



U.S. Employee Handbook

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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 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.

While every attempt has been made to make these policies consistent with federal and state law, if an inconsistency arises, policies will be enforced consistent with the applicable law.

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 policy or any part of this Employee Handbook at any time with or without notice, except for the rights of the parties to terminate employment at will, which may be modified only by an express written agreement signed by the employee and the CEO of Palo Alto Networks. 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. Employment at-will may be terminated with or without cause and with or without prior notice at any time by the employee or the Company. 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. 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, ancestry, age, physical or mental disability, sexual orientation, gender identity or expression, marital status, pregnancy, childbirth or related individual conditions, medical conditions (as defined by state law), military or veteran status, genetic information or any other characteristic protected by federal, state or local 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 any of the characteristics described above. Moreover, the Company takes affirmative action to ensure that job applicants and employees are treated equally without regard to the characteristics described above. 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. Palo Alto Networks strictly prohibits any form of segregation within its facilities.

An individual who believes that he or she has been subjected to discrimination in violation of this policy, or has witnessed discrimination in violation of this policy, is encouraged to report the conduct to his or her supervisor, a Human Resources Business Partner, the Senior Vice President of Human Resources, or the Company's third-party hosted confidential web site, Ethics Point, at www.paloaltonetworks.ethicspoint.com or 1-855-266-7042.

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.

Personnel Classifications

Palo Alto Networks has established certain personnel classifications so that employees and other workers understand their employment status and benefit eligibility. These classifications have been established in accordance with applicable federal and state law.

Every worker will be classified as either a regular full-time employee, regular part-time employee, temporary employee, contract worker or inactive.

1. Regular full-time employees are those who are not in a temporary status and who are regularly scheduled to work at least 30 hours per week. Regular full-time employees are eligible for most employee benefits described in this handbook. See HR Connect for specific benefits that apply.
2. Regular part-time employees are those who are not in a temporary status and who are regularly scheduled to work less than 30 hours per week. Regular part-time employees receive pro-rata holidays and all legally mandated benefits. See HR Connect for specific benefits that apply.
3. Temporary employees are those who are hired or assigned for a limited time to supplement the work force or to assist in the completion of a specific project. Interns are generally considered temporary employees, among others. Employment beyond any initially stated period does not in any way constitute or imply a change in employment classification. Temporary employees retain that status, unless and until notified of a change in writing by the Company. Such notification will indicate the effective date on which an employee attained or will attain an alternate status. Temporary employees may or may not be paid

directly by Palo Alto Networks. Temporary employees are not eligible for employee benefits described in this handbook, except where mandated by applicable federal, state or local law.

4. Contract workers are those who are employed by a vendor of Palo Alto Networks or who work independently, pay their own taxes, and provide their own workers' compensation insurance. Proof of such insurance is required before Palo Alto Networks will enter into any working relationship with a contract worker. Contract workers are paid by the vendor that employs them or, if independent contractors, bill the Company for their time and are paid directly through the Company's Accounting Department. They are not eligible for employee benefits.
5. Inactive Status includes regular employees who are on any type of leave of absence, work-related or non-work-related, who will be placed on inactive status. During the time the employee is on inactive status, benefits such as paid time off will not be accrued, except as required by law. (See Leaves of Absence section for more information.)

Personnel Data Changes

It is the responsibility of each employee to promptly notify Palo Alto Networks of any changes in personnel data, including that related to personal information, 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 accomplishments, and other such status reports should be accurate and current at all times. Employees should make these changes in Workday via the Employee Self-Service portal. If you have a change that cannot be made there, notify HR Connect.

Access to Personnel Files

Palo Alto Networks maintains a personnel file on each employee. The personnel file generally includes the employee's job application, offer letter, 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.

With reasonable advance notice, employees may review their own personnel files in the company's offices and in the presence of an individual appointed by the Company to maintain the files and may submit a written request for copies of documents contained in their file pursuant to applicable state and local laws. In addition, you may receive a copy of your payroll record within 21 days after making a

request for them, preferably in writing. You are responsible for paying the reasonable expenses incurred in copying the record for you. Please contact HR Connect to arrange a mutually convenient time to review your file.

Disability Accommodation

Palo Alto Networks complies with the Americans with Disabilities Act (ADA), as amended by the ADA Amendments Act (ADAAA), and all applicable state and local fair employment practices laws, and is committed to providing equal employment opportunities to qualified individuals with disabilities. Consistent with this commitment, Palo Alto Networks will provide a reasonable accommodation to disabled applicants and employees if the reasonable accommodation would allow the individual to perform the essential functions of the job, unless doing so would create an undue hardship.

Requesting a Reasonable Accommodation

If you believe you need an accommodation because of your disability, you are responsible for requesting a reasonable accommodation from the Human Resources Department. You may make the request orally or in writing. Palo Alto Networks encourages employees to make their request in writing and to include relevant information, such as:

- A description of the accommodation you are requesting.
- The reason you need an accommodation.
- How the accommodation will help you perform the essential functions of your job.

After receiving your oral or written request, Palo Alto Networks will engage in an interactive dialogue with you to determine the precise limitations of your disability and explore potential reasonable accommodations that could overcome those limitations. Palo Alto Networks encourages you to suggest specific reasonable accommodations that you believe would allow you to perform your job. However, Palo Alto Networks is not required to make the specific accommodation requested by you and may provide an alternative, effective accommodation, to the extent any reasonable accommodation can be made without imposing an undue hardship on Palo Alto Networks.

Medical Information

If your disability or need for accommodation is not obvious, Palo Alto Networks may ask you to provide supporting documents showing that you have a disability within the meaning of the ADA and applicable state or local laws, and that your disability necessitates a reasonable accommodation. If the information provided in response to this request is insufficient, Palo Alto Networks may require that you see a health care professional of Palo Alto Networks' choosing, at Palo Alto Networks' expense. In those cases, if you fail to provide the requested information or see the designated health care professional, your request for a reasonable accommodation may be denied.



Palo Alto Networks will keep confidential any medical information that it obtains in connection with your request for a reasonable accommodation.

Determinations

Palo Alto Networks makes determinations about reasonable accommodations on a case-by-case basis considering various factors and based on an individualized assessment in each situation.

Palo Alto Networks strives to make determinations on reasonable accommodation requests expeditiously, and will inform the individual once a determination has been made. If you have any questions about a reasonable accommodation request you made, please contact HR Connect.

No Retaliation

Individuals will not be retaliated against for requesting an accommodation in good faith. Palo Alto Networks expressly prohibits any form of discipline, reprisal, intimidation or retaliation against any individual for requesting an accommodation in good faith.

Palo Alto Networks is committed to enforcing this policy and prohibiting retaliation against employees and applicants who request an accommodation in good faith. However, the effectiveness of our efforts depends largely on individuals telling us about inappropriate workplace conduct. If employees or applicants feel that they or someone else may have been subjected to conduct that violates this policy, they should report it immediately to their supervisor, a Human Resources Business Partner or the Senior Vice President of Human Resources, or the Company's third-party hosted confidential web site, Ethics Point, at www.paloaltonetworks.ethicspoint.com, or by calling 1-855-266-7042. If employees do not report retaliatory conduct, Palo Alto Networks may not become aware of a possible violation of this policy and may not be able to take appropriate corrective action.

Employment Verification

Palo Alto Networks uses the U.S. Government's E-Verify system to confirm the eligibility of its employees to work in the United States. All new employees within the United States are processed through this system. Additionally, Palo Alto Networks may use the E-Verify System to confirm the eligibility of current employees as required by applicable law.

Benefits

Eligible employees at Palo Alto Networks are provided a wide range of benefits. A number of the programs (such as Social Security, workers' compensation, state disability, and unemployment insurance) cover all employees in the manner prescribed by law.



Benefits eligibility is dependent upon a variety of factors. You will be informed of the programs for which you are eligible. Some benefit programs require contributions from the employee.

The following benefit programs are currently available to eligible employees:

1. Holidays & Time Off
2. 401(K)
3. Medical, Dental, and Vision Insurance
4. Life and Disability Insurance
5. Workers' compensation
6. Travel Insurance
7. External Employee Education
8. Employee Stock Purchase Plan

This is merely a list of the primary benefits available to employees, and is not intended to be exhaustive. Details regarding these benefits can be found in the Plan documents for each benefit. To the extent that any of the information contained in this Employee Handbook, a summary plan description or any information you receive orally is inconsistent with the official Plan document, the provisions set forth in the Plan document will govern. If you wish to review the Plan document, please contact HR Connect. Palo Alto Networks' employee benefit programs can be revised or rescinded at any time, to the extent permitted by law.

Holidays

The Company observes certain paid holidays during the year. At the beginning of each year, the Company will publish the specific holiday schedule for that year.

When a holiday falls on a Saturday it is usually observed on the preceding Friday. When a holiday falls on a Sunday, it is usually observed on the following Monday. However, the Company may close on another day or grant compensating time off instead of closing.

Full-time regular employees are paid for 8 hours on all the Company scheduled holidays. If eligible non-exempt employees work on a recognized holiday, they will receive holiday pay in addition to the straight-time wages earned for the hours worked on the holiday.

For non-exempt employees, paid time off for holidays will not be counted as hours worked for the purposes of determining overtime.

Religious Holidays

Palo Alto Networks will attempt to accommodate employee requests to observe religious holidays. Employees may request time off from work for the observance of religious holidays by notifying his or her immediate supervisor at least ten (10) days in advance of the required time off.

Flexible Time Off (FTO)

Exempt employees are eligible for the Flexible Time Off (FTO) program. Exempt employees do not accrue time off, and instead have the ability to take time off as needed and approved by direct managers. To schedule planned FTO, employees should request approval from their supervisor at least two weeks in advance. Requests for FTO will be reviewed and approved based on a number of factors, including operational requirements and staffing needs. It is the employee's responsibility to submit FTO requests through Workday.

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. Employees may use FTO for vacation, illness, bereavement, personal business, or any other type of time off, including any reason identified under California's Paid Sick Leave or other comparable state or local law.

Paid Time Off (PTO)

Regular full-time non-exempt employees are entitled to Paid Time Off (PTO) based upon their position in the company and years of active service. 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.

PTO for regular full-time non-exempt employees can accrue to a maximum of 22.5 days (180 hours). Once this cap is reached, no further PTO will accrue until a portion of the accrued time is used.

Employees may use accrued PTO for vacation, illness, bereavement, personal business, or any other type of time off, including any reason identified under California's Paid Sick Leave or other comparable state or local law.

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, employees should request approval from their supervisor at least two weeks in advance. Requests for PTO will be reviewed and approved based on a number of factors, including



operational requirements and staffing needs. It is the employee's responsibility to submit PTO requests to HR Connect through Workday.

An employee whose employment terminates will be paid for accrued, unused PTO, up to the amount of the maximum accrual.

Employees on an approved leave of absence do not accrue PTO. An employee may not use PTO before its accrual. Employees will not be paid for any time in excess of accrued PTO unless such time is part of a leave of absence that qualifies for Company-provided wage continuation (See the Company-Provided Wage Continuation within the Leaves of Absence section of this Handbook).

Regular part-time employees do not accrue PTO but are entitled to paid sick leave in California and other locations where applicable law requires. Please contact HR Connect for details regarding paid sick leave.

Extended Time Off

FTO and PTO will generally cover time away for reasons stated above, among others. If an employee will be away from work for a reason covered by our leave of absence program (medical, parental, family care, or military leave), the associated time will be classified as a leave of absence (with any applicable job protection). Wage continuation may be provided in accordance with our leave of absence policy. Extended periods of vacation, whether paid or unpaid, may be classified as a personal leave and may require additional approvals.

401(K) Plan

Palo Alto Networks provides a 401(k) plan for eligible employees in order to assist in planning for their retirement. For information regarding eligibility, contributions, benefits, and tax status, contact HR Connect.

Medical, Dental, Vision Insurance

Palo Alto Networks provides a comprehensive medical, dental and vision insurance plan for eligible employees and their dependents. Employees, and their dependents, regularly working at least 30 hours per week are eligible for medical insurance. Insurance will commence on the first date of employment. In the event of an increase in insurance premium rates, all employees may be required to contribute to the cost of increased premiums to retain coverage. 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.

Life and Disability Insurance

Palo Alto Networks provides life and disability insurance coverage on the first date of employment. Employees regularly working at least 30 hours per week are eligible for these add-on benefits at no cost.

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.

Workers' Compensation

Palo Alto Networks, in accordance with applicable state and federal 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. The law requires Palo Alto Networks to notify the workers' compensation insurance company of any concerns of false or fraudulent claims.

Medical Provider Network (California only)

Palo Alto Networks provides medical treatment for California employees who have suffered work-related injuries through a medical provider network, which the company has chosen to provide medical care to injured employees because of their experience in treating work-related injuries. For additional information regarding the applicable medical provider in your location, if any, please contact HR Connect.

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 Palo Alto Networks 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 law. To request a leave of absence, you should notify your supervisor and should contact HR Connect, which will place you in contact with the Company's third party leave of absence administrator, the Larkin Company. Request any leave in writing as far in advance as possible, and keep in touch with the Larkin Company during your leave, giving prompt notice of any change in your anticipated return date. If your leave expires and you do not return to work and do not contact your supervisor or the Larkin Company, the Company will assume that you do not plan to return and that you have terminated your 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, as required by law. Retaliation against an employee who takes a protected leave of absence is strictly prohibited.

Family/Medical Leave

Palo Alto Networks provides leave according to the Family and Medical Leave Act of 1993 (FMLA) as well as applicable state and local laws, including the California Family Rights Act (for California employees).

Employees may take up to 12 workweeks of family/medical leave within a 12-month period, so long as they meet the following eligibility criteria at the time the leave is taken:

1. The employee has been employed at least 12 months (with or without a break in service);
2. The employee has worked at least 1,250 hours during the previous 12-months; and
3. The employee is employed at a work site where there are 50 or more employees within a 75-mile radius.
4. Leave may be taken for one or more of the following reasons:
 - a. The birth of the employee's child, or placement of a child with the employee for adoption or foster care;
 - b. To care for the employee's spouse, registered domestic partner, child, or parent who has a serious health condition;
 - c. For a serious health condition that makes the employee unable to perform his or her job;
 - d. For any "qualifying exigency" because the employee is the spouse, son, daughter, or parent of an individual on active military duty (or has been notified of an impending call or order to active duty) in the Armed Forces in support of a contingency operation; or

- e. An employee who is the spouse, son, daughter, parent, or next of kin of a covered service member in the military is entitled to up to 26 workweeks of leave during a 12-month period to care for the service member.

Calculating the 12-month Period

Palo Alto Networks measures the 12-month period in which leave is taken by the “rolling” 12-month method, measured backward from the date of the commencement of any FMLA/CFRA leave with one exception. For leave to care for a covered service member, the Company calculates the 12-month period beginning on the first day the eligible employee takes FMLA leave to care for a Covered Service member and ends 12 months after that date.

Pregnancy, Childbirth or Related Conditions and Events

In addition to the 12-week leave because of the employee’s disability for pregnancy, childbirth or related medical condition, eligible California employees may also take up to an additional 12-week leave under the California Family Rights Act for purposes of baby bonding.

Female employees in California may also be eligible for leaves of absence during periods of disability associated with pregnancy or childbirth. Please see the California Pregnancy Disability Policy for further information on this type of disability or leave.

Any leave taken for the birth, adoption, or foster care placement of a child, Employee must notify Company at least 30 days before leave is expected to begin. Leave does not have to be taken in one continuous period of time. Leave taken for the birth or placement of a child will be granted in minimum amounts of two weeks. However, on two instances within the first year, Palo Alto Networks will grant a request for a leave for birth/placement of a child of less than two weeks’ duration. Any leave taken must be concluded within one year of the birth or placement of the child with the employee.

When both parents are employed by Palo Alto Networks, and request simultaneous leave for the birth or placement for adoption or foster care of a child, the Company will not grant them more than a combined total of 12 workweeks family/medical leave for this reason.

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.

Palo Alto Networks will require certification by the employee's health care provider that the employee is fit to return to his or her job. Failure to provide certification by the health care provider of the employee's fitness to return to work will result in denial of reinstatement for the employee until the certificate is obtained.

Leave to Care for a Family Member

If the leave is needed to care for a sick child, spouse, registered domestic partner or parent, the employee must provide a certification from the health care provider stating:

1. Date of commencement of the serious health condition;
2. Probable duration of the condition;
3. Estimated amount of time the health care provider believes the employee needs to care for the family member; and
4. Confirmation that the serious health condition warrants the participation of the employee to provide care.

If the leave is based on care in relation to planned medical treatment for an above eligible person, 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 supervision 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's child, parent, registered domestic partner or spouse.

Where particular state or local laws provide additional leave rights, the Company will comply with those laws.

Intermittent Leave

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.

Leave Related to Military Service

A leave taken due to a “qualifying exigency” related to military service must be supported by certification of its necessity. A leave taken due to the need to care for a service member shall be supported by a certification by the service member’s health care provider demonstrating eligibility for the leave.

Health and Benefit Plans

An employee taking covered family or medical leave will be allowed to continue participating in any health and welfare benefit plans in which he/she was enrolled before the first day of the leave (for a maximum of 12 workweeks) at the level and under the conditions of coverage as if the employee had continued in employment for the duration of such leave. Palo Alto Networks will continue to make the same premium contribution as if the employee had continued working. The continued participation in health benefits begins on the date leave first begins. In some instances, the Company may recover from an employee premiums paid to maintain health coverage if the employee fails to return to work following family/medical leave. Note: See the California Pregnancy Disability Policy, for additional information regarding continuation of health and benefit plans.

Employees on family/medical leave who are not eligible for continued paid coverage may continue their group health insurance coverage through Palo Alto Networks according to federal COBRA guidelines by making monthly payments to Palo Alto Networks for the amount of the applicable premium. Employees should contact HR Connect for further information.

PTO Accrual

Non-exempt Employees on family/medical leave will not continue to accrue PTO during their leave period.

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 HR Connect.

California Paid Disability or Family Leave

California employees who are absent because of their own disability, or to care for a child, spouse, parent, or registered domestic partner with a serious health condition, or to bond with a new child, may be eligible for partial wage replacement through the Company’s Voluntary Disability Insurance (VDI). VDI payments do not begin until after an employee has been absent from work for 7 calendar days. The employee may be eligible for Company-provided wage continuation benefits during the 7-day period before benefits begin, as described below. Non-exempt employees who have accrued PTO but who are not eligible for wage continuation benefits will be required to use accrued PTO during this period.

Employees who have opted out of the VDI program may apply for comparable partial wage replacement benefits with the California Employment Development Department, which administers State Disability Leave (SDI) and Paid Family Leave (PFL) wage replacement benefits.

For additional information, please contact HR Connect.

Company-Provided Wage Continuation

The Company provides regular full time employees with wage continuation for qualifying family/medical leaves of absence. Employees who have been employed for at least one year and have worked at least 1,250 hours in the preceding 12 months are eligible for up to 12 weeks of wage continuation for leaves due to the employee’s own medical condition, or up to 6 weeks of wage continuation for leaves to bond with a new child or care for a family member with a serious health condition. Employees who have been employed for less than one year or who have worked less than 1,250 hours are eligible for up to

two weeks of wage continuation. Wage continuation is a supplemental benefit payment that will be coordinated with any disability or other wage replacement benefits to bring employees to 100% of their regular base salary or wages during the continuation period. To receive wage continuation benefits, employees are required to apply for VDI (or SDI or PFL, if applicable). Wage continuation is limited to 12 weeks in a 12 month period regardless of the number or type of leaves taken.

Once wage continuation is exhausted, if the employee is still eligible for additional approved leave, an employee may elect to use available accrued PTO (non-exempt employees) or up to two weeks of FTO (exempt employees) to supplement pay within the approved leave period. Exempt employees utilizing FTO during an approved leave of absence may use a maximum of two weeks of FTO during any combination of leaves within a 12-month period.

Required Use of PTO before Unpaid Leave

For approved leave of absence periods during which the employee is not receiving wage continuation or any other wage replacement through an employer-provided benefit, non-exempt employees are required to take accrued and unused PTO before taking unpaid leave. This requirement does not apply, however, if the absence is pregnancy-related. See the California Pregnancy Disability Policy for additional information.

California Pregnancy Disability Leave

California employees who are disabled by pregnancy, childbirth or related medical conditions, are eligible to take pregnancy disability leave (PDL). If you are affected by pregnancy or a related medical condition, you are also eligible to transfer to a less strenuous or hazardous position or to less strenuous or hazardous duties, if such a transfer is medically advisable and can be reasonably accommodated. In addition, if it is medically advisable for you to take intermittent leave or work a reduced schedule, Palo Alto Networks may require you to transfer temporarily to an alternative position with equivalent pay and benefits that can better accommodate recurring periods of leave.

The PDL is for any period(s) of actual disability caused by your pregnancy, childbirth or related medical condition up to four months (or 88 work days for a full-time employee) per pregnancy.

The PDL does not need to be taken in one continuous period of time, but can be taken on an as-needed basis in as little as one (1) hour increments.

Time off needed for prenatal care, severe morning sickness, doctor-ordered bed rest, childbirth, and recovery from childbirth is covered by your PDL.

You are required to obtain a certification from your health care provider of your pregnancy disability or the medical advisability for a transfer. The certification should include:

1. The date on which you became disabled due to pregnancy or the date of the medical advisability for a transfer;
2. The probable duration of the period(s) of disability or the period(s) for the advisability of a transfer; and,
3. A statement that, due to the disability, you are either unable to work at all or to perform any one or more of the essential functions of your position without undue risk to yourself or to other persons; or a statement that, due to your pregnancy, a transfer to a less strenuous or hazardous position or duties is medically advisable.

During the leave, you may be eligible for partial wage replacement according to the Company's Voluntary Disability Insurance (VDI) plan. Eligible employees will also receive wage continuation benefits described above. For approved PDL that extends beyond the wage continuation benefit, you may use up to two weeks of FTO (exempt employees) or accrued PTO (non-exempt employees) as described in the wage continuation policy before taking the remainder of your leave on an unpaid basis. Using FTO or PTO does not extend the duration of your PDL.

If you do not return to work on the originally scheduled return date nor request in advance an extension of the agreed upon leave with appropriate medical documentation, you will be deemed to have voluntarily terminated your employment with Palo Alto Networks. Failure to notify Palo Alto Networks of your ability to return to work when it occurs, or your continued absence from work because your leave must extend beyond the maximum time allowed, may be deemed a voluntary termination of your employment with Palo Alto Networks unless you are entitled to California Family Medical Leave, which does not run concurrently with PDL.

Under most circumstances, upon submission of a medical certification that an employee is able to return to work from a pregnancy disability leave, an employee will be reinstated to her same position held at the time the leave began or to an equivalent position, if available. An employee returning from a pregnancy disability leave has no greater right to reinstatement than if the employee had been continuously employed.

If an employee utilizing PDL is eligible under the federal or state laws, then Palo Alto Networks will maintain group health insurance coverage for the entire length of the PDL if such insurance was provided before the PDL was taken and on the same terms as if the Employee had continued to work. The Company will also maintain the same group health insurance coverage benefits provided to the employee as before the Pregnancy Disability Leave and will continue applicable deductions during any wage continuation periods. Palo Alto Networks may recover premiums paid to maintain health coverage for an employee who fails to return following PDL for periods outside the wage continuation. If an employee is ineligible for health insurance under the federal and state laws, then such employee will receive continued paid coverage on the same basis as employees taking other Leave of Absences.

Any request for leave after pregnancy disability has ended will be treated as a request for family care leave under the California Family Rights Act (which does not run concurrently with PDL) and the federal Family Medical Leave Act (which does run concurrently with PDL), if eligible.

Medical Leave as a Reasonable Accommodation

Employees who have exhausted their family/medical leave of absence, or who are ineligible for a family/medical leave of absence, may be granted medical leave for temporary medical disabilities or medical conditions as a reasonable accommodation. The employee must provide documentation of the need for a medical leave of absence from a health care provider along with the request for leave. Requests for medical leave as a reasonable accommodation will not be granted if the leave would cause an undue hardship to the Company.

A medical leave begins on the first day your health care provider certifies that you are unable to work, and ends when your doctor certifies that you are able to return to work. Contact HR Connect to request a medical leave. An employee returning from a medical leave must present a health care provider's certificate declaring fitness to return to work.

You may continue your group health insurance coverage through Palo Alto Networks in conjunction with federal COBRA guidelines by making monthly payments to Palo Alto Networks for the amount of the relevant premium. Contact HR Connect for further information.

Civic Duty Leave

Palo Alto Networks encourages employees to serve on jury duty when called. All regular full-time and regular part-time employees shall be allowed to attend jury duty service in accordance with their legal obligation to do so.

An employee who receives a jury duty summons shall present the summons to his or her supervisor immediately. Employees on jury duty must report to work on days or parts of days when they are not required to serve. If an employee does not return to work immediately after an approved leave for jury duty, Palo Alto Networks will assume that the employee has voluntarily resigned his or her position with the Company.

Employees will receive full pay while serving up to 10 days of jury duty per rolling 12 month period. Beyond the 10 days, exempt employees will also receive full salary unless they are absent for a full week and perform no work while on jury duty.

Any employee subpoenaed to appear in court as a witness shall be allowed to take time off from work in order to appear. An employee who is required to appear in court must present the subpoena to his or her supervisor as soon as possible. The employee is expected to report for work whenever the court schedule permits.

Employees may use available FTO or PTO during these absences by notifying HR Connect, or treat the time as leave without pay. Employees may retain any mileage allowance or other fee paid by the court for jury or witness services.

Bereavement Leave

Palo Alto Networks grants leaves of absence to employees in the event of the death of the employee's current spouse, registered domestic partner, child, parent, legal guardian, sibling, grandparent, or grandchild; or mother-, father-, sister-, brother-, son-, or daughter-in-law or similar step-relatives. An employee with such a death in the family may take up to 5 consecutive scheduled workdays off with pay per rolling 12 month period, with the approval of the Company. An employee may use available FTO or PTO for any additional time, subject to the approval of his or her manager.

Domestic Violence, Sexual Assault or Stalking Leave

An employee who is a victim of domestic violence, sexual assault or stalking will be granted time off to appear in court to obtain a temporary restraining order or obtain other court assistance to help ensure their health, safety or welfare, or that of their child. Employees should notify their supervisor in advance of the need for time off, when feasible, and may be required to provide documentation for the absence.

An employee who is a victim of domestic violence, sexual assault or stalking will also be granted unpaid time off to:

1. seek medical attention for injuries caused by domestic violence, sexual assault or stalking,
2. go to a crisis center or shelter,
3. obtain psychological counseling,
4. participate in safety planning, including temporary or permanent relocation.

The employee is required to provide their supervisor with reasonable advance notice of the need for the time off, when feasible, and may be required to provide documentation for the absence. Domestic violence, sexual assault, or stalking leave is considered unpaid time off, but employees may use available FTO or PTO during these absences by notifying HR Connect.

Time Off for Crime Victims

An Employee, who has been a victim of serious or violent felonies, as specified under applicable law, or felonies relating to theft or embezzlement, may take time off work to attend judicial proceedings related to the crime. Employees also may take time off if an immediate family member has been a victim of such crimes and the employee needs to attend judicial proceedings related to the crime. "Immediate

family member" is defined as spouse, registered domestic partner, child, child of registered domestic partner, stepchild, brother, stepbrother, sister, stepsister, mother, stepmother, father, or stepfather.

Employees must give HR Connect a copy of the court notice given to the victim of each scheduled proceeding before taking time off, unless advance notice to Palo Alto Networks of the need for time off is not feasible. When advance notice is not feasible, the employee must provide Palo Alto Networks with documentation evidencing the judicial proceeding, within a reasonable time after the absence. The documentation may be from the court or government agency setting the hearing, the district attorney or prosecuting attorney's office, or the victim/witness office that is advocating on behalf of the victim.

Employees may use available FTO or PTO during these absences by notifying HR Connect. For non-exempt employees, if the employee does not elect to use paid time off, the absence will be unpaid. If the absence is shorter than 4 hours, exempt employees will be paid their full salary for the absence interrupted by the need for time off under this policy

Military Service Leave

A military leave of absence will be granted to employees who are absent from work because of service in the U.S. uniformed services in accordance with the Uniformed Services Employment and Reemployment Rights Act (USERRA). Advance notice of military service is required, unless military necessity prevents such notice or it is otherwise impossible or unreasonable.

Continuation of health insurance benefits is available as required by USERRA based on the length of the leave and subject to the terms, conditions and limitations of the applicable plans for which the employee is otherwise eligible. The Company will provide wage continuation for up to 26 weeks to eligible employees called to military duty. PTO and holiday benefits will continue to accrue during a military leave of absence of no more than 2 weeks.

Employees on military leave for up to 30 days are required to return to work for the first regularly scheduled shift after the end of service, allowing reasonable travel time. Employees on longer military leave must apply for reinstatement in accordance with USERRA and all applicable state laws.

Employees returning from military leave will be placed in either the position they held prior to military service, or in the position they would have attained had they remained continuously employed, or one of like seniority status and pay, depending on the length of the employee's military leave and in accordance with USERRA's requirements.

Military Spouse Leave

All regular employees who work at least 20 hours per week are eligible for a military spouse leave of absence. Employees will be granted a leave from work when their spouse is on leave from a period of

military conflict. Employees will be eligible for up to 10 unpaid days off. Employees may use available FTO or PTO during these absences by notifying HR Connect.

The employee must provide Palo Alto Networks with notice within at least 2 business days of receiving official notice that their spouse will be on leave from deployment that s/he wishes to take leave. Requests for leave must include written documentation certifying the spouse will be on leave from deployment. Contact HR Connect for further instructions.

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. Non-exempt employees are required to use accrued 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. Employees have no right to reinstatement of their position following a personal leave of absence.

Time off to Attend School-Related Activities or Required School Meeting

Where required under applicable law, parents, guardians, or grandparents with school children from kindergarten through Grade 12, or who attend licensed child daycare facilities, are provided unpaid time off (up to a maximum of 8 hours in 1 calendar month and 40 hours in 1 calendar year) to participate in school or day care activities. Palo Alto Networks may require proof of an employee's participation in these activities. Employees must provide reasonable advance notice to the supervisor before taking any time off under this policy.

Employees who are parents or guardians of a child who has been suspended from school or who have been requested in writing to attend a school conference will be granted time off from work to appear at the school in connection with that suspension or request. The employee must provide reasonable notice to their supervisor. Palo Alto Networks reserves the right to request supporting documentation from the school.

Contact HRConnect regarding eligibility for school-related time off. A non-exempt employee is required to use accrued PTO for these approved absences. Exempt employees may use FTO for these approved absences.

Time Off for Voting

Palo Alto Networks encourages employees to fulfill their civic responsibilities by participating in statewide elections. Generally, employees are expected to find time to vote either before or after their regular work schedule. However, if employees are unable to vote in an election during their nonworking hours, Palo Alto Networks will grant up to 2 hours of paid time off to vote.

Employees should request time off to vote from their supervisor at least 2 working days prior to the Election Day. Advance notice is required so that the necessary time off can be scheduled at the beginning or end of the work shift; whichever provides the least disruption to the normal work schedule.

Volunteer Service Personnel

In California, an employee who is a volunteer firefighter, reserve peace officer or emergency rescue personnel is permitted unpaid time off to perform such emergency duties. If you request time off under the policy, you must notify your direct supervisor immediately after the need for the leave becomes known. Employees may use available FTO or PTO during these absences by notifying HR Connect.

Volunteers of the California Wing of the Civil Air Patrol

An employee who is a volunteer member of the California Wing of the Civil Air Patrol and who has been employed with the Company for at least 90 days immediately preceding the leave, is permitted 10 days of unpaid, job protected leave per year to respond to emergency operational missions. Affected employees must notify their supervisor immediately after being advised of the emergency operational mission. First responders and disaster service workers are not covered under this leave. Employees may use available FTO or PTO during these absences by notifying HR Connect.

Employee Literacy Assistance

Palo Alto Networks is committed to providing assistance to employees who require time off to participate in an adult education program for literacy assistance. If you need time off to attend such a program, you should inform your direct supervisor or HR Connect. Palo Alto Networks will attempt to make reasonable accommodations for you by providing unpaid time off or an adjusted work schedule, provided the accommodation does not impose an undue hardship on the Company. Palo Alto Networks will attempt to safeguard the privacy of your enrollment in an adult education program. Employees may use available FTO or PTO during these absences by notifying HR Connect.

Rehabilitation Leave

Palo Alto Networks is committed to providing assistance to employees to overcome substance abuse problems. Palo Alto Networks will reasonably accommodate any employee who wishes to voluntarily enter and participate in an alcohol or drug rehabilitation program. This accommodation may include an adjusted work schedule or time off without pay, provided the accommodation does not impose an



undue hardship on the Company. Employees should notify the manager or HR Connect to request an accommodation under this policy.

Where eligible, this leave may be subject to the same provisions and rules as apply to medical leaves. Palo Alto Networks will attempt to safeguard the privacy of an employee's participation in a rehabilitation program.

Leave for Organ and Bone Marrow Donors

A California employee who provides written verification to the Company that the employee is an organ or bone marrow donor (required for medical necessity) is entitled to receive a job protected paid leave of absence that may be taken in one or more periods in order to donate, if the employee has been employed for at least 90 continuous days. Eligible organ donors are entitled to a leave of absence not to exceed 30 business days in any one-year period of time. Eligible bone marrow donors are entitled to a leave of absence not to exceed 5 business days in any one-year period. Non-exempt employees will be required to use up to 5 days of their accrued PTO for bone marrow donor leave and up to 2 weeks of their accrued PTO for organ donor leave.

Compensation

Payment of Wages

Paydays in the U.S. are scheduled on the 15th and last day of each month, unless otherwise required by law. If a regular payday falls on a weekend or holiday, employees will be paid on the preceding workday. If you observe an error on your check, please report it to Payroll or your supervisor.

Automatic Deposit

Palo Alto Networks permits automatic payroll deposit where permitted by law. The Company encourages you to enroll in receiving electronic paystubs through the payroll system. You should carefully monitor your payroll deposit statements for the first two pay periods after the service begins.

Timekeeping Requirements

All non-exempt 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, including before and after a lunch break. Any handwritten marks or changes on the timecard must be initialed by a supervisor. Altering, falsifying, tampering with time records, recording time to the wrong project or workday, 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 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.

Overtime for Non-Exempt Employees

When operating requirements or other needs cannot be met during regular working hours, employees may be required to work overtime hours. When possible, advance notification of these mandatory assignments will be provided. All overtime work must receive a supervisor's prior authorization, where feasible. Failure to work scheduled overtime or excessive unauthorized overtime may result in disciplinary action, up to and including termination.

Overtime compensation is paid to all non-exempt employees in accordance with federal and state wage and hour restrictions. Overtime pay is based on actual hours worked. Time off for PTO, holiday, or any leave of absence will not be considered hours worked for purposes of performing overtime calculations.

Advances

Palo Alto Networks does not permit advances against paychecks or against unaccrued PTO.

Salary Basis Policy

Employees classified as exempt, salaried employees will receive a set salary which is intended to compensate for any and all hours worked. The salary will be established at the time of hire or when you become classified as an exempt employee. The salary will be a predetermined amount that will not be subject to deductions for variations in the quantity or quality of the work you perform.

To the extent permitted by federal and state law, your salary may be subject to certain deductions, such as:

1. Full day absences for personal reasons, other than sickness or disability;
2. Full day absences for sickness or disability for which the employee is not eligible for wage continuation or FTO;
3. Full day disciplinary suspensions for infractions of written company policies and procedures;
4. To offset amounts received as payment for military pay or for jury or witness fees, as applicable;
5. Family and Medical Leave absences (either full or partial day absences) for which the employee is not eligible for wage continuation or FTO;
6. The first or last week of employment in the event you work less than a full week;
7. Employee portions of health, dental, life insurance premiums or other such benefits;
8. State, federal and local taxes;
9. Contributions to a 401(k) or other savings or pension plan.

If you believe you have been subject to any improper deductions from your salary, you should immediately report the matter to your supervisor or Payroll. If it is determined that an improper deduction was made, you will be promptly reimbursed for the improper deduction.

Employees Who Are Required to Drive

Employees who drive their own vehicles on Company business will be reimbursed for mileage at the current rate set by the federal IRS.

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.

Palo Alto Networks reimburses employees for business expenses on the 15th and last day of each month. Employees who have expense accounts or who have incurred business expenses must submit details of the expense and required receipts through the Company's online expense reporting system.

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 or concealing improper or illegal payments, 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.

Pay for Mandatory Meetings/Training

Palo Alto Networks will pay non-exempt employees for their attendance at meetings, lectures, and training programs if their attendance is mandatory or is approved by their manager. Any employee who

is required to attend such meetings, lectures, or training programs will be notified of the necessity for such attendance by his or her supervisor.

Work Conditions and Hours

Hours of Operation/Work Schedules

Palo Alto Networks is normally open for business between the hours of 8:00 a.m. and 5:00 p.m. Monday through Friday. Your supervisor will assign your individual work schedule.

Staffing needs and operational demands may necessitate variations in starting and ending times, as well as variations in the total hours that may be scheduled each day and week.

The workweek begins at 12:01 a.m. Sunday and ends at midnight on Saturday.

Meal and Rest Periods (California Employees)

Each workday, full-time non-exempt employees working in California are provided with two rest periods of 10 minutes in length or as otherwise dictated by state law. To the extent possible, rest periods will be provided in the middle of work periods, which amount to any 4 hour period, or major fraction thereof. For example, where a non-exempt employee works an 8 hour day, (s)he is entitled to one break mid-morning and one break mid-afternoon. Rest breaks may not be combined with meal breaks and may not occur at the start or end of a workday. Since this time is counted and paid as time worked, employees must not be absent from their work stations beyond the allotted rest period time.

In California, non-exempt employees are entitled to rest breaks based on the below chart.

Hours of Work	Rest Periods
0-3 ½	0
3 ½ - 6	1
6-10	2
10-14	3
14-18	4

All full-time, non-exempt employees working in California who are scheduled to work more than 5 hours in a workday are also provided with one meal period of at least 30 minutes in length, to be commenced before the end of the fifth hour worked. Employees scheduled to work 6 hours or less may agree to waive their meal period. Employees are provided a second meal period if scheduled to work more than 10 hours in a workday. The second meal period may only be waived if the employee took their first meal period and their workday will end before 12 hours of work. All waivers of meal periods must be

confirmed in writing. Employees must clock out for the meal period. Employees may leave the premises during rest and meal periods. Supervisors may schedule meal periods to accommodate the Company's operating requirements, if necessary. Employees will be relieved of all active responsibilities and restrictions during meal periods and will not be compensated for that time. Meal periods may not be taken at the beginning or end of a workday. If for any reason an employee is unable to take the applicable meal and rest periods, the employee must notify his or her supervisor immediately and must report this on their time card or when entering time.

Lactation Break

The Company will provide a reasonable amount of break time to accommodate a female employee's need to express breast milk for the employee's infant child. The break time should, if possible, be taken concurrently with other break periods already provided. Non-exempt employees should clock out for any lactation time taken that does not run concurrently with normally scheduled rest periods, and such time generally will be unpaid. The Company will also make a reasonable effort to provide the employee with the use of a room or other location in close proximity to the employee's work area, for the employee to express milk in private.

Employees should notify their immediate supervisor or HR Connect to request time to express breast milk under this policy. The Company does, however, reserve the right to deny an employee's request for a lactation break if the additional break time will seriously disrupt operations. In an employee abuses this policy, she will be subject to disciplinary action, up to and including termination.

Ergonomics

Palo Alto Networks follows Cal/OSHA ergonomics standards for minimizing workplace repetitive motion injuries. The Company will make necessary adjustments to reduce exposure to ergonomic hazards through modifications to equipment and processes and employee training. The Company encourages safe and proper work procedures and requires all employees to follow safety instructions and guidelines.

Palo Alto Networks believes that reduction of ergonomic risk is instrumental in maintaining an environment of personal safety and well-being, and is essential to the business. The Company intends to provide appropriate resources to create a risk-free environment. If you have any questions about ergonomics, please contact Safety and Security.

Health and Safety

To assist in providing a safe and healthful work environment for employees, customers, and visitors, Palo Alto Networks has established a workplace safety program. This program is a top priority for Palo Alto Networks. The Security Department has responsibility for implementing, administering,

monitoring, and evaluating the safety program. Its success depends on the alertness and personal commitment of all.

Some of the best safety improvement ideas come from employees. Those with ideas, concerns, or suggestions for improved safety in the workplace are encouraged to raise them with their supervisor, or with another supervisor or manager, or bring them to the attention of HR Connect. Reports and concerns about workplace safety issues may be made anonymously if the employee wishes. All reports can be made without fear of reprisal.

Each employee is expected to obey safety rules and to exercise caution in all work activities. Employees must immediately report any unsafe condition to the appropriate supervisor. Employees who violate safety standards, who cause hazardous or dangerous situations, or who fail to report or, where appropriate, remedy such situations may be subject to disciplinary action, up to and including termination of employment.

In the case of accidents that result in injury, regardless of how insignificant the injury may appear, employees should immediately notify HR Connect or the appropriate supervisor. Such reports are necessary to comply with laws and initiate insurance and workers' compensation benefits procedures.

Emergency Conditions

At times, emergencies such as severe weather, fires, power failures, or earthquakes, can disrupt company operations. In extreme cases, these circumstances may require the closing of our work facility. In the event that such an emergency occurs during nonworking hours, the company will contact local radio and/or television stations to broadcast notification of the closing. In addition, employees may call into the company's emergency contact number, **(669) 444-6000**.

When the decision to close is made AFTER the workday has begun, employees will receive official notification from their immediate supervisor. In these situations, time off from scheduled work will be paid. When the decision to close is made BEFORE the workday has begun, time off from scheduled work will be unpaid (non-exempt employees only). However, with supervisory approval, employees may use available PTO. Employees in essential operations may be asked to work on a day when operations are officially closed.

Salaried employees who are scheduled to work will be paid for their entire shift, whether they are on site when the facility closes or the facility closes before their shift begins. When emergency conditions exist, essential employees who are scheduled to work but are unable to report to work must call their supervisor or manager to report their absence.

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 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.



In order to promote a safe, productive, and efficient workplace, Palo Alto Networks reserves the right to inspect any articles and property in an employee's possession or on an employee's person, to detect guns or other weapons. Palo Alto Networks also reserves the right to inspect lockers, desks, company vehicles, personal vehicles on company property, packages, lunch boxes, backpacks, purses, containers, articles of clothing, and other objects brought onto company property that might conceal guns or other weapons. Violation of this policy will result in disciplinary action, up to and including termination.

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 or, if necessary, direct the individual to the Security Department.

Employee and Company Property

Employee Property

An employee's personal property, including but not limited to packages, purses, and backpacks, if brought onto Palo Alto Networks property (including parking lots), may be inspected with or without prior notice and within or outside of the employee's presence. Employees should not bring personal property to work if they do not want the property subject to inspection.

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"). These Technology Resources must be protected from damage and misuse at all times.

1. Acceptable Uses

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 the aforesaid 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/her own.

3. **Access to Information**

E-mail is not guaranteed to be private or confidential. All Technology Resources, including electronic communications are Palo Alto Networks' property. Therefore, Palo Alto Networks reserves the right to examine, monitor and regulate e-mail messages, directories and files, as well as Internet usage. Also, the Internet is not secure so don't assume that others cannot read -- or possibly alter -- your messages.

Technology Resources, including internal and external e-mail messages, 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 federal or state laws or regulations, including without limitation, the Children's Online Protection Act of 1998. No abusive, profane, or offensive images or language are to be transmitted through the Technology Resources.

The aforesaid Technology Use applies to all of the Company's Technology Resources. Moreover, that policy 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 by an Employee of any aforesaid Technology Policy may result in disciplinary action up to and including dismissal. In addition, the Company may advise appropriate legal officials of any illegal actions.

Please see the Palo Alto Networks Acceptable Use Policy for additional information.

Use of Equipment

Equipment essential in accomplishing job duties are 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, as required by law, and safely pull off the road before conducting Company business, if necessary.

Employees are also prohibited from texting, reviewing emails, web surfing, or other activities that require attention to a device screen 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. Smoking includes, but is not limited to, cigarettes, pipes, cigars and e-cigarettes or other incendiary or vaporized devices/materials.

Bulletin Boards

Palo Alto Networks maintains bulletin boards located in the break room. Employees shall regularly check the Company's Bulletin boards located in the break room for work-related notices or notices that must be posted pursuant to local, state or federal law. Employees may not use Bulletin boards for any purpose, including the placement of personal ads, without the express consent of Human Resources. Bulletin boards are used to provide information to employees about applicable laws.

Solicitation and Distribution of Literature

Solicitation and distribution of literature in the workplace can be disruptive and interfere with work. "Solicitation" means, among other things, contacting someone to offer something for sale, collect funds

or pledges, or to promote or discourage participation in or support for an organization or activity. “Distribution of literature” means, among other things, disseminating written or electronic materials that are unrelated to Company business for an outside organization. To avoid disruption 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.

The sole exceptions to this policy are for solicitations and distributions related to charitable activities that are approved by a Company manager. Violation of this policy may result in disciplinary action, up to and including termination.

This policy is not intended to preclude or dissuade employees from engaging in legally protected activities such as discussing wages, benefits, or terms and conditions of employments, raising complaints about working conditions for their and their fellow employees’ mutual aid or protection, or legally required activities.

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 Sr. 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, up to and including 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, up to and including 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

Palo Alto Networks is committed to providing a workplace that is free from unlawful harassment. Palo Alto Networks strictly prohibits and does not tolerate unlawful harassment against employees or any

other covered persons (including interns, volunteers, applicants or contractors), by co-workers, supervisors, managers, or third parties on the basis of a person's:

- Race;
- Color;
- Age (40 or older);
- Religious creed;
- Religious belief, observance and practice, including dress or grooming practices;
- National origin;
- Ancestry;
- Physical disability;
- Mental disability;
- Medical condition, including:
 - any cancer-related physical or mental health impairment from a diagnosis, record or history of cancer; or
 - a genetic characteristic
- Genetic information, including information about:
 - an individual's genetic tests;
 - family members' genetic tests;
 - family members' diseases or disorders;
 - an individual's or family member's receipt of, or request for, genetic services; and
 - participation by an individual or their family member in clinical research that includes genetic services;
- Marital status;
- Sex, including:
 - pregnancy;
 - childbirth;
 - breastfeeding or medical conditions related to breast-feeding; and
 - medical conditions related to pregnancy or childbirth;
 - gender;

- gender expression, meaning a person's gender-related appearance or behavior, whether or not stereotypically associated with the person's sex at birth; and
- gender identity, meaning a person's identification as male, female, a gender different from the person's sex at birth, or transgender;
- Sexual orientation, including heterosexuality, homosexuality, and bisexuality;
- Military or veteran status;
- Political affiliation; or
- Any other characteristic protected under applicable federal, state, or local law.

Palo Alto Networks also prohibits and does not tolerate unlawful harassment against covered persons who are perceived to have any of these characteristics or who associate with a person who has, or is perceived to have, any of these characteristics. Harassment can occur in the workplace, after hours, or on social media. Harassment in violation of this policy should always be reported to the Company using the Complaint Resolution Procedure described below.

This anti-harassment policy applies to all persons involved in the operation of the Company and prohibits harassment by co-workers, supervisors and managers, as well as contractors, vendors, customers, and any other persons. Harassment is defined as follows:

Sexual Harassment

“Sexual Harassment” is defined as unwanted sexual advances, requests for sexual favors or visual, verbal or physical conduct of a sexual nature when: (1) submission to the conduct is made a term or condition of employment; or (2) submission to or rejection of the conduct is used as basis for employment decisions affecting the individual; or (3) the conduct has the purpose or effect of unreasonably interfering with a covered person’s work performance or creating an intimidating, hostile, or offensive working environment. This definition includes many forms of offensive behavior. The following is a partial list and is not all-inclusive:

- a. Unwanted sexual advances;
- b. Offering employment benefits in exchange for sexual favors;
- c. Making or threatening reprisals after a negative response to sexual advances;
- d. Visual conduct such as leering, making sexual gestures or displaying sexually suggestive objects, pictures, cartoons or posters;
- e. Verbal conduct such as making or using derogatory comments, epithets, slurs, sexually explicit jokes or comments about any Personnel's body or dress;

- f. Verbal sexual advances or propositions;
- g. Verbal abuse of a sexual nature, graphic verbal commentary about an individual's body, sexually degrading words to describe an individual or suggestive or obscene letters, notes or invitations; and
- h. Physical conduct such as touching, assault or impeding or blocking movements.

It is prohibited for males to sexually harass females or other males and for females to sexually harass males or other females. Sexual harassment during an individual's performance on the job is prohibited whether it involves coworker harassment, harassment by a supervisor or harassment by persons doing business with or for Palo Alto Networks. Palo Alto Networks prohibits any form of sexual harassment that impairs a covered person's working ability or emotional well-being at work. An individual who believes he or she is being harassed on the job because of his or her sex or other protected basis should use the Complaint Resolution Procedure outlined below to report the conduct.

Other Types of Harassment

This anti-harassment policy applies equally to unlawful harassment based on an individual's race, color, religious belief, national origin, ancestry, age (40 and over), physical or mental disability, genetic information, marital status, or military or veteran status, or any other protected characteristic described earlier in this policy. Such harassment often takes a similar form to sexual harassment and includes:

- b. Verbal conduct such as threats, epithets, derogatory comments, slurs, or jokes;
- 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.

This list is illustrative only, and not exhaustive. No form of harassment will be tolerated.

Complaint Resolution Procedure

An employee or other covered person subjected to any conduct that he or she believes violates this policy, or who witnesses any such conduct, must promptly make a complaint about the conduct, either orally or in writing. The person making the complaint may speak to, write, or otherwise contact any of the following resources:

- His or her direct supervisor or, if the conduct involves your direct supervisor, the next level manager above your direct supervisor;
- A Human Resources Business Partner or the Senior Vice President of Human Resources; or
- The Company's third-party hosted confidential web site, Ethics Point, at www.paloaltonetworks.ethicspoint.com, or by calling 1-855-266-7042

The complaint should be made as soon as possible after the conduct occurred, and should be as detailed as possible. It should include a specific description of the conduct, the names of the individuals involved, the names of any witnesses, direct quotations when language is relevant, and any documentary evidence (notes, emails, pictures, cartoons, etc.).

Upon receiving the complaint, the Company will ensure that a fair, timely, and thorough investigation is conducted by qualified personnel in an impartial manner that provides all parties with appropriate due process and reaches reasonable conclusions based on the evidence collected. The Company will maintain appropriate documentation and tracking to ensure reasonable progress is made. At the close of the investigation, the Company will consider appropriate options for remedial actions and resolutions. If misconduct is found, the Company will take prompt, corrective action, as appropriate. The Company will maintain confidentiality to the extent possible. The person making the complaint will be informed of the results of the investigation.

Appropriate disciplinary action against a person found to have engaged in prohibited harassment and discrimination and appropriate remedies for any victim of harassment will be communicated to the personnel involved as soon as possible consistent with applicable law.

No Retaliation

This policy also prohibits retaliation against any employee or other covered person by another person or by Palo Alto Networks for using this Complaint Resolution Procedure or for filing, testifying, assisting or participating in any manner in any investigation, proceeding or hearing conducted by the Company or a governmental enforcement agency. Any employee who retaliates against a complaining person or those involved in the investigation will be disciplined, up to and including termination from Palo Alto Networks, or otherwise in accordance with local law. A person who believes he/she has been subject to retaliation should follow the above Complaint Reporting Procedure.

Harassment Liability

Any person 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, in accordance with local law. Where dictated by local law, any person 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, may be held



personally liable for monetary damages. 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 the person'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 Personnel for conduct in violation of this policy.

Additional Enforcement Information

In addition to the Complaint Resolution Procedure described above, an employee who believes that he or she has been a victim of unlawful harassment or retaliation may file a complaint of discrimination with the local state agency, or with the federal Equal Employment Opportunity Commission (EEOC).

California employees who believe they have been a victim of unlawful harassment or retaliation may file a charge with the Department of Fair Employment and Housing (DFEH) within one year of the harassment or retaliation. The DFEH serves as a neutral fact-finder and attempts to help the parties voluntarily resolve disputes. If the DFEH finds sufficient evidence to establish that discrimination occurred and settlement efforts fail, the Department may file a lawsuit on behalf of the complaining party. If a court finds that discrimination has occurred, it can order remedies including: fines or damages for emotional distress from each employer or person found to have violated the law; hiring or reinstatement; back pay or promotion; or changes in the policies or practices of the involved employer.

Employees can also pursue the matter through a private lawsuit in civil court after a complaint has been filed with the DFEH and a right-to-sue notice has been issued. For more information, contact the DFEH toll free at (800) 884-1684 or visit <http://www.dfeh.ca.gov/>.

Employees can also file a complaint with the federal Equal Employment Opportunity Commission (EEOC). For more information, contact the EEOC toll free at (800) 669-4000 or visit <http://www.eeoc.gov/>.

You may not be retaliated against for opposing harassment or for filing a complaint with, or otherwise participating in an investigation, proceeding, or hearing conducted by Palo Alto Networks, the DFEH or the Fair Employment and Housing Council, or the EEOC.

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 or information related to the Company's employees, customers, suppliers and vendors 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 about the Company or its employees, customers, suppliers or vendors 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.

Nothing in this policy prohibits employees from communicating with, or responding to any inquiry from, or providing testimony before, any state or federal regulatory agencies with regard to confidential information without obtaining Company permission. However, the employee disclosing such information to a state or federal agency must notify such agency of the confidential nature of the information provided and request that necessary steps be taken to maintain its confidentiality.

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 Sr. 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 state and 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.
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 maintains a drug and alcohol free workplace and 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:

The Company expressly prohibits the following activities at any time that an employee, regardless of title or position, is either (1) on duty or conducting Company business (either on or away from Company premises), or (2) on Company premises (whether or not the employee is working):

1. The use, abuse, or being under the influence of alcohol, illegal drugs, or other impairing substances. While the use of marijuana may have been legalized under applicable law for medicinal or recreational uses, its use as it impacts the workplace is prohibited by the Company's policy.
2. The unlawful manufacture, distribution, dispensing, possession, sale, purchase, transfer or transit of any illegal, controlled or unauthorized drug, including prescription medication that is not prescribed to the employee or drug-related paraphernalia.
3. The illegal use or abuse of prescription drugs.

With the exception of marijuana, it shall not be a violation of this policy for an employee with a current and valid prescription for a drug to use, possess or be under the influence of such drug or an over-the-counter medication in the manner and for the purposes prescribed provided such use does not affect the employee's performance or create a risk to the safety of the employee or to others. Employees are responsible for learning of the possible effects of prescription and non-prescription drugs they intend to use. If an employee believes any prescription or non-prescription drugs the employee intends to use will impair the employee's job performance, safety or the safety of others, the employee should inform his or her Human Resources Business Partner or HRConnect before reporting to work while under the influence of that medication.

A violation of any of the above is subject to disciplinary action, up to and including immediate termination of employment, in accordance with applicable law.

If an employee is convicted under a criminal drug statute for conduct occurring at Palo Alto Networks' workplace, the employee must notify Palo Alto Networks in writing immediately, and no later than 5 days after the conviction. The Company may disclose this conviction as required by applicable law.

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.

In order to achieve the goals of this policy and maintain a safe, healthy and productive work environment, the Company also reserves the right to inspect employees, as well as their surroundings and possessions, for substances or materials in violation of this policy, in accordance with applicable law.

Drug Testing

Applicants to certain Customer Support and Professional Services positions will be asked to submit to a drug test prior to employment ("Drug Tested Position"). Such testing will be performed where necessary to satisfy customer requirements, and will take place after a conditional offer of employment has been made. Offers of employment for Drug Tested Positions may be conditioned on the applicant submitting to and successfully completing and passing a drug test in accordance with the testing procedures described in this policy.

All employees, regardless of title or position, may be asked to submit to a drug and alcohol test if an employee's supervisor or other person in authority has reasonable suspicion, based on objective factors such as the employee's appearance, speech, behavior or other conduct and facts, that the employee possesses or is under the influence of illegal drugs, marijuana, alcohol, and/or abused legal drugs.

Employees who take over-the-counter medication or other lawful medication that can be legally prescribed under both federal and state law or other applicable local law, with the exception of marijuana, to treat a disability should inform HRConnect if they believe the medication will impair their job performance, safety or the safety of others or if they believe they need a reasonable accommodation before reporting to work while under the influence of that medication.

For further details regarding drug testing, please see the Drug and Alcohol Abuse in the Workplace Policy, available on the Company Intranet or upon request from Human Resources.

Employee Assistance Program

Among the benefits Palo Alto Networks provides to employees is an Employee Assistance Program where employees can obtain confidential counseling and referral to local resources to assist with substance abuse issues, rehabilitation, and other personal concerns. For further information about the Employee Assistance Program, contact HRConnect, or you may directly call the Employee Assistance Program provider, ComPsych Guidance Resources, at 877-595-5284.

Background Checks

Palo Alto Networks takes measures to vet job applicants, including conducting criminal and federal background checks, in order to hire individuals that are suitable for employment and to protect the Company and our customers. For these same business reasons, Palo Alto Networks arranges to continuously monitor all employees for criminal and federal record activity, including global sanctioned party lists, during employment. DMV monitoring will occur for employees required to drive as part of their job duties. Palo Alto Networks maintains such information in confidence and handles it in accordance with applicable law.

News Media Contacts

Employees may be approached for interviews or comments by the news media. Only contact people designated by the CEO may comment to news reporters on behalf of the Company about Palo Alto Networks policy or events relevant to Palo Alto Networks. All media inquiries should be directed to the Corporate Communications Group. All Palo Alto Networks employees must abide by the Company's Social Media Policy.

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. Threatening violence, provoking a fight, or fighting during working hours or on Company premises;
7. Carrying firearms or any other dangerous weapons, at any time, on Company premises;

8. Criminal conduct whether or not related to job performance;
9. Insubordination;
10. Neglecting job duties;
11. Excessive absences or tardiness;
12. Using profane or abusive language during working hours or while on Company premises;
13. Unreported/unexcused absence from the workplace during a regularly scheduled workday (i.e., not constituting an approved Leave of Absence);
14. Being absent from work without authorization during scheduled work hours;
15. Violating or abusing Company policies;
16. Misusing or failing to protect the trade secrets or other confidential business information of the Company or a customers, partner, or vendor;
17. Conduct that could violate the intellectual property rights of any third party;
18. Failing to observe working schedules;
19. Failing to provide a physician's certificate when requested or required to do so;
20. 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);
21. Violating any safety, health, or security policy, rule, or procedure of Palo Alto Networks;
22. Violating any provision contained within the Code of Business Conduct and Ethics; and
23. 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, Human Resources, the General Counsel, CEO or the CFO of Palo Alto Networks in a timely manner. 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. Failure to do so may subject the employee to disciplinary action, which may include termination.

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.

Termination

Employee References

All requests for references must be directed to HR Connect. No other manager, supervisor, or employee is authorized to provide references for or information about current or former employees.

HR Connect will disclose only the dates of employment and the title of the last position held of former employees. If former employees authorize the Company in writing, Palo Alto Networks also will inform prospective employers of the amount of salary or wage last earned.

Employment Termination

Termination of employment is an inevitable part of Human Resources activity within any organization, and many of the reasons for termination are routine. Below are examples of some of the most common circumstances under which employment is terminated:

1. Resignation – voluntary employment termination initiated by an employee.
2. Discharge – involuntary employment termination initiated by the organization.
3. Layoff – involuntary employment termination initiated by the organization for nondisciplinary reasons.
4. Retirement – voluntary employment termination initiated by the employee meeting age, length of service, and any other criteria for retirement from the organization.

An employee who fails to report to work for 3 consecutive workdays without notice will be considered to have voluntarily terminated his or her employment. If an employee decides to end his or her employment with Palo Alto Networks, it is requested that they give Palo Alto Networks at least 2 weeks written notice. This notice will give Palo Alto Networks the opportunity to make the necessary adjustments in its operation. However, an employee's employment with Palo Alto Networks is at-will and as such, employment with the Company may be terminated at any time, without cause or notice.



Involuntary Termination and Disciplinary Actions

The Company, in its sole discretion, may determine the appropriate disciplinary action, which may or may not include verbal warnings, written warnings, and/or performance improvement plans. The system is not formal and Palo Alto Networks may forego any or all of the actions above and immediately terminate the employment relationship in its sole discretion. The Company's decision regarding the appropriate disciplinary action in no way limits or alters the at-will employment relationship.

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.

Arbitration of Disputes

Palo Alto Networks follows an arbitration policy whereby covered legal disputes that may arise between employees and the Company will be resolved in binding arbitration, instead of in court, according to a written Arbitration Agreement between the employee and the Company. The Arbitration Agreement is a contract that is provided separately from this Employee Handbook.

Agreeing to arbitration is not a mandatory term of employment; employees may opt out within 30 days of receiving the Arbitration Agreement by following the opt out procedure outlined in the Arbitration Agreement. If an employee does not opt out within 30 days of receiving the Arbitration Agreement, continuing his or her employment constitutes mutual acceptance of the terms of the Arbitration Agreement by the employee and the Company.