



# **Israel Employee Handbook**

**Palo Alto Networks**

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## Introduction

### **Introductory Statement**

Welcome! As an employee of Palo Alto Networks (or the “Company”), you are an important member of a team effort. We hope that you will find your position with the Company rewarding, challenging, and productive.

Because our success depends upon the dedication of our employees, we are highly selective in choosing new members of our team. We look to you and the other employees to contribute to the success of the Company.

### **Purpose of Employee Handbook**

This Employee Handbook is designed to acquaint you with Palo Alto Networks and to provide you with information about working conditions, employee benefits and some of the policies, rules and procedures affecting your employment. You should read, understand and follow the policies, rules and procedures described in this Employee Handbook. It describes many of your responsibilities as an employee and outlines the programs developed by Palo Alto Networks to benefit you as an employee.

No Employee Handbook can anticipate every circumstance or question about company policy. Palo Alto Networks has prepared this Employee Handbook for informational purposes only. None of the statements, policies, procedures or rules contained in this handbook constitutes a guarantee of employment, a guarantee of any other rights or benefits or a contract of employment, express or implied.

Palo Alto Networks reserves the right to revise, change, supplement or eliminate any policies or portion or provisions set forth in this Employee Handbook at any time with or without notice, except for the rights of the parties to terminate employment at will. This handbook supersedes all previous handbooks, statements, policies, procedures and rules given to employees, whether verbal or written to the extent it contradicts this handbook. Written contracts between the Company and some individuals may supersede some provisions of this handbook.

## Employment Policies

### **At-Will Employment Status**

Palo Alto Networks personnel are employed on an at-will basis. The terms of employment including demotion, promotion, transfer, compensation, benefits, duties, and location of work, may also be changed at any time, with or without cause or prior notice. Nothing in this handbook shall limit the right to terminate at-will employment in accordance with the employee’s employment agreement and applicable law. No manager, supervisor, or employee of the Company has any authority to enter into an agreement for employment for any specified period of time or to make an agreement for employment on other than at-will terms. Only the CEO of Palo Alto Networks has the authority to make any such agreement, which is binding only if it is in writing and signed by the CEO.

## **Equal Employment Opportunity**

Palo Alto Networks maintains a continuing policy of nondiscrimination in all employment practices and decisions, ensuring equal employment opportunities for all qualified individuals without regard to race, color, creed, religion, sex, national origin, age, physical or mental disability, sexual orientation, gender identity, marital status, pregnancy, childbirth or related individual conditions, medical conditions, military, genetic information or any other characteristic protected by law. This applies to both Palo Alto Networks employees and applicants for employment with the Company.

In keeping with this policy, Palo Alto Networks does not discriminate against any person because of race, color, creed, religion, sex, national origin, age, physical or mental disability, sexual orientation, gender identity, marital status, pregnancy, childbirth or related individual conditions, medical conditions, military or, genetic information or any other characteristic protected by law. This nondiscrimination policy extends to all terms, conditions and privileges of employment as well as all employment actions, including but not limited to recruiting, hiring, promotions, compensation, training, benefits and termination of employment as well as use of all company facilities and participation in company-sponsored activities.

## **Employee Relations and Open Door Policy**

Palo Alto Networks believes that the work conditions, wages, and benefits it offers to its employees are competitive with those offered by other employers in this area and in this industry. If employees have concerns about work conditions or compensation, they are strongly encouraged to voice these concerns openly and directly to their supervisors. If the problem is not resolved or if you are not comfortable discussing your concerns with your supervisor, you may describe it orally or in writing and present it to any other Company manager or to Human Resources. If the problem persists, you may present the problem in writing to the CEO of Palo Alto Networks. The CEO or a delegate will attempt to reach a final resolution.

Our experience has shown that when employees deal openly and directly with supervisors, the work environment can be excellent, communications can be clear, and attitudes can be positive. While Palo Alto Networks provides employees with opportunities to communicate their views, it should be understood that not every suggestion/complaint will be resolved to an employee's satisfaction.

## **Personal Data Changes**

It is the responsibility of each employee to promptly notify Palo Alto Networks of any changes in personnel data as required by law or regulation, or if such changes may influence their performance, including changes to personal information or tax and withholding information. Personal mailing addresses, telephone numbers, number and names of dependents, individuals to be contacted in the event of an emergency, educational accomplishment, and other such status reports should be accurate and current at all times. If any personnel data has changed, promptly notify Human Resources.

## **Access to Personnel Files**

Palo Alto Networks maintains a personnel file on each employee. The personnel file generally includes the employee's job application, resume, training records, documentation of performance appraisals, wage and salary information and other employment records, where they exist.

Personnel files are the property of Palo Alto Networks and employment information contained in the files is considered confidential. Access to the information contained in the company's personnel files is restricted to those with a need to access such information. Generally, only supervisors, managers and human resource representatives with a legitimate reason to review information in a file are allowed to do so.

The Company may transfer personnel files to a database (including a database located abroad) as is reasonable for business purposes.

In addition, the Company will provide an employee with a copy of his or her own payroll records within 21 days after the employee requests them, preferably in writing.

## **Benefits**

Eligible employees at Palo Alto Networks are provided a wide range of benefits.

The following benefit programs are currently available to eligible employees:

- Holidays & Paid Time Off
- Full payroll payment for sick days – from day 1
- Health Insurance
- Study fund
- Travel Insurance – for business travels

### **Holidays**

Rosh Hashanah's Eve – the office will be closed (vacation day on the company's expense).

Yom Kippur's Eve - the office will be closed (vacation day on the company's expense).

Sukkot's Eve – short day in the office (employees who take vacation – half day at the employee expense).

Sukkot, Chol Hamoed – work as usual.

Simchat Torah's Eve – a short work day (employees who take vacation half day is at their expense).

Pessach Eve – The office will be closed (vacation day on the company's expense).

Pessach, Chol Hamoed – work as usual.

Pessach, second holiday – short work day (employees who take vacation half day is at their expense).

Memorial Day – Short work day (employees who are going to a ceremony the day is on the company's expense).

Shavuot's evening – short work day (employees who take on vacation, half day is on their expense)

### **Paid Time-Off (PTO)**

Employees are entitled to paid time off (PTO) based upon their position in the company and years of active service and according to their employment agreement and the applicable law. Active service commences with an employee's first day of work and continues thereafter unless broken by an absence without pay, a leave of absence, or termination of employment.

Employees may use accrued paid time off for vacation, personal business, or any other type of time off.

PTO can be used in minimum increments of four (4) hours. Employees who have an unexpected need to be absent from work should notify their direct supervisor before the scheduled start of their workday, if possible. Employees must also notify their direct supervisor on each additional day of unexpected absence.

To schedule planned PTO:

- Employee is responsible for updating vacation, time-off and attendance in the system of record-Synerion
- Employees must request PTO (reasonable time) in advance from their direct supervisor. Approval is up to manager discretion, subject to operational requirements, staffing needs or other.
- Employees can take time-off up to 2 consecutive weeks, beyond that duration Director approval required.
- Time off beyond 30 calendar days requires VP and HR Director approval

Accumulation of PTO will be according to the employee's employment agreement and the applicable law.

### **Health Insurance and Study Fund**

#### **Insurance Agency**

The broker will contact the employee in order to schedule a meeting.

Zilberman – Amit (our broker)

amit@zilberman.co.il  
052-6259944



## **Health Insurance**

In addition to the social schemes the Company contributes to on your behalf; the Company will also provide supplemental benefits for employees to enhance their overall benefit package. If you have specific questions relating to coverage, please contact your local broker.

## **Study Fund ("Keren Hishtalmut")**

Certain employees may be entitled to a study fund according to their employment agreements.

## **Workers' Compensation**

Palo Alto Networks, in accordance with applicable law, provides insurance coverage for employees in case of work-related injury. To ensure that you receive any workers' compensation benefits to which you may be entitled, you must immediately report any work-related injury to your supervisor or Human Resources.

## **Travel Insurance**

Palo Alto Networks provides travel insurance to all eligible employees. Details about insurance coverage are available in a separate publication distributed by HR Connect and the plan document will govern in the event of any conflict with a provision in this Handbook.

## **External Employee Education**

Some employees may need to attend training programs, seminars, conferences, lectures, meetings, or other outside activities for the benefit of the Company or the individual employees. Attendance at such activities, whether required by the Company or requested by individual employees, requires the written approval of a supervisor. To obtain approval, any employee wishing to attend an activity must submit a written request detailing all relevant information, including date, hours, location, cost, expenses, and the nature, purpose, and justification for attendance. Attendance at any such event is subject to the following policies on reimbursement and compensation.

For attendance at events required or authorized by the Company, customary and reasonable expenses will be reimbursed upon submission of proper receipts. Acceptable expenses generally include registration fees, materials, meals, transportation, and parking. Reimbursement policies regarding these expenses should be discussed with your manager in advance.

This policy does not apply to an employee's voluntary attendance, outside of normal working hours, at formal or informal educational sessions, even if such sessions generally may lead to improved job performance. While Palo Alto Networks generally encourages all employees to improve their knowledge, job skills, and promotional qualifications, such activities do not qualify for reimbursement or compensation under this policy unless prior written approval is obtained as described previously.

## **Leaves of Absence**

Palo Alto Networks may grant leaves of absence to employees in certain circumstances, either in its discretion or as required by local law. An employee who needs a leave of absence should request any leave in writing as far in advance as possible, keep in touch with his or her supervisor and the HR manager during the leave, and give prompt notice of any change in the employee's anticipated return date. If an employee's leave expires and the employee does not return to work and does not contact his or her supervisor or the HR manager, the Company will assume that the employee does not plan to return and that the employee has terminated his or her employment. Upon returning from a protected leave, employees will typically be restored to their original job or to an equivalent job with equivalent pay, benefits, and other employment terms and conditions. Retaliation against an employee who takes a protected leave of absence is strictly prohibited.

### **Family/Medical Leave**

- **Absence due to illness among children**

An employee is entitled to use up to 8 accrued sick days each year due to illness of his or her child, if that child is aged under 16 and the employee's partner is employed and has not used this right as well.

- **Absence due to illness among parents**

An employee is entitled to use up to 6 accrued sick days each year due to illness of his or her parent or partner's parent, if the employee's partner is employed and has not used this right as well.

- **Absence due to illness among partners**

An employee is entitled to use up to 6 accrued sick days each year due to illness of his or her partner.

Palo Alto Networks measures the 12-month period in which leave may be taken by the "rolling" 12-month method, measured backward from the date of the commencement of any leave.

### **Pregnancy, Childbirth or Related Conditions and Events**

#### **Maternity Leave**

In accordance with Israeli law pregnant, employees who have worked more than 1 year are entitled to 26 weeks of maternity leave comprising:

- The prenatal rest period, which may commence at the earliest 7 weeks before the expected date of birth: and
- The postnatal rest period, which will be a minimum of 14 weeks.
- The first 14 weeks of the maternity leave are paid by the National Insurance Institute while the rest of the maternity leave is at the employee's expense.
- Pregnant employees who worked less than 1 year are entitled to 14 weeks of maternity leave only.

- Male employees may also be entitled to part of the maternity leave in accordance with applicable law.
- Spouse maternity: the employee is entitled for 2 days of vacation on the company's expense.

**The Policy:**

*The purpose of this document is to set employee rights during the course of maternity leave, which were not set by law (Employment of Women Law -1954; hereinafter: Women Law).*

**ESPP plan**

*Employee could not be allowed to accumulate contributions for the purchase of shares under the ESPP plan during the course of maternity leave, since employee does not receive eligible compensation for ESPP (defined as base salary, overtime, or shift differential).*

**Equity Awards (RSU & etc.)**

*Please refer to Palo Alto's "Terms and Conditions of Equity Awards as a Result of Leaves of Absences" (see Appendix A)*

**Social benefits**

*Will be paid in accordance to Women Law and its regulations, as detailed:*

Employer contribution - *Company will continue to pay social benefits payments, during the course of the paid maternity leave.*

Employee's contribution:

- *For the 2 consultative calendar month of the paid maternity leave - Employer will deduct from his last salary prior to the absence leave (hereinafter: the last salary) the employee contribution amount, in addition to the contribution amount from the last salary.*
- *For the remaining **paid absence period**, Employee's contribution amount will be paid by the company, and upon the employee return from leave, repayment will be deducted from its payroll (employee may choose to deduct the repayment for up to six months' salary).*
- *Unpaid maternity absence - Employee will be entitled to continue to deposit its contribution portion on a monthly basis, if choose to extend maternity leave for the unpaid period, as applicable by law. If do so, it will be the employee sole responsibility to contact the company's insurance agency and to pay the amounts to the agency directly.*

**Health Insurance**

*The company will continue health insurance coverage for the employee during the leave period.*

**Recovery payment (Dmei Havraa)**

*Will be paid in September payroll, for employees with seniority of at least 1 year, in accordance to the law.*

**Ten Biss (Lunch card)**

*Card will be inactivate for the duration of maternity leave.*

**Cellular Phone**

*Employee that are with the Company's cellular plan will remain in the plan (same package as paid prior to the leave), at the company expenses, for the duration of the paid and unpaid leave. Any extension of the existing communications package, will be at the expense of the employee, in coordination with the office manager. The cost will be deducted from the first salary of the employee's upon return from leave.*

*If Employee is not with the Company's cellular plan, he will still be entitled to a reimbursement in accordance to PAN Israel policy. Reimbursement for the paid and unpaid leave will be paid in the first salary of the employee upon return from leave.*

**Variable Incentive Plan (VIP bonus) and other bonuses & awards**

*In the case that an employee will be entitled to any bonuses and\ or awards during the*

*Maternity leave, the bonus amount will be paid upon the entitlement period.*

**Focal**

*The yearly focal review will be performed to the employee in accordance to Palo Alto schedule. However, any salary raise or RSU grant the will be decided on, will be applicable as of:*

- *For salary raise- upon the employee return from leave*

- *RSU grant – granted upon board resolution and approval, and in accordance to the **Equity Awards** policy, as detailed above.*

### **Leave for Employee’s Own Serious Health Condition**

If the leave is based on the planned medical treatment for a serious health condition of the employee, the employee must notify the Company at least 30 days before leave is to begin. The employee must consult with his or her supervisor regarding scheduling of any planned medical treatment in order to minimize disruption to the operations of the Company. Any such scheduling is subject to the approval of the health care provider of the employee.

If the employee cannot provide 30 days’ notice, the Company must be informed as soon as is practical.

The employee must also provide a certification from the health care provider stating:

1. Date of commencement of the serious health condition;
2. Probable duration of the condition; and
3. Inability of the employee to work at all or perform any one or more of the essential functions of his/her position because of the serious health condition.

Palo Alto Networks requires the employee to provide certification within 15 days of the company’s request for certification, unless it is not practicable to do so. Palo Alto Networks may require recertification from the health care provider if additional leave is required.

### **Intermittent Leave**

Subject to applicable law, employees may take leave intermittently (in blocks of time, or by reducing their normal weekly or daily work schedule) if the leave is for the serious health condition of the employee’s child, parent, registered domestic partner or spouse, or of the employee, and the reduced leave schedule is medically necessary as determined by the health care provider of the person with the serious health condition. The Company may transfer the employee temporarily to an available alternative position, with equivalent pay and benefits, that accommodates recurring periods of leave better than the regular position of the employee. The alternative position may not have equivalent duties as the regular position. The smallest increment of time that can be used for such leave is one (1) hour.

### **Reinstatement**

Under most circumstances, upon return from family/medical leave, an employee will be reinstated to his or her original job or to an equivalent job with equivalent pay, benefits, and other employment terms and conditions. However, an employee has no greater right to reinstatement than if he or she had been continuously employed rather than on leave. For example, if an employee on family/medical leave would have been laid off had he or she not gone on leave, or if the employee’s job is eliminated during the leave and no equivalent or comparable job is available, then the employee would not be entitled to

reinstatement. In addition, an employee's use of family/medical leave will not result in the loss of any employment benefit that the employee earned before using family/medical leave. Where family/medical leave has expired, this reinstatement provision is no longer applicable.

Reinstatement after family/medical leave may be denied to certain salaried "key" employees under the following conditions:

1. An employee requesting reinstatement was among the highest-paid 10 percent of salaried employees employed within 75 miles of the work site at which the employee worked at the time of the leave request;
2. The refusal to reinstate is necessary because reinstatement would cause substantial and grievous economic injury to the Company's operations;
3. The employee is notified of the Company's intent to refuse reinstatement at the time the Company determines the refusal is necessary; and
4. If leave has already begun, the Company gives the employee a reasonable opportunity to return to work following the notice described previously.

For additional information about eligibility for family/medical leave, contact the HR manager.

### **Wedding Leave**

In the event of a wedding the employee is entitled for 2 days of vacation on the company's expense.

### **Bereavement Leave**

In accordance to the Israeli law, Palo Alto Networks Israel grants seven calendar days leave of absence to employees in the event of the death of the employee's current spouse, registered domestic partner, sibling, child and parent.

For legal guardian, grandparent, or grandchild; or mother-, father-, sister-, brother-, son-, or daughter-in-law or similar step-relatives three days are granted. An employee with such a death in the family may take up to 3 (not necessarily consecutive) scheduled workdays off with pay with the approval of the Company.

An employee may take PTO for any additional time, which time must be preapproved by the manager.

### **Military Service Leave**

A military leave of absence will be granted to employees who are absent from work because of service in the IDF

The employee should notify his or her manager and the HR manager as soon as he knows about the call to reserve duty. When returning from the service the employee is required to provide military service approval to the payroll accountant and update in case it is volunteering.

## **Personal Leave**

An Employee's Leave of Absence because of personal reasons and which is for more than 10 consecutive working days, may be granted at the sole discretion of Palo Alto Networks. Requests for Personal Leave of Absence should be limited to unusual circumstances. Such request must be approved in writing in advance. Personal Leave will, under all circumstances, be unpaid. You are required to take accrued and unused PTO before taking any unpaid portion of Personal Leave. Employees who are absent without approval, or who violate the terms of an approved Leave of Absence shall be considered as taking an "Unexcused Employee Absence", which may subject the Employee to disciplinary measures, up to and including termination.

## **Time Off for Voting**

Palo Alto Networks encourages employees to fulfill their civic responsibilities by participating in elections. During sabbatical days designed for national elections under law, the office will be closed (vacation day on the company's expense).

# **Compensation**

## **Payment of Wages**

Paydays are scheduled up to the 9<sup>th</sup> day of the following working month. If you observe an error on your pay slip, please report it to payroll.

Any absence days (PTO, sick etc.) during the current month will be shown on the following month pay slip.

## **Timekeeping Requirements**

All employees are required to record time worked for payroll purposes. Employees must record their own time at the start and at the end of each work period. Employees also must record their time whenever they leave the office for any reason other than Palo Alto Networks business. Altering, falsifying, tampering with time records, or recording time on another employee's time record may result in disciplinary action, up to and including termination of employment.

It is each employee's responsibility to sign his or her time record to certify the accuracy of all time recorded. Your supervisor will review and approve the time record before submitting it for payroll processing. In addition, if corrections or modifications are made to the time record, both the employee and the supervisor must verify the accuracy of the changes by initialing the time record.

## **Advances**

Palo Alto Networks does not permit advances against paychecks or against unaccrued paid time off.

## **Employees Who Are Required to Drive**

Employees who drive their own vehicles on Company business will receive mileage reimbursement in the amount of ILS 3.5 per (gross) Kilometer.

## **Business Expense Reimbursement**

The Company will reimburse employees for reasonable and necessary business expenses incurred in the performance of their duties in accordance with the Palo Alto Networks Travel & Business Expense Policy. Reasonable business travel expenses while on assignments away from the normal work location will also be reimbursed. All business travel must be approved in advance by the employee's manager.

For expenses incurred in Israel, employees required to submit a reimbursement of expenses form signed by the direct manager. All tax invoices must be attached. Reimbursement will be paid with the salary once a month. (The form is in Cyverafs – Templates – Bookkeeping).

For expenses incurred in the course of travel abroad, employees required to submit a report via the Concur site. Reimbursement will be payable only after approval by their direct manager approve on the Company's online expense reporting system, and also submitting all original tax invoice\ receipts to local accountant.

Employees who are involved in an accident while traveling on business must promptly report the incident to their immediate supervisor.

When travel is completed, employees should submit completed travel expense reports within 7 days or within a reasonable period of time.

Employees should contact their supervisor or may contact the Expense Report group for guidance and assistance on procedures related to travel arrangements, expense reports, reimbursement for specific expenses, or any other business travel issues.

Abuse of this business expenses policy, including falsifying expense reports to reflect costs not incurred by the employee, can be grounds for disciplinary action, up to and including termination of employment.

## **Recruitment/Referral Bonus**

Palo Alto Networks wants to recruit quality applicants and in order to do so it encourages employees to refer qualified candidates to the Company. Refer to the Recruitment Bonus Policy and Procedures for further details on the program.

## **Work Conditions and Hours**

### **Meals**

Each Employee is granted with a 10bis card with NIS 45 a day or NIS 400 per month (in accordance to the amount of work days in a month).



## **Lactation Break**

Full-time employees are entitled to be absent from work for one hour per day, during the four months following the end of maternity leave, without deduction of this hour from the employee's salary.

Employees that are not breastfeeding are also entitled to this right. If both partners are adoptive parents, the benefit will be given to one of them as they choose. If the chosen parent does not take advantage of the full period describes here, the other parent can take advantage of the benefit for the remaining unused.

## **Recreational Activities and Programs**

Palo Alto Networks or its insurer will not be liable for payment of workers' compensation benefits for any injury that arises out of an employee's voluntary participation in any off-duty recreational, social, or athletic activity that is not part of the employee's work-related duties. This includes any injuries that are the result of using the Company's Fitness Center or participation in any fitness-related activities engaged in on a voluntary basis.

## **Security/Workplace Violence**

Palo Alto Networks strives to maintain a productive work environment free of violence and the threat of violence. We are committed to the safety of our employees, vendors, customers and visitors.

Palo Alto Networks does not tolerate any type of workplace violence committed by or against employees. Any threats or acts of violence against an employee, vendor, customer, visitor or property will not be tolerated. Any employee who threatens violence or acts in a violent manner while on company premises or during working hours will be subject to disciplinary action, up to and including termination. Where appropriate, Palo Alto Networks will report violent incidents to local law enforcement authorities.

A violent act or threat of violence is defined as any direct or indirect action or behavior that could be interpreted, in light of known facts, circumstances and information, by a reasonable person, as indicating the potential for or intent to harm, endanger or inflict pain or injury on any person or property.

Palo Alto Networks has developed guidelines to help maintain a secure workplace. Be aware of persons loitering for no apparent reason in parking areas, walkways, entrances and exits, and service areas. Report any suspicious persons or activities to security personnel. Secure your desk or office at the end of the day. When called away from your work area for an extended length of time, do not leave valuable and/or personal articles in or around your workstation that may be accessible. The security of facilities as well as the welfare of our employees depends upon the alertness and sensitivity of every individual to potential security risks. Employees should immediately notify their supervisor when unknown persons are acting in a suspicious manner in or around the facilities, or when keys, security passes, or identification badges are missing.

Please refer to the Company's Illness and Injury Prevention Program (IIPP) for additional information.

## **Guns and Weapons in the Workplace**

Palo Alto Networks strictly prohibits employees from bringing any guns, licensed or unlicensed, knives, or other weapons onto any company premises or into any company facility.

## **Visitors in the Workplace**

To provide for the safety and security of employees and the facilities at Palo Alto Networks, only authorized visitors are allowed in the workplace. Authorized visitors will be escorted to their destination. If an unauthorized individual is observed on Palo Alto Networks premises, employees should immediately notify their supervisor.

# **Employee and Company Property**

## **Employee Property**

For security reasons, employees should not leave personal belongings of value in the workplace. Terminated employees should remove any personal items at the time they leave Palo Alto Networks. Personal items left in the workplace are subject to disposal if not claimed at the time of an employee's termination.

## **Company Property and Acceptable Use Policy**

The Company's Technology Resources property include, but are not limited to, desktop and portable computer systems, software, databases, hardware, digital files, voicemail, telephone systems and cellular devices, e-mail, scanners, facsimile machines and copiers/duplicating machines (collectively "Technology Resources").

### **1. Acceptable Uses**

Employees in Israel are subject to the Computer Policy of Palo Alto Networks, attached to their employment agreements.

In general, Technology Resources shall be used solely in the course of the fulfillment of an employee's employment duties. However, employees are permitted to use the Company's Technology Resources for occasional, non-work purposes. Notwithstanding the foregoing personal use, employees have no right of privacy as to any information or file maintained in or on Company's Property, at the workplace or transmitted/utilized in connection with the use of the Company's Facilities and Technology Resources.

### **2. Unacceptable Uses**

The Company's Technology Resources should not be used for personal gain or the advancement of individual views. Solicitation for any non-Company business or activities using Company resources is strictly prohibited. An employee's use of the Company's Technology Resources must not interfere with their productivity, the productivity of any other employee or the operation of the Technology Resources.

Messages or other data stored or transmitted by the Technology Resources must not contain content that may reasonably be considered offensive to any Employee. "Offensive Material" includes, but is not limited to: a) sexual comments, jokes or images, b) racial/religious slurs, c) gender-specific comments, or d) any comments, jokes or images that would offend someone on the basis of their race, color, creed, sex, age, national origin or ancestry, physical or mental disability, veteran status, marital status, medical condition, sexual orientation or any other category protected by federal, state, or local laws. Sending, saving or viewing Offensive Material is strictly prohibited. Any use by an employee of the Company's Technology Resources to harass or discriminate against any individual is unlawful and strictly prohibited by the Company. Employees who violate this strict prohibition will be subject to discipline, up to and including dismissal.

Conduct in violation of this policy is not considered to be within the course and scope of employment or the direct consequence of the discharge of an employee's duties. Accordingly, to the extent permitted by law, the Company reserves the right not to provide a defense or pay damages assessed against an employee for conduct in violation of this policy.

In addition, any illegal activities - including piracy, cracking, extortion, blackmail, copyright and trademark infringement, defamation, trade secret misappropriation, and unauthorized access to any computers on the Internet or e-mail - are forbidden.

Copyrighted materials belonging to entities other than Palo Alto Networks may not be transmitted by employees on the company's network. All employees obtaining access to other companies' or individual's materials must respect all copyrights and may not copy, retrieve, modify or forward copyrighted materials, except with permission or as a single copy to reference only. If you find something on the Internet that may be interesting to others, do not copy it to a network drive. Instead, give the URL (uniform resource locator or "address") to the person who may be interested in the information and have that person look at it on his or her own.

### 3. Access to Information

E-mail is not guaranteed to be private or confidential. Also, the Internet is not secure so don't assume that others cannot read - or possibly alter - your messages.

Technology Resources are considered business records and may be subject to discovery in the event of litigation. Be aware of this possibility when sending e-mail within and outside the Company. Employees should also be aware that even when a file or message is erased, it is still possible to recreate such message.

The Company reserves the right to monitor employee use of the Technology Resources at any time. All information, including without limitation, text and images, utilizing Technology Resources or other of the Company's systems, may be disclosed to law enforcement or to other third parties without the prior consent of the sender or the receiver.

#### 4. Information Security

The Company may override any applicable passwords or codes to inspect, investigate or search files, data, records or messages stored or utilized by any Technology Resources. Employees must make all such passwords and security codes available to the Company upon request.

Each employee is responsible for the content of all text, audio or images that they place, send or utilize with the Technology Resources. An employee may access only files or programs, whether computerized or not, that they have permission to access.

Other people/entities inside or outside the Company may be able to monitor an employee's use of Technology Resources (including but not limited to e-mail, Internet/web access, data/message transmission, storage or reception devices).

All employees should safeguard the Confidential Information from disclosure to unauthorized parties. Electronic messages containing Confidential Information should include the following statement, in all capital letters, at the top of the message: CONFIDENTIAL: UNAUTHORIZED USE OR DISCLOSURE IS STRICTLY PROHIBITED.

#### 5. Electronic Viruses

Files or programs which are obtained from any external source, including the Internet, e-mail messages or attachments, or diskettes or other electronic storage media, must be scanned with virus detection software before they are opened, installed or executed.

#### 6. Internet Policy

Employees utilizing Technology Resources shall not generate, browse, store, transmit or receive any materials, files or data that may be offensive to the general public, another employee or that have no reasonable purpose benefiting the Company. All messages communicated using Technology Resources on the Internet by Employees shall have the employee's name attached. Employees shall not attempt to obscure the origin of any such message. Information published on the Internet should not violate nor infringe upon the rights of other individuals or entities nor violate Israeli laws or regulations. No abusive, profane, or offensive images or language are to be transmitted through the Technology Resources.

This policy applies to all of the Company's Technology Resources. It also applies to all activities using any Company-paid accounts, subscriptions, or other technology services, such as voicemail, whether or not the activities are conducted from the workplace. Violations of the policy may result in disciplinary action up to and including dismissal. In addition, the Company may advise appropriate legal officials of any illegal actions.

## **Use of Equipment**

Equipment essential in accomplishing job duties is expensive and may be difficult to replace. When using company property, employees are expected to exercise due care, perform required maintenance and follow all operating instructions, safety standards and guidelines.

If any Company equipment, machines, tools or vehicles appear to be or become damaged, defective or in need of repair, do not use the item and contact your supervisor immediately. Prompt reporting of damages, defects and the need for repairs could prevent deterioration of equipment and possible injury to employees or others. Your supervisor can answer any questions about your responsibility for maintenance and care of equipment used on the job.

The improper, careless, negligent, destructive or unsafe use or operation of equipment can result in disciplinary action, up to and including termination.

## **Use of Personal Communication Devices**

The use of personal communication devices shall be limited in the workplace to alleviate distractions and the disruption of regular work routines. Personal communication devices are defined as, but not limited to, cellular or two-way phones, and audible pagers. Any employee carrying a non-company issued personal communication devices with an audible alarm or ring must ensure the sound is turned off during work hours and in work areas. Employees should limit taking, returning, or receiving calls, texts or emails on personally owned communication devices during work hours or in work areas.

Limited and temporary exceptions to this policy permitting the use of personally owned communications devices for ongoing personal emergency situations (such as the imminent birth of a child) may be made. Excessive use of personal communication devices may be grounds for discipline, up to and including termination.

## **Use of Cell Phone While Driving on Company Business/Company Time**

In the interest of the safety of our employees and other drivers, Palo Alto Networks employees are prohibited from using cell phones while driving on Company business and/or Company time.

If your job requires that you keep your cell phone turned on while you are driving, you must use a hands-free device and safely pull off the road before conducting Company business. Under no circumstances should employees place phone calls while operating a motor vehicle while driving on Company business and/or Company time.

## **Smoking**

Smoking is not allowed in any enclosed area of any of the Palo Alto Networks facilities.

## **Solicitation and Distribution of Literature**

Solicitation and distribution of literature in the workplace can be disruptive and interfere with work. To avoid disruption to and interference with Palo Alto Networks' operations, the following rules regarding solicitation and distribution of literature have been established and will be strictly enforced:

1. Non-employees may not solicit or distribute literature on Palo Alto Networks' premises at any time for any purpose.
2. Employees may not solicit or distribute literature during working time for any purpose. (Working time does not include lunch periods, work breaks or any other periods in which employees are not on duty.)
3. Employees may not distribute literature at any time in working areas.
4. Employees may not use Company equipment or systems, including but not limited to computers, e-mail, telephones, voice-mail, copiers, and fax machines to prepare, send or receive solicitation or literature.
5. Employees may not post any literature, articles or solicitations on company bulletin boards without prior express approval of management.

Violation of this policy may result in disciplinary action, up to and including termination.

## **Employee Conduct and Discipline**

### **Business Conduct and Ethics**

The successful business operation and reputation of Palo Alto Networks is built upon the principles of fair dealing and ethical conduct of our employees. Palo Alto Networks' reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity.

The continued success of Palo Alto Networks is dependent upon our customers' trust and we are dedicated to preserving that trust. Employees owe a duty to Palo Alto Networks, its customers, and shareholders to act in a way that will merit the continued trust and confidence of the public.

Palo Alto Networks will comply with all applicable laws and regulations and expects its directors, officers, and employees to conduct business in accordance with the letter, spirit, and intent of all relevant laws and to refrain from any illegal, dishonest, or unethical conduct.

In general, the use of good judgment, based on high ethical principles, will guide employees with respect to lines of acceptable conduct. If a situation arises where it is difficult to determine the proper course of action, employees can review the Company's Code of Business Conduct and Ethics and then discuss the matter with the immediate supervisor and, if necessary, with the Company's Chief Executive Officer, Chief Financial Officer, General Counsel and/or the Vice President of Human Resources for advice and consultation.

Compliance with Palo Alto Networks' Code of Business Conduct and Ethics is the responsibility of every Palo Alto Networks employee. Disregarding or failing to comply with this standard of business ethics and

conduct could lead to disciplinary action, up to and including possible termination of employment. The Code of Business Code and Ethics is located on the Intranet.

## **Punctuality and Attendance**

Employees are expected to report to work as scheduled, on time, and prepared to start work. Employees also are expected to remain at work for their entire work schedule, except for meal periods or when required to leave on authorized Company business.

In those rare instances when you cannot avoid being late to work or are unable to work as scheduled, you must notify your supervisor as soon as possible (for absences, preferably at least one hour prior to the start of your shift). If you become sick during the work day, you must notify your supervisor before leaving the work site. Failure to notify your supervisor may result in disciplinary action, and up to the consideration of termination.

Palo Alto Networks reserves the right to require a statement by a health care provider whenever an employee misses work due to an illness or injury. Such verification may be a condition of returning to work. Although a physician's statement normally will not be requested for absences of three (3) working days or less, Palo Alto Networks may request such a statement in situations where it determines that a physician's statement is warranted.

Failure to show up for work along with failure to notify your supervisor will result in an absence being classified as a "No Call/No Show." Any "No Call/No Show" is a serious violation of company attendance guidelines and may result in disciplinary action, and up to the consideration of termination.

Poor attendance and excessive tardiness are disruptive to Palo Alto Networks' business operations. Excessive absenteeism and/or tardiness may result in disciplinary action, up to and including termination.

## **Unlawful Harassment**

The law prohibit any form of "protected basis" harassment, including harassment based on race, color, creed, age, sex, gender, religion, national origin, ancestry, marital status, family status, political belief, sexual orientation, physical or mental disability, medical condition, or any other protected basis, that impairs an Employee's ability to fulfill their employment duties or affects their emotional wellbeing at work. Employees are required to report every instance of suspected or actual unlawful harassment to Human Resources, or any other Supervisor, and in sexual harassments instance, to the Commissioner of sexual harassments Complaints, appointed by Palo Alto Networks, regardless of whether that employee or some other employee is the subject of the suspected or actual unlawful harassment.

Employees should make complaints of harassment as soon as possible after the alleged incident. The complaint must include the details of the incident or incidents, the names of the individuals involved the names of any witnesses and any statements made by the individuals. Palo Alto Networks will immediately undertake an investigation of any reported unlawful harassment allegations. This investigation will be completed and a determination regarding the alleged harassment will be made and communicated to the complaining Employee as soon as possible.

All harassment based on race, color, creed, age, sex, gender, religion, national origin, ancestry, marital status, family status, political belief, sexual orientation, physical or mental disability, medical condition, or any other protected basis, is unlawful and will not be tolerated. The Company's anti-harassment policy applies to all persons involved in the operation of the Company and prohibits harassment by any employee of the Company, including supervisors and managers, as well as vendors, customers, and any other persons. Harassment is defined as follows:

### **1. Sexual Harassment**

The sexual harassment policy is sent to the employee on the on boarding e-mail, in case the employee wants to read the policy again he can ask the HR, and is also posted in a hard-copy form in some of public areas of Palo Alto Networks.

### **2. Other Types of Harassment**

Other types of prohibited harassment include harassment on the basis of race, color, creed, age, sex, gender, religion, national origin, ancestry, marital status, family status, political belief, sexual orientation, physical or mental disability, medical condition, or any other protected basis, including behavior similar to sexual harassment, such as:

- b. Verbal conduct such as threats, epithets, derogatory comments, or slurs;
- c. Visual conduct such as derogatory posters, photographs, cartoons, drawings, or gestures;
- d. Physical conduct such as assault, unwanted touching, or blocking normal movement; and
- e. Retaliation for reporting harassment or threatening to report harassment.

### **3. Complaint Resolution Procedure**

The Complaint Resolution Procedure provides for an immediate, thorough and objective investigation of any claim of prohibited harassment and appropriate disciplinary action against an employee found to have engaged in prohibited harassment and appropriate remedies for any victim of harassment. A claim of harassment may exist even if an employee has not lost a job or some economic benefit.

If an employee believes they have been subjected to prohibited harassment on the job during or in the performance of their employment duties, or if an Employee is aware of the harassment of others, that employee must provide a written or verbal complaint to their Supervisor or to Human Resources as the situation merits. The complaint should be as detailed as possible, including the names of individuals involved, the names of any witnesses, direct quotations when language is relevant and any documentary evidence (notes, pictures, cartoons, etc.).

Palo Alto Networks will investigate all incidents of prohibited harassment that are reported. Palo Alto Networks will immediately undertake or direct an effective, thorough and objective investigation of the harassment allegations. Upon the completion of the investigation, appropriate actions will be taken.



If Palo Alto Networks determines that prohibited harassment or other conduct that violates Palo Alto Networks' policy has occurred, Palo Alto Networks will take effective remedial action commensurate with the circumstances, up to and including termination of the alleged harasser. Appropriate action will also be taken to deter any future prescribed harassment.

#### **4. Harassment Liability**

Any employee of Palo Alto Networks who is found to have engaged in prohibited harassment or other conduct that violates Palo Alto Networks' policy is subject to disciplinary action, up to and including dismissal from employment with Palo Alto Networks. Any employee who engages in prohibited harassment or other conduct that violates Palo Alto Networks policies, including any Supervisor who knew about the prohibited harassment but took no action to stop it. Palo Alto Networks does not consider conduct in violation of this policy to be within the course and scope of employment or the direct consequence of the discharge of an employee's duties. Accordingly, to the extent permitted by law, Palo Alto Networks reserves the right not to provide a defense or pay damages assessed against employees for conduct in violation of this policy.

#### **Confidentiality**

All Palo Alto Networks records and information about Palo Alto Networks, its employees, customers, suppliers and vendors are to be kept confidential and divulged only to individuals within the company with both a need to receive and authorization to receive the information.

All records and files maintained by the company are confidential and remain the property of the company. No Palo Alto Networks records, files or Palo Alto Networks related information may be removed from the Company's premises or disclosed to any outside party without the express permission from Palo Alto Networks. Confidential information regarding Palo Alto Networks includes, but is not limited to, financial records, business, marketing, and strategic plans, Human Resources and payroll records regarding current and former employees, the identity of, contact information for, and any other account information on customers, vendors and suppliers, inventions, programs, trade secrets, formulas, patents, techniques and processes, computer programs and codes, pending projects and proposals, research and development strategies, and any other documents or information regarding the company's operations, procedures or practices. Additionally, the contents of Palo Alto Networks' records or information otherwise obtained in regard to business may not be disclosed to anyone, except where required for a business purpose. Employees authorized to have access to Confidential Information are responsible for its security.

Employees must not disclose any confidential information to any unauthorized person inside or outside the company. Employees who are unsure about the confidential nature of specific information must ask their supervisor or Human Resources for clarification. The company reserves the right to avail itself of all legal or equitable remedies to prevent impermissible use of confidential information or to recover damages incurred as a result of the impermissible use of confidential information. In addition, employees will be subject to appropriate disciplinary action, up to and including termination of employment for revealing information of a confidential nature. Employees may be required to enter into

written confidentiality agreements confirming their understanding of the company's confidentiality policies.

Employees who improperly use or disclose trade secrets or confidential business information will be subject to disciplinary action, up to and including termination of employment and legal action, even if they do not actually benefit from the disclosed information.

## **Conflicts of Interest**

Palo Alto Networks' continued success depends upon the undivided loyalty of its employees throughout their employment. To maintain its reputation and the relationships it has developed with outside companies and individuals, Palo Alto Networks requires the following commitments from all of its employees.

Every Palo Alto Networks employee has a legal and ethical responsibility to promote Palo Alto Networks' best interests. No employee may engage in any conduct or activity that is inconsistent with Palo Alto Networks' best interests or that in any fashion disrupts, undermines, or impairs Palo Alto Networks' relationships with any customer or prospective customer or any outside organization, person or entity with which Palo Alto Networks has or proposes to enter into an arrangement, agreement, or contractual relationship of any kind.

Palo Alto Networks requires the complete commitment of all full-time employees. Such employees may not engage in any outside activity or accept work in any outside position that either interferes with their ability to devote their full and best efforts to Palo Alto Networks or raises an actual or potential conflict of interest or the possible appearance of a conflict of interest. Employees who have any questions whatsoever regarding this policy or the potential impact of outside activities on their position with Palo Alto Networks should contact the Vice President of Human Resources before accepting any outside position or engaging in any such activity.

Transactions with outside firms must be conducted within a framework established and controlled by the executive level of Palo Alto Networks. Business dealings with outside firms should not result in unusual gains for those firms. Unusual gain refers to bribes, product bonuses, special fringe benefits, unusual price breaks, and other windfalls designed to ultimately benefit the employer, the employee or both. Promotional plans that could be interpreted to involve unusual gain require specific executive-level approval.

## **Customer Relations**

Customers are among our organization's most valuable assets. Every employee represents Palo Alto Networks to our customers and the public. The way we do our jobs presents an image of our entire organization. Customers judge all of us by how they are treated with each employee contact. Therefore, one of our first business priorities is to assist any customer or potential customer. Nothing is more important than being courteous, friendly, helpful, and prompt in the attention you give to customers.

When an employee encounters an uncomfortable situation that he or she does not feel capable of handling, the supervisor should be called immediately. If you are unable to help a customer, find someone who can.

## **Employment of Relatives**

It is the Company's policy to avoid nepotism and related conflicts of interest by controlling the conditions under which the Company may employ "Relatives" defined as an employee's spouse, former spouses, domestic partners, parents, grandparents, children, grandchildren, siblings, and include all step, in-law or other parental or other such similar relationships. The Company will consider an employee's Relative for employment on an equal basis with other employment applicants, based on their respective skills, experience and qualifications, subject to restrictions that have been established to help prevent problems of safety, security, supervision and morale.

In general, if a Relative of an employee is employed by the Company, then such an employee may not supervise or report directly or indirectly to the Relative; nor may either employee undertake a Performance Evaluation of one another or work in any other situation that may create an actual or reasonably foreseeable conflict between the Company's interest and the respective employee's personal interests. Any employee Relatives employed by the Company will not be shown favoritism or be given preferential treatment with regard to scheduling, promotions, assignments, pay increases or any other term or condition of employment. If at any time an employee's relationship changes with respect to another employee so that such relationship is in conflict with this policy, then those employees must immediately disclose this change to the Company. In such cases, appropriate action will be taken to ensure that such changed relationship does not create any violation of this policy. This policy regarding employment of Relatives is administered consistent with local law.

## **Personal Relationships**

The Company recognizes that close relationships may exist or develop between employees. To prevent favoritism, the appearance of favoritism, or conflicts of interest premised upon personal relationships, all employees should be mindful of the following:

1. The Company discourages romantic relationships between employees at the managerial/supervisory level or above and any other employees, where (a) the managerial/supervisory employee directly or indirectly supervises, or (b) could affect the compensation, evaluation, promotion or job opportunities of the employee with whom they are having the romantic relationship. Furthermore, in accordance with Israeli law, such relationship may even consider sexual harassment in the work place.
2. Romantic relationships between employees and persons employed by the Company's competitors, suppliers, vendors or customers may also create actual or perceived conflicts of interest where the employee's job duties may enable them to influence or favorably affect the outside party's compensation, contracts, order, billings or other business dealings.

Employees must inform their Supervisor and Human Resources as soon as they become aware of or involved in a relationship that: (a) might create actual or perceived favoritism, (b) is in conflict with the best interests of the Company or (c) may otherwise be in violation of this Employee Handbook. This will allow a determination of whether a problem exists, and if so, what action is appropriate under the circumstances. Failure to disclose such a relationship is a violation of this policy, which may lead to disciplinary action, up to and including termination.

## **Drug and Alcohol Abuse**

An employee's ability to work safely and efficiently may be impaired by the use of alcohol, illegal drugs, intoxicants or controlled substances. Palo Alto Networks prohibits the use of these substances to the extent that they affect, or have the potential to affect, the Workplace. Accordingly, Palo Alto Networks prohibits the following:

1. Possession, use or being under the influence of alcohol or an illegal drug, intoxicant, or controlled substance during working hours;
2. Operating a vehicle owned or leased by Palo Alto Networks while under the influence of alcohol or an illegal drug, intoxicant or controlled substance;
3. Distribution, sale, manufacture or purchase; or the attempted distribution, sale, manufacture or purchase, of an illegal drug, intoxicant or controlled substance during working hours or while on premises owned or occupied by Palo Alto Networks.

Employees who violate the Palo Alto Networks' Drug and Alcohol Abuse policy will suspend and Palo Alto Networks may consider terminating his or her employment. Palo Alto Networks may bring the matter to the attention of appropriate law enforcement authorities. Any conviction for criminal conduct involving illegal drugs, intoxicants, or controlled substances, whether on or off duty, or any violation of the Palo Alto Networks' drug and alcohol abuse policy, including having a positive drug-test result, may lead to disciplinary action, up to and including dismissal.

The use of prescription drugs or over-the-counter drugs may also affect an employee's job performance and seriously impair an employee's value to Palo Alto Networks. Any employee who is using prescription or over-the-counter drugs that may impair their ability to safely perform the job or affect the safety or well-being of others must submit a physician's statement that the prescription drug use will not affect job safety. Various local laws protect the rights of individuals with disabilities and others with regard to the confidentiality of medical information, medical treatment and the use of prescription drugs and substances taken under medical supervision. Nothing contained in this policy is intended to interfere with individual rights under, or to violate, these laws.

On occasion, the Palo Alto Networks managerial, executive, marketing or sales staff may entertain sponsors/clients during work hours or after work hours as representatives of the Palo Alto Networks. These occasions may include lunches, dinners, business conferences and/or events. On these occasions, only the moderate, lawful and limited use of alcoholic beverages is acceptable. Employees are expected to remain responsible and professional at all times.

Palo Alto Networks will attempt to reasonably accommodate an employee with chemical dependencies (alcohol or drugs), if they voluntarily wish to seek treatment or rehabilitation. An employee desiring such assistance should request an unpaid treatment or rehabilitation leave of absence. Palo Alto Networks' support for treatment and rehabilitation does not obligate the Company to employ any person who violates the Company's foregoing drug and alcohol abuse policy or whose job performance is impaired because of substance abuse. Additionally, Palo Alto Networks is not obligated to reemploy any person who has participated in treatment or rehabilitation if that person's job performance remains impaired as a result of a dependency. Employees who are given the opportunity to seek treatment or rehabilitation and are involved in any further violations of this policy will not be given a second opportunity to seek treatment or rehabilitation.

### **Off-Duty Conduct**

While Palo Alto Networks does not seek to interfere with the off-duty and personal conduct of its employees, certain types of off-duty conduct may interfere with the Company's legitimate business interests. For this reason, employees are expected to conduct their personal affairs in a manner that does not adversely affect the Company's or their own integrity, reputation or credibility. Illegal or immoral off-duty conduct by an employee that adversely affects the Company's legitimate business interests or the employee's ability to perform his or her job will not be tolerated.

While employed by Palo Alto Networks, employees are expected to devote their energies to their jobs with the Company. The following types of employment elsewhere are strictly prohibited:

1. Additional employment that conflicts with an employee's work schedule, duties, and responsibilities at the Company;
2. Additional employment that creates a conflict of interest or is incompatible with the employee's position with the Company;
3. Additional employment that impairs or has a detrimental effect on the employee's work performance with the Company;
4. Additional employment that requires the employee to conduct work or related activities on Company property during the employer's working hours or using Company facilities and/or equipment; and
5. Additional employment that directly or indirectly competes with the business or the interests of the Company.

Employees who wish to engage in additional employment that may create an actual or potential conflict of interest must submit a written request to Palo Alto Networks explaining the details of the additional employment. If the additional employment is authorized, Palo Alto Networks assumes no responsibility for it. Palo Alto Networks shall not provide workers' compensation coverage or any other benefit for injuries occurring from or arising out of additional employment. Authorization to engage in additional employment can be revoked at any time.

## Prohibited Conduct

In order to assure orderly operations and provide the best possible work environment, Palo Alto Networks expects each employee to maintain professional conduct and display courtesy at all times while interacting with other employees, customers, clients, vendors and colleagues and to protect the interests and safety of all personnel involved with Palo Alto Networks, including themselves. It is not possible to list all the forms of behavior that are considered unacceptable in the workplace, but the following items are examples of infractions of rules of conduct that may result in disciplinary action, up to and including, termination of employment.

1. Falsification of employment records, employment information, or other records;
2. Recording the work time of another employee or allowing any other employee to record employee's own work time, or allowing falsification of any time card, whether the card belongs to the individual or another employee;
3. Theft of any kind, including cash, expense or salary abuse, deliberate or careless damage of any Palo Alto Networks property or the property of any employee or guest;
4. Unauthorized use of Palo Alto Networks equipment, time, materials, or facilities;
5. Possessing, distributing, selling, transferring, using, or being under the influence of, alcohol or illegal drugs in the Workplace;
6. Provoking a fight or fighting during working hours or on premises owned or occupied by Palo Alto Networks;
7. Carrying firearms or any other dangerous weapons, at any time, on premises owned or occupied by Palo Alto Networks;
8. Engaging in criminal conduct whether or not related to job performance;
9. Insubordination, including but not limited to, failure or refusal to obey the orders or instructions of employee's Supervisor or an Officer of Palo Alto Networks and the use of abusive or threatening language toward any other employee, Supervisor or Officer;
10. Using profane or abusive language at any time during working hours or while on premises owned or occupied by the Palo Alto Networks;
11. Unreported/unexcused absence from the Workplace during a regularly scheduled workday (i.e., not constituting an approved Leave of Absence);
12. Failing to obtain permission to leave work for any reason during normal working hours;
13. Failing to observe working schedules, including rest and lunch periods;
14. Failing to provide a physician's certificate when requested or required to do so;
15. Making or accepting personal telephone calls that, on a repeated basis, are more than a few minutes in duration during working hours (i.e., rare instances of such phone calls shall not be considered excessive);
16. Violating any safety, health, or security policy, rule, or procedure of Palo Alto Networks;
17. Violating any provision contained within the Code of Business Conduct and Ethics; and
18. Committing a fraudulent act or a breach of trust in any circumstances, including the alteration, destruction, mutilation, concealment, covering up or falsification of any Palo Alto Networks book, record or file or any entry in any book, record or file.

Any employee who is aware of any example of any of the above types of conduct occurring or having occurred, or who suspects that such conduct may be occurring, is required to report their suspicions directly to his or her supervisor and to Human Resources. This communication may be done in the form of a written memo, in-person or by telephone.

Retaliation against any employee as a result of their bringing forward, in good faith, any questions, concerns or complaints about any of the above types of behavior, including concerns about accounting or auditing matters, recording of information, record retention or in any other way concerning the honesty and integrity of Palo Alto Networks operations, or for taking a legally protected leave of absence is strictly prohibited. If complaints about any of the types of conduct described in this policy are made, Palo Alto Networks will promptly undertake to investigate the complaint and will do so thoroughly and effectively. All employees who are asked to participate in the investigation are expected to do so and to provide complete and honest information and documents in a timely manner.

As employment may be terminated without cause or notice at any time, without following any formal system of discipline or warning, Palo Alto Networks may exercise its discretion to utilize forms of discipline that are less severe than termination. Examples of less severe forms of discipline include verbal warnings, written warnings, demotions or suspensions with or without pay. While one or more of these forms of discipline may be taken by Palo Alto Networks against an employee as determined in its sole absolute discretion, no formal order or procedure is necessary.

### **Return of Company Property**

Employees are responsible for all Palo Alto Networks property, materials, files, keys, equipment, tools or other property issued to them or in their possession or control.

All Palo Alto Networks property must be returned by employees on or before their last day of work. Where permitted by applicable laws, Palo Alto Networks may withhold from the employee's check or final paycheck the cost of any items that are not returned when required. Palo Alto Networks may also take all action deemed appropriate to recover or protect its property.