of common stock to Mr. Donovan at the time of the Company's next annual meeting of stockholders, and an additional restricted stock unit equity award in the amount of 1,000 shares of common stock on an annual basis thereafter based on continuing service on the audit committee. The restricted stock units are subject to the terms and conditions of the Company's 2012 Equity Incentive Plan and its related grant agreements. The Company will also reimburse Mr. Donovan for all reasonable expenses in connection with his services to the Company. A copy of the offer letter between Mr. Donovan and the Company is filed as Exhibit 10.1 to this Current Report on Form 8-K.

In addition, Mr. Donovan has 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 filed with the Securities and Exchange Commission on July 9, 2012.

There is no arrangement or understanding between Mr. Donovan and any other persons pursuant to which Mr. Donovan was elected as a director. Since the beginning of the Company's last fiscal year, the Company has sold an aggregate of \$2.4 million of products and services to AT&T in arm's length transactions.

A copy of the press release announcing the appointment is filed as Exhibit 99.1 to this Current Report on Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	Offer Letter between the Company and John M. Donovan, dated September 14, 2012.
99.1	Press release dated September 20, 2012.

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
President and Chief Executive Officer

Date: September 20, 2012

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
10.1	Offer Letter between the Company and John M. Donovan, dated September 14, 2012.
99.1	Press release dated September 20, 2012.



September 14, 2012

Mr. John Donovan
c/o AT&T, Inc.
208 South Akard Street
Dallas, TX 75202

Dear John:

On behalf of the Board of Directors (the "Board") of Palo Alto Networks, Inc. (the "Company"), we are pleased to inform you that it is the intention of the Nominating and Governance Committee of our Board to nominate you for election as a member of our Board and our 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, our charter documents as well as by the policies established by our Board from time to time. As a result of the Company's recent initial public offering of its common stock, you should anticipate that your duties and responsibilities would be commensurate of those of a director of a publicly traded company. 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. You will be appointed by the Board to serve on at least one committee (initially, the Audit Committee). 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, 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 in the amount of 15,000 shares of common stock (the "Award") in consideration for your service as a member of the Board. 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, 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.

Additionally, we anticipate that it will be recommended at the time of the Company's next annual stockholder meeting, and at each subsequent annual stockholder meeting, that the Company grant you a restricted stock unit award in the amount of 1,000 shares of common stock in consideration for your continuing services as a member of the Company's Audit Committee. We anticipate that, with respect to each such grant, 100% of such shares will vest on the one year anniversary of the grant date.

Following a Change in Control (defined below), all shares subject to the Award granted in accordance with the foregoing provisions shall fully vest and become immediately exercisable. "Change of Control" shall mean: (i) the sale or other disposition of all or substantially all of the assets of the Company; (ii) any sale or exchange of the capital stock of the Company by the stockholders of the Company in one transaction or series of related transactions where more than fifty percent (50%) of the outstanding voting power of the Company is acquired by a person or entity or group of related persons or entities; (iii) any reorganization, consolidation or merger of the Company where

the outstanding voting securities of the Company immediately before the transaction represent or are converted into less than fifty percent (50%) of the outstanding voting power of the surviving entity (or its parent corporation) immediately after the transaction; or (iv) the consummation of the acquisition of fifty-one percent (51%) or more of the outstanding stock of the Company pursuant to a tender offer validly made under any federal or state law (other than a tender offer by the Company).

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

September 17, 2012

/s/ John Donovan

John Donovan

Palo Alto Networks Names AT&T's John Donovan to Board of Directors

SANTA CLARA, Calif., September 20, 2012—Palo Alto Networks™ (NYSE: PANW), the network security company, today announced the appointment of John Donovan to its Board of Directors.

Mr. Donovan has worked at AT&T since April 2008, first as Chief Technology Officer and currently as Senior Executive Vice President – AT&T Technology and Network Operations. Before joining AT&T, Mr. Donovan was executive vice president of product, sales, marketing and operations at Verisign. He also has served as chairman and CEO of inCode Telecom Group Inc. and as a partner with Deloitte Consulting where he was the Americas industry practice director for telecom. He holds a B.S. in Electrical Engineering from the University of Notre Dame and an M.B.A. from the University of Minnesota.

“We are very pleased to have John Donovan join the Palo Alto Networks Board of Directors,” said Mark McLaughlin, chairman, CEO and president of Palo Alto Networks. “John’s extensive leadership experience will certainly prove to be an invaluable asset to the Board.”

“To be named to the Board of Palo Alto Networks is a great honor,” Donovan said. “I look forward to participating in and helping shape the long-term strategy for Palo Alto Networks and advancing its world-class, customer- and employee-centric culture.”

About Palo Alto Networks

Palo Alto Networks™ is the network security company. Its innovative platform allows enterprises, service providers, and government entities to secure their networks and safely enable the increasingly complex and rapidly growing number of applications running on their networks. The core of Palo Alto Networks’ platform is its Next-Generation Firewall, which delivers application, user, and content visibility and control integrated within the firewall through its proprietary hardware and software architecture. Palo Alto Networks’ products and services can address a broad range of network security requirements, from the data center to the network perimeter, as well as the distributed enterprise, which includes branch offices and a growing number of mobile devices. Palo Alto Networks’ products are used by more than 9,000 customers in over 100 countries. For more information, visit www.paloaltonetworks.com.

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