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

**FORM S-8
REGISTRATION STATEMENT**
*Under
The Securities Act of 1933*

Palo Alto Networks, Inc.
(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

20-2530195
(I.R.S. Employer
Identification No.)

**3000 Tannery Way
Santa Clara, California 95054**
(Address of principal executive offices, including zip code)

Cider Security Ltd. 2020 Equity Incentive Plan
(Full title of the plan)

**Nikesh Arora
Chief Executive Officer
Palo Alto Networks, Inc.
3000 Tannery Way
Santa Clara, California 95054
(408) 753-4000**
(Name, address and telephone number, including area code, of agent for service)

Copies to:

**Eric McCrath
John Hensley
Morrison & Foerster LLP
425 Market Street
San Francisco, California 94105
(415) 268-7000**

**Bruce Byrd
Executive Vice President, General Counsel
Palo Alto Networks, Inc.
3000 Tannery Way
Santa Clara, California 95054
(408) 753-4000**

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller reporting company
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 7(a)(2)(B) of the Securities Act.

EXPLANATORY NOTE

This Registration Statement on Form S-8 (the “**Registration Statement**”) is being filed by Palo Alto Networks, Inc. (the “**Registrant**”) with the Securities and Exchange Commission (the “**Commission**”) for the purpose of registering 54,499 shares of the Registrant’s common stock, par value \$0.0001 per share (the “**Common Stock**”), issuable pursuant to the Cider Security Ltd. 2020 Equity Incentive Plan, as amended (the “**Plan**”).

Pursuant to that certain Share Purchase Agreement, dated as of November 17, 2022 (the “**Share Purchase Agreement**”), by and among the Registrant, Twistlock Ltd., Cider Security Ltd. (“**Cider Security**”), certain shareholders of Cider Security and Shareholder Representative Services LLC, on December 20, 2022 (the “**Share Purchase Date**”), the Registrant purchased from those certain shareholders of Cider Security all issued and outstanding shares of Cider Security, including the ordinary shares of Cider Security, NIS 0.001 nominal value per share (the “**Cider Security Ordinary Shares**”). In addition, pursuant to the Share Purchase Agreement, certain options to purchase Cider Security Ordinary Shares that were granted under the Plan and were outstanding immediately prior to the Share Purchase Date were assumed by the Registrant and converted into and substituted for restricted stock units in respect of Common Stock (the “**Assumed Awards**”). This Registration Statement registers 54,499 shares of Common Stock that may be issued pursuant to such Assumed Awards.

PART I

INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

The prospectus containing information required by Part I of Form S-8 and related to this Registration Statement is omitted from this Registration Statement in accordance with the note to Part I of Form S-8. The Registrant will send or give to each holder of outstanding equity awards granted under the Plan a copy of the prospectus or documents containing information specified in Part I of Form S-8, as specified by Rule 428(b)(1) of the Securities Act of 1933, as amended (the “**Securities Act**”). In accordance with the rules and regulations of the Commission, the prospectus for the Plan is not being filed with or included in this Registration Statement. The prospectus for the Plan and the documents incorporated by reference into this Registration Statement pursuant to Item 3 of Part II of this Registration Statement, taken together, each constitute a prospectus that meets the requirements of Section 10(a) of the Securities Act.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The Registrant hereby incorporates by reference into this Registration Statement the following documents previously filed with the Commission:

- a) The Registrant’s Annual Report on [Form 10-K](#) for the fiscal year ended July 31, 2022, filed with the Commission on September 6, 2022;
- b) The information specifically incorporated by reference into the Registrant’s Annual Report on [Form 10-K](#) for the fiscal year ended July 31, 2022 from the Registrant’s definitive proxy statement on [Schedule 14A](#) filed with the Commission on November 15, 2022;
- c) The Registrant’s Quarterly Report on [Form 10-Q](#) for the quarter ended October 31, 2022, filed with the Commission on November 18, 2022;
- d) The Registrant’s Current Reports on Form 8-K, filed with the Commission on [August 22, 2022](#) (Item 8.01 only), [November 15, 2022](#) and [December 16, 2022](#); and
- e) The description of the Registrant’s Common Stock contained in the Registrant’s Registration Statement on [Form 8-A](#) (File No. 001-35594) filed with the Commission on October 22, 2021, pursuant to Section 12(b) of the Securities Exchange Act of 1934 (the “**Exchange Act**”), including any amendment or report filed for the purpose of updating such description.

All documents filed by the Registrant pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act on or after the date of this Registration Statement and prior to the filing of a post-effective amendment to this Registration Statement that indicates that all securities offered have been sold or that deregisters all securities then remaining unsold shall be deemed to be incorporated by reference in this Registration Statement and to be part hereof from the date of filing of such documents; *provided, however*, that documents or information deemed to have been furnished and not filed in accordance with the rules of the Commission shall not be deemed incorporated by reference into this Registration Statement. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein or in any subsequently filed document which also is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

Item 4. Description of Securities.

Not applicable.

Item 5. Interests of Named Experts and Counsel.

Not applicable.

Item 6. Indemnification of Directors and Officers.

Section 145 of the General Corporation Law of the State of Delaware authorizes a corporation's board of directors to grant, and authorizes a court to award, indemnity to officers, directors and other corporate agents under certain circumstances.

As permitted by Section 102(b)(7) of the General Corporation Law of the State of Delaware, the Registrant's certificate of incorporation includes provisions that may eliminate the personal liability of its directors and officers for monetary damages resulting from breaches of their fiduciary duties as directors and officers to the fullest extent permitted by applicable law. In addition, the certificate of incorporation provides that the Registrant is required to indemnify, to the fullest extent permitted by applicable law, any director or officer of the Registrant who is or was a party or is threatened to be made a party to any proceeding (other than a proceeding by or in the right of the Registrant that has not been approved by the Registrant's board of directors) by reason of the fact that he or she is or was serving in such capacity or is or was serving at the request of the Registrant as a director, officer, employee or agent of another entity, against expenses, judgments and other amounts paid in settlement actually and reasonably incurred by such person.

In addition, as permitted by Section 145 of the General Corporation Law of the State of Delaware, the restated certificate of incorporation and amended and restated bylaws of the Registrant provide that:

- The Registrant is required to indemnify, to the fullest extent permitted by applicable law, any director or officer of the Registrant who was or is a party or is threatened to be made a party to any proceeding (other than a proceeding by or in the right of the Registrant) by reason of the fact that he or she is or was serving in such capacity or is or was serving at the request of the Registrant as a director, officer, employee or agent of another entity, against expenses, judgments and other amounts paid in settlement actually and reasonably incurred by such person if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Registrant, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful;
- The Registrant is required to indemnify, to the fullest extent permitted by applicable law, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed proceeding by or in the right of the Registrant to procure a judgment in its favor by reason of the fact that such person is or was serving in such capacity or is or was serving at the request of the Registrant as a director, officer, employee or agent of another entity, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Registrant, unless the court in which such proceeding is brought determines that such person is liable to the Registrant and does not determine that, despite such liability, such person is fairly and reasonably entitled to indemnification for such expenses;
- The Registrant is required to advance expenses, as incurred, to its directors and officers in connection with defending a proceeding, provided that such director or officer must undertake to repay such advances if it is ultimately determined that such person is not entitled to indemnification; and
- The rights conferred in the certificate of incorporation and bylaws are not exclusive, and the Registrant is authorized to enter into indemnification agreements with its directors and officers and to obtain insurance to indemnify such persons.

In addition, the Registrant's policy is to enter into separate indemnification agreements with each of its directors and officers that require the Registrant to indemnify its directors and officers, to the maximum extent permitted by applicable law, and also provide for certain procedural protections.

The indemnification obligations described above may be sufficiently broad to permit the indemnification of the Registrant's directors and officers for liabilities (including reimbursement for expenses incurred) arising under the Securities Act.

Item 7. Exemption from Registration Claimed.

Not applicable.

Item 8. Exhibits.

The information required by this Item is set forth in the Exhibit Index that precedes the signature page of this Registration Statement.

Item 9. Undertakings.

A. The undersigned Registrant hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:
 - (i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;
 - (ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement; and
 - (iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement.

Provided, however, that paragraphs (A)(1)(i) and (A)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this Registration Statement.

- (2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
 - (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
- B. The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- C. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

Exhibit Index

<u>Exhibit Number</u>	<u>Exhibit Description</u>
4.1	<u>Restated Certificate of Incorporation of Palo Alto Networks, Inc. (incorporated by reference to Exhibit 3.1 to Palo Alto Networks, Inc.'s Annual Report on Form 10-K for the fiscal year ended July 31, 2012, as filed with the Commission on October 4, 2012).</u>
4.2	<u>Amended and Restated Bylaws of Palo Alto Networks, Inc. (incorporated by reference to Exhibit 3.1 to Palo Alto Networks, Inc.'s Current Report on Form 8-K, as filed with the Commission on May 23, 2022).</u>
4.3	<u>Specimen common stock certificate of the Registrant (which is incorporated herein by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-1 (Registration No. 333-180620), as declared effective by the Commission on July 19, 2012).</u>
5.1*	<u>Opinion of Morrison & Foerster LLP.</u>
23.1*	<u>Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm.</u>
23.2*	<u>Consent of Morrison & Foerster LLP (contained in Exhibit 5.1 hereto).</u>
24.1*	<u>Power of Attorney (contained on signature page hereto).</u>
99.1*	<u>Cider Security Ltd. 2020 Equity Incentive Plan.</u>
99.2*	<u>U.S. Sub-Plan to the Cider Security Ltd. 2020 Equity Incentive Plan.</u>
107*	<u>Filing Fee Table</u>

* Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Santa Clara, State of California, on December 21, 2022.

PALO ALTO NETWORKS, INC.

By: /s/ Nikesh Arora

Nikesh Arora

Chairman and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL THESE PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Nikesh Arora, Dipak Golechha, and Josh Paul, and each of them, as his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this registration statement, and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their, his or her substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ Nikesh Arora</u> Nikesh Arora	Chairman, Chief Executive Officer and Director (Principal Executive Officer)	December 21, 2022
<u>/s/ Dipak Golechha</u> Dipak Golechha	Chief Financial Officer (Principal Financial Officer)	December 21, 2022
<u>/s/ Josh Paul</u> Josh Paul	Chief Accounting Officer (Principal Accounting Officer)	December 21, 2022
<u>/s/ Nir Zuk</u> Nir Zuk	Chief Technology Officer and Director	December 21, 2022
<u>/s/ Aparna Bawa</u> Aparna Bawa	Director	December 21, 2022
<u>/s/ John M. Donovan</u> John M. Donovan	Director	December 21, 2022
<u>/s/ Carl Eschenbach</u> Carl Eschenbach	Director	December 21, 2022
<u>/s/ Dr. Helene D. Gayle</u> Dr. Helene D. Gayle	Director	December 21, 2022
<u>/s/ James J. Goetz</u> James J. Goetz	Director	December 21, 2022
<u>/s/ Rt Hon Sir John Key</u> Rt Hon Sir John Key	Director	December 21, 2022
<u>/s/ Mary Pat McCarthy</u> Mary Pat McCarthy	Director	December 21, 2022
<u>/s/ Lorraine Twohill</u> Lorraine Twohill	Director	December 21, 2022

MORRISON FOERSTER

425 MARKET STREET
SAN FRANCISCO
CALIFORNIA 94105-2482

TELEPHONE: 415.268.7000
FACSIMILE: 415.268.7522

WWW.MOFO.COM

MORRISON & FOERSTER LLP

AUSTIN, BEIJING, BERLIN, BOSTON,
BRUSSELS, DENVER, HONG KONG,
LONDON, LOS ANGELES, MIAMI,
NEW YORK, PALO ALTO, SAN DIEGO,
SAN FRANCISCO, SHANGHAI, SINGAPORE,
TOKYO, WASHINGTON, D.C.

December 21, 2022

Board of Directors
Palo Alto Networks, Inc.
3000 Tannery Way
Santa Clara, California 95054

Re: Registration Statement on Form S-8

Ladies and Gentlemen:

We are acting as counsel to Palo Alto Networks, Inc., a Delaware corporation (the “**Company**”), in connection with its registration statement on Form S-8 (the “**Registration Statement**”), filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the “**Securities Act**”), covering the offering of up to 54,499 shares (the “**Shares**”) of the Company’s common stock, par value \$0.0001 per share, issuable pursuant to the Cider Security Ltd. 2020 Equity Incentive Plan, as amended (the “**Plan**”), which Plan was assumed by the Company in accordance with the terms of that certain Share Purchase Agreement, dated as of November 17, 2022, by and among the Registrant, Twistlock Ltd., Cider Security Ltd., certain shareholders of Cider Security and Shareholder Representative Services LLC.

As counsel for the Company, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records, certificates of public officials and other instruments as we have deemed necessary for the purposes of rendering this opinion and we are familiar with the proceedings taken and proposed to be taken by the Company in connection with the authorization, issuance and sale of the Shares. In our examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with the originals of all documents submitted to us as copies. This opinion letter is given, and all statements herein are made, in the context of the foregoing.

This opinion letter is based as to matters of law solely on the Delaware General Corporation Law, as amended. We express no opinion herein as to any other laws, statutes, ordinances, rules, or regulations. As used herein, the term “Delaware General Corporation Law, as amended” includes the statutory provisions contained therein, all applicable provisions of the Delaware Constitution and reported judicial decisions interpreting these laws.

Based upon, subject to and limited by the foregoing, we are of the opinion that following (i) effectiveness of the Registration Statement, (ii) issuance of the Shares pursuant to the terms of the Plan, and (iii) receipt by the Company of the consideration for the Shares specified in the applicable resolutions of the Board of Directors or a duly authorized committee thereof and the Plan, the Shares will be validly issued, fully paid and nonassessable.

This opinion letter has been prepared for use in connection with the Registration Statement. We assume no obligation to advise you of any changes in the foregoing subsequent to the effective date of the Registration Statement.

We consent to the use of this opinion as an exhibit to the Registration Statement, and we consent to the reference of our name wherever appearing in the Registration Statement and any amendments thereto. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act.

Very truly yours,
/s/ Morrison & Foerster LLP

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-8) pertaining to the Cider Security Ltd. 2020 Equity Incentive Plan of Palo Alto Networks, Inc. of our reports dated September 6, 2022, with respect to the consolidated financial statements of Palo Alto Networks, Inc. and the effectiveness of internal control over financial reporting of Palo Alto Networks, Inc. included in its Annual Report (Form 10-K) for the year ended July 31, 2022, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

San Jose, California
December 21, 2022

CIDER SECURITY LTD.
2020 EQUITY INCENTIVE PLAN
Amended and Restated on November 17, 2022

1. PURPOSE

The purpose of this 2020 Equity Incentive Plan is to secure for Cider Security Ltd. (the “**Company**”) and its shareholders the benefits arising from ownership of share capital by employees, officers, directors and consultants of the Company and its Affiliates (as defined below), who are expected to contribute to the Company’s future growth and success.

2. DEFINITIONS

2.1. DEFINED TERMS

Initially capitalized terms, as used in this Plan, shall have the meaning ascribed thereto as set forth below:

“Administrator”	means the Board, or a committee to which the Board shall have delegated power to act on its behalf with respect to the Plan. Subject to the Articles of Association of the Company, the Administrator, if it is a committee, shall consist of such number of members as may be determined by the Board.
“Affiliate(s)”	means a present or future company that either (i) controls the Company or is Controlled by the Company; or (ii) is Controlled by the same person or entity that Controls the Company.
“Award”	means a grant under the Plan of Options or Restricted Share Units or other equity-based awards to be settled only in Shares; for the avoidance of any doubt this definition shall not include any Awards that are to be settled in cash.
“Board”	means the board of directors of the Company.

“Cause”	means, with respect to each Participant (in addition to any other instrument applicable to the Participant): (i) any breach by Participant’s obligations towards the Company (or any of its Affiliates) in accordance with such Participants employment agreement, services agreement, non-disclosure agreement, assignment of invention agreement, non-compete agreement, or any other instrument or agreement to which the Participant is bound; (ii) any dishonest act on the part of the Participant including without limitations— fraud, theft, breach of fiduciary duty, embezzlement; (iii) any criminal offense by Participant; (iv) any act by Participant that may adversely affect the reputation, business, or business relationship of the Company (or its Affiliates); or (v) any failure by Participant to abide by the Company’s policies or code of conduct; (vi) any circumstances that constitute grounds for termination for cause under the Participants employment or service agreement with the Company or its Affiliates.
“Commencement Date”	means the date of commencement of the vesting schedule with respect to a Grant of Award which, unless otherwise determined by the Administrator, shall be the date of the decision of the Grant of Award by the Administrator.
“Company”	means Cider Security Ltd., a company incorporated under the laws of the State of Israel.
“Consultant”	means an Israeli resident who is not entitled to receive an Award under Section 102, on behalf of whom an Award is Granted under Section 3i.
“Control” or “Controlled”	shall have the meaning ascribed thereto in Section 102.
“Disability”	means total and permanent physical or mental impairment or sickness of a Participant, making it impossible for the Participant to continue such Participant’s employment with or service to the Company or Affiliate.
“Exercise Price”	means, the price determined by the Administrator in accordance with <u>Section 8.1</u> below which is to be paid to the Company in order to exercise a Granted Option and convert such Option into an Underlying Share.
“Grant Letter”	means a letter from the Company or Affiliate to a Participant in which the Participant is notified of the decision to Grant to the Participant an Award according to the terms of the Plan. The Grant Letter shall specify (i) the Tax Provision under which the Award is Granted; (ii) the Tax Track that the Company chose according to <u>Section 12</u> of the Plan (if applicable); (iii) the Exercise Price (if applicable); and (iv) the number of Options or Restricted Share Units Granted to the Participant, as applicable; and (v) any other terms the Company deems fit.

“Grant of Award”	means the grant of an Award by the Company to a Participant pursuant to a Grant Letter issued to the Participant.
“Holding Period”	means with regard to an Award Granted under Section 102, the period in which the Award granted to a Participant or, upon exercise thereof the Underlying Shares, are to be held by the Trustee on behalf of the Participant, in accordance with Section 102, and pursuant to the Tax Track which the Company selects.
“IPO”	means the consummation of the initial underwritten public offering of the Company’s securities pursuant to an effective registration statement under the U.S. Securities Act of 1933, as amended, or under any other applicable securities law.
“Law”	means the laws of the State of Israel as are in effect from time to time.
“Merger Transaction”	means (i) a merger, consolidation, recapitalization or similar event of the Company with or into another corporation in a single transaction or a series of transactions as a result of which the Shareholders of the Company holding a majority of the voting securities immediately prior to such transaction do not own in such capacity a majority of the voting securities of the surviving entity, (ii) a sale or grant of an exclusive, worldwide license for all or substantially all of the intellectual property rights of the Company, or any other disposition of all or substantially all of the Company’s assets, or (iii) a sale of all or substantially all of the Shares of the Company or a subsidiary of the Company, (iv) any transaction or series of related transactions as a result of which more than 50% of the Shares of the Company are transferred to any third party (other than the issuance of Shares by the Company solely for financing purposes).
“Notice of Exercise”	shall have the meaning set forth in Section 8.4 below.
“Option”	means an option to purchase one Share of the Company.
“Non-Qualified Participant”	means any person who is not qualified to receive an Award under the provisions of Section 102, on behalf of whom an Award is Granted pursuant to Section 3i.

“Participant”	means an Qualified Participant, or a Non-Qualified Participant.
“Plan” or “Option Plan”	means this Share Option Plan, as may be amended from time to time.
“Qualified Participant”	an Israeli resident who is employed by the Company or its Affiliates, including an individual who is serving as a director or an office holder, but excluding any controlling stockholder according to the meaning ascribed to it in Section 32(9) of the Ordinance, all in accordance with and subject to the provisions of Section 102 of the Tax Ordinance.
“Restricted Share Units”	means an Award entitling a Participant to receive Shares under this Plan that is subject to the terms and conditions of <u>Section 7</u> .
“Retirement”	means the termination of a Participant’s employment as a result of his or her reaching the earlier of (i) the age of retirement as defined by Law; or (ii) the age of retirement specified in the Participant’s employment agreement.
“Section 102”	means Section 102 of the Tax Ordinance.
“Section 102 Rules”	means the Income Tax Rules (Tax Relief for Issuance of Shares to Employees), 2003.
“Section 3(i)” or “Section 3(i) Rules”	means section 3(i) of the Israeli Tax Ordinance and the applicable rules thereto or under applicable regulations.
“Share(s)”	means an ordinary share(s) of the Company par value NIS 0.01 each (or of such other class as determined by the Board).
“Tax Ordinance”	means the Israeli Income Tax Ordinance [New Version], 1961, as amended, and any regulations, rules, orders or procedures promulgated thereunder.
“Tax Track”	means one of the three tax tracks described under Section 102, specifically: (1) the “Capital Gains Track Through a Trustee”; (2) “Income Tax Track Through a Trustee”; or (3) the “Income Tax Track Without a Trustee”; each as defined in <u>Section 12</u> of this Plan.
“Tax Provision”	means, with respect to the Grant of Award, the provisions of one of the three Tax Tracks in Section 102, or the provisions of 3i.

“Term of the Options”	means, with respect to Granted but unexercised Options, the time period set forth in <u>Section 10</u> below.
“Trustee”	means a Trustee appointed by the Company to hold in trust, Awards and the Underlying Shares issued upon exercise or settlement of Awards, on behalf of Participants.
“Underlying Shares”	means Shares issued or to be issued upon exercise or settlement of an Award all in accordance with the Plan.

2.2. GENERAL

Without derogating from the meanings ascribed to the capitalized terms above, all singular references in this Plan shall include the plural and vice versa, and reference to one gender shall include the other, unless otherwise required by the context.

3. SHARES AVAILABLE FOR AWARDS

The total number of Underlying Shares reserved for issuance under the Plan and any modification thereof, shall be determined from time to time by the Board. Such number of Shares shall be subject to adjustment as required for the implementation of the provisions of the Plan, in accordance with Section 4 below.

In the event that any Award granted under the Plan expire or otherwise terminate in accordance with the provisions of the Plan, such expired or terminated Award shall become available for future Grants under the Plan.

4. ADJUSTMENTS

In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares occurs, the Administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will adjust the number and class of Shares that may be delivered under the Plan and/or the number, class, and price of Shares covered by each outstanding Option. Upon the occurrence of any such adjustment, references in this Plan to Shares and Underlying Shares shall be construed to mean the Shares of the Company subject to the Plan as so determined by the Administrator, following such adjustment.

5. ADMINISTRATION OF THE PLAN

5.1. POWER

Subject to the Law, the Articles of Association of the Company, and any resolution to the contrary by the Board, the Administrator is authorized, in its sole and absolute discretion, to exercise all powers and authorities either specifically granted to it under the Plan or necessary or advisable in the administration of the Plan, including, without limitation,

(A) to determine:

- (a) the identity of the Participants in the Plan.
- (b) the number of Shares subject to an Award to be Granted for each Participant's benefit and the Exercise Price, if applicable (subject to the approval of the Board if such approval is required by Law);
- (c) the time or times at which Awards shall be Granted;
- (d) whether, to what extent, and under what circumstances an Award may be settled, cancelled, forfeited, exchanged, or surrendered;
- (e) any terms and conditions in addition to those specified in the Plan under which an Award may be Granted; and
- (f) any measures, and to take actions, as deemed necessary or advisable for the administration and implementation of the Plan.
- (g) to interpret the provisions of the Plan and to take all actions resulting there from including without limitation;
- (h) subject to Sections 7 and 8, to accelerate the date on which any Award under the Plan becomes exercisable;
- (i) to waive or amend Plan provisions relating to exercise of Options, including exercise of Options after termination of employment, for any reason; and
- (j) to amend any of the terms of the Plan, or any prior determinations of the Administrator;
- (k) to adopt supplements to the Plan, including without limitations in order to accommodate tax regime of foreign jurisdictions.
- (l) all decisions made by the Administrator with respect to the Plan, the interpretation thereof, shall be final and binding upon all Participants.

5.2. LIMITATIONS

- (A) with respect to any action necessary for the administration of the Plan, which is under any applicable law or the Company's Articles of Association, required to be taken by the Board, without any right of delegation, notwithstanding anything to the contrary herein, such action shall be taken by the Board.
- (B) Notwithstanding the provisions of Section 5.1 above, no interpretations, determinations or actions of the Administrator shall contradict the provisions of applicable Law.

6. GRANT AND ALLOCATION OF AWARDS

6.1. CONDITIONS FOR GRANT OF AWARDS

An Award may be Granted at any time after:

- (A) the grant has been approved by the necessary corporate bodies of the Company; and
- (B) specifically in the context of Awards granted to Qualified Participants, 30 days after a request for approval of the Plan has been submitted for approval to the Israeli Income Tax Authorities pursuant to the requirements of the Tax Ordinance; and
- (C) all other approvals, consents or requirements necessary by Law have been received or met.

6.2. DATE OF GRANT

The date on which an Award shall be deemed Granted under the Plan shall be the date determined by the Administrator, subject to the execution by the Participant of all such instruments required by the Company with respect to the Grant, and (with respect to all Awards issued to the Trustee) the timely delivery of all such instruments required by the Trustee with respect to such Grant, in accordance with the provisions of the Tax Ordinance ("Date of Grant").

7. RESTRICTED SHARE UNITS

- 7.1. **Eligibility.** Restricted Share Units may be granted at any time and from time to time as determined by the Administrator, either alone or in addition to other Awards granted under the Plan. The Administrator shall determine the eligible Participants to whom, and the time or times at which, grants of Restricted Share Units will be made, the number of Restricted Share Units to be awarded, the number of Shares subject to the Restricted Share Units, the vesting schedule and rights to acceleration thereof, and all other terms and conditions of the Awards. The Administrator may condition the grant or vesting of Restricted Share Units upon the attainment of specified performance targets or such other factors as the Administrator may determine, in its sole discretion.

- 7.2. **Vesting of Restricted Share Units.** Shares shall be issued to or for the benefit of Participant promptly following each vesting date determined by the Administrator, provided that Participant is still an employee, director, officer or Consultant of the Company or Affiliate on the applicable vesting date. After each such vesting date the Company shall promptly cause to be issued for the benefit of Participant Shares with respect to Restricted Share Units that became vested on such vesting date. It is clarified that no Shares shall be issued pursuant to the Restricted Share Units to Participant until the vesting criteria determined by the Administrator is met.
- 7.3. **Terms.** Prior to the actual issuance of any Shares, each Restricted Share Unit will represent an unfunded and unsecured obligation of the Company, payable only from the general assets of the Company.
- 7.4. **Rights as Shareholder.** A Participant holding Restricted Share Units shall not be, nor have any of the rights or privileges of, a shareholder of the Company in respect of any Shares issuable upon the vesting of any part of the Restricted Share Units unless and until such Shares shall have been issued by the Company to such Participant (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, unless otherwise provided herein.

8. EXERCISE OF OPTIONS

8.1. EXERCISE PRICE

The Exercise Price per Underlying Share deliverable upon the exercise of an Option shall be determined by the Administrator. The Exercise Price shall be set forth in the Grant Letter.

8.2. VESTING SCHEDULE

Unless otherwise determined by the Administrator (at its sole discretion), all Options Granted on a certain date shall, subject to continued employment with or service to the Company or Affiliate by the Participant at the applicable date of vesting, become vested and exercisable in accordance with the following vesting schedule:

- (A) The Options shall vest over a period of 4 years, commencing on the Commencement Date, as follows:
- (i) Upon the lapse of a 12 months period from the Commencement Date (“**Cliff Period**”) 25% of the Options shall vest, and
 - (ii) the remaining 75% of the Options shall vest over a 36 month period, commencing on the expiration of the Cliff Period, on a quarterly basis, in equal proportions (i.e., upon the lapse of every three month period after the expiration of the Cliff Period).

(B) In accordance with the above, all Options shall become fully vested by the fourth anniversary of the Commencement Date.

8.3. EXERCISE OF A PORTION OF THE OPTIONS

The exercise of a portion of the Options Granted shall not cause the expiration, termination or cancellation of the remaining unexercised Options held by the Trustee on behalf of the Participant.

8.4. MANNER OF EXERCISE

An Option may be exercised by and upon the fulfilment of the following:

(A) Notice of Exercise

The signing by the Participant, and delivery to both the Company (at its principal office) and the Trustee (if the Options are held by a Trustee), of an exercise notice form as prescribed by the Administrator, including but not limited to: (i) the identity of the Participant, (ii) the number of Options to be exercised, and (iii) the Exercise Price to be paid (the "Notice of Exercise").

(B) Exercise Price

The payment by the Participant to the Company, in such manner as shall be determined by the Administrator, of the Exercise Price with respect to all the Options exercised, as set forth in the Notice of Exercise.

(C) Allocation of Shares

Upon the delivery of a duly signed Notice of Exercise and the payment to the Company of the Exercise Price with respect to all the Options specified therein, the Company shall issue the Underlying Shares to the Trustee (according to the applicable Holding Period) or to the Participant, as the case may be.

(D) Expenses

All costs and expenses including broker fees and bank commissions, derived from the exercise of Options or Underlying Shares, shall be borne solely on the Participant.

9. WAIVER OF OPTION RIGHTS

At any time prior to the expiration of any Granted (but unexercised) Option, a Participant may waive his rights to such Option by a written notice to the Company's principal office. Such notice shall specify the number of Options Granted, which the Participant waives, and shall be signed by the Participant.

Upon receipt by the Company of a notice of waiver of such rights, such Options shall expire and shall become available for future Grants under the Plan.

10. TERM OF THE OPTIONS

Unless earlier terminated pursuant to the provisions of this Plan, all Granted but unexercised Options shall expire and cease to be exercisable at 5:00 p.m. Israel time on the 10th anniversary of the Date of Grant.

11. TERMINATION OF EMPLOYMENT

11.1. TERMINATION OF EMPLOYMENT

If a Participant ceases to be an employee, director, officer or Consultant of the Company or Affiliate for any reason ("Termination of Employment") other than death, Retirement, Disability or Cause, then any vested but unexercised Options on the date of Termination of Employment (as shall be determined by the Company or Affiliate, in its sole discretion), granted to Participant ("Exercisable Options") may be exercised, if not previously expired, not later than the earlier of (i) 90 days after the date of Termination of Employment; or (ii) the Term of the Options.

All other Options granted for the benefit of Participant shall expire upon the date of Termination of Employment.

11.2. TERMINATION FOR CAUSE

In the event of Termination of Employment of a Participant for Cause, the Participant's right to exercise any unexercised Options, Granted to such Participant, whether vested or not on the date of Termination of Employment, shall cease as of such date of Termination of Employment and the Options shall thereupon expire.

If subsequent to the Participant's Termination of Employment, but prior to the exercise of Options Granted to such Participant, the Administrator determines that either prior or subsequent to the Participant's Termination of Employment, the Participant engaged in conduct which would constitute Cause, then the Participant's right to exercise the Options Granted to such Participant shall immediately cease upon such determination, and the Options shall thereupon expire.

If at any time, the Administrator determines that the Participant engaged in conduct which would constitute Cause, then any Underlying Shares issued to the Participant, whether held by the Participant or the Trustee, shall be subject to repurchase by the Company (or anyone designated by the

Company), for no consideration, or for the exercise price actually paid to the Company with respect to such Underlying Shares, all subject to applicable law. In any case whereby the Participant fails to transfer such Underlying Shares to the Company, the Company may take any action the Company deems fit in order to affect such transfer (by virtue of forfeit, transfer, redemption or any other action), including without limitations authorize any party to execute any instrument so required on behalf of the Participant, in order to effect such transfer.

The determination by the Administrator as to the occurrence of Cause shall be final and conclusive for all purposes of this Plan.

11.3. TERMINATION BY REASON OF DEATH, RETIREMENT, OR DISABILITY

In the event of Termination of Employment of a Participant by reason of death, Retirement, or Disability, any vested but unexercised Options shall be exercisable in the case of death, by his or her estate, personal representative or beneficiary, or in the case of Retirement or Disability, by the Participant or his or her personal representative (as the case may be), until the earlier of (i) 180 days after the date of Termination of Employment; or (ii) the Term of the Options.

All other Granted Options for the benefit of Participant shall expire upon the date of Termination of Employment.

11.4. EXCEPTIONS

In special circumstances, pertaining to the Termination of Employment of a certain Participant, the Administrator may in its sole discretion decide to extend any of the periods stated above in Sections 11.1-11.3.

All Restricted Share Units shall cease vesting immediately upon the date of Termination of Employment, and the unvested Restricted Share Units awarded to a Participant shall be forfeited, notwithstanding the circumstances of such termination of engagement.

11.5. TRANSFER OF EMPLOYMENT OR SERVICE

A Participant's right to an Award or the exercise or settlement thereof that was Granted to him or her under this Plan, shall not be terminated or expire solely as a result of the fact that the Participant's employment or service as an employee, officer, director or Consultant changes from the Company to an Affiliate or vice versa.

12. AWARDS AND TAX PROVISIONS

All Awards under this Plan shall be Granted in accordance with one of the Tax Provisions as follows:

- The Company may Grant Awards to Qualified Participants in accordance with the provisions of Section 102 and the Rules.
- The Company may Grant Awards to Non-Qualified Participants in accordance with the provisions of Section 3(i).

12.1. TAX PROVISION SELECTION

The Company shall elect under which Tax Provision each Award is Granted in accordance with any applicable Law and its sole discretion – i.e. the Company shall elect if to Grant Awards to Participants under one of the three Section 102 Tax Tracks, or under the provisions of Section 3i. The Company shall notify each Participant in the Grant Letter, under which Tax Provision the Awards are Granted and, if applicable, under which Section 102 Tax Track, each Award is Granted.

Awards granted according to Section 102 through a Trustee may either be classified as Capital Gains Track Through a Trustee or as Income Tax Track Through a Trustee.

For the avoidance of doubt, such Election shall not prevent the Company from granting Awards according to Section 102 without a Trustee simultaneously.

12.2. SECTION 102 TRUSTEE TAX TRACKS

If the Company elects to Grant Awards to Israeli Participants through (i) the Capital Gains Track Through a Trustee, or (ii) the Income Tax Track Through a Trustee, then, in accordance with the requirements of Section 102, the Company shall appoint a Trustee who will hold in trust on behalf of each Israeli Participant the granted Awards and the Underlying Shares issued upon exercise or settlement of such Awards in trust on behalf of each Israeli Participant. The Participant shall be bound by the trust agreement executed between the Company and any such trustee, including any amendment thereof.

12.3. INCOME TAX TRACK WITHOUT A TRUSTEE

If the Company elects to Grant Awards to Israeli Participants according to the provisions of this track, then the Awards will not be subject to a Holding Period. However, upon exercise or settlement of Awards under this Tax Track, the Trustee shall hold such Underlying Shares for the benefit of the Israeli Participant in accordance with the provisions of Section 16 of this Plan.

12.4. CONCURRENT CONDITIONS

The Holding Period of Section 102, if any, is in addition to the vesting period of any Restricted Share Units and/or as specified in Section 8.2 of the Plan. The Holding Period and vesting period may run concurrently, but neither is a substitute for the other, and each are independent terms and conditions for Awards Granted.

12.5. TRUST AGREEMENT

The terms and conditions applicable to the trust relating to the Tax Track selected by the Company, as appropriate, shall be set forth in an agreement signed by the Company and the Trustee (the "Trust Agreement").

12.6. HOLDING PERIOD

Any and all Underlying Shares shall be issued to the Trustee and held thereby until the lapse of the Holding Period, and such Underlying Shares shall be subject to the Taxation Track which is applicable to such Shares. A Participant shall not be entitled to sell or transfer the Underlying Shares held by the Trustee prior to the lapse of the Holding Period.

13. RIGHTS AS A SHAREHOLDER

Unless otherwise specified in the Plan, a Participant shall not have any rights as a shareholder with respect to Underlying Shares issued under this Plan, until such time as the Shares shall be registered in the name of the Participant in the Company's register of shareholders.

14. NO SPECIAL EMPLOYMENT RIGHTS

Nothing contained in this Plan shall confer upon any Participant any right with respect to the continuation of employment by or service to the Company or Affiliate or to interfere in any way with the right of the Company or Affiliate, to terminate such employment or service or to increase or decrease the compensation of the Israeli Participant.

15. RESTRICTIONS ON SALE OF AWARDS AND SHARES

15.1. AWARDS

Awards may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of, except as set forth in the Company's Articles of Association with respect to Ordinary Shares.

15.2. SHARES

No transfer of Underlying Shares shall be effective unless is made in compliance with the Articles of Association of the Company (as may be amended from time to time), including, without derogating from the generality of the above, the required approval of any transfer of Shares by the Board, right of first refusal, right of co-sale, and the right of bring along, all—to the extent exist under the Articles of Association of the Company. Without derogating from the aforesaid, all Underlying Shares shall be subject to restrictions set forth in any shareholders agreement (or other similar instrument) applicable to all or substantially all of the shareholders of the Company.

15.3. MERGERS

In the event of a Merger Transaction, then, subject to obtaining the applicable approvals of the Israeli Tax Authorities, the Administrator in its sole discretion, shall decide:

- (A) if and how the unvested Awards shall be cancelled, replaced or accelerated;
- (B) if and how the vested Awards (including Awards with respect to which the vesting period has been accelerated according to this Section 15.3) shall be exercised, replaced and/or sold by the Trustee or the Company (as the case may be) on the behalf of Israeli Participants; and
- (C) how the Underlying Shares issued upon exercise or settlement of Awards and held by the Trustee on behalf of Participants shall be replaced and/or sold by the Trustee on behalf of the Participant.

15.4. ACCELERATION PROVISION

The Administrator in its sole discretion, may decide to add an acceleration provision in certain Grant Letters, according to which in case of a Merger Transaction, all or some of the unvested Awards, shall accelerate.

15.5. LOCK UP

Notwithstanding the Holding Period, following the Company's IPO, the Administrator may determine that the Underlying Shares issued pursuant to the exercise or settlement of any Award may be subject to a lock-up period of 180 days, or such longer period of time as may be recommended by the Board, during which time Participants shall not be allowed to sell Shares.

16. VOTING

Until consummation of the Company's IPO, Shares issued to a Participant or to the Trustee for the benefit of a Participant, shall be voted by an irrevocable proxy assigned to the chief executive officer of the Company (the "Representative"), unless the Administrator decides otherwise.

- (A) The Board may, at its discretion, replace the Representative from time to time.

- (B) Shares subject to proxy shall be voted by the Representative on any issue or resolution brought before the shareholders. The Representative shall vote the Shares in the same manner as the vote of the majority of the voting power of shares of the Company that are not subject to voting proxies similar to this voting proxy and that are actually voted on the relevant subject matter, or in such other manner as instructed by the Board.
- (C) Each Participant, upon execution of the irrevocable proxy specified above, undertakes to hold the Representative harmless from any and all claims related or connected to said proxy.
- (D) The Representative shall be indemnified and held harmless by the Company against any cost or expense (including attorneys' fees) reasonably incurred by the Representative, or any liability (including any sum paid in settlement of a claim with the approval of the Company) arising out of any act or omission to act in connection with the voting of the Shares subject to proxy, unless arising out of the Representative's own fraud or gross negligence, to the extent permitted by applicable law. In the event the Representative shall have indemnification by virtue of other functions or services he or she performs for the Company or Affiliate (whether by agreement, insurance policy or decision of the appropriate corporate body (ies) of the Company and/or Affiliate), this indemnification shall be in addition to any such other indemnification.

17. TAX MATTERS

This Plan shall be governed by, and shall conform with and be interpreted so as to comply with, the requirements of the Ordinance and any written approval from any relevant Tax Authorities. All tax consequences under any applicable law (other than stamp duty) which may arise from the Grant or Allocation of Awards, from the exercise or settlement thereof or from the holding or sale of Underlying Shares (or other securities issued under the Plan) by or on behalf of the Participant, shall be borne solely by the Participant. The Participant shall indemnify the Company and/or Affiliate, and/or the Trustee, as the case may be, and hold them harmless, against and from any liability for any such tax or any penalty, interest or indexing.

If the Company elects to grant Awards according to the provisions of the Income Tax Track Without a Trustee (Section 12.3 of this Plan), and if prior to the exercise or settlement of any and/or all of these Awards, such Israeli Participant ceases to be an employee, director, or officer of the Company or Affiliate, the Israeli Participant shall deposit with the Company a guarantee or other security as required by law, in order to ensure the payment of applicable taxes upon the Exercise or settlement of such Awards.

18. WITHHOLDING TAXES

Whenever an amount with respect to withholding tax relating to any Award Granted to a Participant and/or Underlying Shares issued upon the exercise thereof is due from the Participant and/or the Company and/or an Affiliate, the Company and/or an Affiliate and/or the Trustee, shall have the right to demand from a Participant such amount sufficient to satisfy any applicable withholding tax requirements related thereto, and whenever Shares or any other non-cash assets are to be delivered pursuant to the exercise or settlement of an Award, or transferred thereafter, the Company and/or an Affiliate and/or the Trustee, shall have the right to require the Participant to remit to the Company and/or to the Affiliate, or to the Trustee an amount in cash sufficient to satisfy any applicable withholding tax requirements related thereto. If such amount is not timely remitted, the Company and/or the Affiliate and/or the Trustee, shall have the right to withhold or set-off (subject to Law) such Shares or any other non-cash assets pending payment by the Participant of such amounts.

With regard to Awards Granted to Israeli Participants—until all taxes have been paid in accordance with Rule 7 of the Section 102 Rules, Awards and/or Underlying Shares may not be sold, transferred, assigned, pledged, encumbered, or otherwise wilfully hypothecated or disposed of, and no power of attorney or deed of transfer, whether for immediate or future use may be validly given. Notwithstanding the foregoing, the Awards and/or Underlying Shares may be validly transferred in accordance with Section 20 below, provided that the transferee thereof shall be subject to the provisions of Section 102 and the Section 102 Rules as would have been applicable to the deceased Israeli Participant were he or she to have survived.

Notwithstanding the aforesaid, Underlying Shares may be sold or transferred, and the Trustee may release such Underlying Shares from trust, prior to the lapse of the Holding Period, provided however, that tax is paid or withheld in accordance with Section 102 of the Tax Ordinance and Section 7 of the Section 102 Rules, and any other provision in any other section of the Tax Ordinance and any regulation, ruling, procedure and clarification promulgated thereunder, that will be relevant, from time to time.

19. No Transfer of Awards

The Trustee shall not transfer an Award to any third party, including a Participant, except in accordance with instructions received from the Administrator.

20. Transfer of Rights Upon Death

No transfer of any right to an Award or Underlying Share issued upon the exercise or settlement thereof by will or by the laws of descent shall be effective to bind the Company unless the Company shall have been furnished with the following signed and notarized documents:

- (A) A written request for such transfer and a copy of the legal documents creating and confirming the right of the person acting with respect to the Participant's estate and of the transferee;
- (B) A written consent by the transferee to pay any amounts in connection with the Awards and Underlying Shares any payment due according to the provisions of the Plan and otherwise abide by all the terms of the Plan; and
- (C) any such other evidence as the Administrator may deem necessary to establish the right to the transfer of the Award or Underlying Share issued upon the exercise or settlement thereof and the validity of the transfer.

21. No Right of Others to Awards

Subject to the provisions of the Plan, no person other than the Participant shall have any right with respect to an Award Granted to the Participant's under the Plan.

22. Expenses and Receipts

The expenses incurred in connection with the administration and implementation of the Plan (including any applicable stamp duty) shall be borne by the Company. Any proceeds received by the Company in connection with the exercise or settlement of any Award may be used for general corporate purposes.

23. Required Approvals

The Plan is subject to the receipt of all approvals required under the Ordinance and the Law.

24. Applicable Law

This Plan and all documents delivered or executed by the Company or Affiliate in connection herewith shall be governed by, and construed and administered in accordance with the Law.

25. Treatment of Participants

There is no obligation for uniformity of treatment of Participants.

26. No Conflicts

In the event of any conflict between the terms of the Plan and the Grant Letter, the Plan shall prevail, unless the Grant Letter stated specifically that the conflicting provision in the Grant Letter shall prevail.

27. Participant Undertakings

By entering into this Plan, the Participant shall (1) agree and acknowledge that he or she have received and read the Plan and the Grant Letter; (2) undertake all the provisions set forth in: Section 3i or Section 102 as applicable (including provisions regarding the applicable Tax Track that the Company has selected), the Plan, the Grant Letter and the Trust Agreement (if applicable); and (3) if an Award is Granted under Section 102, the Israeli Participant shall undertake that subject to the provisions of Section 102 and the Rules, he or she shall not to sell or transfer the Underlying Shares from trust prior to the lapse of the Holding Period (if any).

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CIDER SECURITY LTD.
US APPENDIX
TO
2020 EQUITY INCENTIVE PLAN

Cider Security Ltd. (the “**Company**”) hereby adopts this US Appendix (the “**Appendix**”) which shall form an integral part of the Company’s 2020 Equity Incentive Plan (the “**Plan**”) and it shall apply only to Participants who are deemed residents of the United States (“**US Participants**”). Capitalized terms contained herein shall have the same meanings given to them in the Plan, unless otherwise defined in this Appendix.

This Appendix supplements the Plan so that it shall comply with any requirements under Applicable Law pertaining to the grant of Awards under the Plan to US Participants.

The Plan and this Appendix are complementary to each other and shall be read and deemed as one. Any requirements provided in this Appendix shall be in addition to the requirements provided in the Plan. In the event of a conflict, whether explicit or implied, between the provisions of the Plan and this Appendix, the latter shall govern and prevail with respect to grant of Awards to US Participants.

1. **Definitions:** Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meaning in this Appendix. For the purposes of this Appendix, the following terms shall have the meaning ascribed thereto as set forth below:
 - a. “**Applicable Law**” means the legal requirements relating to the administration of Awards and similar incentive plans under any applicable laws, including but not limited to federal and state employment, labor, privacy and securities laws, and the Code.
 - b. “**Award Agreement**” means the written agreement or other instrument evidencing the grant of an Award, including any amendments thereto.
 - c. “**Code**” means the U.S. Internal Revenue Code of 1986, as amended. Any reference to any section of the Code shall also be a reference to any successor provision and any Treasury Regulation promulgated thereunder.
 - d. “**Disability**” means, for purposes of this Appendix, with respect to Incentive Stock Options awarded under this Appendix only, a “permanent and total disability” within the meaning of Section 22(e)(3) of the Code, provided that in the case of Options other than Incentive Stock Options, the Board in its discretion may determine whether a permanent and total disability exists in accordance with uniform and non-discriminatory standards adopted by the Board from time to time.
 - e. “**Fair Market Value**” means, for purposes of this Appendix, unless otherwise required by any applicable provision of the Code or any regulations issued thereunder, as of any date and except as provided below, (a) if the Shares are listed on any established securities exchange, the closing sales price for such Shares (or the closing bid, if no sales were reported) as traded on such exchange for such date, or if no bids or sales were reported for such date, then the closing sales price (or the closing bid, if no sales were reported) on the trading date immediately prior to such date during which a bid or sale occurred, in each case, as reported in *The Wall Street Journal* or such other source as the Board deems reliable; (b) if the Shares are regularly quoted by a recognized securities dealer

but selling prices are not reported, the Fair Market Value of a Share will be the mean between the high bid and low asked prices for the Common Stock on the day of determination (or, if no bids and asks were reported on that date, as applicable, on the last trading date such bids and asks were reported), as reported in *The Wall Street Journal* or such other source as the Board deems reliable; or (c) in the absence of an established market for the Shares, the Fair Market Value shall be determined in good faith by the Board, taking into account such factors as it considers advisable in a manner consistent with the principles of Code Section 409A and, with respect to Incentive Stock Options, Code Section 422.

- f. **“Incentive Stock Option”** means any Option awarded under the Plan and this Appendix intended to be and designated in the Award Agreement as an “incentive stock option” within the meaning of Section 422 of the Code to an employee of the Company, Parent or any Subsidiary.
 - g. **“Non-Qualified Stock Option”** shall mean an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.
 - h. **“Option”** means an Incentive Stock Option or Non-Qualified Stock Option awarded hereunder.
 - i. **“Optionee”** means a Service Provider who receives an Option hereunder.
 - j. **“Parent”** means any parent corporation of the Company within the meaning of Section 424(e) of the Code.
 - k. **“Securities Act”** means the U.S. Securities Act of 1933, as amended, and all rules and regulations promulgated thereunder. Any reference to any section of the Securities Act shall also be a reference to any successor provision.
 - l. **“Service Relationship”** means any relationship as a full-time employee, part-time employee, director or other key person (including Consultants) of the Company or any Subsidiary or any successor entity (e.g., a Service Relationship shall be deemed to continue without interruption in the event an individual’s status changes from full-time employee to part-time employee or Consultant).
 - m. **“Subsidiary”** means any subsidiary corporation of the Company within the meaning of Section 424(f) of the Code.
 - n. **“Ten Percent Holder”** means an employee who owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than 10 percent of the combined voting power of all classes of stock of the Company or any parent of the Company or any Subsidiary.
 - o. **“U.S. Employee”** means any U.S. resident employed by the Company or any Subsidiary of the Company as determined under the rules contained in Code Section 3401. Neither service as a director nor payment of a director’s fee by the Company shall be sufficient by itself to constitute “employment” by the Company.
2. **Eligibility:** Incentive Stock Options may be granted only to persons who are, at the time of grant of such Option, U.S. Employees, and may not be granted to directors who are not U.S. Employees or to consultants. In the event of an Optionee ceasing to be a U.S. Employee, an Incentive Stock Option held by the Optionee shall cease to be treated as an Incentive Stock Option and shall be treated for tax purposes as a Non-Qualified Stock Option three (3) months and one (1) day following such change of status. If designated as an Incentive Stock Option in the Award Agreement, the Option is intended to qualify as an Incentive Stock Option to the maximum extent permitted under Section 422 of the Code. Any portion of the Option that does not so qualify will be a Non-Qualified Stock Option.

3. Grant of Options:

- a. Term of Option. The term of each Option shall be stated in the Award Agreement; provided, however, that the term shall be no more than ten (10) years from the date of grant thereof. In the case of an Incentive Stock Option granted to an Optionee who, together with persons whose share ownership is attributed to the Optionee pursuant to Section 424(d) of the Code, is a Ten Percent Holder, such Incentive Stock Option may not be exercised after the expiration of five (5) years from the date of grant or such shorter term as may be provided in the Award Agreement.
- b. Option Exercise Price and Consideration.
 - i. Exercise Price. The per share Exercise Price for the Shares to be issued upon exercise of an Option shall be such price as is determined by the Administrator, but shall be subject to the following:
 1. The Exercise Price of an Incentive Stock Option shall be not less than one hundred percent (100%) of the Fair Market Value of a Share at the time of grant of such Option; provided, however, that if at the time of grant of such Option, the Employee (together with persons whose share ownership is attributed to the Employee pursuant to Section 424(d) of the Code) is a Ten Percent Holder, the Exercise Price shall be not less than one hundred and ten percent (110%) of the Fair Market Value of a Share at the time of grant of such Option.
 2. In the case of a Non-Qualified Stock Option, the per Share Exercise Price shall be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant, or if granted to a person who at the time of grant is a Ten Percent Holder, the per Share Exercise Price shall be no less than 110% of the Fair Market Value per Share on the date of grant if required by the Applicable Laws.
 3. Notwithstanding the foregoing, Options may be granted with a per Share Exercise Price other than as required above in accordance with and pursuant to a transaction described in Section 424 of the Code.
 - ii. Forms of Consideration. The consideration to be paid for the Shares to be issued upon exercise of an Option, including the method of payment, shall be determined by the Administrator (and, in the case of an Incentive Stock Option, shall be determined at the time of grant).
 - iii. Legal Compliance. Options and Shares shall not be issued pursuant to the making or exercise of an Option unless the exercise of Options and rights and the issuance and delivery of Shares shall comply with Applicable Law, and shall be further subject to the approval of counsel for the Company with respect to such compliance. Any Option made in violation hereof shall be null and void.

- c. Exercisability. Any Option granted hereunder shall be exercisable at such times and under such conditions as determined by the Administrator, consistent with the terms of the Plan and the Award Agreement, including vesting requirements and/or performance criteria with respect to the Company and/or the Optionee, including but not limited to a proxy and power of attorney (in such form as the Administrator may specify from time to time) with respect to any exercised Shares appointing the President of the Company or such other person as shall be designated from time to time by the Board as a proxy with respect to any voting rights attached to such exercised Shares. The proxy holder shall vote such exercised Shares only in the same proportion as the result of the shareholders vote, in respect of which such exercised Shares are being cast. Such proxy shall terminate and be of no further force and effect upon a consummation of an initial underwritten public offering of Shares. Such person or persons designated by the Board to act pursuant to such proxy, shall be indemnified and held harmless by the Company against any cost or expense (including counsel fees) reasonably incurred by him/her, or any liability (including any sum paid in settlement of a claim with the approval of the Company) arising out of any act or omission to act in connection with such proxy unless arising out of such person's own fraud or bad faith, to the extent permitted by Applicable Laws. Such indemnification shall be in addition to any rights of indemnification the proxy holder may have under the Company's Certificate of Incorporation, any agreement, any vote of shareholders, insurance policy or otherwise.
- d. Incentive Stock Option Limit. Each Option shall be designated in the Award Agreement as either an Incentive Stock Option or a Non-Qualified Stock Option. However, notwithstanding such designation, to the extent that the aggregate Fair Market Value of the Shares with respect to which Incentive Stock Options are exercisable for the first time by the Optionee during any calendar year (under all plans of the Company and any parent company or subsidiary) exceeds one hundred thousand dollars (\$100,000), such Options shall be treated as Non-Qualified Stock Options. For purposes of this Section, Incentive Stock Options shall be taken into account in the order in which they were granted. The Fair Market Value of the Shares shall be determined as of the time the Option with respect to such Shares for which it is granted.
- e. Shares Subject to Incentive Stock Options. Subject to Section 4 of the Plan, the maximum number of Shares that may be issued pursuant to Incentive Stock Options shall be [6,331,540] Shares.
4. Leaves of Absence. For purposes of Incentive Stock Options, no leave of absence may exceed ninety (90) days, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, then three (3) months following the ninety-first (91st) day of such leave, any Incentive Stock Option held by the Optionee shall cease to be treated as an Incentive Stock Option and shall be treated for tax purposes as a Non-Qualified Stock Option.
5. Termination. Any portion of an Option that is not vested and exercisable on the date of termination of an Optionee's Service Relationship shall immediately expire and be null and void. Once any portion of the Stock Option becomes vested and exercisable, the Optionee's right to exercise such portion of the Stock Option (or the Optionee's representatives and legatees as applicable) in the event of a termination of the Optionee's Service Relationship shall continue until the earliest of: (i) the date which is: (A) twelve (12) months following the date on which the Optionee's Service Relationship terminates due to death or Disability (or such longer period of time as determined by the Board and set forth in the applicable Option grant), or (B) three (3) months following the date on which the Optionee's Service Relationship terminates if the termination is due to any reason other than death or Disability (or such longer period

- of time as determined by the Board and set forth in the applicable Option grant), or (ii) the Expiration Date set forth in the Option grant; provided that notwithstanding the foregoing, an Option grant may provide that if the Optionee's Service Relationship is terminated for Cause, the Option shall terminate immediately and be null and void upon the date of the Optionee's termination and shall not thereafter be exercisable. In the case of an Incentive Stock Option, the Optionee shall notify the Company in writing within 30 days after any disposition of any Shares acquired upon exercise of the Option if such disposition occurs within two years from the date of grant or within one year from the date the Shares were transferred to such Optionee.
6. Transferability of Incentive Stock Options. In accordance with Section 14.1 of the Plan, Options may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of, except by will or the laws of descent. Any Incentive Stock Options may be exercised, during the lifetime of the Optionee, only by the Optionee.
 7. Compliance with Section 409A. Awards will be designed and operated in such a manner that they are either exempt from the application of, or comply with, the requirements of Section 409A. The Plan and each Award Agreement under the Plan is intended to meet the requirements of Section 409A of the Code and the applicable regulations and guidance thereunder (collectively, "**Section 409A**") such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A, and will be construed and interpreted in accordance with such intent, except as otherwise determined in the sole discretion of the Administrator. To the extent that any Award is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A (a "**409A Award**"), the Award shall be subject to such additional rules and requirements as may be specified by the Board from time to time. In this regard, if any amount under a 409A Award is payable upon a "separation from service" (within the meaning of Section 409A) to a grantee who is considered a "specified employee" (within the meaning of Section 409A), then no such payment shall be made prior to the date that is the earlier of (i) six months and one day after the grantee's separation from service, or (ii) the grantee's death, but only to the extent such delay is necessary to prevent such payment from being subject to interest, penalties and/or additional tax imposed pursuant to Section 409A. The Company makes no representation or warranty and shall have no liability to any grantee under the Plan or any other Person with respect to any penalties or taxes under Section 409A that are, or may be, imposed with respect to any Award.
 8. Shareholders' Approval. The Appendix shall become effective upon adoption by the Board and shall be approved by stockholders in accordance with applicable state law and the Company's articles of incorporation and bylaws within 12 months thereafter. If the stockholders fail to approve the Appendix within 12 months after its adoption by the Board, then any Awards granted or sold under the Appendix shall be rescinded and no additional grants or sales shall thereafter be made under the Plan. Subject to such approval by stockholders and to the requirement that no Shares may be issued hereunder prior to such approval, Awards may be granted hereunder on and after adoption of the Appendix by the Board. No grants of Awards may be made hereunder after the tenth anniversary of the date the Appendix is adopted by the Board or the date the Appendix is approved by the Company's stockholders, whichever is earlier.
 9. Amendment. This Appendix may be amended or terminated in accordance with the terms governing the amendment or termination of the Plan; provided, however, that unless otherwise determined by the Board, an amendment which requires shareholder approval in order for the Plan to continue to comply with any applicable law (including Code Section 422 to the extent applicable to Incentive Stock Options), regulations or under the rules of any exchange or system on which the Company's securities are listed or traded at the request of the Company, shall not be effective unless approved by the requisite vote of shareholders.

10. Effectiveness of Certain Plan Terms. The provisions in the Plan relating to Section 102 Trustee Options, Section 102 Non-Trustee Options, Section 3(i) Options and other provisions relating specifically to the tax status of Awards granted to Participants who are deemed residents of the State of Israel shall not apply to Awards granted to US Participants under this Appendix.
11. Compliance. To the extent that this Appendix is required to contain any specified provisions under any Applicable Law, such provisions shall be deemed to be stated in this Appendix and to be an integral part hereof. To the extent permissible, this Appendix shall be effective with respect to Awards granted to US Participants prior to or after its adoption by the Company.
12. Governing Law. This Appendix and all instruments issued hereunder shall be governed by and construed and enforced in accordance with U.S. state corporate laws, U.S. federal and applicable state securities laws, other U.S. federal and state laws, the Code, any Stock Exchange rules or regulations, without giving effect to the principles of conflict of laws.

EXHIBIT A

TO

**US APPENDIX TO EQUITY INCENTIVE PLAN
(for California residents only, to the extent required by 25102(o))**

This Exhibit A to the Cider Security Ltd. US Appendix to the Company's 2020 Equity Incentive Plan shall apply only to the Participants who are residents of the State of California and who are receiving an Award under the Plan. Capitalized terms contained herein shall have the same meanings given to them in the Plan, unless otherwise provided by this Exhibit A. Notwithstanding any provisions contained in the Plan to the contrary and to the extent required by Applicable Laws, the following terms shall apply to all Awards granted to residents of the State of California, until such time as the Administrator amends this Exhibit A or the Administrator otherwise provides.

(a) The term of each Option shall be stated in the Award Agreement; *provided, however*, that the term shall be no more than ten (10) years from the date of grant thereof.

(b) Unless determined otherwise by the Administrator, Awards may not be sold, pledged, assigned, hypothecated, or otherwise transferred in any manner other than by will or by the laws of descent and distribution, and may be exercised, during the lifetime of the Participant, only by the Participant. If the Administrator makes an Award transferable, such Award may only be transferred (i) by will, (ii) by the laws of descent and distribution, or (iii) as permitted by Rule 701 of the Securities Act.

(c) If a Participant ceases to be a Service Provider, such Participant may exercise his or her Option within such period of time as specified in the Award Agreement, which shall not be less than thirty (30) days following the date of the Participant's termination, to the extent that the Option is vested on the date of termination (but in no event later than the expiration of the term of the Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option shall remain exercisable for three (3) months following the Participant's termination.

(d) If a Participant ceases to be a Service Provider as a result of the Participant's Disability, the Participant may exercise his or her Option within such period of time as specified in the Award Agreement, which shall not be less than six (6) months following the date of the Participant's termination, to the extent the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option shall remain exercisable for twelve (12) months following the Participant's termination.

(e) If a Participant dies while a Service Provider, the Option may be exercised within such period of time as specified in the Award Agreement, which shall not be less than six (6) months following the date of the Participant's death, to the extent the Option is vested on the date of death (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement) by the Participant's designated beneficiary, personal representative, or by the person(s) to whom the Option is transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution. In the absence of a specified time in the Award Agreement, the Option shall remain exercisable for twelve (12) months following the Participant's termination.

(f) No Award shall be granted to a resident of California more than ten (10) years after the earlier of the date of adoption of the Plan or the date the Plan is approved by the stockholders.

(g) In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares occurs, the Administrator, in order to prevent diminution or enlargement of the benefits or

potential benefits intended to be made available under the Plan, will adjust the number and class of Shares that may be delivered under the Plan and/or the number, class, and price of Shares covered by each outstanding Award; *provided, however*, that the Administrator will make such adjustments to an Award required by Section 25102(o) of the California Corporations Code to the extent the Company is relying upon the exemption afforded thereby with respect to the Award.

(h) This Exhibit A shall be deemed to be part of the Plan and the Administrator shall have the authority to amend this Exhibit A in accordance with Section 18 of the Plan.

Calculation of Filing Fee Tables

FORM S-8
(Form Type)Palo Alto Networks, Inc.
(Exact Name of Registrant as Specified in its Charter)

Table 1: Newly Registered and Carry Forward Securities

	Security Type	Security Class Title	Fee Calculation or Carry Forward Rule	Amount Registered	Proposed Maximum Offering Price Per Unit	Maximum Aggregate Offering Price	Fee Rate	Amount of Registration Fee
Newly Registered Securities								
Fees to Be Paid	Equity	Common Stock	Other ⁽¹⁾	54,499 ⁽¹⁾⁽²⁾	\$150.19 ⁽³⁾	\$8,185,204.81	0.0001102	\$902.01
Fees Previously Paid	—	—	—	—	—	—	—	—
Carry Forward Securities								
Carry Forward Securities	—	—	—	—	—	—	—	—
Total Offering Amounts						\$8,185,204.81		\$902.01
Total Fees Previously Paid								—
Total Fee Offsets								—
Net Fee Due								\$902.01

- (1) Represents shares of Common Stock issuable pursuant to certain outstanding awards that were issued pursuant to the Cider Security Ltd. 2020 Equity Incentive Plan, as amended, which plan was assumed by the Registrant pursuant to the terms of that certain Share Purchase Agreement, dated as of November 17, 2022, by and among the Registrant, Twistlock Ltd., Cider Security Ltd., certain shareholders of Cider Security and Shareholder Representative Services LLC.
- (2) In accordance with Rule 416(a) under the Securities Act of 1933, as amended (the “Securities Act”), this Registration Statement shall be deemed to cover an indeterminate number of shares which may be offered or issued by way of a stock dividend, stock split or in connection with a stock combination, recapitalization, merger, consolidation or otherwise with respect to the shares being registered.
- (3) Estimated solely for the purpose of determining the registration fee pursuant to Rules 457(c) and 457(h) under the Securities Act. The proposed maximum offering price per share, maximum aggregate offering price and registration fee are based on a price of \$150.19 per share of the Registrant’s common stock, par value \$0.0001 per share (the “Common Stock”), which price is an average of the high and low sales prices of the Common Stock as reported on the Nasdaq Global Select Market on December 19, 2022.