
**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)

April 9, 2019

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 (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))

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.

(d) Appointment of New Directors

On April 9, 2019, the Board of Directors (the “Board”) of Palo Alto Networks, Inc., a Delaware corporation (the “Company”), increased the size of the board from eleven to thirteen and appointed (a) Lorraine Twohill to the Board, to serve as a class III director whose term expires at the annual meeting to be held in 2020 and (b) Rt Hon Sir John Key to the Board, to serve as a class I director whose term expires at the annual meeting to be held in 2021. The Board has not determined committee appointments for either Ms. Twohill or Sir John at this time.

Ms. Twohill, age 47, currently serves as Google LLC’s (formerly Google, Inc.) Chief Marketing Officer, a position she has held since June 2009. From July 2003 until June 2009, she served as Google’s Head of Marketing Europe, Middle East and Africa. Ms. Twohill previously served on the board of directors of Williams-Sonoma, Inc., a consumer retail company that sells kitchenwares and home furnishings, from January 2012 until May 2017. Ms. Twohill holds joint honors degrees in International Marketing and Languages from Dublin City University. Ms. Twohill was selected to serve on our board of directors due to her extensive marketing knowledge, with over 25 years of experience, and her strong insight into brand management and global issues.

Rt Hon Sir John Key, age 57, retired, was a Member of Parliament for Helensville in New Zealand until April 2017. He served as Prime Minister of New Zealand from November 2008 to December 2016, having commenced his political career as a Member of Parliament for Helensville in July 2002. Prior to his political career, he had a nearly twenty-year career in international finance, primarily for Bankers Trust of New Zealand and Merrill Lynch in Singapore, London and Sydney. Sir John serves as the chairman and member of the board of directors of ANZ Bank New Zealand Ltd. and is a member of the board of directors of the parent Australia & New Zealand Banking Group Ltd., a public bank that provides various banking and financial products and services. He is also a member of the board of directors of Air New Zealand Ltd., a public domestic and international passenger transport and cargo company. Sir John has a Bachelor of Commerce in Accounting from the University of Canterbury. Sir John was selected to serve on the Board due, in part, to his extensive background in foreign affairs and his career in investment banking and finance.

In connection with Ms. Twohill and Sir John’s appointments to the Board and in accordance with the Company’s Director Compensation Policy, the Board approved an initial award of restricted stock units for each of Ms. Twohill and Sir John having a value of approximately \$1,000,000, which will be granted effective April 20, 2019 (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 \$300,000 to each of Ms. Twohill and Sir John on the date of each annual meeting of stockholders, beginning with the annual meeting of stockholders to be held in 2020, subject to their respective continued service on the Board. Each annual award of restricted stock units is expected to vest over one year on a quarterly basis. The Company will also reimburse each of Ms. Twohill and Sir John for all reasonable expenses in connection with their respective service to the Company. A copy of each offer letter between Ms. Twohill and Sir John, respectively, and the Company is filed herewith as Exhibit 10.1 and 10.2.

Each of Ms. Twohill and Sir John 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. Twohill or Sir John and any other persons pursuant to which either Ms. Twohill or Sir John was elected as a director.

In addition, since the beginning of our last fiscal year through April 1, 2019, both directly and through our channel partners, we have sold an aggregate of approximately \$2.6 million of products and services to Google LLC, in arm's length transactions. In addition, since the beginning of our last fiscal year through April 1, 2019, we have purchased an aggregate of approximately \$12.7 million in products and services from Google LLC, in arm's length transactions. In reviewing Ms. Twohill's role at Google LLC and our relationship with Google LLC, our Board has determined that this relationship does not impede Ms. Twohill's ability to act independently on our behalf and on behalf of our stockholders. All future transactions with Google LLC will be subject to our rigorous related party transactions process and policy.

Sir John 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 April 15, 2019, the Company issued a press release announcing the appointment of Ms. Twohill and Sir John as directors. The press release is attached herewith as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
<u>10.1</u>	Offer Letter between the Registrant and Lorraine Twohill, dated April 10, 2019.
<u>10.2</u>	Offer Letter between the Registrant and Rt Hon Sir John Key, dated April 10, 2019.
<u>99.1</u>	Press release dated as of April 15, 2019.

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/ JEAN COMPEAU

Jean Compeau

Chief Accounting Officer

Date: April 15, 2019



April 10, 2019

Lorraine Twohill

Dear Lorraine:

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.

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, 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 April 20, 2019) 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 value of \$300,000 on the date of each annual meeting of stockholders (**commencing with the December**

2020 meeting) in accordance with our non-employee director compensation policy, subject to your continuing service on the Board. 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).

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/ NIKESH ARORA

Nikesh Arora

Chief Executive Officer

Palo Alto Networks, Inc.

Acknowledged and agreed to

April 10, 2019

/s/ LORRAINE TWOHILL

Lorraine Twohill



April 10, 2019

Rt Hon Sir John Key

Dear Sir John:

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.

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, 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 April 20, 2019) 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 value of \$300,000 on the date of each annual meeting of stockholders (**commencing with the December**

2020 meeting) in accordance with our non-employee director compensation policy, subject to your continuing service on the Board. 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).

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/ NIKESH ARORA

Nikesh Arora

Chief Executive Officer

Palo Alto Networks, Inc.

Acknowledged and agreed to

April 10, 2019

/s/ RT HON SIR JOHN KEY

Rt Hon Sir John Key

Palo Alto Networks Appoints Two New Members to Board of Directors

SANTA CLARA, Calif., April 15, 2019 — Palo Alto Networks (NYSE: [PANW](#)), the global cybersecurity leader, today announced the appointment of Lorraine Twohill, chief marketing officer at Google LLC (formerly Google Inc.), and the Right Honorable Sir John Key, former member of Parliament and prime minister of New Zealand, to the company's board of directors.

“As we continue to advance our cybersecurity leadership and help organizations navigate their cloud transformation, I am pleased to welcome both Lorraine and Sir John to our board of directors,” said Nimesh Arora, chairman and CEO of Palo Alto Networks. “We look forward to their unique perspectives and contributions to our strategy and growth.”

Lorraine Twohill currently leads global marketing for all of Google's products and services. She is responsible for managing the company's brand and bringing Google's products to life for billions of users every day. Previously, she ran marketing at Google for Europe, the Middle East and Africa, and helped build the company's European business and operations. Prior to joining Google, Lorraine held various positions, including head of marketing at European travel site Opodo and general manager Northern Europe for the Irish Tourist Board. In 2018, she was named the Cannes Lions Creative Marketer of the Year, using her platform to advocate for greater representation of women in the advertising industry.

Ms. Twohill will bring to the board extensive insights on marketing, brand management and customer engagement. She formerly served on the board of directors for Williams-Sonoma Inc. and holds a joint honors degree in international marketing and languages from Dublin City University.

Sir John will bring to the board extensive experience in foreign affairs, investment banking and finance. He was a member of Parliament for Helensville in New Zealand until April 2017 and served as prime minister of New Zealand from November 2008 to December 2016. Prior to his political career, Sir John spent nearly 20 years in international finance, primarily for Bankers Trust of New Zealand and Merrill Lynch in Singapore, London and Sydney.

He currently serves as the chairman of the board of directors for ANZ Bank New Zealand Ltd., is a member of the board of directors for the parent Australia & New Zealand Banking Group Ltd. and serves on the board of directors for Air New Zealand Ltd. He holds a Bachelor of Commerce in accounting from the University of Canterbury.

About Palo Alto Networks

We are the global cybersecurity leader, known for always challenging the security status quo. Our mission is to protect our way of life in the digital age by preventing successful cyberattacks. This has given us the privilege of safely enabling tens of thousands of organizations and their customers. Our pioneering Security Operating Platform emboldens their digital transformation with continuous innovation that seizes the latest breakthroughs in security, automation, and analytics. By delivering a true platform and empowering a growing ecosystem of change-makers like us, we provide highly effective and innovative cybersecurity across clouds, networks, and mobile devices. Find out more at www.paloaltonetworks.com.

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