

Arora Nikesh  
Form 4  
June 11, 2018

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Arora Nikesh

(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  
Palo Alto Networks Inc [PANW]

3. Date of Earliest Transaction (Month/Day/Year)  
06/07/2018

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

Chief Executive Officer

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**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		
Common Stock	06/07/2018		P(1)		800	D	
					\$ 196.761		
					(2)		
Common Stock	06/07/2018		P(1)		3,318	D	
					\$ 197.746		
					(3)		
Common Stock	06/07/2018		P(1)		7,131	D	
					\$ 198.683		
					(4)		
Common Stock	06/07/2018		P(1)		1,808	D	
					\$ 199.858		

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					(5)		
Common Stock	06/07/2018	P <sup>(1)</sup>	400	A	\$ <u>200.54</u> (6)	13,457	D
Common Stock	06/07/2018	P <sup>(1)</sup>	300	A	\$ <u>203.69</u> (7)	13,757	D
Common Stock	06/07/2018	P <sup>(1)</sup>	2,663	A	\$ <u>204.59</u> (8)	16,420	D
Common Stock	06/07/2018	A	<u>198,597</u> (9)	A	\$ 0	215,017	D
Common Stock	06/08/2018	P <sup>(1)</sup>	800	A	\$ <u>196.98</u> (10)	215,817	D
Common Stock	06/08/2018	P <sup>(1)</sup>	4,902	A	\$ <u>197.891</u> (11)	220,719	D
Common Stock	06/08/2018	P <sup>(1)</sup>	5,231	A	\$ <u>198.991</u> (12)	225,950	D
Common Stock	06/08/2018	P <sup>(1)</sup>	5,902	A	\$ <u>199.617</u> (13)	231,852	D

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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(9-02)

**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 Underlying Security (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title
Performance Stock Option (right to buy)	\$ 198.5	06/07/2018		A	1,158,100	(14) 12/07/2025	Common Stock

## Reporting Owners

Reporting Owner Name / Address Relationships

Reporting Owners

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Director 10% Owner Officer Other

Arora Nikesh  
C/O PALO ALTO NETWORKS, INC. X Chief Executive Officer  
3000 TANNERY WAY  
SANTA CLARA, CA 95054

## Signatures

/s/ Jeff True, Attorney in-Fact for Nikesh

Arora

06/11/2018

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* 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).
  - (1) 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.
  - (2) 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.
  - (3) 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.
  - (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.
  - (5) 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.
  - (6) 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.
  - (7) 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.
  - (8) 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.
  - (9) 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.
  - (10) 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.
  - (11) 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.
  - (12)

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- (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.

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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