

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended January 31, 2025

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-35594

PALO ALTO NETWORKS, INC.

(Exact name of registrant as specified in its charter)

Delaware

20-2530195

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

3000 Tannery Way

Santa Clara, California 95054

(Address of principal executive offices, including zip code)

(408) 753-4000

(Registrant's telephone number, including area code)

NA

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.0001 par value per share	PANW	The Nasdaq Stock Market LLC (Nasdaq Global Select Market)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (\$232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

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

Large accelerated filer Accelerated filer Emerging growth company
Non-accelerated filer Smaller reporting company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares outstanding of the registrant's common stock as of February 7, 2025 was 662.1 million.

Table of Contents

	Page
PART I - FINANCIAL INFORMATION	
Item 1. Financial Statements	2
Condensed Consolidated Balance Sheets as of January 31, 2025 and July 31, 2024	2
Condensed Consolidated Statements of Operations for the Three and Six Months Ended January 31, 2025 and January 31, 2024	3
Condensed Consolidated Statements of Comprehensive Income for the Three and Six Months Ended January 31, 2025 and January 31, 2024	4
Condensed Consolidated Statements of Stockholders' Equity for the Three and Six Months Ended January 31, 2025 and January 31, 2024	5
Condensed Consolidated Statements of Cash Flows for the Six Months Ended January 31, 2025 and January 31, 2024	7
Notes to Condensed Consolidated Financial Statements	8
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	23
Item 3. Quantitative and Qualitative Disclosures About Market Risk	37
Item 4. Controls and Procedures	38
PART II - OTHER INFORMATION	
Item 1. Legal Proceedings	39
Item 1A. Risk Factors	39
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	60
Item 5. Other Information	61
Item 6. Exhibits	62
Signatures	63

Part I

Item 1. Financial Statements

PALO ALTO NETWORKS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions, except per share data)

	January 31, 2025	July 31, 2024		
	(unaudited)			
Assets				
Current assets:				
Cash and cash equivalents	\$ 2,226.3	\$ 1,535.2		
Short-term investments	1,006.6	1,043.6		
Accounts receivable, net of allowance for credit losses of \$8.5 and \$7.5 as of January 31, 2025 and July 31, 2024, respectively	1,495.5	2,618.6		
Short-term financing receivables, net	754.9	725.9		
Short-term deferred contract costs	376.1	369.0		
Prepaid expenses and other current assets	480.4	557.4		
Total current assets	6,339.8	6,849.7		
Property and equipment, net	358.2	361.1		
Operating lease right-of-use assets	372.9	385.9		
Long-term investments	4,559.8	4,173.2		
Long-term financing receivables, net	1,163.8	1,182.1		
Long-term deferred contract costs	523.4	562.0		
Goodwill	4,050.8	3,350.1		
Intangible assets, net	771.4	374.9		
Deferred tax assets	2,446.9	2,399.0		
Other assets	364.7	352.9		
Total assets	\$ 20,951.7	\$ 19,990.9		
Liabilities and stockholders' equity				
Current liabilities:				
Accounts payable	\$ 149.3	\$ 116.3		
Accrued compensation	491.6	554.7		
Accrued and other liabilities	777.6	506.7		
Deferred revenue	5,599.9	5,541.1		
Convertible senior notes, net	533.8	963.9		
Total current liabilities	7,552.2	7,682.7		
Long-term deferred revenue	5,662.5	5,939.4		
Deferred tax liabilities	116.1	387.7		
Long-term operating lease liabilities	363.0	380.5		
Other long-term liabilities	882.6	430.9		
Total liabilities	14,576.4	14,821.2		
Commitments and contingencies (Note 10)				
Stockholders' equity:				
Preferred stock; \$0.0001 par value; 100.0 shares authorized; none issued and outstanding as of January 31, 2025 and July 31, 2024	—	—		
Common stock and additional paid-in capital; \$0.0001 par value; 2,000.0 shares authorized; 660.4 and 650.2 shares issued and outstanding as of January 31, 2025 and July 31, 2024, respectively	4,421.0	3,821.1		
Accumulated other comprehensive loss	(13.9)	(1.6)		
Retained earnings	1,968.2	1,350.2		
Total stockholders' equity	6,375.3	5,169.7		
Total liabilities and stockholders' equity	\$ 20,951.7	\$ 19,990.9		

See notes to condensed consolidated financial statements.

PALO ALTO NETWORKS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited, in millions, except per share data)

	Three Months Ended January 31,		Six Months Ended January 31,	
	2025	2024	2025	2024
Revenue:				
Product	\$ 421.5	\$ 390.7	\$ 775.3	\$ 731.8
Subscription and support	1,835.9	1,584.4	3,620.9	3,121.4
Total revenue	2,257.4	1,975.1	4,396.2	3,853.2
Cost of revenue:				
Product	101.3	88.2	176.3	165.6
Subscription and support	497.9	410.9	977.0	806.3
Total cost of revenue	599.2	499.1	1,153.3	971.9
Total gross profit	1,658.2	1,476.0	3,242.9	2,881.3
Operating expenses:				
Research and development	505.7	447.9	986.1	857.4
Sales and marketing	758.3	673.0	1,478.4	1,333.5
General and administrative	153.8	301.5	251.5	421.6
Total operating expenses	1,417.8	1,422.4	2,716.0	2,612.5
Operating income	240.4	53.6	526.9	268.8
Interest expense	(0.9)	(2.8)	(2.1)	(5.7)
Other income, net	85.3	84.7	168.6	155.0
Income before income taxes	324.8	135.5	693.4	418.1
Provision for (benefit from) income taxes	57.5	(1,611.4)	75.4	(1,523.0)
Net income	\$ 267.3	\$ 1,746.9	\$ 618.0	\$ 1,941.1
Net income per share, basic	\$ 0.41	\$ 2.73	\$ 0.94	\$ 3.08
Net income per share, diluted	\$ 0.38	\$ 2.44	\$ 0.87	\$ 2.74
Weighted-average shares used to compute net income per share, basic	659.3	639.3	656.5	629.7
Weighted-average shares used to compute net income per share, diluted	709.0	715.0	709.1	707.3

See notes to condensed consolidated financial statements

PALO ALTO NETWORKS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited, in millions)

	Three Months Ended January 31,		Six Months Ended January 31,	
	2025	2024	2025	2024
Net income	\$ 267.3	\$ 1,746.9	\$ 618.0	\$ 1,941.1
Other comprehensive income, net of tax:				
Change in unrealized gains (losses) on investments	(4.4)	60.1	(8.0)	41.9
Cash flow hedges:				
Change in unrealized gains (losses)	(9.8)	27.6	(9.8)	(13.3)
Net realized (gains) losses reclassified into earnings	4.3	(1.2)	5.5	8.1
Net change on cash flow hedges	(5.5)	26.4	(4.3)	(5.2)
Other comprehensive income (loss)	(9.9)	86.5	(12.3)	36.7
Comprehensive income	<u>\$ 257.4</u>	<u>\$ 1,833.4</u>	<u>\$ 605.7</u>	<u>\$ 1,977.8</u>

See notes to condensed consolidated financial statements

PALO ALTO NETWORKS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited, in millions)

	Three Months Ended January 31, 2025					
	Common Stock and Additional Paid-In Capital			Accumulated Other Comprehensive Loss		Total Stockholders' Equity
	Shares	Amount		Retained Earnings		
Balance as of October 31, 2024	655.4	\$ 4,214.9	\$ (4.0)	\$ 1,700.9	\$ 5,911.8	
Net income	—	—	—	267.3	267.3	
Other comprehensive loss	—	—	(9.9)	—	(9.9)	
Issuance of common stock in connection with employee equity incentive plans	5.0	37.7	—	—	—	37.7
Taxes paid related to net share settlement of equity awards	—	(156.4)	—	—	—	(156.4)
Share-based compensation for equity-based awards	—	324.8	—	—	—	324.8
Settlement of convertible notes	1.7	—	—	—	—	—
Settlement of note hedges	(1.7)	—	—	—	—	—
Balance as of January 31, 2025	<u>660.4</u>	<u>\$ 4,421.0</u>	<u>\$ (13.9)</u>	<u>\$ 1,968.2</u>	<u>\$ 6,375.3</u>	

	Three Months Ended January 31, 2024					
	Common Stock and Additional Paid-In Capital			Retained Earnings (Accumulated Deficit)		Total Stockholders' Equity
	Shares	Amount		Comprehensive Loss		
Balance as of October 31, 2023	627.5	\$ 3,296.7	\$ (93.0)	\$ (1,033.2)	\$ 2,170.5	
Net income	—	—	—	1,746.9	1,746.9	
Other comprehensive income	—	—	86.5	—	—	86.5
Issuance of common stock in connection with employee equity incentive plans	6.0	55.3	—	—	—	55.3
Taxes paid related to net share settlement of equity awards	—	(3.8)	—	—	—	(3.8)
Share-based compensation for equity-based awards	—	302.1	—	—	—	302.1
Settlement of convertible notes	1.7	(0.3)	—	—	—	(0.3)
Settlement of note hedges	(1.7)	—	—	—	—	—
Settlement of warrants	11.9	—	—	—	—	—
Balance as of January 31, 2024	<u>645.4</u>	<u>\$ 3,650.0</u>	<u>\$ (6.5)</u>	<u>\$ 713.7</u>	<u>\$ 4,357.2</u>	

Six Months Ended January 31, 2025						
	Common Stock and Additional Paid-In Capital		Accumulated Other Comprehensive Loss		Total Stockholders' Equity	
	Shares	Amount			Retained Earnings	
Balance as of July 31, 2024	650.2	\$ 3,821.1	\$ (1.6)	\$ 1,350.2	\$ 5,169.7	
Net income	—	—	—	618.0	618.0	
Other comprehensive loss	—	—	(12.3)	—	—	(12.3)
Issuance of common stock in connection with employee equity incentive plans	10.2	158.4	—	—	—	158.4
Taxes paid related to net share settlement of equity awards	—	(177.8)	—	—	—	(177.8)
Share-based compensation for equity-based awards	—	619.4	—	—	—	619.4
Settlement of convertible notes	6.2	(0.1)	—	—	—	(0.1)
Settlement of note hedges	(6.2)	—	—	—	—	—
Balance as of January 31, 2025	<u>660.4</u>	<u>\$ 4,421.0</u>	<u>\$ (13.9)</u>	<u>\$ 1,968.2</u>	<u>\$ 6,375.3</u>	

Six Months Ended January 31, 2024							
	Common Stock and Additional Paid-In Capital		Accumulated Other Comprehensive Loss		Retained Earnings (Accumulated Deficit)		Total Stockholders' Equity
	Shares	Amount					
Balance as of July 31, 2023	616.7	\$ 3,019.0	\$ (43.2)	\$ (1,227.4)	\$ 1,941.1	\$ 1,748.4	
Net income	—	—	—	—	1,941.1	1,941.1	
Other comprehensive income	—	—	36.7	—	—	36.7	
Issuance of common stock in connection with employee equity incentive plans	11.3	142.3	—	—	—	142.3	
Taxes paid related to net share settlement of equity awards	—	(19.3)	—	—	—	(19.3)	
Share-based compensation for equity-based awards	—	575.2	—	—	—	575.2	
Repurchase and retirement of common stock	(0.6)	(66.7)	—	—	—	(66.7)	
Settlement of convertible notes	2.2	(0.5)	—	—	—	(0.5)	
Settlement of note hedges	(2.2)	—	—	—	—	—	
Settlement of warrants	18.0	—	—	—	—	—	
Balance as of January 31, 2024	<u>645.4</u>	<u>\$ 3,650.0</u>	<u>\$ (6.5)</u>	<u>\$ 713.7</u>	<u>\$ 4,357.2</u>		

See notes to condensed consolidated financial statements.

PALO ALTO NETWORKS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited, in millions)

	Six Months Ended January 31,	
	2025	2024
Cash flows from operating activities		
Net income	\$ 618.0	\$ 1,941.1
Adjustments to reconcile net income to net cash provided by operating activities:		
Share-based compensation for equity-based awards	614.8	543.0
Deferred income taxes	(316.8)	(1,691.3)
Depreciation and amortization	171.5	132.9
Amortization of deferred contract costs	225.0	214.4
Amortization of debt issuance costs	0.8	2.1
Change in fair value of contingent consideration liability	16.0	—
Reduction of operating lease right-of-use assets	32.0	26.1
Amortization of investment premiums, net of accretion of purchase discounts	(25.8)	(30.9)
Changes in operating assets and liabilities, net of effects of acquisitions:		
Accounts receivable, net	1,123.1	568.0
Financing receivables, net	(10.7)	(43.3)
Deferred contract costs	(193.5)	(159.3)
Prepaid expenses and other assets	88.9	45.9
Accounts payable	33.4	47.3
Accrued compensation	(63.1)	(98.3)
Accrued and other liabilities	0.7	199.8
Deferred revenue	(247.8)	518.5
Net cash provided by operating activities	<u>2,066.5</u>	<u>2,216.0</u>
Cash flows from investing activities		
Purchases of investments	(1,732.1)	(2,011.4)
Proceeds from sales of investments	644.9	431.2
Proceeds from maturities of investments	753.7	808.3
Business acquisitions, net of cash and restricted cash acquired	(499.5)	(610.6)
Purchases of property, equipment, and other assets	(91.6)	(72.0)
Net cash used in investing activities	<u>(924.6)</u>	<u>(1,454.5)</u>
Cash flows from financing activities		
Repayments of convertible senior notes	(431.4)	(172.3)
Repurchases of common stock	—	(66.7)
Proceeds from sales of shares through employee equity incentive plans	157.3	143.9
Payments for taxes related to net share settlement of equity awards	(177.8)	(19.3)
Net cash used in financing activities	<u>(451.9)</u>	<u>(114.4)</u>
Net increase in cash, cash equivalents, and restricted cash	690.0	647.1
Cash, cash equivalents, and restricted cash - beginning of period	1,546.8	1,142.2
Cash, cash equivalents, and restricted cash - end of period	<u>\$ 2,236.8</u>	<u>\$ 1,789.3</u>
Reconciliation of cash, cash equivalents, and restricted cash to the condensed consolidated balance sheets		
Cash and cash equivalents	\$ 2,226.3	\$ 1,782.5
Restricted cash included in prepaid expenses and other current assets	10.5	6.3
Restricted cash included in other assets	—	0.5
Total cash, cash equivalents, and restricted cash	<u>\$ 2,236.8</u>	<u>\$ 1,789.3</u>
Non-cash investing and financing activities		
Equity consideration for business acquisitions	\$ —	\$ (27.4)
Contingent consideration for a business acquisition	\$ (648.9)	\$ —

See notes to condensed consolidated financial statements.

Notes to Condensed Consolidated Financial Statements (Unaudited)

1. Description of Business and Summary of Significant Accounting Policies

Description of Business

Palo Alto Networks, Inc. (the "Company," "we," "us," or "our"), headquartered in Santa Clara, California, was incorporated in March 2005 under the laws of the State of Delaware and commenced operations in April 2005. We empower enterprises, organizations, service providers, and government entities to secure their users, networks, clouds, and endpoints by delivering comprehensive cybersecurity backed by artificial intelligence and automation.

Basis of Presentation and Principles of Consolidation

The accompanying condensed consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("U.S. GAAP"), consistent in all material respects with those applied in our Annual Report on Form 10-K for the fiscal year ended July 31, 2024, filed with the Securities and Exchange Commission ("SEC") on September 6, 2024. The condensed consolidated financial statements include our accounts and our wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

The condensed consolidated financial statements are unaudited but include all adjustments of a normal recurring nature necessary for a fair presentation of our quarterly results. Our condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes in our Annual Report on Form 10-K for the fiscal year ended July 31, 2024.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the condensed consolidated financial statements and the accompanying notes. We evaluate our estimates on an ongoing basis. Management estimates include, but are not limited to, the standalone selling price for our products and services, share-based compensation, fair value of assets acquired and liabilities assumed in business combinations, fair value of contingent consideration liability, the assessment of recoverability of our intangibles and goodwill, valuation allowance against deferred tax assets, manufacturing partner and supplier liabilities, deferred contract cost benefit period, and loss contingencies. We base our estimates on assumptions, both historical and forward looking, that we believe are reasonable. Actual results could differ materially from those estimates due to risks and uncertainties, including uncertainty in the current economic environment.

Stock Split

On December 12, 2024, we effected a two-for-one stock split of our outstanding shares of common stock through an amendment to our restated certificate of incorporation ("Stock Split"), which also effected a proportionate increase in the number of authorized shares of our common stock from 1.0 billion to 2.0 billion. The par value per share of our common stock remains unchanged at \$0.0001 per share after the Stock Split. All references made to share or per share amounts related to our common stock have been retroactively adjusted on the accompanying condensed consolidated financial statements and applicable disclosures to reflect the effects of the Stock Split.

Summary of Significant Accounting Policies

There have been no material changes to our significant accounting policies as of and for the six months ended January 31, 2025, as compared to the significant accounting policies described in our Annual Report on Form 10-K for the fiscal year ended July 31, 2024, except for the update to the disclosure of our accounting policies as described below resulting from our acquisition of certain QRadar assets from International Business Machines Corporation ("IBM"). Refer to Note 7. Acquisition for additional information.

Business Combinations

We include the results of operations of the businesses that we acquire as of the respective dates of acquisition. We allocate the fair value of the purchase price of our acquisitions to the assets acquired and liabilities assumed, including contingent consideration, generally based on their estimated fair values. The excess of the purchase price over the fair values of these identifiable assets and liabilities is recorded as goodwill. Additional information existing as of the acquisition date but unknown to us may become known during the remainder of the measurement period, not to exceed 12 months from the acquisition date, which may result in changes to the amounts and allocations recorded.

[Table of Contents](#)

Contingent consideration obligations incurred in connection with a business combination are recorded at fair value on the acquisition date and remeasured at each subsequent reporting period until the related contingencies have been resolved, with the change in fair value recognized in general and administrative expense on our condensed consolidated statements of operations. Payments not made soon after the acquisition date to settle a contingent consideration liability are classified as cash flows from financing activities up to the amount of the contingent consideration liability recognized at the acquisition date.

Recently Issued Accounting Pronouncements

Segment Reporting

In November 2023, the Financial Accounting Standards Board ("FASB") issued authoritative guidance that expands annual and interim disclosure requirements for reportable segments, primarily through enhanced disclosures about significant segment expenses. The standard is effective for our annual period in fiscal 2025 and interim periods beginning in the first quarter of fiscal 2026, and requires retrospective application for all prior periods presented in the financial statements. Early adoption is permitted. We are currently evaluating the impact of this standard on our disclosures in the consolidated financial statements.

Income Tax Disclosures

In December 2023, the FASB issued authoritative guidance that requires consistent categories and greater disaggregation of information in the effective tax rate reconciliation and additional disclosures of income taxes paid by jurisdiction. The standard is effective for our annual period in fiscal 2026 and could be applied either prospectively or retrospectively. Early adoption is permitted. We are currently evaluating the impact of this standard on our disclosures in the consolidated financial statements.

Expense Disaggregation Disclosures

In November 2024, the FASB issued authoritative guidance that expands annual and interim disclosure of specified information about certain costs and expenses in the notes to financial statements. The standard is effective for our annual period in fiscal 2028 and interim periods beginning in the first quarter of fiscal 2029, and could be applied either prospectively or retrospectively. Early adoption is permitted. We are currently evaluating the impact of this standard on our disclosures in the consolidated financial statements.

2. Revenue

Disaggregation of Revenue

The following table presents revenue by geographic theater (in millions):

	Three Months Ended January 31,		Six Months Ended January 31,	
	2025	2024	2025	2024
Revenue:				
Americas				
United States	\$ 1,400.5	\$ 1,248.2	\$ 2,744.6	\$ 2,452.5
Other Americas	101.9	86.0	199.9	168.3
Total Americas	1,502.4	1,334.2	2,944.5	2,620.8
Europe, the Middle East, and Africa ("EMEA")	480.0	406.8	921.4	771.7
Asia Pacific and Japan ("APAC")	275.0	234.1	530.3	460.7
Total revenue	\$ 2,257.4	\$ 1,975.1	\$ 4,396.2	\$ 3,853.2

[Table of Contents](#)

The following table presents revenue for groups of similar products and services (in millions):

	Three Months Ended January 31,		Six Months Ended January 31,	
	2025	2024	2025	2024
Revenue:				
Product	\$ 421.5	\$ 390.7	\$ 775.3	\$ 731.8
Subscription and support				
Subscription	1,233.2	1,027.1	2,425.0	2,015.4
Support	602.7	557.3	1,195.9	1,106.0
Total subscription and support	1,835.9	1,584.4	3,620.9	3,121.4
Total revenue	\$ 2,257.4	\$ 1,975.1	\$ 4,396.2	\$ 3,853.2

Deferred Revenue

During the six months ended January 31, 2025 and 2024, we recognized approximately \$3.1 billion and \$2.7 billion of revenue pertaining to amounts that were deferred as of July 31, 2024 and 2023, respectively.

Remaining Performance Obligations

Remaining performance obligations were \$13.0 billion as of January 31, 2025, of which we expect to recognize as revenue approximately \$6.1 billion over the next 12 months and the remainder thereafter.

3. Fair Value Measurements

The following table presents our financial assets and liabilities measured at fair value on a recurring basis as of January 31, 2025 and July 31, 2024 (in millions):

	January 31, 2025				July 31, 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Cash equivalents:								
Money market funds	\$ 1,291.9	\$ —	\$ —	\$ 1,291.9	\$ 494.0	\$ —	\$ —	\$ 494.0
Commercial paper	—	277.8	—	277.8	—	299.6	—	299.6
Corporate debt securities	—	4.3	—	4.3	—	18.2	—	18.2
U.S. government and agency securities	—	18.0	—	18.0	—	149.6	—	149.6
Total cash equivalents	1,291.9	300.1	—	1,592.0	494.0	467.4	—	961.4
Short-term investments:								
Certificates of deposit	—	1.0	—	1.0	—	20.6	—	20.6
Commercial paper	—	34.6	—	34.6	—	79.9	—	79.9
Corporate debt securities	—	936.8	—	936.8	—	935.9	—	935.9
U.S. government and agency securities	—	15.6	—	15.6	—	2.7	—	2.7
Non-U.S. government and agency securities	—	3.1	—	3.1	—	4.2	—	4.2
Asset-backed securities	—	15.5	—	15.5	—	0.3	—	0.3
Total short-term investments	—	1,006.6	—	1,006.6	—	1,043.6	—	1,043.6

	January 31, 2025				July 31, 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Long-term investments:								
Corporate debt securities	—	3,476.5	—	3,476.5	—	3,151.3	—	3,151.3
U.S. government and agency securities	—	83.4	—	83.4	—	19.0	—	19.0
Non-U.S. government and agency securities	—	26.0	—	26.0	—	54.4	—	54.4
Asset-backed securities	—	973.9	—	973.9	—	948.5	—	948.5
Total long-term investments	—	4,559.8	—	4,559.8	—	4,173.2	—	4,173.2
Prepaid expenses and other current assets:								
Foreign currency forward contracts	—	10.0	—	10.0	—	4.1	—	4.1
Total prepaid expenses and other current assets	—	10.0	—	10.0	—	4.1	—	4.1
Other assets:								
Foreign currency forward contracts	—	3.0	—	3.0	—	0.1	—	0.1
Total other assets	—	3.0	—	3.0	—	0.1	—	0.1
Total assets measured at fair value	\$ 1,291.9	\$ 5,879.5	\$ —	\$ 7,171.4	\$ 494.0	\$ 5,688.4	\$ —	\$ 6,182.4
Accrued and other liabilities:								
Foreign currency forward contracts	\$ —	\$ 28.2	\$ —	\$ 28.2	\$ —	\$ 15.3	\$ —	\$ 15.3
Contingent consideration	—	—	312.8	312.8	—	—	—	—
Total accrued and other liabilities	—	28.2	312.8	341.0	—	15.3	—	15.3
Other long-term liabilities:								
Foreign currency forward contracts	—	2.5	—	2.5	—	0.9	—	0.9
Contingent consideration	—	—	352.1	352.1	—	—	—	—
Total other long-term liabilities	—	2.5	352.1	354.6	—	0.9	—	0.9
Total liabilities measured at fair value	\$ —	\$ 30.7	\$ 664.9	\$ 695.6	\$ —	\$ 16.2	\$ —	\$ 16.2

The fair value of contingent consideration liability is estimated using a discounted cash flow valuation technique. We consider the fair value of our contingent consideration liability to be a Level 3 measurement as we use unobservable inputs in determining discounted cash flows to estimate the fair value. The significant unobservable inputs include an estimate of future cash payments related to customers entering into qualified new transactions as well as a risk-adjusted discount rate used to present value the expected cash flows. A significant change in any of these assumptions could have a material impact to the fair value of our contingent consideration liability.

The following table presents a reconciliation of our contingent consideration liability (in millions):

		Three Months Ended		Six Months Ended	
		January 31, 2025	January 31, 2025	January 31, 2025	January 31, 2025
Contingent consideration liability at the beginning of the period		\$ —	655.2	\$ —	—
Initial valuation on the acquisition date			—		648.9
Change in fair value			9.7		16.0
Contingent consideration liability at the end of the period		\$ —	664.9	\$ —	664.9

[Table of Contents](#)

The total estimated fair value of our financing receivables approximates their carrying amounts as of January 31, 2025 and July 31, 2024. We consider the fair value of our financing receivables to be a Level 3 measurement as we use unobservable inputs in determining discounted cash flows to estimate the fair value.

Refer to Note 9. Debt for the carrying amount and estimated fair value of our convertible senior notes as of January 31, 2025 and July 31, 2024.

4. Cash Equivalents and Investments

Available-for-sale Debt Securities

The following tables summarize the amortized cost, unrealized gains and losses, and fair value of our available-for-sale debt securities as of January 31, 2025 and July 31, 2024 (in millions):

	January 31, 2025				
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	
Cash equivalents:					
Commercial paper	\$ 277.7	\$ 0.1	\$ —	\$ 277.8	
Corporate debt securities	4.3	—	—	4.3	
U.S. government and agency securities	18.0	—	—	18.0	
Total available-for-sale cash equivalents	\$ 300.0	\$ 0.1	\$ —	\$ 300.1	
Investments:					
Certificates of deposit	\$ 1.0	\$ —	\$ —	\$ 1.0	
Commercial paper	34.6	—	—	34.6	
Corporate debt securities	4,401.7	20.3	(8.7)	4,413.3	
U.S. government and agency securities	99.1	—	(0.1)	99.0	
Non-U.S. government and agency securities	28.8	0.3	—	29.1	
Asset-backed securities	983.1	6.8	(0.5)	989.4	
Total available-for-sale investments	\$ 5,548.3	\$ 27.4	\$ (9.3)	\$ 5,566.4	
	July 31, 2024				
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	
Cash equivalents:					
Commercial paper	\$ 299.6	\$ —	\$ —	\$ 299.6	
Corporate debt securities	18.2	—	—	18.2	
U.S. government and agency securities	149.6	—	—	149.6	
Total available-for-sale cash equivalents	\$ 467.4	\$ —	\$ —	\$ 467.4	
Investments:					
Certificates of deposit	\$ 20.6	\$ —	\$ —	\$ 20.6	
Commercial paper	79.9	0.1	(0.1)	79.9	
Corporate debt securities	4,065.5	28.3	(6.6)	4,087.2	
U.S. government and agency securities	21.9	—	(0.2)	21.7	
Non-U.S. government and agency securities	57.9	0.7	—	58.6	
Asset-backed securities	943.1	6.3	(0.6)	948.8	
Total available-for-sale investments	\$ 5,188.9	\$ 35.4	\$ (7.5)	\$ 5,216.8	

[Table of Contents](#)

As of January 31, 2025, the gross unrealized losses that have been in a continuous unrealized loss position for less than 12 months were \$9 million, which were related to \$1.5 billion of available-for-sale debt securities, and the gross unrealized losses that have been in a continuous unrealized loss position for more than 12 months were \$0.4 million, which were related to \$215.4 million of available-for-sale debt securities. As of July 31, 2024 the gross unrealized losses that have been in a continuous unrealized loss position for less than 12 months were \$1.5 million, which were related to \$949.4 million of available-for-sale debt securities, and the gross unrealized losses that have been in a continuous unrealized loss position for more than 12 months were \$6.0 million, which were related to \$915.3 million of available-for-sale debt securities.

Unrealized losses related to our available-for-sale debt securities are primarily due to interest rate fluctuations as opposed to credit quality. We do not intend to sell any of the securities in an unrealized loss position and it is not likely that we would be required to sell these securities before recovery of their amortized cost basis, which may be at maturity. We did not recognize any credit losses related to our available-for-sale debt securities during the three and six months ended January 31, 2025 and 2024.

The following table summarizes the amortized cost and fair value of our available-for-sale debt securities as of January 31, 2025, by contractual years-to-maturity (in millions):

	Amortized Cost	Fair Value
Due within one year	\$ 1,305.4	\$ 1,306.7
Due between one and three years	1,769.2	1,776.7
Due between three and five years	2,453.7	2,461.0
Due between five and ten years	206.1	207.0
Due after ten years	113.9	115.1
Total	\$ 5,848.3	\$ 5,866.5

Marketable Equity Securities

Marketable equity securities consist of money market funds and are included in cash and cash equivalents on our condensed consolidated balance sheets. As of January 31, 2025 and July 31, 2024, the carrying values of our marketable equity securities were \$1.3 billion and \$494.0 million, respectively. There were no unrealized gains or losses recognized for these securities during the three and six months ended January 31, 2025 and 2024.

5. Financing Receivables

The following table summarizes our short-term and long-term financing receivables as of January 31, 2025 and July 31, 2024 (in millions):

	January 31, 2025	July 31, 2024
Short-term financing receivables, gross	\$ 859.7	\$ 830.2
Unearned income	(99.0)	(95.7)
Allowance for credit losses	(5.8)	(8.6)
Short-term financing receivables, net	<u>\$ 754.9</u>	<u>\$ 725.9</u>
Long-term financing receivables, gross	\$ 1,263.0	\$ 1,286.4
Unearned income	(89.6)	(94.6)
Allowance for credit losses	(9.6)	(9.7)
Long-term financing receivables, net	<u>\$ 1,163.8</u>	<u>\$ 1,182.1</u>

[Table of Contents](#)

The following table presents amortized cost basis of our financing receivables categorized by internal risk rating and year of origination (in millions):

Internal Risk Rating ⁽¹⁾	January 31, 2025					Total	July 31, 2024					
	Fiscal Year of Origination						Fiscal Year of Origination					
	2025	2024	2023	2022	2021		2024	2023	2022	2021	Total	
1 to 4	\$ 45.3	\$ 867.3	\$ 354.8	\$ 9.2	\$ 21.5	\$ 1,298.1	\$ 885.9	\$ 477.3	\$ 14.7	\$ 44.4	\$ 1,422.3	
5 to 6	156.0	326.9	121.9	—	1.1	605.9	272.2	172.0	21.1	1.1	466.4	
7 to 10	0.1	2.1	18.3	0.3	9.3	30.1	3.2	25.0	0.3	9.1	37.6	
Amortized cost basis of financing receivables	\$ 201.4	\$ 1,196.3	\$ 495.0	\$ 9.5	\$ 31.9	\$ 1,934.1	\$ 1,161.3	\$ 674.3	\$ 36.1	\$ 54.6	\$ 1,926.3	

⁽¹⁾ Internal risk ratings are categorized as 1 through 10, with the lowest rating representing the highest quality.

There was no significant activity in allowance for credit losses during the three and six months ended January 31, 2025 and 2024. Past due amounts on financing receivables were not material as of January 31, 2025 and July 31, 2024.

6. Derivative Instruments

We are exposed to foreign currency exchange risk. Our revenue is primarily transacted in U.S. dollars, however, a portion of our operating expenditures are incurred outside of the United States and are denominated in foreign currencies, making them subject to fluctuations in foreign currency exchange rates. We enter into foreign currency derivative contracts with maturities of 24 months or less, which we designate as cash flow hedges, to manage the foreign currency exchange risk associated with our operating expenditures.

As of January 31, 2025 and July 31, 2024, the total notional amount of our outstanding foreign currency forward contracts designated as cash flow hedges was \$1.0 billion and \$804.8 million, respectively. Refer to Note 3. Fair Value Measurements for the fair value of our derivative instruments as reported on our condensed consolidated balance sheets as of January 31, 2025 and July 31, 2024.

As of January 31, 2025, unrealized gains and losses in accumulated other comprehensive income ("AOCI") related to our cash flow hedges were a \$16.0 million net loss, of which \$14.1 million in losses are expected to be recognized into earnings within the next 12 months. As of July 31, 2024, unrealized gains and losses in AOCI related to our cash flow hedges were a \$10.6 million net loss.

As of January 31, 2025 and July 31, 2024, the notional amount of our outstanding foreign currency forward contracts not designated as hedging instruments was \$567.2 million and \$375.6 million, respectively.

7. Acquisition

IBM QRadar Assets

On August 31, 2024, we completed the acquisition of certain IBM QRadar assets, including certain intellectual property rights, customer relationships, and software as a service customer contracts. We expect the acquisition will help accelerate the growth of our Cortex business. The total purchase consideration for the acquisition was \$1.1 billion, which consisted of the following (in millions):

	Amount
Cash	\$ 500.0
Fair value of contingent consideration liability	648.9
Return of purchase consideration	(6.3)
Total	<u>\$ 1,142.6</u>

As part of the acquisition, we agreed to make post-closing payments to IBM contingent upon customers entering into qualified new transactions through June 30, 2028. We also expect to receive a return of purchase consideration of \$6.3 million due to timing of transition of certain underlying customer contracts, of which \$0.5 million was received during the three and six months ended January 31, 2025. In addition, we have entered into a transition services arrangement with IBM, under which IBM will perform certain services supporting the acquired assets and customers for a limited period of time.

Payments related to the contingent consideration liability are expected to begin in the fiscal quarter ending April 2025 and continue through the fiscal quarter ending October 2028. The estimated range of undiscounted contingent consideration is between \$0.5 billion and \$0.9 billion. Refer to Note 3. Fair Value Measurements, for more information on the fair value of our contingent consideration liability.

[Table of Contents](#)

We have accounted for this transaction as a business combination and allocated the purchase consideration to assets acquired and liabilities assumed based on preliminary estimated fair values, as presented in the following table (in millions):

	Amount
Goodwill	\$ 700.7
Identified intangible assets	476.0
Net liabilities assumed	(34.1)
Total	<u><u>\$ 1,142.6</u></u>

Goodwill generated from this business combination is primarily attributable to the expected post-acquisition synergies from increased market penetration to support the growth of our Cortex business. The goodwill is deductible for U.S. income tax purposes.

The following table presents details of the identified intangible assets acquired (in millions, except years):

	Fair Value	Estimated Useful Life
Customer relationships	\$ 464.0	12 years
Developed technology	12.0	2 years
Total	<u><u>\$ 476.0</u></u>	

Pro forma results of operations have not been presented because the effects of the acquisition were not material to our condensed consolidated statements of operations.

Additional information related to the acquisition existing as of the acquisition date may become known during the remainder of the measurement period, not to exceed 12 months from the acquisition date, which may result in changes to the amounts and allocations recorded.

8. Goodwill and Intangible Assets

Goodwill

The following table presents details of our goodwill during the six months ended January 31, 2025 (in millions):

	Amount
Balance as of July 31, 2024	\$ 3,350.1
Goodwill acquired	700.7
Balance as of January 31, 2025	<u><u>\$ 4,050.8</u></u>

Purchased Intangible Assets

The following table presents details of our purchased intangible assets as of January 31, 2025 and July 31, 2024 (in millions):

	January 31, 2025			July 31, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangible assets subject to amortization:						
Developed technology	\$ 825.9	\$ (584.3)	\$ 241.6	\$ 813.9	\$ (526.2)	\$ 287.7
Customer relationships	636.7	(122.5)	514.2	172.7	(96.1)	76.6
Acquired intellectual property	24.3	(8.9)	15.4	18.2	(7.9)	10.3
Trade name and trademarks	9.4	(9.4)	—	9.4	(9.4)	—
Other	0.9	(0.7)	0.2	0.9	(0.6)	0.3
Total purchased intangible assets	\$ 1,497.2	\$ (725.8)	\$ 771.4	\$ 1,015.1	\$ (640.2)	\$ 374.9

We recognized amortization expense of \$44.3 million and \$85.6 million for the three and six months ended January 31, 2025, respectively, and \$28.4 million and \$53.3 million for the three and six months ended January 31, 2024, respectively.

The following table summarizes estimated future amortization expense of our intangible assets subject to amortization as of January 31, 2025 (in millions):

	Fiscal years ending July 31,							2030 and Thereafter	
	Total	Remaining 2025	2026	2027	2028	2029	Thereafter		
Future amortization expense	\$ 771.4	\$ 80.6	\$ 141.6	\$ 110.7	\$ 89.9	\$ 63.9	\$ 284.7		

9. Debt

Convertible Senior Notes

In June 2020, we issued \$2.0 billion aggregate principal amount of 0.375% Convertible Senior Notes due 2025 (the "2025 Notes"). The 2025 Notes bear interest at a fixed rate of 0.375% per year, payable semi-annually in arrears on June 1 and December 1 of each year, beginning on December 1, 2020. The 2025 Notes are governed by an indenture between us, as the issuer, and U.S. Bank National Association, as Trustee (the "Indenture"). The 2025 Notes are unsecured, unsubordinated obligations and the Indenture governing the 2025 Notes does not contain any financial covenants or restrictions on the payments of dividends, the incurrence of indebtedness, or the issuance or repurchase of securities by us or any of our subsidiaries. The 2025 Notes mature on June 1, 2025. We may redeem for cash all or any portion of the 2025 Notes, at our option, on or after June 5, 2023 and prior to the 31st scheduled trading day immediately preceding the maturity date if the last reported sale price of our common stock has been at least 130% of the conversion price then in effect for at least 20 trading days during any 30 consecutive trading day period ending on and including the trading day preceding the date on which we provide notice of redemption. The redemption will be at a price equal to 100% of the principal amount of the 2025 Notes and adjusted for interest. If we call any or all of the 2025 Notes for redemption, holders may convert such 2025 Notes called for redemption at any time prior to the close of business on the second scheduled trading day immediately preceding the redemption date.

The 2025 Notes are convertible for an initial 40.3 million shares of our common stock at a conversion rate of approximately 20.1612 shares of common stock per \$1,000 principal amount, which is equal to an initial conversion price of approximately \$49.60 per share of common stock, subject to adjustments. Holders of the 2025 Notes may surrender their 2025 Notes for conversion at their option at any time prior to the close of business on the business day immediately preceding March 1, 2025 only under the following circumstances:

- during any fiscal quarter commencing after the fiscal quarters ending on October 31, 2020 (and only during such fiscal quarter), if the last reported sale price of our common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding fiscal quarter is greater than or equal to 130% of the conversion price for the 2025 Notes on each applicable trading day (the "sale price condition");
- during the five business day period after any five consecutive trading day period (the "measurement period") in which the trading price per \$1,000 principal amount of the 2025 Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our common stock and the conversion rate for the 2025 Notes on each such trading day; or
- upon the occurrence of specified corporate events.

On or after March 1, 2025, holders may surrender all or any portion of their 2025 Notes for conversion at any time prior to the close of business on the second scheduled trading day immediately preceding the maturity date regardless of the foregoing conditions, and such conversions will be settled upon the maturity date. Upon conversion, holders of the 2025 Notes will receive cash equal to the aggregate principal amount of the 2025 Notes to be converted, and, at our election, cash and/or shares of our common stock for any amounts in excess of the aggregate principal amount of the 2025 Notes being converted.

The conversion price will be subject to adjustment in some events. Holders of the 2025 Notes who convert their 2025 Notes in connection with certain corporate events that constitute a "make-whole fundamental change" under the Indenture are, under certain circumstances, entitled to an increase in the conversion rate. Additionally, upon the occurrence of a corporate event that constitutes a "fundamental change" under the Indenture, holders of the 2025 Notes may require us to repurchase for cash all or a portion of the 2025 Notes at a repurchase price equal to 100% of the principal amount of the 2025 Notes plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

[Table of Contents](#)

Holders of the 2025 Notes were able to early convert their 2025 Notes during the fiscal quarter ended January 31, 2025 as the sales price condition had been met during the fiscal quarter ended October 31, 2024. During the three and six months ended January 31, 2025, holders of the 2025 Notes converted \$112.4 million and \$431.4 million, respectively, in aggregate principal amount of the 2025 Notes, which we repaid in cash. We also issued 1.7 million and 6.2 million shares of our common stock to the holders of the 2025 Notes during the three and six months ended January 31, 2025, respectively, for the conversion value in excess of the principal amount. During the three and six months ended January 31, 2024, holders of the 2025 Notes converted \$126.3 million and \$172.3 million, respectively, in aggregate principal amount of the 2025 Notes, which we repaid in cash. We also issued 1.7 million and 2.2 million shares of our common stock to the holders of the 2025 Notes during the three and six months ended January 31, 2024, respectively, for the conversion value in excess of the principal amount. These shares were fully offset by shares we received from the corresponding exercise of the note hedges. Refer to Note 16, Subsequent Events for additional information regarding conversion of the 2025 Notes after January 31, 2025 through the filing date of this Quarterly Report on Form 10-Q.

The sale price condition for the 2025 Notes was met during the fiscal quarter ended January 31, 2025 and, as a result, holders may convert their 2025 Notes during the fiscal quarter ending April 30, 2025 at any time prior to the close of business on the business day immediately preceding March 1, 2025 for settlement prior to the maturity date. The net carrying amount of the 2025 Notes was classified as a current liability on our condensed consolidated balance sheet as of January 31, 2025.

The following table sets forth the net carrying amount of our 2025 Notes (in millions):

	January 31, 2025	July 31, 2024
Principal	\$ 534.2	\$ 965.6
Less: debt issuance costs, net of amortization	(0.4)	(1.7)
Net carrying amount	\$ 533.8	\$ 963.9

The total estimated fair value of the 2025 Notes was \$2.0 billion as of January 31, 2025 and \$3.2 billion as of July 31, 2024. The fair value was determined based on the closing trading price per \$100 of the 2025 Notes as of the last day of trading for the period. We consider the fair value of the 2025 Notes as of January 31, 2025 and July 31, 2024 to be a Level 2 measurement. The fair value of the 2025 Notes is primarily affected by the trading price of our common stock and market interest rates.

The following table sets forth interest expense recognized related to the 2025 Notes (dollars in millions):

	Three Months Ended January 31,		Six Months Ended January 31,	
	2025	2024	2025	2024
Contractual interest expense	\$ 0.6	\$ 1.7	\$ 1.3	\$ 3.6
Amortization of debt issuance costs	0.3	1.1	0.8	2.1
Total interest expense	\$ 0.9	\$ 2.8	\$ 2.1	\$ 5.7
Effective interest rate	0.6 %	0.6 %	0.6 %	0.6 %

Note Hedges

To minimize the impact of potential economic dilution upon conversion of our convertible senior notes, we entered into separate convertible note hedge transactions (the "2025 Note Hedges") with respect to our common stock concurrent with the issuance of the 2025 Notes.

The 2025 Note Hedges cover up to 40.3 million shares of our common stock at a strike price per share that corresponds to the initial conversion price of the 2025 Notes, which are also subject to adjustment, and are exercisable upon conversion of the 2025 Notes. The 2025 Note Hedges will expire upon maturity of the 2025 Notes. The 2025 Note Hedges are separate transactions and are not part of the terms of the 2025 Notes. Holders of the 2025 Notes will not have any rights with respect to the 2025 Note Hedges. Any shares of our common stock receivable by us under the 2025 Note Hedges are excluded from the calculation of diluted earnings per share as they are antidilutive. We paid an aggregate amount of \$370.8 million for the 2025 Note Hedges, which is included in additional paid-in capital on our condensed consolidated balance sheets.

As a result of the conversions of the 2025 Notes settled during the three and six months ended January 31, 2025, we exercised the corresponding portion of our 2025 Note Hedges and received 1.7 million and 6.2 million shares of our common stock during the respective periods. As a result of the conversions of the 2025 Notes settled during the three and six months ended January 31, 2024, we exercised the corresponding portion of our 2025 Note Hedges and received 1.7 million and 2.2 million shares of our common stock during the respective periods.

[Table of Contents](#)

Warrants

Separately, but concurrently with the issuance of each series of our convertible senior notes, we entered into transactions whereby we sold warrants (the "2023 Warrants," with respect to the 0.75% convertible senior notes due 2023 issued in July 2018, the "2025 Warrants," with respect to the 2025 Notes, and the 2023 Warrants together with the 2025 Warrants, the "Warrants") to acquire shares of our common stock, subject to anti-dilution adjustments. The 2023 Warrants and 2025 Warrants are exercisable over 60 scheduled trading days beginning October 2023 and September 2025, respectively.

The following table presents details of our Warrants (in millions, except per share data):

	Initial Number of Shares	Strike Price per Share	Aggregate Proceeds
2023 Warrants ⁽¹⁾	38.1	\$ 69.63	\$ 145.4
2025 Warrants	40.3	\$ 68.08	\$ 202.8

⁽¹⁾ The 2023 Warrants were net settled during the 60 scheduled trading days from October to December 2023.

The shares issuable under the Warrants are included in the calculation of diluted earnings per share when the average market value per share of our common stock for the reporting period exceeds the applicable strike price for such series of Warrants. The Warrants are separate transactions and are not part of either series of Notes or Note Hedges and are not remeasured through earnings each reporting period. Holders of the Notes of either series will not have any rights with respect to the Warrants. The aggregate proceeds received from the sale of the Warrants are included in additional paid-in capital on our condensed consolidated balance sheets.

During the six months ended January 31, 2024, we net settled all of the 2023 Warrants with 18.0 million shares of our common stock with a fair value of \$2.4 billion, of which 11.9 million shares of our common stock with a fair value of \$1.7 billion were net settled during the three months ended January 31, 2024. The number of net shares issued was determined based on the number of 2023 Warrants exercised multiplied by the difference between the strike price of the 2023 Warrants and their daily volume-weighted-average stock price.

Revolving Credit Facility

On April 13, 2023, we entered into a credit agreement (the "Credit Agreement") with certain institutional lenders that provides for a \$600.0 million unsecured revolving credit facility (the "Credit Facility"), with an option to increase the amount of the Credit Facility by up to an additional \$350.0 million, subject to certain conditions. The Credit Facility matures on April 13, 2028.

The borrowings under the Credit Facility bear interest, at our option, at a base rate plus a spread of 0.000% to 0.375%, or an adjusted term Secured Overnight Financing Rate ("SOFR") plus a spread of 1.000% to 1.375%, in each case with such spread being determined based on our leverage ratio. We are obligated to pay an ongoing commitment fee on undrawn amounts at a rate of 0.090% to 0.150%, depending on our leverage ratio. The interest rates and commitment fees are also subject to upward and downward adjustments based on our progress towards the achievement of certain sustainability goals related to greenhouse gas emissions.

As of January 31, 2025, there were no amounts outstanding and we were in compliance with all covenants under the Credit Agreement.

10. Commitments and Contingencies

Purchase Commitments

We have entered into various non-cancelable agreements with cloud service providers, under which we are committed to minimum or fixed purchases of certain cloud services. In addition, in order to reduce manufacturing lead times and plan for adequate supply, we have entered into agreements with manufacturing partners and component suppliers to procure inventory based on our demand forecasts. The following table presents details of the aggregate future non-cancelable purchase commitments under these agreements as of January 31, 2025 (in millions):

	Fiscal years ending July 31,							2030 and Thereafter
	Total	Remaining 2025		2026	2027	2028	2029	
Cloud	\$ 3,921.4	\$ 47.3	\$ 277.6	\$ 518.1	\$ 599.6	\$ 686.1	\$ 1,792.7	
Manufacturing	199.4	110.2	89.2	—	—	—	—	
Other	152.8	26.0	59.8	53.3	6.8	3.4	3.5	
Total purchase commitments	\$ 4,273.6	\$ 183.5	\$ 426.6	\$ 571.4	\$ 606.4	\$ 689.5	\$ 1,796.2	

[Table of Contents](#)

Additionally, we have a \$132.7 million minimum purchase commitment with a cloud service provider through September 2027 with no specified annual commitments.

Litigation

We are subject to legal proceedings, claims, tax matters, and litigation arising in the ordinary course of business, including, for instance, intellectual property and patent litigation. We accrue for contingencies when we believe that a loss is probable and that we can reasonably estimate the amount of any such loss.

Legal matters could include speculative, substantial, or indeterminate monetary amounts. Significant judgment is required to determine both the likelihood of there being a loss and the estimated amount of a loss related to such matters, and we may be unable to estimate the reasonably possible loss or range of loss. The outcomes of outstanding legal matters are inherently unpredictable, and could, either individually or in aggregate, have a material adverse effect on us and our results of operations. To the extent there is a reasonable possibility that a loss exceeding any amounts already recognized may be incurred, we will either disclose the estimated additional loss or state that such an estimate cannot be made.

The following matters arose in the ordinary course of business.

Centripetal Networks, Inc. v. Palo Alto Networks

On March 12, 2021, Centripetal Networks, Inc., filed a lawsuit against us in the United States District Court for the Eastern District of Virginia. The lawsuit alleges that our products infringe multiple Centripetal patents. We successfully challenged certain of these patents, which were found unpatentable by the U.S. Patent and Trademark Office ("PTO"). The case went to jury trial on January 22, 2024, on four patents. On January 31, 2024, the jury returned a verdict of non-willful infringement with a lump sum amount of \$151.5 million, plus statutory interest. After post-trial motions, a judgment was issued on October 3, 2024 affirming infringement on three patents, reversing infringement on the fourth patent, and subsequently, reducing the damages amount to \$113.6 million. We posted a surety bond that was agreed upon by the parties and approved by the court. This bond prevents execution of the judgment while appeals are pending. In addition, Centripetal filed infringement contentions on certain of their patents in the European Patent Office in Germany, to which we filed invalidity challenges. Those matters are still pending.

As of July 31, 2024, we accrued \$184.4 million for the verdict amount and estimated interest. As of January 31, 2025, we accrued \$142.8 million based on the judgment and estimated interest, which is recorded in other long-term liabilities on our condensed consolidated balance sheets. The corresponding amount was a charge of \$1.4 million for the three months ended January 31, 2025, and a release of \$1.6 million for the six months ended January 31, 2025, which is included in general and administrative expense on our condensed consolidated statements of operations.

Finjan, Inc. v. Palo Alto Networks

On November 4, 2014, Finjan, Inc., filed a lawsuit against us in the United States District Court for the Northern District of California. The lawsuit alleges that our products infringe multiple Finjan patents. The complaint requests injunctive relief, monetary damages, and attorneys fees. A trial date is set for June 9, 2025. We are unable, at this time, to reasonably estimate a possible loss or potential range of loss, if any.

11. Stockholders' Equity

Share Repurchase Program

In February 2019, our board of directors authorized a \$1.0 billion share repurchase program, which is funded from available working capital. In December 2020, August 2021, August 2022, November 2023, and August 2024, our board of directors authorized additional \$700.0 million, \$676.1 million, \$915.0 million, \$316.7 million and \$500.0 million increases to this share repurchase program, respectively, bringing the total authorization under this share repurchase program to \$4.1 billion (our "current authorization"). The expiration date of our current authorization was extended to December 31, 2025, and our repurchase program may be suspended or discontinued at any time. Repurchases may be made at management's discretion from time to time on the open market, through privately negotiated transactions, transactions structured through investment banking institutions, block purchase techniques, 10b5-1 trading plans, or a combination of the foregoing.

We did not repurchase shares of our common stock during the three and six months ended January 31, 2025. During the six months ended January 31, 2024, we repurchased and retired 0.6 million shares of our common stock under our current repurchase authorization for an aggregate purchase price of \$6.7 million, including transaction costs, at an average price of \$113.34 per share.

As of January 31, 2025, \$1.0 billion remained available for future share repurchases under our current repurchase authorization. The total price of the shares repurchased and related transaction costs are reflected as a reduction to common stock and additional paid-in capital on our condensed consolidated balance sheets.

12. Equity Award Plans

Restricted Stock Unit ("RSU") and Performance-Based Stock Unit ("PSU") Activities

The following table summarizes the RSU and PSU activity under our stock plans during the six months ended January 31, 2025 (in millions, except per share amounts):

	Unvested RSUs				Unvested PSUs			
	Number of Shares	Weighted-Average Grant-Date Fair Value		Aggregate Intrinsic Value	Number of Shares	Weighted-Average Grant-Date Fair Value		Aggregate Intrinsic Value
		Per Share	Aggregate			Per Share	Aggregate	
Balance—July 31, 2024	18.0	\$ 102.59	\$ 2,924.4		10.0	\$ 77.95	\$ 1,624.2	
Granted ⁽¹⁾	4.2	\$ 190.52			3.8	\$ 201.59		
Vested ⁽²⁾	(4.8)	\$ 86.49			(1.1)	\$ 64.76		
Forfeited	(1.1)	\$ 106.64			(3.2)	\$ 91.47		
Balance—January 31, 2025	<u>16.3</u>	<u>\$ 130.05</u>	<u>\$ 3,000.4</u>		<u>9.5</u>	<u>\$ 140.37</u>	<u>\$ 1,758.0</u>	

⁽¹⁾ For PSUs, shares granted represent the aggregate maximum number of shares that may be earned and issued with respect to these awards over their full terms.

⁽²⁾ Includes time-based vesting for PSUs.

Our RSUs generally vest over a period of three to four years from the date of grant. Until vested, RSUs do not have the voting and dividend participation rights of common stock and the shares underlying the awards are not considered issued and outstanding.

Our PSUs generally vest over a period of one to four years from the date of grant. The number of PSUs eligible to vest is determined based on the level of achievement against certain performance conditions, market conditions, and a combination thereof.

During the six months ended January 31, 2025, we granted 3.4 million shares of PSUs that contain service, performance, and market conditions, of which 0.1 million shares were granted during the three months ended January 31, 2025. The service conditions are satisfied after a period of one to three years. The performance conditions are based on an average of next-generation security annualized recurring revenue and non-GAAP net income per diluted share. The market condition is measured based on our total shareholder return ("TSR") relative to the TSR of the companies listed in the Standard & Poor's 500 index. As of January 31, 2025, we have approved 2.7 million shares of PSUs, which will be granted upon the performance condition being established during the next two fiscal years.

The fair value of the PSUs subject to market conditions is estimated on the grant date using a Monte Carlo simulation model. The following table summarizes the assumptions used and the resulting grant-date fair value of our PSUs subject to market conditions granted during the three and six months ended January 31, 2025 and 2024:

	Three Months Ended January 31,		Six Months Ended January 31,	
	2025	2024	2025	2024
Volatility	43.5% - 43.9%	40.9%	43.5% - 47.6%	40.8% - 43.4%
Expected term (in years)	1.7 - 2.7	2.7	1.0 - 2.9	0.9 - 2.9
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %
Risk-free interest rate	4.2%	4.5%	3.7% - 4.5%	4.5% - 5.3%
Grant-date fair value per share	\$287.98 - \$291.91	\$174.02	\$264.51 - \$305.83	\$173.46 - \$197.32

Performance Stock Option ("PSO") Activities

We have granted PSOs with both service and market conditions. The market conditions were achieved when certain stock price targets were met. As of January 31, 2025, all of our outstanding PSOs have been fully vested. The maximum contractual term of our outstanding PSOs is seven and a half years from the date of grant in fiscal year 2018 and 2019.

[Table of Contents](#)

The following table summarizes the PSO activity under our stock plans during the six months ended January 31, 2025 (in millions, except per share amounts):

	Number of Shares	Weighted-Average		Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
		Exercise Price Per Share	Share		
Balance—July 31, 2024	9.6	\$	32.66	1.2	\$ 1,244.9
Exercised	(5.3)	\$	32.49		
Balance—January 31, 2025	<u>4.3</u>	\$	32.87	0.8	\$ 654.1
Exercisable—January 31, 2025	<u>4.3</u>	\$	32.87	0.8	\$ 654.1

Share-Based Compensation

The following table summarizes share-based compensation included in costs and expenses (in millions):

	Three Months Ended January 31,		Six Months Ended January 31,	
	2025	2024	2025	2024
Cost of product revenue	\$ 1.3	\$ 2.3	\$ 2.6	\$ 4.7
Cost of subscription and support revenue	32.3	30.7	62.7	61.3
Research and development	139.6	138.6	277.4	258.7
Sales and marketing	90.2	75.6	166.6	154.8
General and administrative	57.1	28.1	105.5	66.8
Total share-based compensation	<u>\$ 320.5</u>	<u>\$ 275.3</u>	<u>\$ 614.8</u>	<u>\$ 546.3</u>

As of January 31, 2025, total compensation cost related to unvested share-based awards not yet recognized was \$2.5 billion. This cost is expected to be amortized over a weighted-average period of approximately 2.6 years.

13. Income Taxes

For the three and six months ended January 31, 2025, our provision for income taxes reflected effective tax rates of 17.7% and 10.9%, respectively. Our income taxes for the three and six months ended January 31, 2025 were primarily due to U.S. and foreign income taxes. Our effective tax rate for the three and six months ended January 31, 2025 differed from the U.S. statutory tax rate primarily due to excess tax benefits from share-based compensation.

For the three and six months ended January 31, 2024, our benefit from income taxes reflected an effective tax rate of negative 1,189.2% and negative 364.3%, respectively. Our effective tax rate for the three and six months ended January 31, 2024 differed from the U.S. statutory tax rate primarily due to the release of our valuation allowance on U.S. federal, U.S. states other than California, and United Kingdom ("U.K.") deferred tax assets.

As a result of the valuation allowance release, during the three and six months ended January 31, 2024, we recognized a deferred tax benefit of \$2 billion for the U.S. federal, U.S. states other than California, and U.K. deferred tax assets. In addition, during the three and six months ended January 31, 2024, we recognized a deferred tax expense of \$1.7 billion for the U.S. federal indirect tax effect of foreign deferred taxes consistent with our policy to record deferred taxes for basis differences relating to our global intangible low-taxed income. Accordingly, during the three and six months ended January 31, 2024, we recognized a net tax benefit of \$1.5 billion relating to our valuation allowance release.

14. Net Income Per Share

Basic net income per share is computed by dividing net income by basic weighted-average shares outstanding during the period. Diluted net income per share is computed by dividing net income by diluted weighted-average shares outstanding during the period giving effect to all potentially dilutive securities to the extent they are dilutive. We compute the dilutive effect of shares issuable upon conversion of our convertible senior notes using the if-converted method, and the dilutive effect of warrants related to the issuance of convertible senior notes and equity awards under our employee equity incentive plans using the treasury stock method.

[Table of Contents](#)

The following table presents the computation of basic and diluted net income per share of common stock (in millions, except per share data):

	Three Months Ended January 31,		Six Months Ended January 31,	
	2025	2024	2025	2024
Net income	\$ 267.3	\$ 1,746.9	\$ 618.0	\$ 1,941.1
Weighted-average shares used to compute net income per share, basic	659.3	639.3	656.5	629.7
Weighted-average effect of potentially dilutive securities:				
Convertible senior notes	8.7	25.9	10.3	24.6
Warrants related to the issuance of convertible senior notes	25.8	25.3	25.2	28.6
Employee equity incentive plans	15.2	24.5	17.1	24.4
Weighted-average shares used to compute net income per share, diluted	709.0	715.0	709.1	707.3
Net income per share, basic	\$ 0.41	\$ 2.73	\$ 0.94	\$ 3.08
Net income per share, diluted	\$ 0.38	\$ 2.44	\$ 0.87	\$ 2.74

The following securities were excluded from the computation of diluted net income per share of common stock as their effect would have been antidilutive or issuance of such shares is contingent upon the satisfaction of certain conditions which were not satisfied by the end of the applicable period (in millions):

	Three Months Ended January 31,		Six Months Ended January 31,	
	2025	2024	2025	2024
Employee equity incentive plans	6.3	4.7	4.8	4.9

15. Other Income, Net

The following table sets forth the components of other income, net (in millions):

	Three Months Ended January 31,		Six Months Ended January 31,	
	2025	2024	2025	2024
Interest income	\$ 86.9	\$ 85.3	\$ 172.6	\$ 156.5
Foreign currency exchange gains (losses), net	2.4	(6.5)	(5.1)	(1.4)
Other, net	(4.0)	5.9	1.1	(0.1)
Total other income, net	\$ 85.3	\$ 84.7	\$ 168.6	\$ 155.0

16. Subsequent Events

2025 Notes Conversion

Subsequent to January 31, 2025, \$100.4 million in aggregate principal amount of the 2025 Notes was converted or had been submitted by the holders for conversion and will settle during the fiscal quarter ending April 30, 2025.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q. This Quarterly Report on Form 10-Q, including, without limitation, the following discussion and analysis, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements generally can be identified by words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potentially," "projects," "will," "will be," "will continue," "will likely result," "would" and similar expressions that convey uncertainty of future events or outcomes. These forward-looking statements include, but are not limited to, statements concerning the following: expectations regarding the cybersecurity landscape; expectations regarding our platformization strategy and related progress and opportunities; expectations regarding annual recurring revenue, remaining performance obligations, and product development strategy; expectations regarding artificial intelligence; expectations regarding our strategic partnerships; expectations regarding drivers of and factors affecting growth in our business; statements regarding expected profitability, trends in annual recurring revenue, trends in remaining performance obligations, our mix of product and subscription and support revenue, cost of revenue, gross margin, cash flows, operating expenses, including future share-based compensation expense, income taxes, investment plans, and liquidity; expected recurring revenues resulting from growth in our end-customers and increased adoption of our products and cloud-delivered security solutions; the performance advantages of our products and subscription and support offerings and the potential benefits to our customers; expectations regarding future investments in research and development and product development, customer support, in our employees and in our sales force, including expectations regarding growth in our sales headcount; expectations that we will continue to expand our global presence; expectations regarding our revenues, including the seasonality and cyclical from quarter to quarter; expectations relating to our customer financing activities; the sufficiency of our cash flow from operations with existing cash, cash equivalents, and investments to meet our cash needs for the foreseeable future; our ability to successfully acquire and integrate companies and assets and expectations and intentions with respect to the assets, products and technologies that we acquire; expectations regarding contingent consideration obligations; the timing and amount of capital expenditures and share repurchases; the effects of worldwide economic and geopolitical conditions, including but not limited to hostilities in Israel and the surrounding regions, inflation, interest rate levels, public or administration policies, trade regulations, growth rates and other conditions, on our operating and financial results and performance; the manufacture, delivery and cost of certain of our products; the effects of litigation or regulatory developments involving us or affecting our industry; and other statements regarding our future operations, financial condition and prospects, and business strategies. These forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties, which could cause our actual results to differ materially from those anticipated or implied by any forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in this Quarterly Report on Form 10-Q and, in particular, the risks discussed under the caption "Risk Factors" in Part II, Item 1A of this report and those discussed in other documents we file with the Securities and Exchange Commission ("SEC") from time to time. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

Our Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is organized as follows:

- **Overview.** A discussion of our business and overall analysis of financial and other highlights in order to provide context for the remainder of MD&A.
- **Key Financial Metrics.** A summary of our U.S. GAAP and non-GAAP key financial metrics, which management monitors to evaluate our performance.
- **Results of Operations.** A discussion of the nature and trends in our financial results and an analysis of our financial results comparing the three and six months ended January 31, 2025 to the three and six months ended January 31, 2024.
- **Liquidity and Capital Resources.** An analysis of changes on our balance sheets and cash flows, and a discussion of our financial condition and our ability to meet cash needs.
- **Critical Accounting Estimates.** A discussion of our accounting policies that require critical estimates, assumptions, and judgments.
- **Recent Accounting Pronouncements.** A discussion of expected impacts of impending accounting changes on financial information to be reported in the future.

Overview

We empower enterprises, organizations, service providers, and government entities to protect themselves against today's most sophisticated cyber threats. Our cybersecurity platforms and services help secure enterprise users, networks, clouds, and endpoints by delivering comprehensive cybersecurity backed by artificial intelligence ("AI") and automation. A key element of our strategy is to help our customers simplify their security architectures through consolidating disparate point products. We execute on this strategy by developing our capabilities and packaging our offerings into platforms which are able to cover many of our customers' needs in the markets in which we operate. Our platformization strategy combines various products and services into a tightly integrated architecture and makes security faster, less complex, and more cost-effective. We focus on delivering value in four sectors of the cybersecurity industry:

Network Security:

- Our network security platform, designed to deliver complete zero trust solutions to our customers, includes our hardware and software ML-Powered Next-Generation Firewalls, AI Runtime Security, as well as a cloud-delivered Secure Access Service Edge ("SASE"). Prisma® Access, our Security Services Edge ("SSE") solution, when combined with Prisma SD-WAN, provides a comprehensive single-vendor SASE offering that is used to secure remote workforces and securely enable the cloud-delivered branch. Prisma Access Browser extends SASE security and data protection to the end user device, giving workers complete device freedom to access business applications securely using a secure browser. Our network security platform also includes our cloud-delivered security services, such as Advanced Threat Prevention, Advanced WildFire®, Advanced URL Filtering, Advanced DNS Security, IoT/OT Security, GlobalProtect®, Enterprise Data Loss Prevention ("Enterprise DLP"), AI for IT Operations ("AIOps"), software as a service ("SaaS") Security, and AI Access Security. Through these add-on security services, our customers are able to secure their content, applications, users, and devices across their entire organization. Strata Cloud Manager, our network security management solution, centrally manages our network security platform irrespective of form factor, location, or scale. Strata Cloud Manager includes the Strata Copilot which provides a natural language interface to simplify and strengthen network security.

Cloud Security:

- We deliver scalable and comprehensive security across the cloud application development lifecycle through our Code to Cloud™ platform, Prisma Cloud. As a comprehensive Cloud Native Application Protection Platform ("CNAPP"), Prisma Cloud secures multi- and hybrid-cloud environments for applications, data, generative AI ("GenAI") ecosystem, and the entire cloud native technology stack across the full development lifecycle, from code to cloud. We also offer our VM-Series and CN-Series virtual firewalls for inline network security on multi- and hybrid-cloud environments.

Security Operations:

- We deliver the next generation of security operations capabilities that unifies standalone Security Information and Event Management ("SIEM") tools, endpoint security, security automation, cloud detection and response ("CDR"), as well as attack surface management ("ASM") capabilities on our Cortex platform. These include Cortex XSIAM®, for AI-driven security operations that replaces traditional SIEM tools, Cortex XDR® for the prevention, detection, and response to complex cybersecurity attacks, Cortex XSOAR® for security orchestration, automation, and response ("SOAR"), and Cortex Xpanse® for ASM. These products are delivered as SaaS or software subscriptions.

Threat Intelligence and Advisory Services (Unit 42):

- Unit 42® brings together world-renowned threat researchers with an elite team of incident responders and security consultants to create an intelligence-driven, response-ready organization to help customers manage cyber risk. Our consultants serve as trusted advisors to our customers by assessing and testing their security controls against the right threats, transforming their security strategy with a threat-informed approach, and responding to security incidents on behalf of our clients. Additionally, Unit 42 offers managed detection and response ("MDR") and managed threat hunting services.

For the second quarter of fiscal 2025 and 2024, total revenue was \$2.3 billion and \$2.0 billion, respectively, representing year-over-year growth of 14.3%. Our growth reflects the increased adoption of our portfolio, which consists of product, subscriptions, and support. We believe our portfolio will enable us to benefit from recurring revenues and new revenues as we continue to grow our end-customer base. As of January 31, 2025, we had end-customers in over 180 countries. Our end-customers represent a broad range of industries, including education, energy, financial services, government entities, healthcare, Internet and media, manufacturing, public sector, and telecommunications, and include almost all of the Fortune 100 companies and a majority of the Global 2000 companies. We maintain a field sales force that works closely with our channel partners in developing sales opportunities. We primarily use a two-tiered, indirect fulfillment model whereby we sell our products, subscriptions, and support to our distributors, which, in turn, sell to our resellers, which then sell to our end-customers.

Our product revenue grew to \$421.5 million, or 18.7% of total revenue, for the second quarter of fiscal 2025, representing year-over-year growth of 7.9%. Product revenue is derived from sales of our appliances, primarily our ML-Powered Next-Generation Firewall. Product revenue also includes revenue derived from software licenses of Panorama®, SD-WAN, and the VM-Series. Our ML-Powered Next-Generation Firewall incorporates our PAN-OS operating system, which provides a consistent set of capabilities across our entire network security product line. Our appliances and software licenses include a broad set of built-in networking and security features and functionalities. Our products are designed for different performance requirements throughout an organization, ranging from our PA-400 Series, which is designed for small organizations and remote or branch offices, to our top-of-the-line PA-7500, which is designed for large-scale data centers and service provider use. The same firewall functionality that is delivered in our physical appliances is also available in our VM-Series virtual firewalls, which secure virtualized and cloud-based computing environments, and in our CN-Series container firewalls, which secure container environments and traffic.

Our subscription and support revenue grew to \$1.8 billion, or 81.3% of total revenue, for the second quarter of fiscal 2025, representing year-over-year growth of 15.9%. Our subscriptions provide our end-customers with near real-time access to the latest intrusion prevention, web security, modern malware prevention, data loss prevention, cloud access security broker and AI security capabilities across the network, endpoints, and the cloud. Our subscriptions also include security operations, which enable customers to leverage the AI-driven Cortex platform for advanced capabilities such as security information and event management, next-generation antivirus, endpoint detection and response, extended detection and response, identity threat detection and response, cloud detection and response, SOAR, as well as ASM. Additionally, we offer MDR for Cortex subscriptions, powered by Unit 42's elite expertise. When customers purchase our physical, virtual, or container firewall appliances, or certain cloud offerings, they typically purchase support in order to receive ongoing security updates, upgrades, bug fixes, and repairs. In addition to the subscriptions purchased with these appliances, customers may also purchase other subscriptions on a per-user, per-endpoint, or capacity-based basis. We also offer professional services, including incident response, risk management, and digital forensic services.

We continue to invest in innovation as we evolve and further extend the capabilities of our portfolio, as we believe that innovation and timely development of new features and products are essential to meeting the needs of our end-customers and improving our competitive position. For example, in February 2025, we announced Cortex Cloud, the next version of Prisma Cloud, that brings together our CDR and CNAPP capabilities on the unified Cortex platform to provide centralized visibility, AI-driven insights, and end-to-end remediation across the cloud security ecosystem to stop attacks in real time.

We believe that the growth of our business and our short-term and long-term success are dependent upon many factors, including our ability to extend our technology leadership, grow our base of end-customers, expand deployment of our portfolio and support offerings within existing end-customers, focus on end-customer satisfaction, and address any product vulnerabilities. To manage any future growth effectively, we must continue to improve and expand our information technology and financial infrastructure, our operating and administrative systems and controls, and our ability to manage headcount, capital, and processes in an efficient manner. While these areas present significant opportunities for us, they also pose challenges and risks that we must successfully address in order to sustain the growth of our business and improve our operating results. For additional information regarding the challenges and risks we face, see the "Risk Factors" section in Part II, Item 1A of this Quarterly Report on Form 10-Q.

IMPACT OF MACROECONOMIC DEVELOPMENTS AND OTHER FACTORS ON OUR BUSINESS

Our overall performance depends in part on worldwide economic and geopolitical conditions and their impact on customer behavior. Changes in legislation or regulations and actions by regulators, including changes in enforcement and administration policies, may have an impact on our results of operations and financial condition. Further, worsening economic conditions, including inflation, high interest rates, slow growth, fluctuations in foreign exchange rates, supply chain disruptions, impacts of trade regulations, and other conditions, may adversely affect our results of operations and financial performance.

The hostilities in Israel and the surrounding region have continued to result in economic and political uncertainty. While we have business operations in Israel, and intend to continue growing our presence in Israel, we currently do not expect significant business disruption. We are actively monitoring, evaluating, and responding to the situation.

We are also monitoring the impact of inflationary pressures and the tensions between China and Taiwan, and between the U.S. and China, which could have an adverse impact on our business or results of operations in future periods.

Key Financial Metrics

We monitor the key financial metrics set forth in the tables below to help us evaluate growth trends, establish budgets, measure the effectiveness of our sales and marketing efforts, and assess operational efficiencies. We discuss revenue, gross margin, and the components of operating income and margin below under "Results of Operations."

	January 31, 2025		July 31, 2024	
	(in billions)			
Next-Generation Security Annualized Recurring Revenue	\$ 4.8		\$ 4.2	
Remaining performance obligations	\$ 13.0		\$ 12.7	
	Three Months Ended January 31,		Six Months Ended January 31,	
	2025	2024	2025	2024
	(dollars in millions)			
Total revenue	\$ 2,257.4	\$ 1,975.1	\$ 4,396.2	\$ 3,853.2
Total revenue year-over-year percentage increase	14.3 %		19.3 %	
Gross margin	73.5 %		74.7 %	
Operating income	\$ 240.4	\$ 53.6	\$ 526.9	\$ 268.8
Operating margin	10.6 %		2.7 %	
Cash flow provided by operating activities	\$ 2,066.5		\$ 2,216.0	
Free cash flow (non-GAAP)	\$ 1,974.9		\$ 2,144.0	

- **Next-Generation Security Annualized Recurring Revenue ("NGS ARR").** Our NGS ARR represents the annualized allocated revenue of all active contracts as of the final day of the reporting period for Prisma and Cortex offerings inclusive of the VM-Series and related services, and certain cloud-delivered security services. Beginning the first quarter of fiscal 2025, NGS ARR includes revenue attributable to QRadar SaaS contracts. NGS ARR is an operating metric that we use to assess the strength and trajectory of our business. NGS ARR should be viewed independently of revenue, deferred revenue and remaining performance obligations and does not represent our revenue under U.S. GAAP on an annualized basis, as it is an operating metric that can be impacted by contract start and end dates and renewal rates. NGS ARR is not intended to be a replacement for forecasts of revenue.
- **Cash Flow Provided by Operating Activities.** We monitor cash flow provided by operating activities as a measure of our overall business performance. Our cash flow provided by operating activities is driven in large part by sales of our products and from up-front payments for subscription and support offerings. Monitoring cash flow provided by operating activities enables us to analyze our financial performance without the non-cash effects of certain items such as share-based compensation costs, depreciation, and amortization, thereby allowing us to better understand and manage the cash needs of our business.

- **Free Cash Flow (non-GAAP).** We define free cash flow, a non-GAAP financial measure, as cash provided by operating activities less purchases of property, equipment, and other assets. We consider free cash flow to be a profitability and liquidity measure that provides useful information to management and investors about the amount of cash generated by the business after necessary capital expenditures. A limitation of the utility of free cash flow as a measure of our financial performance and liquidity is that it does not represent the total increase or decrease in our cash balance for the period. In addition, it is important to note that other companies, including companies in our industry, may not use free cash flow, may calculate free cash flow in a different manner than we do, or may use other financial measures to evaluate their performance, all of which could reduce the usefulness of free cash flow as a comparative measure. A reconciliation of free cash flow to cash flow provided by operating activities, the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP, is provided below:

	Six Months Ended January 31,	
	2025	2024
	(in millions)	
Free cash flow (non-GAAP):		
Net cash provided by operating activities	\$ 2,066.5	\$ 2,216.0
Less: purchases of property, equipment, and other assets	91.6	72.0
Free cash flow (non-GAAP)	\$ 1,974.9	\$ 2,144.0
Net cash used in investing activities	\$ (924.6)	\$ (1,454.5)
Net cash used in financing activities	\$ (451.9)	\$ (114.4)

Results of Operations

The following table summarizes our results of operations for the periods presented and as a percentage of our total revenue for those periods based on our condensed consolidated statements of operations data. The period-to-period comparison of results is not necessarily indicative of results for future periods.

	Three Months Ended January 31,				Six Months Ended January 31,			
	2025		2024		2025		2024	
	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue
(dollars in millions)								
Revenue:								
Product	\$ 421.5	18.7 %	\$ 390.7	19.8 %	\$ 775.3	17.6 %	\$ 731.8	19.0 %
Subscription and support	1,835.9	81.3 %	1,584.4	80.2 %	3,620.9	82.4 %	3,121.4	81.0 %
Total revenue	2,257.4	100.0 %	1,975.1	100.0 %	4,396.2	100.0 %	3,853.2	100.0 %
Cost of revenue:								
Product	101.3	4.5 %	88.2	4.5 %	176.3	4.0 %	165.6	4.3 %
Subscription and support	497.9	22.0 %	410.9	20.8 %	977.0	22.2 %	806.3	20.9 %
Total cost of revenue ⁽¹⁾	599.2	26.5 %	499.1	25.3 %	1,153.3	26.2 %	971.9	25.2 %
Total gross profit	1,658.2	73.5 %	1,476.0	74.7 %	3,242.9	73.8 %	2,881.3	74.8 %
Operating expenses:								
Research and development	505.7	22.4 %	447.9	22.7 %	986.1	22.4 %	857.4	22.3 %
Sales and marketing	758.3	33.7 %	673.0	34.0 %	1,478.4	33.7 %	1,333.5	34.6 %
General and administrative	153.8	6.8 %	301.5	15.3 %	251.5	5.7 %	421.6	10.9 %
Total operating expenses ⁽¹⁾	1,417.8	62.9 %	1,422.4	72.0 %	2,716.0	61.8 %	2,612.5	67.8 %
Operating income	240.4	10.6 %	53.6	2.7 %	526.9	12.0 %	268.8	7.0 %
Interest expense	(0.9)	— %	(2.8)	(0.1)%	(2.1)	— %	(5.7)	(0.1)%
Other income, net	85.3	3.8 %	84.7	4.3 %	168.6	3.8 %	155.0	4.0 %
Income before income taxes	324.8	14.4 %	135.5	6.9 %	693.4	15.8 %	418.1	10.9 %
Provision for (benefit from) income taxes	57.5	2.6 %	(1,611.4)	(81.5)%	75.4	1.7 %	(1,523.0)	(39.5)%
Net income	\$ 267.3	11.8 %	\$ 1,746.9	88.4 %	\$ 618.0	14.1 %	\$ 1,941.1	50.4 %

⁽¹⁾ Includes share-based compensation as follows:

	Three Months Ended January 31,				Six Months Ended January 31,			
	2025		2024		2025		2024	
	(in millions)							
Cost of product revenue	\$ 1.3	\$ 2.3	\$ 2.6	\$ 4.7				
Cost of subscription and support revenue	32.3	30.7	62.7	61.3				
Research and development	139.6	138.6	277.4	258.7				
Sales and marketing	90.2	75.6	166.6	154.8				
General and administrative	57.1	28.1	105.5	66.8				
Total share-based compensation	\$ 320.5	\$ 275.3	\$ 614.8	\$ 546.3				

REVENUE

Our revenue consists of product revenue and subscription and support revenue. Revenue is recognized upon transfer of control of the corresponding promised products and subscriptions and support to our customers in an amount that reflects the consideration we expect to be entitled to in exchange for those products and subscriptions and support. We expect our revenue to vary from quarter to quarter based on seasonal and cyclical factors.

PRODUCT REVENUE

Product revenue is derived from sales of our appliances, primarily our ML-Powered Next-Generation Firewall. Product revenue also includes revenue derived from software licenses of Panorama, SD-WAN, and the VM-Series. Our appliances and software licenses include a broad set of built-in networking and security features and functionalities. We recognize product revenue at the time of hardware shipment or delivery of software license.

	Three Months Ended				Six Months Ended			
	January 31,		January 31,		January 31,		January 31,	
	2025	2024	Change		2025	2024	Change	
	Amount	Amount	Amount	%	Amount	Amount	Amount	%
(dollars in millions)								
Product	\$ 421.5	\$ 390.7	\$ 30.8	7.9 %	\$ 775.3	\$ 731.8	\$ 43.5	5.9 %

Product revenue increased for the three and six months ended January 31, 2025 compared to the same periods in 2024 driven by increased demand for our new generation of hardware products and accessories, and an increase in price of and allocation to on-premise software licenses due to enhanced features and capabilities during the fiscal quarter ended January 31, 2025. The increase in product revenue for the six months ended January 31, 2025 was partially offset by decreased demand for our prior generation of hardware products.

SUBSCRIPTION AND SUPPORT REVENUE

Subscription and support revenue is derived primarily from sales of our subscription and support offerings. Our subscription and support contracts are typically one to five years. We recognize revenue from subscriptions and support over time as the services are performed. As a percentage of total revenue, we expect our subscription and support revenue to vary from quarter to quarter and increase over the long term as we introduce new subscriptions, renew existing subscription and support contracts, and expand our installed end-customer base.

	Three Months Ended				Six Months Ended			
	January 31,		January 31,		January 31,		January 31,	
	2025	2024	Change		2025	2024	Change	
	Amount	Amount	Amount	%	Amount	Amount	Amount	%
(dollars in millions)								
Subscription	\$ 1,233.2	\$ 1,027.1	\$ 206.1	20.1 %	\$ 2,425.0	\$ 2,015.4	\$ 409.6	20.3 %
Support	602.7	557.3	45.4	8.1 %	1,195.9	1,106.0	89.9	8.1 %
Total subscription and support	\$ 1,835.9	\$ 1,584.4	\$ 251.5	15.9 %	\$ 3,620.9	\$ 3,121.4	\$ 499.5	16.0 %

Subscription and support revenue increased for the three and six months ended January 31, 2025 compared to the same periods in 2024 primarily due to increased demand for our subscription and support offerings from our end-customers. The mix between subscription revenue and support revenue will fluctuate over time, depending on the introduction of new subscription offerings, renewals of support services, and our ability to increase sales to new and existing end-customers.

REVENUE BY GEOGRAPHIC THEATER

	Three Months Ended				Six Months Ended			
	January 31,				January 31,			
	2025	2024	Change		2025	2024	Change	
(dollars in millions)								
Americas	\$ 1,502.4	\$ 1,334.2	\$ 168.2	12.6 %	\$ 2,944.5	\$ 2,620.8	\$ 323.7	12.4 %
Europe, the Middle East, and Africa ("EMEA")	480.0	406.8	73.2	18.0 %	921.4	771.7	149.7	19.4 %
Asia Pacific and Japan ("APAC")	275.0	234.1	40.9	17.5 %	530.3	460.7	69.6	15.1 %
Total revenue	<u>\$ 2,257.4</u>	<u>\$ 1,975.1</u>	<u>\$ 282.3</u>	<u>14.3 %</u>	<u>\$ 4,396.2</u>	<u>\$ 3,853.2</u>	<u>\$ 543.0</u>	<u>14.1 %</u>

Revenue from the Americas, EMEA, and APAC increased for the three and six months ended January 31, 2025 compared to the same periods in 2024 as we continued to increase investment in our global sales force in order to support our growth and innovation, with the Americas contributing the highest increase in revenue due to its larger scale.

COST OF REVENUE

Our cost of revenue consists of cost of product revenue and cost of subscription and support revenue.

COST OF PRODUCT REVENUE

Cost of product revenue primarily includes costs paid to our manufacturing partners for procuring components and manufacturing our products. Our cost of product revenue also includes personnel costs, which consist of salaries, benefits, bonuses, share-based compensation, and travel associated with our operations organization, amortization of intellectual property licenses, product testing costs, shipping and tariff costs, and shared costs. Shared costs consist of certain facilities, depreciation, benefits, recruiting, and information technology costs that we allocate based on headcount. We expect our cost of product revenue to fluctuate with our revenue from hardware products.

	Three Months Ended				Six Months Ended			
	January 31,				January 31,			
	2025	2024	Change		2025	2024	Change	
(dollars in millions)								
Cost of product revenue	\$ 101.3	\$ 88.2	\$ 13.1	14.9 %	\$ 176.3	\$ 165.6	\$ 10.7	6.5 %

Cost of product revenue increased for the three and six months ended January 31, 2025 compared to the same periods in 2024 primarily due to an increase in inventory reserves. The increase in cost of product revenue for the three months ended January 31, 2025 was further driven by increased demand for our new generation hardware products.

COST OF SUBSCRIPTION AND SUPPORT REVENUE

Cost of subscription and support revenue includes personnel costs for our global customer support and technical operations organizations, data center and cloud hosting service costs, third-party professional services costs, amortization of acquired intangible assets and capitalized software development costs, customer support and repair costs, and shared costs. We expect our cost of subscription and support revenue to increase as our installed end-customer base grows and adoption of our cloud-based subscription offerings increases.

	Three Months Ended				Six Months Ended			
	January 31,				January 31,			
	2025	2024	Change		2025	2024	Change	
	Amount	Amount	Amount	%	Amount	Amount	Amount	%
(dollars in millions)								
Cost of subscription and support revenue	\$ 497.9	\$ 410.9	\$ 87.0	21.2 %	\$ 977.0	\$ 806.3	\$ 170.7	21.2 %

Cost of subscription and support revenue increased for the three and six months ended January 31, 2025 compared to the same periods in 2024 primarily due to increased costs to support the growth of our subscription and support offerings. Cloud hosting service costs, which support our cloud-based subscription offerings, increased \$45.9 million and \$85.7 million for the three and six months ended January 31, 2025, respectively, compared to the same periods in 2024. Personnel costs grew \$14.5 million and \$25.8 million for the three and six months ended January 31, 2025, respectively, compared to the same periods in 2024, primarily due to headcount growth. The increase in cost of subscription and support revenue in both periods was further driven by increased professional services expense.

GROSS MARGIN

Gross margin has been and will continue to be affected by a variety of factors, including the introduction of new products, manufacturing costs, the average sales price of our products, cloud hosting service costs, personnel costs, the mix of products sold, and the mix of revenue between product and subscription and support offerings. Our virtual and higher-end firewall products generally have higher gross margins than our lower-end firewall products within each product series. We expect our gross margins to vary over time depending on the factors described above.

	Three Months Ended January 31,				Six Months Ended January 31,			
	2025		2024		2025		2024	
	Amount	Gross Margin	Amount	Gross Margin	Amount	Gross Margin	Amount	Gross Margin
	(dollars in millions)							
Product	\$ 320.2	76.0 %	\$ 302.5	77.4 %	\$ 599.0	77.3 %	\$ 566.2	77.4 %
Subscription and support	1,338.0	72.9 %	1,173.5	74.1 %	2,643.9	73.0 %	2,315.1	74.2 %
Total gross profit	\$ 1,658.2	73.5 %	\$ 1,476.0	74.7 %	\$ 3,242.9	73.8 %	\$ 2,881.3	74.8 %

Product gross margin decreased for the three months ended January 31, 2025 compared to the same period in 2024 primarily due to an increase in inventory reserves. Product gross margin was relatively flat for the six months ended January 31, 2025 compared to the same period in 2024.

Subscription and support gross margin decreased for the three and six months ended January 31, 2025 compared to the same periods in 2024 primarily due to an increase in costs related to our cloud-based offerings.

OPERATING EXPENSES

Our operating expenses consist of research and development, sales and marketing, and general and administrative expenses. Personnel costs are the most significant component of operating expenses and consist of salaries, benefits, bonuses, share-based compensation, travel and entertainment, and with regard to sales and marketing expense, sales commissions. Our operating expenses also include shared costs, which consist of certain facilities, depreciation, benefits, recruiting, and information technology costs that we allocate based on headcount to each department. We expect operating expenses generally to increase in absolute dollars and to decrease over the long term as a percentage of revenue as we continue to scale our business. As of January 31, 2025, we expect to recognize approximately \$2.5 billion of share-based compensation expense over a weighted-average period of approximately 2.6 years, excluding additional share-based compensation expense related to any future grants of share-based awards. Share-based compensation expense is generally recognized on a straight-line basis over the requisite service periods of the awards.

RESEARCH AND DEVELOPMENT

Research and development expense consists primarily of personnel costs. Research and development expense also includes prototype-related expenses and shared costs. We expect research and development expense to increase in absolute dollars as we continue to invest in our future products and services, although our research and development expense may fluctuate as a percentage of total revenue.

	Three Months Ended				Six Months Ended			
	January 31,		Change		January 31,		Change	
	2025	2024	Amount	%	2025	2024	Amount	%
	Amount	Amount	Amount	%	Amount	Amount	Amount	%
(dollars in millions)								
Research and development	\$ 505.7	\$ 447.9	\$ 57.8	12.9 %	\$ 986.1	\$ 857.4	\$ 128.7	15.0 %

Research and development expense increased for the three and six months ended January 31, 2025 compared to the same periods in 2024 primarily due to increased personnel costs, which grew \$38.1 million and \$87.1 million for the three and six months ended January 31, 2025, respectively, compared to the same periods in 2024, largely due to headcount growth. The increase in research and development expense in both periods was further driven by increased shared costs.

SALES AND MARKETING

Sales and marketing expense consists primarily of personnel costs, including commission expense. Sales and marketing expense also includes costs for market development programs, promotional and other marketing costs, professional services, and shared costs. We continue to strategically invest in headcount and have grown our sales presence. We expect sales and marketing expense to continue to increase in absolute dollars as we increase the size of our sales and marketing organizations to grow our customer base, increase touch points with end-customers, and expand our global presence, although our sales and marketing expense may fluctuate as a percentage of total revenue.

	Three Months Ended				Six Months Ended			
	January 31,		Change		January 31,		Change	
	2025	2024	Amount	%	2025	2024	Amount	%
	Amount	Amount	Amount	%	Amount	Amount	Amount	%
(dollars in millions)								
Sales and marketing	\$ 758.3	\$ 673.0	\$ 85.3	12.7 %	\$ 1,478.4	\$ 1,333.5	\$ 144.9	10.9 %

Sales and marketing expense increased for the three and six months ended January 31, 2025 compared to the same periods in 2024 primarily due to increased personnel costs, which grew \$65.1 million and \$122.7 million for the three and six months ended January 31, 2025, respectively, compared to the same periods in 2024, largely due to headcount growth.

GENERAL AND ADMINISTRATIVE

General and administrative expense consists primarily of personnel costs and shared costs for our executive, finance, human resources, information technology, and legal organizations, and professional services costs, which consist primarily of legal, auditing, accounting, and other consulting costs. General and administrative expense also includes change in fair value of contingent consideration liability. We expect general and administrative expense to increase in absolute dollars over time as we increase the size of our general and administrative organizations and incur additional costs to support our business growth, although our general and administrative expense may fluctuate as a percentage of total revenue.

	Three Months Ended				Six Months Ended			
	January 31,				January 31,			
	2025	2024	Change		2025	2024	Change	
	Amount	Amount	Amount	%	Amount	Amount	Amount	%
(dollars in millions)								
General and administrative	\$ 153.8	\$ 301.5	\$ (147.7)	(49.0)%	\$ 251.5	\$ 421.6	\$ (170.1)	(40.3)%

General and administrative expense decreased for the three and six months ended January 31, 2025 compared to the same periods in 2024 primarily due to a litigation-related accrual of \$176.8 million during the three months ended January 31, 2024 and a partial release of \$43.0 million during the three months ended October 31, 2024. The decrease in general and administrative expense in both periods was partially offset by increased personnel costs, which grew \$32.7 million and \$47.8 million for the three and six months ended January 31, 2025, respectively, compared to the same periods in 2024, largely due to increased share-based compensation.

INTEREST EXPENSE

Interest expense primarily consists of interest expense related to our 0.375% Convertible Senior Notes due 2025 (the "2025 Notes").

	Three Months Ended				Six Months Ended			
	January 31,				January 31,			
	2025	2024	Change		2025	2024	Change	
	Amount	Amount	Amount	%	Amount	Amount	Amount	%
(dollars in millions)								
Interest expense	\$ 0.9	\$ 2.8	\$ (1.9)	(67.9)%	\$ 2.1	\$ 5.7	\$ (3.6)	(63.2)%

Interest expense decreased for the three and six months ended January 31, 2025 compared to the same periods in 2024 primarily due to early conversions of our 2025 Notes. Refer to Note 9. Debt in Part I, Item 1 of this Quarterly Report on Form 10-Q for more information on the Notes.

OTHER INCOME, NET

Other income, net includes interest income earned on our cash, cash equivalents, and investments, and gains and losses from foreign currency remeasurement and foreign currency transactions.

	Three Months Ended				Six Months Ended			
	January 31,				January 31,			
	2025	2024	Change		2025	2024	Change	
	Amount	Amount	Amount	%	Amount	Amount	Amount	%
(dollars in millions)								
Other income, net	\$ 85.3	\$ 84.7	\$ 0.6	0.7 %	\$ 168.6	\$ 155.0	\$ 13.6	8.8 %

Other income, net was flat for the three months ended January 31, 2025 compared to the same period in 2024. Other income, net increased for the six months ended January 31, 2025 compared to the same period in 2024 primarily due to higher interest income as a result of higher average cash, cash equivalent, and investment balances for the six months ended January 31, 2025 compared to the same period in 2024.

PROVISION FOR (BENEFIT FROM) INCOME TAXES

Provision for (benefit from) income taxes consists primarily of U.S. and foreign income taxes. Our effective tax rate during the three and six months ended January 31, 2025 was lower than our statutory tax rate primarily due to excess tax benefits from share-based compensation. We regularly assess the need for a valuation allowance on our deferred tax assets. In making this assessment, we consider both positive and negative evidence related to the likelihood of realization of the deferred tax assets to determine, based on the weight of available evidence, whether it is more likely than not that some or all the deferred tax assets will not be realized. The assessment requires significant judgment and is performed for each of the applicable jurisdictions. Based on our analysis of all positive and negative evidence during the fiscal quarter ended January 31, 2025, we continue to maintain a valuation allowance for our California deferred tax assets due to the uncertainty regarding realizability of these deferred tax assets as they have not met the "more likely than not" realization criterion. We expect future research and development tax credit generation in California to exceed our ability to use the existing tax credits.

	Three Months Ended			Six Months Ended January 31,							
	January 31,		Change	2025		2024		2025			
	2025	2024		Amount	%	Amount	Amount	Amount	%		
	(dollars in millions)										
Provision for (benefit from) income taxes	\$ 57.5	\$ (1,611.4)		\$ 1,668.9	(103.6)%	\$ 75.4	\$ (1,523.0)	\$ 1,598.4	(105.0)%		
Effective tax rate	17.7 %	(1,189.2)%				10.9 %	(364.3)%				

Our provision for income taxes for the three and six months ended January 31, 2025 was primarily due to U.S. and foreign income taxes. Our effective tax rate increased for the three and six months ended January 31, 2025 compared to the same periods in 2024 primarily due to the release of our valuation allowance on U.S. federal, U.S. states other than California, and United Kingdom deferred tax assets in the second quarter of fiscal 2024. Refer to Note 13, Income Taxes in Part I, Item 1 of this Quarterly Report on Form 10-Q for more information.

Liquidity and Capital Resources

	January 31, 2025		July 31, 2024	
	(in millions)			
Working capital (deficit)	\$	(1,212.4)	\$	(833.0)
Cash, cash equivalents, and investments:				
Cash and cash equivalents	\$	2,226.3	\$	1,535.2
Investments		5,566.4		5,216.8
Total cash, cash equivalents, and investments	\$	7,792.7	\$	6,752.0

As of January 31, 2025, our total cash, cash equivalents, and investments of \$7.8 billion were held for general corporate purposes. As of January 31, 2025, we had no unremitted earnings when evaluating our outside basis difference relating to our U.S. investment in foreign subsidiaries. However, there could be local withholding taxes due to various foreign countries if certain lower tier earnings are distributed. Withholding taxes that would be payable upon remittance of these lower tier earnings are not material.

Our cash tax payments have increased and we expect this trend to continue as a result of our increased profitability and utilization of our net operating loss carryforwards and credits.

DEBT

In June 2020, we issued the 2025 Notes with an aggregate principal amount of \$2.0 billion. The 2025 Notes mature on June 1, 2025; however, under certain circumstances, holders may surrender their 2025 Notes for conversion prior to the maturity date. Upon conversion of the 2025 Notes, we will pay cash equal to the aggregate principal amount of the 2025 Notes to be converted, and, at our election, we will pay or deliver cash and/or shares of our common stock for the amount of our conversion obligation in excess of the aggregate principal amount of the 2025 Notes being converted. During the three and six months ended January 31, 2025, we repaid in cash \$112.4 million and \$431.4 million, respectively, in aggregate principal amount of the 2025 Notes and issued 1.7 million and 6.2 million shares of common stock to the holders, respectively, for the conversion value in excess of the principal amount of the 2025 Notes converted, which were fully offset by shares we received from our exercise of the associated note hedges. Subsequent to January 31, 2025, through the filing date of this Quarterly Report on Form 10-Q, \$100.4 million in aggregate principal amount of the 2025 Notes was converted or had been submitted by the holders for conversion and will settle during the fiscal quarter ending April 30, 2025.

The sale price condition for the 2025 Notes was met during the fiscal quarter ended January 31, 2025, and, as a result, holders may convert their 2025 Notes during the fiscal quarter ending April 30, 2025 at any time prior to the close of business on the business day immediately preceding March 1, 2025 for settlement prior to the maturity date. If all of the holders convert their 2025 Notes during this period, we would be obligated to settle the \$534.2 million principal amount of the 2025 Notes in cash. We believe that our cash provided by operating activities, our existing cash, cash equivalents, and investments, and existing sources of and access to financing will be sufficient to meet our anticipated cash needs should the holders choose to convert their 2025 Notes during the fiscal quarter ending April 30, 2025 or hold the 2025 Notes until maturity on June 1, 2025. As of January 31, 2025, \$534.2 million of our 2025 Notes remained outstanding. Refer to Note 9. Debt in Part I, Item 1 of this Quarterly Report on Form 10-Q for more information on the 2025 Notes.

In April 2023, we entered into a credit agreement (the "Credit Agreement") that provides for a \$400.0 million unsecured revolving credit facility (the "Credit Facility"), with an option to increase the amount of the Credit Facility by up to an additional \$350.0 million, subject to certain conditions. The interest rates and commitment fees are also subject to upward and downward adjustments based on our progress towards the achievement of certain sustainability goals related to greenhouse gas emissions. As of January 31, 2025, there were no amounts outstanding, and we were in compliance with all covenants under the Credit Agreement. Refer to Note 9. Debt in Part I, Item 1 of this Quarterly Report on Form 10-Q for more information on the Credit Agreement.

CAPITAL RETURN

In February 2019, our board of directors authorized a \$1.0 billion share repurchase program. In December 2020, August 2021, August 2022, November 2023, and August 2024, our board of directors authorized additional \$700.0 million, \$676.1 million, \$915.0 million, \$316.7 million and \$500.0 million increases to this share repurchase program, respectively, bringing the total authorization under this share repurchase program to \$4.1 billion. Repurchases will be funded from available working capital and may be made at management's discretion from time to time. As of January 31, 2025, \$1.0 billion remained available for future share repurchases under this repurchase program. The repurchase authorization will expire on December 31, 2025, and may be suspended or discontinued at any time without prior notice. Refer to Note 11. Stockholders' Equity in Part I, Item 1 of this Quarterly Report on Form 10-Q for more information on this repurchase program.

LEASES AND OTHER MATERIAL CASH REQUIREMENTS

We have entered into various non-cancelable operating leases, primarily for our offices and data centers, with lease terms expiring through fiscal 2036. As of January 31, 2025, we have total operating lease obligations of \$436.6 million recorded on our condensed consolidated balance sheet.

As of January 31, 2025, our commitments to purchase products, components, cloud and other services totaled \$4.4 billion. Refer to Note 10. Commitments and Contingencies in Part I, Item 1 of this Quarterly Report on Form 10-Q for more information on these commitments.

Our acquisition of certain QRadar assets from International Business Machines Corporation ("IBM") on August 31, 2024 included contingent consideration that requires potential future payments through the fiscal quarter ending October 2028. As of January 31, 2025, we have total contingent consideration obligations of \$664.9 million recorded on our condensed consolidated balance sheet. Refer to Note 3. Fair Value Measurements and Note 7. Acquisition in Part I, Item 1 of this Quarterly Report on Form 10-Q for more information on these contingent consideration obligations.

CASH FLOWS

The following table summarizes our cash flows for the six months ended January 31, 2025 and 2024:

	Six Months Ended January 31,	
	2025	2024
	(in millions)	
Net cash provided by operating activities	\$ 2,066.5	\$ 2,216.0
Net cash used in investing activities	(924.6)	(1,454.5)
Net cash used in financing activities	(451.9)	(114.4)
Net increase in cash, cash equivalents, and restricted cash	\$ 690.0	\$ 647.1

Cash from operations could be affected by various risks and uncertainties detailed in Part II, Item 1A "Risk Factors" in this Quarterly Report on Form 10-Q. We believe that our cash flow from operations with existing cash and cash equivalents will be sufficient to meet our anticipated cash needs for at least the next 12 months and thereafter for the foreseeable future. Our future capital requirements will depend on many factors, including our growth rate, the timing and extent of spending to support development efforts, the expansion of sales and marketing activities, the introduction of new and enhanced products and subscription and support offerings, the costs to acquire or invest in complementary businesses and technologies, the costs to ensure access to adequate manufacturing capacity, the investments in our infrastructure to support the adoption of our cloud-based subscription offerings, the repayment obligations associated with our 2025 Notes, the continuing market acceptance of our products and subscription and support offerings and macroeconomic events. In addition, from time to time, we may incur additional tax liability in connection with certain corporate structuring decisions.

We may also choose to seek additional equity or debt financing. In the event that additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us or at all. If we are unable to raise additional capital when desired, our business, operating results, and financial condition may be adversely affected.

OPERATING ACTIVITIES

Our operating activities have consisted of net income adjusted for certain non-cash items and changes in assets and liabilities. Our largest source of cash provided by our operations is receipts from our customers.

Cash provided by operating activities during the six months ended January 31, 2025 was \$2.1 billion, a decrease of \$149.5 million compared to the same period in 2024. The decrease was primarily due to higher payments of cash expenditure to support our business growth, partially offset by an increase in receipts from our customers during the six months ended January 31, 2025.

INVESTING ACTIVITIES

Our investing activities have consisted of capital expenditures, net investment purchases, sales, and maturities, and business acquisitions. We expect to continue such activities as our business grows.

Cash used in investing activities during the six months ended January 31, 2025 was \$924.6 million, a decrease of \$529.9 million compared to the same period in 2024. The decrease was primarily due to lower purchases of investments, higher proceeds from sales and maturities of investments, and a decrease in net cash payments for business acquisitions during the six months ended January 31, 2025.

FINANCING ACTIVITIES

Our financing activities have consisted of repayments of our convertible senior notes, cash used to repurchase shares of our common stock, proceeds from sales of shares through employee equity incentive plans, and payments for tax withholding obligations of certain employees related to the net share settlement of equity awards.

Cash used in financing activities during the six months ended January 31, 2025 was \$451.9 million, an increase of \$337.5 million compared to the same period in 2024. The increase was primarily due to an increase in cash used for repayments of the early conversion of our 2025 Notes and an increase in payments for tax withholding related to the net share settlement of employee equity awards, partially offset by a decrease in cash used to repurchase our common stock which did not recur during the six months ended January 31, 2025.

Critical Accounting Estimates

Our condensed consolidated financial statements have been prepared in accordance with U.S. GAAP. The preparation of these condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses, and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances. We evaluate our estimates and assumptions on an ongoing basis. Actual results could differ materially from those estimates due to risks and uncertainties, including uncertainty in the current economic environment. To the extent that there are material differences between these estimates and our actual results, our future consolidated financial statements will be affected.

We believe the critical accounting estimates discussed under Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the fiscal year ended July 31, 2024 reflect our more significant estimates, assumptions, and judgments that have the most significant impact on our condensed consolidated financial statements. There have been no significant changes to our critical accounting estimates as filed in such report, except for the update as described below resulting from our acquisition of certain IBM QRadar assets.

BUSINESS COMBINATIONS

We make significant estimates, assumptions, and judgments when valuing goodwill and other purchased intangible assets in connection with the initial purchase price allocation of an acquired business. These estimates are based upon a number of factors, including historical experience, market conditions, and information obtained from the management of the acquired business. Critical estimates in valuing certain intangible assets include, but are not limited to, cash flows that an asset is expected to generate in the future, discount rates, the time and expense that would be necessary to recreate the assets, and the profit margin a market participant would receive. The amounts and useful lives assigned to identified intangible assets impact the amount and timing of future amortization expense.

Our business combination may also involve post-closing payments contingent upon the occurrence of future events and/or certain conditions being met. Critical estimates used in valuing contingent consideration obligations include, but are not limited to, estimated future cash payments related to customers entering into qualified new transactions and risk-adjusted discount rates used to present value the expected cash flows. These estimates and assumptions are required to be updated in order to revalue our contingent consideration liability at the end of each reporting period. Accordingly, subsequent changes in underlying facts and circumstances could result in changes in these estimates and assumptions, which could have a material impact on the estimated future fair values of these obligations.

Recent Accounting Pronouncements

Refer to "Recently Issued Accounting Pronouncements" in Note 1. Description of Business and Summary of Significant Accounting Policies in Part I, Item 1 of this Quarterly Report on Form 10-Q for a description of recent accounting pronouncements and our expectation of their impact, if any, on our results of operations and financial condition.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Except for the item below, our assessment of our exposures to market risk has not changed materially from the disclosure set forth in Part II, Item 7A of our Annual Report on Form 10-K for the fiscal year ended July 31, 2024.

Interest Rate Risk

The primary objectives of our investment activities are to preserve principal, provide liquidity, and maximize income without significantly increasing risk. Most of the securities we invest in are subject to interest rate risk. To minimize this risk, we maintain a diversified portfolio of cash, cash equivalents, and investments, consisting only of investment-grade securities. To assess the interest rate risk, we performed a sensitivity analysis to determine the impact a change in interest rates would have on the value of the investment portfolio. Based on investment positions as of January 31, 2025, a hypothetical 100 basis point increase in interest rates across all maturities would result in a \$110.3 million decline in the fair market value of the portfolio. Such losses would only be realized if we sold the investments prior to maturity. Conversely, a hypothetical 100 basis point decrease in interest rates would lead to a \$110.3 million increase in the fair market value of the portfolio.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of the end of the period covered by this report. Based on our evaluation, our chief executive officer and chief financial officer concluded that, as of January 31, 2025, our disclosure controls and procedures are designed at a reasonable assurance level and are effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the fiscal quarter ended January 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Controls

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs. Further, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected.

Part II

Item 1. Legal Proceedings

The information set forth under the "Litigation" subheading in Note 10. Commitments and Contingencies in Part I, Item 1 of this Quarterly Report on Form 10-Q is incorporated herein by reference.

Item 1A. Risk Factors

Our operations and financial results are subject to various risks and uncertainties including those described below. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, also may become important factors that affect us. If any of the following risks or others not specified below materialize, our business, financial condition, and operating results could be materially adversely affected, and the market price of our common stock could decline. In addition, the impacts of any worsening of the economic environment may exacerbate the risks described below, any of which could have a material impact on us.

Risk Factor Summary

Our business is subject to numerous risks and uncertainties. These risks include, but are not limited to, the following:

- Our operating results may be adversely affected by unfavorable economic and market conditions and the uncertain geopolitical environment.
- Our business and operations have experienced growth in recent periods, and if we do not effectively manage any future growth or are unable to improve our systems, processes, and controls, our operating results could be adversely affected.
- Our revenue growth rate in recent periods may not be indicative of our future performance, and we may not be able to maintain profitability, which could cause our business, financial condition, and operating results to suffer.
- Our operating results may vary significantly from period to period, which makes our results difficult to predict and could cause our results to fall short of expectations, and such results may not be indicative of future performance.
- Seasonality may cause fluctuations in our revenue.
- If we are unable to sell new and additional product, subscription, and support offerings to our end-customers, especially to large enterprise customers, our future revenue and operating results will be harmed.
- If we are unable to attract new customers, our future results of operations could be harmed.
- We rely on revenue from subscription and support offerings, and because we recognize revenue from subscription and support over the term of the relevant service period, downturns or upturns in sales or renewals of these subscription and support offerings are not immediately reflected in full in our operating results.
- The sales prices of our products, subscriptions, and support offerings may decrease, which may reduce our revenue and gross profits and adversely impact our financial results.
- We rely on our channel partners to sell substantially all of our products, including subscriptions and support, and if these channel partners fail to perform, our ability to sell and distribute our products and subscriptions will be limited and our operating results will be harmed.
- We are exposed to the credit and liquidity risk of our customers, and to credit exposure in weakened markets, which could result in material losses.
- A portion of our revenue is generated by sales to government entities, which are subject to a number of challenges and risks.
- We face intense competition in our market and we may lack sufficient financial or other resources to maintain or improve our competitive position.
- We may acquire other businesses, which could subject us to adverse claims or liabilities, require significant management attention, disrupt our business, adversely affect our operating results, may not result in the expected benefits of such acquisitions, and may dilute stockholder value.
- If we do not accurately predict, prepare for, and respond promptly to rapidly evolving technological and market developments and successfully manage product and subscription introductions and transitions to meet changing end-customer needs in the enterprise security industry, our competitive position and prospects will be harmed.

[Table of Contents](#)

- Issues in the development and deployment of AI may result in reputational harm and legal liability and could adversely affect our results of operations.
- A network or data security incident may allow unauthorized access to our network or data, harm our reputation, create additional liability, and adversely impact our financial results.
- Defects, errors, or vulnerabilities in our products, subscriptions, or support offerings, the failure of our products or subscriptions to block a virus or prevent a security breach or incident, misuse of our products, or risks of product liability claims could harm our reputation and adversely impact our operating results.
- Our ability to sell our products and subscriptions is dependent on the quality of our technical support services and those of our channel partners, and the failure to offer high-quality technical support services could have a material adverse effect on our end-customers' satisfaction with our products and subscriptions, our sales, and our operating results.
- Claims by others that we infringe their intellectual property rights could harm our business.
- Our proprietary rights may be difficult to enforce or protect, which could enable others to copy or use aspects of our products or subscriptions without compensating us.
- Our use of open source software in our products and subscriptions could negatively affect our ability to sell our products and subscriptions and subject us to possible litigation.
- We license technology from third parties, and our inability to maintain those licenses could harm our business.
- Because we depend on manufacturing partners to build and ship our hardware products, we are susceptible to manufacturing and logistics delays and pricing fluctuations that could prevent us from shipping customer orders on time, if at all, or on a cost-effective basis, which may result in the loss of sales and end-customers.
- Managing the supply of our hardware products and product components is complex. Insufficient supply and inventory would result in lost sales opportunities or delayed revenue, while excess inventory would harm our gross margins.
- Because some of the key components in our hardware products come from limited sources of supply, we are susceptible to supply shortages or supply changes, which, in certain cases, have disrupted or delayed our scheduled product deliveries to our end-customers, increased our costs and may result in the loss of sales and end-customers.
- If we are unable to attract, retain, and motivate our key technical, sales, and management personnel, our business could suffer.
- We generate a significant amount of revenue from sales to distributors, resellers, and end-customers outside of the United States, and we are therefore subject to a number of risks associated with international sales and operations.
- We are exposed to fluctuations in foreign currency exchange rates, which could negatively affect our financial condition and operating results.
- We face risks associated with having operations and employees located in Israel.
- We are subject to governmental export and import controls that could subject us to liability or impair our ability to compete in international markets.
- We may incur increased costs to comply with privacy and data protection laws and, if we fail to comply, we could be subject to government enforcement actions, private litigation and adverse publicity.
- We may have exposure to tax liabilities that are greater than anticipated.
- If our estimates or judgments relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our operating results could fall below our publicly announced guidance or the expectations of securities analysts and investors, resulting in a decline in the market price of our common stock.
- We are obligated to maintain proper and effective internal control over financial reporting. We may not complete our analysis of our internal control over financial reporting in a timely manner, or our internal control may not be determined to be effective, which may adversely affect investor confidence in our company and, as a result, the value of our common stock.
- Our reputation and/or business could be negatively impacted by environmental, social, and governance ("ESG") matters and/or our reporting of such matters.
- Failure to comply with governmental laws and regulations could harm our business.
- We may not have the ability to raise the funds necessary to settle conversions of our Notes, repurchase our Notes upon a fundamental change, or repay our Notes in cash at their maturity, and our future debt may contain limitations on our ability to pay cash upon conversion or repurchase of our Notes.
- We may still incur substantially more debt or take other actions that would diminish our ability to make payments on our Notes when due.
- The market price of our common stock historically has been volatile, and the value of an investment in our common stock could decline.
- The convertible note hedge and warrant transactions may affect the value of our common stock.

Risks Related to Global Economic and Geopolitical Conditions

Our operating results may be adversely affected by unfavorable economic and market conditions and the uncertain geopolitical environment.

We operate globally, and as a result, our business and revenues are impacted by global economic and geopolitical conditions. The instability in the global credit markets, inflation, changes in public policies such as domestic and international legislation or regulations, changes in enforcement and administration policies, taxes, any increases in interest rates, fluctuations in foreign currency exchange rates, or international trade agreements, international trade disputes, trade regulations, tariffs and changes in tariffs, geopolitical turmoil, and other disruptions to global and regional economies and markets continue to add uncertainty to global economic conditions. Military actions or armed conflict, including the hostilities in Israel and the surrounding region, Russia's invasion of Ukraine and any related political or economic responses and counter-responses, and uncertainty about, or changes in, government and trade relationships, policies, and treaties could also lead to worsening economic and market conditions and geopolitical environment. In response to Russia's invasion of Ukraine, the United States, along with the European Union (the "E.U."), has imposed restrictive sanctions on Russia, Russian entities, and Russian citizens ("Sanctions on Russia"). We are subject to these governmental sanctions and export controls, which may subject us to liability if we are not in full compliance with applicable laws. Any continued or further uncertainty, weakness or deterioration in economic and market conditions or the geopolitical environment could have a material and adverse impact on our business, financial condition, and results of operations, including reductions in sales of our products and subscriptions, longer sales cycles, reductions in subscription or contract duration and value, slower adoption of new technologies, alterations in the spending patterns or priorities of current and prospective customers (including delaying purchasing decisions), increased costs for the chips and components to manufacture our products, and increased price competition.

Risks Related to Our Business

RISKS RELATED TO OUR GROWTH

Our business and operations have experienced growth in recent periods, and if we do not effectively manage any future growth or are unable to improve our systems, processes, and controls, our operating results could be adversely affected.

We have experienced growth and increased demand for our products and subscriptions over the last few years. As a result, our employee headcount has increased, and we expect it to continue to grow over the next year. For example, from the end of fiscal 2024 to the end of the second quarter of fiscal 2025, our headcount increased from 15,289 to 15,758 employees. In addition, as we have grown, the number of end-customers has also increased, and we have managed more complex deployments of our products and subscriptions with larger end-customers. The growth and expansion of our business and product, subscription, and support offerings places a significant strain on our management, operational, and financial resources. To manage any future growth effectively, we must continue to improve and expand our information technology and financial infrastructure, our operating and administrative systems and controls, and our ability to manage headcount, capital, and processes in an efficient manner.

We may not be able to successfully implement, scale, or manage improvements to our systems, processes, and controls in an efficient or timely manner, which could result in material disruptions of our operations and business. In addition, our existing systems, processes, and controls may not prevent or detect all errors, omissions, or fraud. We may also experience difficulties in managing improvements to our systems, processes, and controls, or in connection with third-party software licensed to help us with such improvements. Any future growth would add complexity to our organization and require effective coordination throughout our organization. Failure to manage any future growth effectively could result in increased costs, disrupt our existing end-customer relationships, reduce demand for or limit us to smaller deployments of our products, or materially harm our business performance and operating results.

Our revenue growth rate in recent periods may not be indicative of our future performance, and we may not be able to maintain profitability, which could cause our business, financial condition, and operating results to suffer.

We have experienced revenue growth rates of 14.1% and 19.7% for the six months ended January 31, 2025 and 2024, respectively. Our revenue for any quarterly or annual period should not be relied upon as an indication of our future revenue or revenue growth for any future period. If we are unable to maintain consistent or increasing revenue or revenue growth, the market price of our common stock could be volatile, and it may be difficult for us to maintain profitability or maintain or increase cash flow on a consistent basis.

In addition, we have incurred losses in fiscal years prior to fiscal 2023. We anticipate that our operating expenses will continue to increase in the foreseeable future as we continue to grow our business. Our growth efforts may prove more expensive than we currently anticipate, and we may not succeed in increasing our revenues sufficiently, or at all, to offset increasing expenses. Revenue growth may slow or revenue may decline for a number of possible reasons, including slowing demand for our products or subscriptions, increasing competition, a decrease in the growth of, or a demand shift in, our overall market, or a failure to capitalize on growth opportunities. We have also entered into a substantial amount of capital commitments for operating lease obligations and other purchase commitments. Any failure to increase our revenue as we grow our business could prevent us from maintaining profitability or maintaining or increasing cash flow on a consistent basis, or satisfying our capital commitments. If we are unable to navigate these challenges as we encounter them, our business, financial condition, and operating results may suffer.

Our operating results may vary significantly from period to period, which makes our results difficult to predict and could cause our results to fall short of expectations, and such results may not be indicative of future performance.

Our operating results have fluctuated in the past, and will likely continue to fluctuate in the future, as a result of a number of factors, many of which are outside of our control and may be difficult to predict, including those factors described in this Risk Factor section. For example, we have historically received a substantial portion of sales orders and generated a substantial portion of revenue during the last few weeks of each fiscal quarter. If expected revenue at the end of any fiscal quarter is delayed for any reason, including the failure of anticipated purchase orders to materialize (particularly for large enterprise end-customers with lengthy sales cycles), our logistics partners' inability to ship products prior to fiscal quarter-end to fulfill purchase orders received near the end of a fiscal quarter, our failure to manage inventory to meet demand, any failure of our systems related to order review and processing, or any delays in shipments based on trade compliance requirements (including new compliance requirements imposed by new or renegotiated trade agreements), our revenue could fall below our expectations and the estimates of analysts for that quarter. Due to these fluctuations, comparing our revenue, margins, or other operating results on a period-to-period basis may not be meaningful, and our past results should not be relied on as an indication of our future performance.

This variability and unpredictability could also result in our failure to meet our revenue, margin, or other operating result expectations contained in any forward-looking statements (including financial or business expectations we have provided) or those of securities analysts or investors for a particular period. If we fail to meet or exceed such expectations for these, or any other, reasons, the market price of our common stock could fall substantially, and we could face costly lawsuits, including securities class action suits.

Seasonality may cause fluctuations in our revenue.

We believe there are significant seasonal factors that may cause our second and fourth fiscal quarters to record greater revenue sequentially than our first and third fiscal quarters. We believe that this seasonality results from a number of factors, including:

- end-customers with a December 31 fiscal year-end choosing to spend remaining unused portions of their discretionary budgets before their fiscal year-end, which potentially results in a positive impact on our revenue in our second fiscal quarter;
- our sales compensation plans, which are typically structured around annual quotas and commission rate accelerators, which potentially results in a positive impact on our revenue in our fourth fiscal quarter; and
- the timing of end-customer budget planning at the beginning of the calendar year, which can result in a delay in spending at the beginning of the calendar year, potentially resulting in a negative impact on our revenue in our third fiscal quarter.

As we continue to grow, seasonal or cyclical variations in our operations may become more pronounced, and our business, operating results, and financial position may be adversely affected.

RISKS RELATED TO OUR PRODUCTS AND TECHNOLOGY

If we are unable to sell new and additional product, subscription, and support offerings to our end-customers, especially to large enterprise customers, our future revenue and operating results will be harmed.

Our future success depends, in part, on our ability to expand the deployment of our portfolio with existing end-customers, especially large enterprise customers, including through our platformization strategy, and create demand for our new offerings. The rate at which our end-customers purchase additional products, subscriptions, and support depends on a number of factors, including the perceived need for additional security products, including subscription and support offerings, as well as general economic conditions. If our efforts to sell additional products and subscriptions to our end-customers are not successful, our revenues may grow more slowly than expected or decline.

Sales to large enterprise end-customers, which is part of our growth strategy, involve risks that may not be present, or that are present to a lesser extent, with sales to smaller entities, such as (a) longer sales cycles and the associated risk that substantial time and resources may be spent on a potential end-customer that elects not to purchase our products, subscriptions, and support, and (b) increased purchasing power and leverage held by large end-customers in negotiating contractual arrangements. Deployments for large enterprise end-customers are also more complex, require greater product functionality, scalability, and a broader range of services, and are more time-consuming. All of these factors add further risk to business conducted with these end-customers. Failure to realize sales from large enterprise end-customers could materially and adversely affect our business, operating results, and financial condition.

If we are unable to attract new customers, our future results of operations could be harmed.

To increase our revenue and maintain profitability, we must add new customers. To do so, we must successfully convince prospective customers of the value of adopting our solutions. We are engaging in costly marketing and sales efforts to accelerate platformization and attract new customers, which may fail or may not be as successful as intended or at all. Additionally, prospective customers' decisions to purchase our solutions depend on a variety of factors, many of which are out of our control. These factors significantly impact our ability to add new customers and increase the time, resources and sophistication required to do so. For example, prospective customers may face real or perceived switching costs when switching to our solutions from legacy security vendors and products. Deployment of our solutions may require a significant commitment of resources from our customers. Any deterioration in general economic conditions, including as a result of the geopolitical environment or inflation (as well as government policies such as raising interest rates in response to inflation), have in the past caused, and may in the future cause, our current and prospective customers to delay or cut their overall security and IT operations spending. If our efforts to attract new customers are not successful, our sales may not grow as quickly as anticipated, or at all, and our business, operating results, and financial condition will be harmed.

We rely on revenue from subscription and support offerings, and because we recognize revenue from subscription and support over the term of the relevant service period, downturns or upturns in sales or renewals of these subscription and support offerings are not immediately reflected in full in our operating results.

Subscription and support revenue accounts for a significant portion of our revenue, comprising 82.4% of total revenue in the six months ended January 31, 2025 and 81.0% of total revenue in the six months ended January 31, 2024. Sales and renewals of subscription and support contracts may decline and fluctuate as a result of a number of factors, including end-customers' level of satisfaction with our products and subscriptions, the frequency and severity of subscription outages, our product uptime or latency, the prices of our products and subscriptions, and reductions in our end-customers' spending levels. Existing end-customers have no contractual obligation to, and may not, renew their subscription and support contracts after the completion of their initial contract period. Additionally, our end-customers may renew their subscription and support agreements for shorter contract lengths or on other terms that are less economically beneficial to us. If our sales of new or renewal subscription and support contracts decline, our total revenue and revenue growth rate may decline, and our business will suffer. In addition, because we recognize subscription and support revenue over the term of the relevant service period, which is typically one to five years, a decline in subscription or support contracts in any one fiscal quarter will not be fully or immediately reflected in revenue in that fiscal quarter but will negatively affect our revenue in future fiscal quarters.

The sales prices of our products, subscriptions, and support offerings may decrease, which may reduce our revenue and gross profits and adversely impact our financial results.

The sales prices for our products, subscriptions, and support offerings may decline for a variety of reasons, including competitive pricing pressures, discounts, a change in our mix of products, subscriptions, and support offerings, anticipation of the introduction of new products, subscriptions, or support offerings, or promotional programs or pricing pressures. Furthermore, we anticipate that the sales prices and gross profits for our products could decrease over product life cycles. Declining sales prices could adversely affect our revenue, gross profits, and profitability.

We rely on our channel partners to sell substantially all of our products, including subscriptions and support, and if these channel partners fail to perform, our ability to sell and distribute our products and subscriptions will be limited and our operating results will be harmed.

Substantially all of our revenue is generated by sales through our channel partners, including distributors and resellers. For the six months ended January 31, 2025, three distributors individually represented 10% or more of our total revenue and in the aggregate represented 44.9% of our total revenue. As of January 31, 2025, three distributors individually represented 10% or more of our gross accounts receivable and in the aggregate represented 47.6% of our gross accounts receivable.

We provide our channel partners with specific training and programs to assist them in selling our products, including subscriptions and support offerings, but there can be no assurance that these steps will be utilized or effective. In addition, our channel partners may be unsuccessful in marketing, selling, and supporting our products and subscriptions. We may not be able to incentivize these channel partners to sell our products and subscriptions to end-customers and, in particular, to large enterprises. These channel partners may also have incentives to promote our competitors' products and may devote more resources to the marketing, sales, and support of competitive products. Our agreements with our channel partners may generally be terminated for any reason by either party with advance notice prior to each annual renewal date. We cannot be certain that we will retain these channel partners or that we will be able to secure additional or replacement channel partners. In addition, any new channel partner requires extensive training and may take several months or more to achieve productivity. Our channel partner sales structure could subject us to lawsuits, potential liability, and reputational harm if, for example, any of our channel partners misrepresent the functionality of our products or subscriptions to end-customers or violate laws or our corporate policies. If we fail to effectively manage our sales channels or channel partners, our ability to sell our products and subscriptions and operating results will be harmed.

We are exposed to the credit and liquidity risk of our customers, and to credit exposure in weakened markets, which could result in material losses.

Most of our sales are made on an open credit basis. Beyond our open credit arrangements, we have also experienced demands for customer financing and deferred payments due to, among other things, macro-economic conditions. Increases in deferred payments result in payments being made over time, negatively impacting our short-term cash flows, and subject us to risk of non-payment by our customers, including as a result of insolvency. We monitor customer payment capability in granting such financing arrangements, seek to limit the amounts to what we believe customers can pay and maintain reserves we believe are adequate to cover exposure for doubtful accounts to mitigate credit risks of these customers. However, there can be no assurance that these programs will be effective in reducing our credit risks. To the degree that turmoil in the credit markets makes it more difficult for some customers to obtain financing, those customers' ability to pay could be adversely impacted, which in turn could have a material adverse impact on our business, operating results, and financial condition.

Our exposure to the credit risks relating to the financing activities described above may increase if our customers are adversely affected by a global economic downturn or periods of economic uncertainty. If we are unable to adequately control these risks, our business, operating results, and financial condition could be harmed. In addition, in the past, we have experienced non-material losses due to bankruptcies among customers. If these losses increase due to global economic conditions, they could harm our business and financial condition.

A portion of our revenue is generated by sales to government entities, which are subject to a number of challenges and risks.

Sales to government entities are subject to a number of risks. Selling to government entities can be highly competitive, expensive, and time-consuming, often requiring significant upfront time and expense without any assurance that these efforts will generate a sale. The substantial majority of our sales to date to government entities have been made indirectly through our channel partners. Government certification or technical requirements for products and subscriptions like ours may change, thereby restricting our ability to sell into the federal government sector until we have attained the revised certification or technical requirements. If our products and subscriptions are late in achieving or fail to achieve compliance with these certifications and standards or technical requirements, or our competitors achieve compliance with these certifications and standards or technical requirements, we may be disqualified from selling our products, subscriptions, and support offerings to such governmental entity, or be at a competitive disadvantage, which would harm our business, operating results, and financial condition. Government demand and payment for our products, subscriptions, and support offerings may be impacted by government shutdowns, changes in governmental administrations, public sector budgetary cycles, contracting requirements, and funding authorizations, with funding reductions or delays adversely affecting public sector demand for our products, subscriptions, and support offerings. Government entities may have statutory, contractual, or other legal rights to terminate contracts with our distributors and resellers for convenience or due to a default, and any such termination may adversely impact our future operating results. Governments routinely investigate and audit government contractors' administrative processes, and any unfavorable audit could result in the government refusing to continue buying our products, subscriptions, and support offerings, a reduction of revenue, or fines or civil or criminal liability if the audit uncovers improper or illegal activities, which could adversely impact our operating results in a material way. Additionally, the U.S. government may require certain of the products that it purchases to be manufactured in the United States and other relatively high-cost manufacturing locations, and we may not manufacture all products in locations that meet such requirements, affecting our ability to sell these products, subscriptions, and support offerings to the U.S. government.

We face intense competition in our market and we may lack sufficient financial or other resources to maintain or improve our competitive position.

The industry for enterprise security products is intensely competitive, and we expect competition to increase in the future from established competitors and new market entrants. Our main competitors fall into four categories:

- large companies that incorporate security features in their products, such as Cisco, Microsoft, Alphabet or those that have acquired, or may acquire, security vendors and have the technical and financial resources to bring competitive solutions to the market;
- independent security vendors, such as Check Point, Fortinet, CrowdStrike, Zscaler, and Wiz, that offer a mix of security products;
- startups and point-product vendors that offer independent or emerging solutions across various areas of security; and
- public cloud vendors and startups that offer solutions for cloud security (private, public, and hybrid cloud).

Many of our competitors have greater financial, technical, marketing, sales, and other resources, greater name recognition, longer operating histories, and a larger base of customers than we do. They may be able to devote greater resources to the promotion and sale of products and services than we can, and they may offer lower pricing than we do. Further, they may have greater resources for research and development of new technologies, the provision of customer support, and the pursuit of acquisitions. They may also have larger and more mature intellectual property portfolios, and broader and more diverse product and service offerings, which allow them to leverage their relationships based on other products or incorporate functionality into existing products to gain business in a manner that discourages users from purchasing our products and subscriptions, including incorporating cybersecurity features into their existing products or services and product bundling, selling at zero or negative margins, and offering concessions or a closed technology offering. Some competitors may have broader distribution and established relationships with distribution partners and end-customers. Other competitors specialize in providing protection from a single type of security threat, which may allow them to deliver these specialized security products to the market more quickly than we can.

We also face competition from companies that have entrenched legacy offerings at end-user customers. End-user customers have also often invested substantial personnel and financial resources to design and operate their networks and have established deep relationships with other providers of networking and security products. As a result, these organizations may prefer to purchase from their existing suppliers rather than add or switch to a new supplier such as us. In addition, as our customers refresh the security products bought in prior years, they may seek to consolidate vendors, which may result in current customers choosing to purchase products from our competitors. Due to budget constraints or economic downturns, organizations may add solutions to their existing network security infrastructure rather than replacing it with our products and subscriptions.

Conditions in our market could change rapidly and significantly as a result of technological advancements, partnering or acquisitions by our competitors, or continuing market consolidation. Our competitors and potential competitors may be able to develop new or disruptive technologies, products, or services, and leverage new business models that are equal or superior to ours, achieve greater market acceptance of their products and services, disrupt our markets, and increase sales by utilizing different distribution channels than we do. In addition, new and enhanced technologies, including AI and machine learning, continue to increase our competition. To compete successfully, we must accurately anticipate technology developments and deliver innovative, relevant, and useful products, services, and technologies in a timely manner. Some of our competitors have made or could make acquisitions of businesses that may allow them to offer more directly competitive and comprehensive solutions than they had previously offered and adapt more quickly to new technologies and end-customer needs. Our current and potential competitors may also establish cooperative relationships among themselves or with third parties that may further enhance their resources.

These competitive pressures in our market or our failure to compete effectively may result in price reductions, fewer orders, reduced revenue and gross margins, and loss of market share. If we are unable to compete successfully, or if competing successfully requires us to take aggressive pricing or other actions, our business, financial condition, and results of operations would be adversely affected.

We may acquire other businesses, which could subject us to adverse claims or liabilities, require significant management attention, disrupt our business, adversely affect our operating results, may not result in the expected benefits of such acquisitions, and may dilute stockholder value.

As part of our business strategy, we acquire and make investments in complementary companies, products, or technologies. The identification of suitable acquisition candidates is difficult, and we may not be able to complete such acquisitions on favorable terms, if at all. In addition, we may be subject to claims or liabilities assumed from an acquired company, product, or technology; acquisitions we complete could be viewed negatively by our end-customers, investors, and securities analysts; and we may incur costs and expenses necessary to address an acquired company's failure to comply with laws and governmental rules and regulations. Additionally, we may be subject to litigation or other claims in connection with the acquired company, product, or technology, including claims from terminated employees, customers, former stockholders, or other third parties, which may differ from or be more significant than the risks our business faces.

[Table of Contents](#)

If we are unsuccessful at integrating past or future acquisitions in a timely manner, or the technologies, products, or operations associated with such acquisitions, into our company, our revenue and operating results could be adversely affected. Any integration process may require significant time and resources, which may disrupt our ongoing business and divert management's attention, and we may not be able to manage the integration process successfully or in a timely manner. We may have difficulty retaining key personnel or customers of the acquired business. We may not successfully evaluate or utilize the acquired technology, products, or personnel, realize anticipated synergies from the acquisition, or accurately forecast the financial impact of an acquisition transaction and integration of such acquisition, including accounting charges and any potential impairment of goodwill and intangible assets recognized in connection with such acquisitions.

We may record liability for contingent consideration obligations from acquisitions that are to be settled in cash, the fair value of which is assessed on a quarterly basis. If changes are made in our assumptions used to determine the liability's fair value or our assumptions are incorrect, adjustments could be made that may have a material impact, favorable or unfavorable, on our operating results. We may also be required to make cash payments of contingent consideration in excess of its initial fair value, or in excess of our expectations for a particular period, which could adversely impact cash flows.

We may have to pay cash, incur debt, or issue equity or equity-linked securities to pay for any future acquisitions, each of which could adversely affect our financial condition or the market price of our common stock. Furthermore, the sale of equity or issuance of equity-linked debt to finance any future acquisitions could result in dilution to our stockholders.

In addition, any acquisitions may be viewed negatively by our customers, financial markets, or investors and may not ultimately strengthen our competitive position or achieve our goals and business strategy. The occurrence of any of these risks could harm our business, operating results, and financial condition.

If we do not accurately predict, prepare for, and respond promptly to rapidly evolving technological and market developments and successfully manage product and subscription introductions and transitions to meet changing end-customer needs in the enterprise security industry, our competitive position and prospects will be harmed.

The enterprise security industry has grown quickly and continues to evolve rapidly. Moreover, many of our end-customers operate in markets characterized by rapidly changing technologies and business plans, which require them to add numerous network access points and adapt increasingly complex enterprise networks, incorporating a variety of hardware, software applications, operating systems, and networking protocols. If we fail to effectively anticipate, identify, and respond to rapidly evolving technological and market developments in a timely manner, our business will be harmed.

In order to anticipate and respond effectively to rapid technological changes and market developments, as well as evolving security threats, we must invest effectively in research and development to increase the reliability, availability, and scalability of our existing products and subscriptions and introduce new products and subscriptions. Our investments in research and development, including investments in AI, may not result in design or performance improvements, marketable products, subscriptions, or features, or may not achieve the cost savings or additional revenue that we expect. In addition, new and evolving products and services, including those that use AI, require significant investment and raise ethical, technological, legal, regulatory, and other challenges, which may negatively affect our brands and demand for our products and services. Because all of these investment areas are inherently risky, no assurance can be given that such strategies and offerings will be successful or will not harm our reputation, financial condition, and operating results.

In addition, we must continually change our products and expand our business strategy in response to changes in network infrastructure requirements, including the expanding use of cloud computing. For example, organizations are moving portions of their data to be managed by third parties, primarily infrastructure, platform, and application service providers, and may rely on such providers' internal security measures. While we have historically been successful in developing, acquiring, and marketing new products and product enhancements that respond to technological change and evolving industry standards, we may not be able to continue to do so, and there can be no assurance that our new or future offerings will be successful or will achieve widespread market acceptance. If we fail to accurately predict and address end-customers' changing needs and emerging technological trends in the enterprise security industry, including in the areas of AI, mobility, virtualization, cloud computing, and software-defined networks, our business could be harmed.

The technology in our portfolio is especially complex because it needs to effectively identify and respond to new and increasingly sophisticated methods of attack, while minimizing the impact on network performance. Additionally, some of our new features and related enhancements may require us to develop new hardware architectures that involve complex, expensive, and time-consuming research and development processes. The development of our portfolio is difficult and the timetable for commercial release and availability is uncertain as there can be long time periods between releases and availability of new features. If we experience unanticipated delays in the availability of new products, features, and subscriptions, and fail to meet customer expectations for such availability, our competitive position and business prospects will be harmed.

The success of new features depends on several factors, including appropriate new product definition, differentiation of new products, subscriptions, and features from those of our competitors, and market acceptance of these products, services, and features. Moreover, successful new product introduction and transition depends on a number of factors, including our ability to manage the risks associated with new product production ramp-up issues, the availability of application software for new products, the effective management of purchase commitments and inventory, the availability of products in appropriate quantities and costs to meet anticipated demand, and the risk that new products may have quality or other defects or deficiencies, especially in the early stages of introduction. There can be no assurance that we will successfully identify opportunities for new products and subscriptions, develop and bring new products and subscriptions to market in a timely manner, achieve market acceptance of our products and subscriptions, or that products, subscriptions, and technologies developed by others will not render our products, subscriptions, and technologies obsolete or noncompetitive.

Issues in the development and deployment of AI may result in reputational harm and legal liability and could adversely affect our results of operations.

We have incorporated, and are continuing to develop and deploy, AI into many of our products and solutions, including services that support our products and solutions. We are also incorporating AI into the operations of our business. AI presents challenges and risks that could affect our products and solutions, and the operations of our business. For example, AI algorithms may have flaws, and datasets used to train models may be insufficient or contain biased information. The AI that is being incorporated into our products, solutions, and business operation tools may not be successful or beneficial, and instead may cause technical, legal or ethical problems or result in increased costs. The investments that we are making across our business in AI reflect our ongoing efforts to innovate and provide products and services that are useful to our customers, as well as provide efficiencies in our business. Such investments ultimately may not be commercially viable or may not result in an adequate return of capital and we may incur unanticipated liabilities. These efforts could subject us to regulatory risk, legal liability, including under new proposed legislation regulating AI in jurisdictions such as the E.U. and regulations being considered in other jurisdictions, or brand or reputational harm.

The rapid evolution of AI, including potential government regulation of AI, requires us to invest significant resources to develop, test, and maintain AI in our products and services in a manner that meets evolving requirements and expectations. The rules and regulations adopted by policymakers over time may require us to make changes to our business practices. Developing, testing, and deploying AI systems may also increase the cost profile of our offerings due to the nature of the computing costs involved in such systems.

The intellectual property ownership and license rights surrounding AI technologies, as well as data protection laws related to the use and development of AI, are currently not fully addressed by courts or regulators. The use or adoption of AI technologies in our products may result in exposure to claims by third parties of copyright infringement or other intellectual property misappropriation, which may require us to pay compensation or license fees to third parties. The evolving legal, regulatory, and compliance framework for AI technologies may also impact our ability to protect our own data and intellectual property against infringing use.

A network or data security incident may allow unauthorized access to our network or data, harm our reputation, create additional liability, and adversely impact our financial results.

Increasingly, companies are subject to a wide variety of attacks on their networks on an ongoing basis. In addition to traditional computer “hackers,” malicious code (such as viruses and worms), phishing attempts, employee theft or misuse, and denial of service attacks, sophisticated nation-state and nation-state supported actors engage in intrusions and attacks (including advanced persistent threat intrusions and supply chain attacks), and add to the risks to our internal networks, cloud-deployed enterprise and customer-facing environments and the information they store and process. Incidences of cyberattacks and other cybersecurity breaches and incidents have increased and are likely to continue to increase. We and our third-party service providers face security threats and attacks from a variety of sources. Despite our efforts and processes to prevent breaches of our internal networks, systems, and websites, our data, corporate systems, and security measures, as well as those of our third-party service providers, are still vulnerable to computer viruses, break-ins, phishing attacks, ransomware attacks, or other types of attacks from outside parties, or breaches due to employee error, malfeasance, or some combination of these. We cannot guarantee that the measures we have taken to protect our networks, systems, and websites will provide adequate security. Furthermore, as a well-known provider of security solutions, we may be a more attractive target for such attacks. The conflict in Ukraine and associated activities in Ukraine and Russia may increase the risk of cyberattacks on various types of infrastructure and operations, and the United States government has warned companies to be prepared for a significant increase in Russian cyberattacks in response to the Sanctions on Russia.

A security breach or incident, or an attack against our service availability suffered by us, or our third-party service providers, could impact our networks or networks secured by our products and subscriptions, creating system disruptions or slowdowns and exploiting security vulnerabilities of our products. In addition, the information stored or otherwise processed on our networks, or those of our third-party service providers, could be accessed, publicly disclosed, altered, lost, stolen, rendered unavailable, or otherwise used or processed without authorization, which could subject us to liability and cause us financial harm. Any actual or perceived breach of security in our systems or networks, or any other actual or perceived data security incident we or our third-party service providers suffer, could result in significant damage to our reputation, negative publicity, loss of channel partners, end-customers, and sales, loss of competitive advantages over our competitors, increased costs to remedy any problems and otherwise respond to any incident, regulatory investigations and enforcement actions, demands, costly litigation, and other liability. In addition, we may incur significant costs and operational consequences of investigating, remediating, eliminating, and putting in place additional tools, devices, and other measures designed to prevent actual or perceived security breaches and other security incidents, as well as the costs to comply with any notification obligations resulting from any security incidents. Any of these negative outcomes could adversely impact the market perception of our products and subscriptions and end-customer and investor confidence in our company and could seriously harm our business or operating results.

Defects, errors, or vulnerabilities in our products, subscriptions, or support offerings, the failure of our products or subscriptions to block a virus or prevent a security breach or incident, misuse of our products, or risks of product liability claims could harm our reputation and adversely impact our operating results.

Because our products and subscriptions are complex, they have contained and may contain design or manufacturing defects or errors that are not detected until after their commercial release and deployment by our end-customers. For example, from time to time, certain of our end-customers have reported defects in our products related to performance, scalability, and compatibility. Additionally, defects or vulnerabilities may cause our products or subscriptions to become partially or fully unavailable temporarily or permanently, to be vulnerable to security attacks, cause them to fail to help secure networks, or interrupt end-customers' networking traffic or the availability of other information technology infrastructure or systems. For example, in April 2024, we became aware of a command injection vulnerability in the GlobalProtect feature of certain versions of our PAN-OS software. To remediate the matter, we published a security advisory to advise customers, provided software updates for affected PAN-OS versions, and engaged in customer outreach, support and remediation efforts for potentially impacted customers. Because the techniques used by computer hackers to access or sabotage networks change frequently and generally are not recognized until launched against a target, we may be unable to anticipate these techniques and provide a solution in time to protect our end-customers' networks. In addition, due to the Russian invasion of Ukraine, there could be a significant increase in Russian cyberattacks against our customers, resulting in an increased risk of a security breach of our end-customers' systems.

Furthermore, defects or errors in products or software, or updates to those products or software, could result in a failure to effectively update end-customers' hardware and cloud-based products or otherwise cause problems in our customers' hardware, networks or information technology infrastructure or systems. The data centers, networks, and cloud infrastructure that we use to deliver our products and services may experience technical failures and downtime or may fail to meet the increased requirements of a growing installed end-customer base, any of which could temporarily or permanently expose our end-customers' networks, leaving their networks unprotected against the latest security threats. Moreover, our products must interoperate with our end-customers' existing infrastructure, which often have varied specifications, utilize multiple protocol standards, deploy products from multiple vendors, and contain multiple generations of products that have been added over time. As a result, when problems occur in a network, it may be difficult to identify the sources of these problems. Any such technical failure, downtime or failures in general may temporarily or permanently disable our end-customers' networks, information technology infrastructure or other systems, or expose our end-customers' networks to attacks from security threats.

The occurrence of any such problem in our products and subscriptions, whether real or perceived, could result in:

- expenditure of significant financial and product development resources in efforts to analyze, correct, eliminate, or work-around errors or defects or to address and eliminate vulnerabilities;
- loss of existing or potential end-customers or channel partners;
- delayed or lost revenue;
- delay or failure to attain market acceptance;
- an increase in warranty claims compared with our historical experience, or an increased cost of servicing warranty claims, either of which would adversely affect our gross margins; and
- litigation, regulatory inquiries, investigations, or other proceedings, each of which may be costly and harm our reputation.

Further, our products and subscriptions may be misused by end-customers or third parties that obtain access to our products and subscriptions. For example, our products and subscriptions could be used to censor private access to certain information on the Internet. Such use of our products and subscriptions for censorship could result in negative press coverage and negatively affect our reputation.

The limitation of liability provisions in our standard terms and conditions of sale may not fully or effectively protect us from claims as a result of federal, state, or local laws or ordinances, or unfavorable judicial decisions in the United States or other countries. The sale and support of our products and subscriptions also entails the risk of product liability claims. Although we may be indemnified by our third-party manufacturers for product liability claims arising out of manufacturing defects, because we control the design of our products and subscriptions, we may not be indemnified for product liability claims arising out of design defects. While we maintain insurance coverage for certain types of losses, our insurance coverage may not adequately cover any claim asserted against us, if at all. In addition, even claims that ultimately are unsuccessful could result in our expenditure of funds in litigation, divert management's time and other resources, and harm our reputation.

In addition, our classifications of application type, virus, spyware, vulnerability exploits, data, or URL categories may falsely detect, report, and act on applications, content, or threats that do not actually exist. This risk is heightened by the inclusion of a "heuristics" feature in our products and subscriptions, which attempts to identify applications and other threats not based on any known signatures but based on characteristics or anomalies which indicate that a particular item may be a threat. These false positives may impair the perceived reliability of our products and subscriptions and may therefore adversely impact market acceptance of our products and subscriptions and could result in damage to our reputation, negative publicity, loss of channel partners, end-customers and sales, increased costs to remedy any problem, and costly litigation.

Our ability to sell our products and subscriptions is dependent on the quality of our technical support services and those of our channel partners, and the failure to offer high-quality technical support services could have a material adverse effect on our end-customers' satisfaction with our products and subscriptions, our sales, and our operating results.

After our products and subscriptions are deployed within our end-customers' networks, our end-customers depend on our technical support services, as well as the support of our channel partners, to resolve any issues relating to our products. Many larger enterprise, service provider, and government entity end-customers have more complex networks and require higher levels of support than smaller end-customers. If our channel partners do not effectively provide support to the satisfaction of our end-customers, we may be required to provide direct support to such end-customers, which would require us to hire additional personnel and to invest in additional resources. If we are not able to hire such resources fast enough to keep up with unexpected demand, support to our end-customers will be negatively impacted, and our end-customers' satisfaction with our products and subscriptions will be adversely affected. Additionally, to the extent that we may need to rely on our sales engineers to provide post-sales support while we are ramping up our support resources, our sales productivity will be negatively impacted, which would harm our revenues. Accordingly, our failure, or our channel partners' failure, to provide and maintain high-quality support services could have a material adverse effect on our business, financial condition, and operating results.

RISKS RELATED TO INTELLECTUAL PROPERTY AND TECHNOLOGY LICENSING

Claims by others that we infringe their intellectual property rights could harm our business.

Companies in the enterprise security industry own large numbers of patents, copyrights, trademarks, domain names, and trade secrets and frequently enter into litigation based on allegations of infringement, misappropriation, or other violations of intellectual property rights. In addition, non-practicing entities also frequently bring claims of infringement of intellectual property rights. Third parties are asserting, have asserted, and may in the future assert claims of infringement of intellectual property rights against us. For example, on January 31, 2024, in the Centripetal Networks, Inc. lawsuit against us, a jury returned a verdict of non-willful infringement, and, after post-trial motions, a judgment was issued in the lawsuit on October 3, 2024 assessing a lump sum damages amount of \$113.6 million, which is currently on appeal. Additional examples of patent infringement cases have been disclosed in Note 10. Commitments and Contingencies in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Third parties may also assert such claims against our end-customers or channel partners, whom our standard license and other agreements obligate us to indemnify against claims that our products and subscriptions infringe the intellectual property rights of third parties. In addition, to the extent we hire personnel from competitors, we may be subject to allegations that they have been improperly solicited, that they have divulged proprietary or other confidential information, or that their former employers own their inventions or other work product. Furthermore, we may be unaware of the intellectual property rights of others that may cover some or all of our technology, products, subscriptions, and services. As we expand our footprint, both in our platforms, products, subscriptions, and services and geographically, more overlaps occur and we may face more infringement claims both in the United States and abroad.

While we have been increasing the size of our patent portfolio, our competitors and others may now and in the future have significantly larger and more mature patent portfolios than we have. In addition, litigation has involved and will likely continue to involve patent-holding companies or other adverse patent owners who have no relevant product revenue and against whom our own patents may therefore provide little or no deterrence or protection. In addition, we have not registered our trademarks in all of our geographic markets and failure to secure those registrations could adversely affect our ability to enforce and defend our trademark rights. Any claim of infringement by a third party, even those without merit, could cause us to incur substantial costs defending against the claim, could distract our management from our business, and could require us to cease use of such intellectual property. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. A successful claimant could secure a judgment, or we may agree to a settlement that prevents us from distributing certain products or performing certain services or that requires us to pay substantial damages, royalties, or other fees. Any of these events could seriously harm our business, financial condition, and operating results.

Our proprietary rights may be difficult to enforce or protect, which could enable others to copy or use aspects of our products or subscriptions without compensating us.

We rely and expect to continue to rely on a combination of confidentiality and license agreements with our employees, consultants, and third parties with whom we have relationships, as well as trademark, copyright, patent, and trade secret protection laws, to protect our proprietary rights. We have filed various applications for certain aspects of our intellectual property. Valid patents may not issue from our pending applications, and the claims eventually allowed on any patents may not be sufficiently broad to comprehensively protect our technology or products and subscriptions. We cannot be certain that we were the first to make the inventions claimed in our pending patent applications or that we were the first to file for patent protection, which could prevent our patent applications from issuing as patents or invalidate our patents following issuance. Additionally, the process of obtaining patent protection is expensive and time-consuming, and we may not be able to prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. Any issued patents may be challenged, invalidated or circumvented, and any rights granted under these patents may not actually provide adequate defensive protection or competitive advantages to us. Additional uncertainty may result from changes to patent-related laws and court rulings in the United States and other jurisdictions. As a result, we may not be able to obtain adequate patent protection or effectively enforce any issued patents.

Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy aspects of our products or subscriptions or obtain and use information that we regard as proprietary. We generally enter into confidentiality or license agreements with our employees, consultants, vendors, and end-customers, and generally limit access to and distribution of our proprietary information. However, we cannot be certain that we have entered into such agreements with all parties who may have or have had access to our confidential information or that the agreements we have entered into will not be breached. We cannot guarantee that any of the measures we have taken will prevent misappropriation of our technology. Because we may be an attractive target for computer hackers, we may have a greater risk of unauthorized access to, and misappropriation of, our proprietary information. In addition, the laws of some foreign countries do not protect our proprietary rights to as great an extent as the laws of the United States, and many foreign countries do not enforce these laws as diligently as government agencies and private parties in the United States. From time to time, we may need to take legal action to enforce our patents and other intellectual property rights, to protect our trade secrets, to determine the validity and scope of the proprietary rights of others, or to defend against claims of infringement or invalidity. Such litigation could result in substantial costs and diversion of resources and could negatively affect our business, operating results, and financial condition. Attempts to enforce our rights against third parties could also provoke these third parties to assert their own intellectual property or other rights against us or result in a holding that invalidates or narrows the scope of our rights, in whole or in part. If we are unable to protect our proprietary rights (including aspects of our software and products protected other than by patent rights), we may find ourselves at a competitive disadvantage to others who need not incur the additional expense, time, and effort required to create the innovative products that have enabled us to be successful to date. Any of these events would have a material adverse effect on our business, financial condition, and operating results.

Our use of open source software in our products and subscriptions could negatively affect our ability to sell our products and subscriptions and subject us to possible litigation.

Our products and subscriptions contain software modules licensed to us by third-party authors under "open source" licenses. Some open source licenses contain requirements that we make available applicable source code for modifications or derivative works we create based upon the type of open source software we use. If we combine our proprietary software with, or otherwise distribute or use open source software in a certain manner, we could, under certain open source licenses, be required to release the source code of our proprietary software to the public. This would allow our competitors to create similar products or subscriptions with lower development effort and time and ultimately could result in a loss of product sales for us.

Although we take reasonable steps to monitor our use of open source software to avoid subjecting our products and subscriptions to conditions we do not intend, the terms of many open source licenses have not been interpreted by United States courts, and there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to commercialize our products and subscriptions. From time to time, there have been claims against companies that distribute or use open source software in their products and subscriptions, asserting that open source software infringes the claimants' intellectual property rights. We could be subject to suits by parties claiming infringement of intellectual property rights in what we believe to be licensed open source software. If we are held to have breached the terms of an open source software license, we could be required to seek licenses from third parties to continue offering our products and subscriptions on terms that are not economically feasible, to reengineer our products and subscriptions, to discontinue the sale of our products and subscriptions if reengineering could not be accomplished on a timely basis, or to make generally available, in source code form, our proprietary code, any of which could adversely affect our business, operating results, and financial condition.

In addition to risks related to license requirements, usage of open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or assurance of title or controls on origin of the software. In addition, many of the risks associated with usage of open source software, such as the lack of warranties or assurances of title, cannot be eliminated, and could, if not properly addressed, negatively affect our business. We have established processes to help alleviate these risks, including a review process for screening requests from our development organizations for the use of open source software, but we cannot be sure that our processes for controlling our use of open source software in our products and subscriptions will be effective.

We license technology from third parties, and our inability to maintain those licenses could harm our business.

We incorporate technology that we license from third parties, including software, into our products and subscriptions. We cannot be certain that our licensors are not infringing the intellectual property rights of third parties or that our licensors have sufficient rights to the licensed intellectual property in all jurisdictions in which we may sell our products and subscriptions. In addition, some licenses may be non-exclusive, and therefore our competitors may have access to the same technology licensed to us. Some of our agreements with our licensors may be terminated for convenience by them. We may also be subject to additional fees or be required to obtain new licenses if any of our licensors allege that we have not properly paid for such licenses or that we have improperly used the technologies under such licenses, and such licenses may not be available on terms acceptable to us or at all. If we are unable to continue to license any of this technology because of intellectual property infringement claims brought by third parties against our licensors or against us, or claims against us by our licensors, or if we are unable to continue our license agreements or enter into new licenses on commercially reasonable terms, our ability to develop and sell products and subscriptions containing such technology would be severely limited and our business could be harmed. Additionally, if we are unable to license necessary technology from third parties, we may be forced to acquire or develop alternative technology, which we may be unable to do in a commercially feasible manner or at all, and we may be required to use alternative technology of lower quality or performance standards. This would limit and delay our ability to offer new or competitive products and subscriptions and increase our costs of production. As a result, our margins, market share, and operating results could be significantly harmed.

RISKS RELATED TO OPERATIONS

Because we depend on manufacturing partners to build and ship our hardware products, we are susceptible to manufacturing and logistics delays and pricing fluctuations that could prevent us from shipping customer orders on time, if at all, or on a cost-effective basis, which may result in the loss of sales and end-customers.

We depend on manufacturing partners, primarily our EMS provider, Flex, to manufacture our hardware product lines. Our substantial reliance on Flex, as well as other manufacturing partners subjects us to potential concentration risks, such as reduced control over the manufacturing process, quality assurance, product costs, product supply, and timing. Our hardware products are manufactured by our manufacturing partners at facilities located primarily in the United States. Some of the components in our products are sourced either through Flex or directly by us from component suppliers outside the United States. The portion of our hardware products that are sourced outside the United States may subject us to geopolitical risks, additional logistical risks, risks associated with international trade agreements, international trade disputes, trade regulations, tariffs, or risks associated with complying with local rules and regulations in foreign countries.

Significant changes to existing international trade agreements, tariffs, or trade regulations could lead to sourcing or logistics disruption resulting from import delays or the imposition of increased tariffs on our sourcing partners. For example, the United States and Chinese governments have each enacted, and discussed additional, import tariffs. Some components that we import for final manufacturing in the United States have been impacted by these tariffs. As a result, our costs have increased and we have raised, and may be required to further raise, prices on our hardware products in response to these and potential new trade regulations.

Our manufacturing partners typically fulfill our supply requirements on the basis of individual purchase orders. We do not have long-term contracts with these manufacturers that guarantee capacity, the continuation of particular pricing terms, or the extension of credit limits. Accordingly, they are not obligated to continue to fulfill our supply requirements and the prices we pay for manufacturing services could be increased on short notice. Our contract with Flex permits them to terminate the agreement for their convenience, subject to prior notice requirements. If we are required to change manufacturing partners, our ability to meet our scheduled product deliveries to our end-customers could be adversely affected, which could cause the loss of sales to existing or potential end-customers, delayed revenue or an increase in our costs which could adversely affect our gross margins. Any production interruptions for any reason, such as a natural disaster, epidemic or pandemic, capacity shortages, or quality problems at one of our manufacturing partners would negatively affect sales of our product lines manufactured by that manufacturing partner and adversely affect our business and operating results.

Managing the supply of our hardware products and product components is complex. Insufficient supply and inventory would result in lost sales opportunities or delayed revenue, while excess inventory would harm our gross margins.

Our manufacturing partners procure components and build our hardware products based on our forecasts, and we generally do not hold inventory for a prolonged period of time. These forecasts are based on estimates of future demand for our products, which are in turn based on historical trends and analyses from our sales and product management organizations, adjusted for overall market conditions. In order to reduce manufacturing lead times and plan for adequate component supply, from time to time we may issue forecasts for components and products that are non-cancelable and non-returnable.

Our inventory management systems and related supply chain visibility tools may be inadequate to enable us to forecast accurately and effectively manage supply of our hardware products and product components. If we ultimately determine that we have excess supply, we may have to reduce our prices and write-down inventory, which in turn could result in lower gross margins. If our actual component usage and product demand are lower than the forecast we provide to our manufacturing partners, we accrue for losses on manufacturing commitments in excess of forecasted demand. Alternatively, insufficient supply levels may lead to shortages that result in delayed hardware product revenue or loss of sales opportunities altogether as potential end-customers turn to competitors' products that are readily available. If we are unable to effectively manage our supply and inventory, our operating results could be adversely affected.

Because some of the key components in our hardware products come from limited sources of supply, we are susceptible to supply shortages or supply changes, which, in certain cases, have disrupted or delayed our scheduled product deliveries to our end-customers, increased our costs and may result in the loss of sales and end-customers.

Our hardware products rely on key components, including integrated circuit components, which our manufacturing partners purchase on our behalf from a limited number of component suppliers, including sole source providers. The manufacturing operations of some of our component suppliers are geographically concentrated in Asia and elsewhere, which makes our supply chain vulnerable to regional disruptions, such as natural disasters, fire, political instability, civil unrest, power outages, or health risks. In the past, we experienced supply chain disruption and have incurred increased costs resulting from inflationary pressures. We are also monitoring the tensions between China and Taiwan, and between the U.S. and China, which could have an adverse impact on our business or results of operations in future periods.

Further, we do not have volume purchase contracts with any of our component suppliers, and they could cease selling to us at any time. If we are unable to obtain a sufficient quantity of these components in a timely manner for any reason, sales of our hardware products could be delayed or halted, or we could be forced to expedite shipment of such components or our hardware products at dramatically increased costs. Our component suppliers also change their selling prices frequently in response to market trends, including industry-wide increases in demand. Because we do not have, for the most part, volume purchase contracts with our component suppliers, we are susceptible to price fluctuations related to raw materials and components and may not be able to adjust our prices accordingly. Additionally, poor quality in any of the sole-sourced components in our products could result in lost sales or sales opportunities.

If we are unable to obtain a sufficient volume of the necessary components for our hardware products on commercially reasonable terms or the quality of the components do not meet our requirements, we could also be forced to redesign our products and qualify new components from alternate component suppliers. The resulting stoppage or delay in selling our hardware products and the expense of redesigning our hardware products would result in lost sales opportunities and damage to customer relationships, which would adversely affect our business and operating results.

If we are unable to attract, retain, and motivate our key technical, sales, and management personnel, our business could suffer.

Our future success depends, in part, on our ability to continue to attract, retain, and motivate the members of our management team and other key employees. For example, we are substantially dependent on the continued service of our engineering personnel because of the complexity of our offerings. Competition for highly skilled personnel, particularly in engineering, including in the areas of AI and machine learning, is often intense, especially in the San Francisco Bay Area, where we have a substantial presence and need for such personnel. In addition, the industry in which we operate generally experiences high employee attrition. Our future performance depends on the continuing services and contributions of our senior management to execute on our business plan and to identify and pursue new opportunities and product innovations. If we are unable to hire, integrate, train, or retain the qualified and highly skilled personnel required to fulfill our current or future needs, our business, financial condition, and operating results could be harmed.

Further, we believe that a critical contributor to our success and our ability to retain highly skilled personnel has been our corporate culture, which we believe fosters innovation, inclusion, teamwork, passion for end-customers, focus on execution, and the facilitation of critical knowledge transfer and knowledge sharing. As we grow and change, we may find it difficult to maintain these important aspects of our corporate culture. While we are taking steps to develop a more inclusive and diverse workforce, there is no guarantee that we will be able to do so. Any failure to preserve our culture as we grow could limit our ability to innovate and could negatively affect our ability to retain and recruit personnel, continue to perform at current levels or execute on our business strategy.

We generate a significant amount of revenue from sales to distributors, resellers, and end-customers outside of the United States, and we are therefore subject to a number of risks associated with international sales and operations.

Our ability to grow our business and our future success will depend to a significant extent on our ability to expand our operations and customer base worldwide. Many of our customers, resellers, partners, suppliers, and manufacturers operate around the world. Operating in a global marketplace, we are subject to risks associated with having an international reach and compliance and regulatory requirements. We may experience difficulties in attracting, managing, and retaining an international staff, and we may not be able to recruit and maintain successful strategic distributor relationships internationally. Business practices in the international markets that we serve may differ from those in the United States and may require us in the future to include terms other than our standard terms related to payment, warranties, or performance obligations in end-customer contracts.

Additionally, our international sales and operations are subject to a number of risks, including the following:

- political, economic, and social uncertainty around the world, health risks such as epidemics and pandemics like COVID-19, macroeconomic challenges, terrorist activities, Russia's invasion of Ukraine, tensions between China and Taiwan, the hostilities in Israel and the surrounding region, and continued hostilities in the Middle East;
- unexpected changes in, or the application of, foreign and domestic laws and regulations (including intellectual property rights protections), regulatory practices or enforcement policies, trade restrictions, international trade agreements, and foreign legal requirements, including those applicable to the importation, certification, and localization of our products, tariffs, and tax laws and treaties, including regulatory and trade policy changes adopted by the current administration, such as the Sanctions on Russia, or foreign countries in response to regulatory changes adopted by the current administration; and
- non-compliance with U.S. and foreign laws, including antitrust regulations, anti-corruption laws, such as the U.S. Foreign Corrupt Practices Act and the United Kingdom ("U.K.") Bribery Act, U.S. or foreign sanctions regimes and export or import control laws, and any trade regulations ensuring fair trade practices.

These and other factors could harm our future international revenues and, consequently, materially impact our business, operating results, and financial condition. The expansion of our existing international operations and entry into additional international markets will require significant management attention and financial resources. Our failure to successfully manage our international operations and the associated risks effectively could limit the future growth of our business.

We are exposed to fluctuations in foreign currency exchange rates, which could negatively affect our financial condition and operating results.

Our sales contracts are primarily denominated in U.S. dollars, and therefore, a predominant amount of our revenue is not subject to foreign currency risk. However, in the event of a strengthening of the U.S. dollar against foreign currencies in which we conduct business, the cost of our products to our end-customers outside of the United States would increase, which could adversely affect our financial condition and operating results. In addition, increased international sales in the future, including through our channel partners and other partnerships or as a result of our acquisitions, may result in increased foreign currency denominated sales, increasing our foreign currency risk.

Our operating expenses incurred outside the United States and denominated in foreign currencies are generally increasing and are subject to fluctuations due to changes in foreign currency exchange rates. If we are not able to successfully hedge against the risks associated with foreign currency fluctuations, our financial condition and operating results could be adversely affected. We have entered into forward contracts in an effort to reduce our foreign currency exchange exposure related to our foreign currency denominated expenditures. As of January 31, 2025, the total notional amount of our outstanding foreign currency forward contracts was \$1.6 billion. For more information on our hedging transactions, refer to Note 6. Derivative Instruments in Part I, Item 1 of this Quarterly Report on Form 10-Q. The effectiveness of our existing hedging transactions and the availability and effectiveness of any hedging transactions we may decide to enter into in the future may be limited and we may not be able to successfully hedge our exposure, which could adversely affect our financial condition and operating results.

We face risks associated with having operations and employees located in Israel.

We have business operations in Israel and intend to continue growing our presence in Israel. Our operations in Israel could be disrupted by political instability, civil unrest, terrorist attacks, acts of violence, acts of war, or other military actions, including the hostilities in Israel and the surrounding region. The future of peace efforts between Israel and its Arab neighbors remains uncertain. The effects of hostilities and violence on the Israeli economy and our operations in Israel are unclear, and we cannot predict the effect on us of further increases in these hostilities or future armed conflict, political instability, or violence in the region. Current or future tensions and conflicts in the Middle East could adversely affect our business, operating results, financial condition, and cash flows.

In addition, many of our employees in Israel are obligated to perform annual reserve duty in the Israeli military and are subject to being called for active duty under emergency circumstances, which has occurred as a result of hostilities in Israel and the surrounding region. We cannot predict the full impact of these conditions on us in the future, particularly if emergency circumstances or an escalation in the political situation occurs. If many of our employees in Israel are called for active duty for a significant period of time, our operations and our business could be disrupted and may not be able to function at full capacity. Any disruption in our operations in Israel could adversely affect our business.

We are subject to governmental export and import controls that could subject us to liability or impair our ability to compete in international markets.

Because we incorporate encryption technology into our products, certain of our products are subject to U.S. export controls and may be exported outside the United States only with the required export license or through an export license exception. If we were to fail to comply with U.S. export licensing requirements, U.S. customs regulations, U.S. economic sanctions, or other laws or regulations, we could be subject to substantial civil and criminal penalties, including fines, incarceration for responsible employees and managers, and the possible loss of export or import privileges. Obtaining the necessary export license for a particular sale may be time-consuming and may result in the delay or loss of sales opportunities. Furthermore, U.S. export control laws and economic sanctions prohibit the shipment of certain products to U.S. embargoed or sanctioned countries, governments, and persons. Even though we take precautions to ensure that our channel partners comply with all relevant regulations, any failure by our channel partners to comply with such regulations could have negative consequences for us, including reputational harm, government investigations, and penalties.

In addition, various countries regulate the import of certain encryption technology, including through import permit and license requirements, and have enacted laws that could limit our ability to distribute our products or could limit our end-customers' ability to implement our products in those countries. Changes in our products or changes in export and import regulations may create delays in the introduction of our products into international markets, prevent our end-customers with international operations from deploying our products globally or, in some cases, prevent or delay the export or import of our products to certain countries, governments, or persons altogether. Any change in export or import regulations, economic sanctions, such as the Sanctions on Russia, or related legislation, shift in the enforcement or scope of existing regulations, or change in the countries, governments, persons, or technologies targeted by such regulations could result in decreased use of our products by, or in our decreased ability to export or sell our products to, existing or potential end-customers with international operations. Any decreased use of our products or limitation on our ability to export to or sell our products in international markets would likely adversely affect our business, financial condition, and operating results.

RISKS RELATED TO PRIVACY AND DATA PROTECTION

We may incur increased costs to comply with privacy and data protection laws and, if we fail to comply, we could be subject to government enforcement actions, private litigation and adverse publicity.

A wide variety of laws and regulations apply to the collection, use, retention, protection, disclosure, transfer, and other processing of personal data in jurisdictions where we and our customers operate. Compliance with these laws and regulations is difficult and costly. These laws and regulations are also subject to frequent, inconsistent and unexpected changes; new, modified or additional laws or regulations may be adopted; and rulings that invalidate prior laws, regulations, or interpretations of such laws or regulations may be issued. For example, we are subject to the E.U. General Data Protection Regulation ("E.U. GDPR") and the U.K. General Data Protection Regulation ("U.K. GDPR," and collectively the "GDPR"), each of which impose stringent data protection requirements, provide for costly penalties for noncompliance (up to the greater of (a) €20 million under the E.U. GDPR or £17.5 million under the "U.K. GDPR," and (b) 4% of annual worldwide turnover), and confer the right upon data subjects and consumer associations to lodge complaints with supervisory authorities, seek judicial remedies, and obtain compensation for damages resulting from violations.

The GDPR imposes restrictions, among other things, on the transfer of personal data outside of the European Economic Area ("EEA") (or, in the case of the U.K. GDPR, the U.K.) to non-EEA countries, such as the United States, unless adequate safeguards are implemented or a derogation applies. In practice, we rely on standard contractual clauses approved under the GDPR to carry out such transfers and to receive personal data subject to the GDPR (directly or indirectly) in the United States. In addition, with respect to the personal data that we process on behalf of our customers, we self-certified to the E.U.-U.S. Data Privacy Framework ("E.U.-U.S. DPF"), the UK Extension to the E.U.-U.S. DPF, and the Swiss-U.S. Data Privacy Framework (collectively, the "DPF"), as set forth by the U.S. Department of Commerce, regarding transfers of certain personal data from the E.U., the United Kingdom, and Switzerland to the United States. The DPF has been recognized as adequate under applicable law to allow transfers of personal data from the E.U., U.K., and Switzerland, as the case may be, to companies in the U.S. that have self-certified to the framework. However, the DPF may be subject to legal challenges, which could invalidate its use, disrupt our ability to rely on such data transfer mechanisms, and otherwise cause the legal requirements for such data transfers to be uncertain.

Among other effects, we may experience additional costs associated with increased compliance burdens, reduced demand for our offerings from current or prospective customers in the EEA, Switzerland, and the U.K. (collectively, "Europe") to use our products, on account of the risks identified in the Schrems II decision, and we may find it necessary or desirable to make further changes to our processing of personal data of European residents. The regulatory environment applicable to the handling of European residents' personal data, and our actions taken in response, may cause us to assume additional liabilities or incur additional costs. Moreover, much like with Schrems II, we anticipate future legal challenges to the approved data transfer mechanisms between Europe and the United States, including a challenge to the E.U.-U.S. DPF. Such legal challenges could result in additional legal and regulatory risk, compliance costs, and in our business, operating results, and financial condition being harmed.

We are also subject to the California Consumer Privacy Act, as amended by the California Privacy Rights Act (collectively, the "CCPA"). The CCPA requires, among other things, covered businesses to provide enhanced disclosures to California consumers and to afford such consumers certain rights regarding their personal data, including the right to opt out of data sales for targeted advertising, and creates a private right of action to individuals affected by a data breach, if the breach was caused by a lack of reasonable security. The effects of the CCPA have been significant, requiring us to modify our data processing practices and policies and to incur substantial costs and expenses for compliance. Moreover, other U.S. states have enacted privacy laws that are potentially relevant to us. These include laws enacted in at least 20 U.S. states, with additional state legislatures expected to consider comprehensive privacy legislation in the coming months and throughout calendar year 2025. Increasingly stringent federal or state privacy legislation may require us to modify our data practices and policies, incur substantial compliance costs and expenses, and add further complexity to our compliance efforts that could adversely affect our business or increase our potential liability if we fail to comply.

We may also from time to time be subject to obligations relating to personal data by contract, or face assertions that we are subject to self-regulatory obligations or industry standards. Additionally, the Federal Trade Commission and many state attorneys general are more regularly bringing enforcement actions in connection with federal and state consumer protection laws for false or deceptive acts or practices in relation to the online collection, use, dissemination, and security of personal data. Internationally, data localization laws may mandate that personal data collected in a foreign country be processed and stored within that country.

We and our customers may face risk of enforcement actions by regulators or data protection authorities, private litigation and adverse publicity including reputational damage and loss of customer confidence for alleged violations of any of the foregoing obligations. Any such claims could result in substantial costs, ongoing remedial, audit and reporting obligations, and diversion of resources, and distract management and technical personnel. These potential liabilities and enforcement actions could also have an overall negative effect on our business, operating results, and financial condition. The amount and scope of insurance we maintain may not cover all types of claims that may arise.

New legislation affecting the scope of personal data and personal information where we or our customers and partners have operations, especially relating to classification of Internet Protocol (“IP”) addresses, machine identification, AI and machine learning, location data, and other information, may limit or inhibit our ability to operate or expand our business, including limiting strategic partnerships that may involve the sharing or uses of data, and may require significant expenditures and efforts in order to comply. Notably, public perception of potential privacy, data protection, or information security concerns—whether or not valid—may harm our reputation and inhibit adoption of our products and subscriptions by current and future end-customers. Each of these laws and regulations, and any changes to these laws and regulations, or new laws and regulations, could impose significant limitations, or require changes to our business model or practices or growth strategy, which may increase our compliance expenses and make our business more costly or less efficient to conduct.

Tax, Accounting, Compliance, and Regulatory Risks

We may have exposure to tax liabilities that are greater than anticipated.

Our income tax obligations are based in part on our corporate structure and intercompany arrangements, including the manner in which we develop, value, and use our intellectual property and the valuations of our intercompany transactions. The tax laws applicable to our business, including the laws of the United States and various other jurisdictions, are subject to interpretation and certain jurisdictions may aggressively interpret their laws, regulations, and policies, including in an effort to raise additional tax revenue. The tax authorities of the jurisdictions in which we operate may challenge our methodologies for valuing developed or acquired technology or determining the proper charges for intercompany arrangements, which could increase our worldwide effective tax rate, harm our financial position and operating results, and have a negative effect on our cash flow. Some tax authorities of jurisdictions other than the United States may seek to assert extraterritorial taxing rights on our transactions or operations. It is possible that domestic or international tax authorities may subject us to tax examinations, or audits, and such tax authorities may disagree with certain positions we have taken, and any adverse outcome of such an examination, review or audit could result in additional tax liabilities and penalties and otherwise have a negative effect on our financial position, operating results, and cash flow. Further, the determination of our worldwide provision for or benefit from income taxes and other tax liabilities requires significant judgment by management, and there are transactions where the ultimate tax determination is uncertain. Although we believe that our estimates are reasonable, the ultimate tax outcome may differ from the amounts recorded on our consolidated financial statements and may materially affect our financial results in the period or periods for which such determination is made.

In addition, our future income tax obligations could be adversely affected by changes in, or interpretations of, tax laws, regulations, policies, or decisions in the United States or in the other jurisdictions in which we operate.

If our estimates or judgments relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our operating results could fall below our publicly announced guidance or the expectations of securities analysts and investors, resulting in a decline in the market price of our common stock.

The preparation of condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported on our condensed consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying amounts of assets, liabilities, equity, revenue, and expenses that are not readily apparent from other sources. For more information, refer to the section entitled “Critical Accounting Estimates” in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Part I, Item 2 of this Quarterly Report on Form 10-Q. In general, if our estimates, judgments or assumptions relating to our critical accounting policies change or if actual circumstances differ from our estimates, judgments or assumptions, our operating results may be adversely affected and could fall below our publicly announced guidance or the expectations of securities analysts and investors, resulting in a decline in the market price of our common stock.

We are obligated to maintain proper and effective internal control over financial reporting. We may not complete our analysis of our internal control over financial reporting in a timely manner, or our internal control may not be determined to be effective, which may adversely affect investor confidence in our company and, as a result, the value of our common stock.

If we are unable to assert that our internal controls are effective, our independent registered public accounting firm may not be able to formally attest to the effectiveness of our internal control over financial reporting. If, in the future, our chief executive officer, chief financial officer, or independent registered public accounting firm determines that our internal control over financial reporting is not effective as defined under Section 404, we could be subject to one or more investigations or enforcement actions by state or federal regulatory agencies, stockholder lawsuits, or other adverse actions requiring us to incur defense costs, pay fines, settlements, or judgments, causing investor perceptions to be adversely affected and potentially resulting in a decline in the market price of our stock.

Our reputation and/or business could be negatively impacted by environmental, social, and governance (“ESG”) matters and/or our reporting of such matters.

There is an increasing focus from regulators, certain investors, and other stakeholders concerning ESG matters, both in the United States and internationally. We communicate certain ESG-related initiatives, goals, and/or commitments regarding environmental matters, inclusion and diversity, responsible sourcing and social investments, and other matters in our annual ESG Report, on our website, in our filings with the SEC, and elsewhere. These initiatives, goals, or commitments could be difficult to achieve and costly to implement. We could fail to achieve, or be perceived to fail to achieve, our ESG-related initiatives, goals, or commitments. In addition, we could be criticized for the timing, scope or nature of these initiatives, goals, or commitments, or for any revisions to them. To the extent that our required and voluntary disclosures about ESG matters increase, we could be criticized for the accuracy, adequacy, or completeness of such disclosures. Our actual or perceived failure to achieve our ESG-related initiatives, goals, or commitments could negatively impact our reputation, result in ESG-focused investors not purchasing and holding our stock, or otherwise materially harm our business.

In addition, we are or may become subject to various new and proposed climate-related and other sustainability-related laws and regulations, including, for example, the E.U.’s Corporate Sustainability Reporting Directive. Additional regulation may require us to incur significant additional costs associated with increased compliance burdens, including the implementation of additional internal controls processes and procedures, and impose increased oversight obligations on our management and board of directors, as well as require us to retain third-party experts. Noncompliance with applicable regulations or requirements could subject us to investigations, sanctions, enforcement actions, fines or litigation, which could negatively impact our business, operating results or financial condition.

Failure to comply with governmental laws and regulations could harm our business.

Our business is subject to regulation by various federal, state, local, and foreign governmental agencies, including agencies responsible for monitoring and enforcing employment and labor laws, workplace safety, product safety, environmental laws, consumer protection laws, privacy, data security, and data-protection laws, anti-bribery laws (including the U.S. Foreign Corrupt Practices Act and the U.K. Anti-Bribery Act), import/export controls, federal securities laws, and tax laws and regulations. These laws and regulations may also impact our innovation and business drivers in developing new and emerging technologies (e.g., AI and machine learning). In certain jurisdictions, these regulatory requirements may be more stringent than those in the United States. Noncompliance with applicable regulations or requirements could subject us to investigations, sanctions, mandatory product recalls, enforcement actions, disgorgement of profits, fines, damages, civil and criminal penalties, or injunctions. If any governmental sanctions are imposed, or if we do not prevail in any possible civil or criminal litigation resulting from any alleged noncompliance, our business, operating results, and financial condition could be materially adversely affected. In addition, responding to any action will likely result in a significant diversion of management’s attention and resources and an increase in professional fees. Enforcement actions, litigation, and sanctions could harm our business, operating results, and financial condition.

Risks Related to Our Notes and Common Stock

We may not have the ability to raise the funds necessary to settle conversions of our Notes, repurchase our Notes upon a fundamental change, or repay our Notes in cash at their maturity, and our future debt may contain limitations on our ability to pay cash upon conversion or repurchase of our Notes.

In June 2020, we issued our 0.375% Convertible Senior Notes due 2025 (the “2025 Notes”). We will need to make cash payments (a) if holders of our 2025 Notes require us to repurchase all, or a portion of, their 2025 Notes upon the occurrence of a fundamental change (e.g., a change of control of Palo Alto Networks, Inc.) before the maturity date, (b) upon conversion of our 2025 Notes, or (c) to repay our 2025 Notes in cash at their maturity unless earlier converted or repurchased. Effective February 1, 2025 through April 30, 2025, all of the 2025 Notes are convertible. If all of the note holders decided to convert their 2025 Notes, we would be obligated to pay the \$534.2 million principal amount of the 2025 Notes in cash. Under the terms of the 2025 Notes, we also have the option to settle the amount of our conversion obligation in excess of the aggregate principal amount of the 2025 Notes in cash or shares of our common stock. If our cash provided by operating activities, together with our existing cash, cash equivalents, and investments, and existing sources of financing, are inadequate to satisfy these obligations, we will need to obtain third-party financing, which may not be available to us on commercially reasonable terms or at all, to meet these payment obligations.

In addition, our ability to repurchase or to pay cash upon conversion of our 2025 Notes may be limited by law, regulatory authority, or agreements governing our future indebtedness. Our failure to repurchase our 2025 Notes at a time when the repurchase is required by the applicable indenture governing such 2025 Notes or to pay cash upon conversion of such 2025 Notes as required by the applicable indenture would constitute a default under the indenture. A default under the applicable indenture or the fundamental change itself could also lead to a default under agreements governing our future indebtedness. If the payment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and repurchase our 2025 Notes or to pay cash upon conversion of our 2025 Notes.

We may still incur substantially more debt or take other actions that would diminish our ability to make payments on our Notes when due.

We and our subsidiaries may incur substantial additional debt in the future, subject to the restrictions contained in our debt instruments, that could have the effect of diminishing our ability to make payments on our 2025 Notes when due.

The market price of our common stock historically has been volatile, and the value of an investment in our common stock could decline.

The market price of our common stock has historically been, and is likely to continue to be, volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond our control and unrelated to our business, operating results, or financial condition. These fluctuations could cause a loss of all or part of an investment in our common stock. Factors that could cause fluctuations in the market price of our common stock include, but are not limited to:

- announcements of new products, subscriptions or technologies, commercial relationships, strategic partnerships, acquisitions, or other events by us or our competitors;
- price and volume fluctuations in the overall stock market from time to time;
- news announcements that affect investor perception of our industry, including reports related to the discovery of significant cyberattacks;
- significant volatility in the market price and trading volume of technology companies in general and of companies in our industry;
- fluctuations in the trading volume of our shares or the size of our public float;
- actual or anticipated changes in our operating results or fluctuations in our operating results;
- whether our operating results meet the expectations of securities analysts or investors;
- actual or anticipated changes in the expectations of securities analysts or investors, whether as a result of our forward-looking statements, our failure to meet such expectations or otherwise;
- inaccurate or unfavorable research reports about our business and industry published by securities analysts or reduced coverage of our company by securities analysts;
- litigation involving us, our industry, or both;
- actions instituted by activist shareholders or others;
- regulatory developments in the United States, foreign countries, or both;
- major catastrophic events;
- sales or repurchases of large blocks of our common stock or substantial future sales by our directors, executive officers, employees, and significant stockholders;
- departures of key personnel; or
- geopolitical or economic uncertainty around the world.

In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been brought against that company. Securities litigation could result in substantial costs, divert our management's attention and resources from our business, and have a material adverse effect on our business, operating results, and financial condition.

The convertible note hedge and warrant transactions may affect the value of our common stock.

In connection with the sale of our 2025 Notes, we entered into convertible note hedge transactions (the "2025 Note Hedges") with certain counterparties. In connection with each such sale of the 2025 Notes, we also entered into warrant transactions with the counterparties pursuant to which we sold warrants (the "2025 Warrants") for the purchase of our common stock. The 2025 Note Hedges for our 2025 Notes are generally expected to reduce the potential dilution to our common stock upon any conversion of our 2025 Notes. The 2025 Warrants could separately have a dilutive effect to the extent that the market price per share of our common stock exceeds the applicable strike price of the 2025 Warrants unless, subject to certain conditions, we elect to cash settle such 2025 Warrants.

The applicable counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our common stock and/or purchasing or selling our common stock or other securities of ours in secondary market transactions prior to the maturity of the outstanding 2025 Notes (and are likely to do so during any applicable observation period related to a conversion of our 2025 Notes). This activity could also cause or prevent an increase or a decrease in the market price of our common stock or our 2025 Notes, which could affect a note holder's ability to convert its 2025 Notes and, to the extent the activity occurs during any observation period related to a conversion of our 2025 Notes, it could affect the amount and value of the consideration that the note holder will receive upon conversion of our 2025 Notes.

We do not make any representation or prediction as to the direction or magnitude of any potential effect that the transactions described above may have on the price of our 2025 Notes or our common stock. In addition, we do not make any representation that the counterparties or their respective affiliates will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

The issuance of additional stock in connection with financings, acquisitions, investments, our stock incentive plans, the conversion of our Notes or exercise of the related Warrants, or otherwise will dilute stock held by all other stockholders.

Our restated certificate of incorporation authorizes us to issue up to 2.0 billion shares of common stock and up to 100.0 million shares of preferred stock with such rights and preferences as may be determined by our board of directors. Subject to compliance with applicable rules and regulations, we may issue shares of common stock or securities convertible into shares of our common stock from time to time in connection with a financing, acquisition, investment, our stock incentive plans, the conversion of our 2025 Notes, the settlement of our 2025 Warrants, or otherwise. Any such issuance could result in substantial dilution to our existing stockholders and cause the market price of our common stock to decline.

We cannot guarantee that our share repurchase program will be fully consummated or that it will enhance shareholder value, and share repurchases could affect the price of our common stock.

As of January 31, 2025, we had \$1.0 billion available under our share repurchase program which will expire on December 31, 2025 and may be suspended or discontinued at any time without prior notice. Although our board of directors has authorized a share repurchase program, we are not obligated to repurchase any specific dollar amount or to acquire any specific number of shares under the program. The share repurchase program could affect the price of our common stock, increase volatility, and diminish our cash reserves. In addition, the program may be suspended or terminated at any time, which may result in a decrease in the price of our common stock.

We do not intend to pay dividends for the foreseeable future.

We have never declared or paid any dividends on our common stock. We intend to retain any earnings to finance the operation and expansion of our business, and we do not anticipate paying any cash dividends in the future. As a result, stockholders may only receive a return on their investments in our common stock if the market price of our common stock increases.

Our charter documents and Delaware law, as well as certain provisions contained in the indentures governing our Notes, could discourage takeover attempts and lead to management entrenchment, which could also reduce the market price of our common stock.

Provisions in our restated certificate of incorporation and amended and restated bylaws may have the effect of delaying or preventing a change in control of our company or changes in our management. Our restated certificate of incorporation and amended and restated bylaws include provisions that:

- establish that our board of directors is divided into three classes, Class I, Class II, and Class III, with three-year staggered terms;
- authorize our board of directors to issue shares of preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval;
- provide our board of directors with the exclusive right to elect a director to fill a vacancy created by the expansion of our board of directors or the resignation, death, or removal of a director;
- prohibit our stockholders from taking action by written consent;
- specify that special meetings of our stockholders may be called only by the chairman of our board of directors, our president, our secretary, or a majority vote of our board of directors;
- require the affirmative vote of holders of at least 66 2/3% of the voting power of all of the then outstanding shares of the voting stock, voting together as a single class, to amend the provisions of our restated certificate of incorporation relating to the issuance of preferred stock and management of our business or our amended and restated bylaws;
- authorize our board of directors to amend our bylaws by majority vote; and
- establish advance notice procedures with which our stockholders must comply to nominate candidates to our board of directors or to propose matters to be acted upon at a stockholders' meeting.

These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for our stockholders to replace members of our board of directors, which is responsible for appointing the members of management. In addition, as a Delaware corporation, we are subject to Section 203 of the Delaware General Corporation Law. These provisions may prohibit large stockholders, in particular those owning 15% or more of our outstanding voting stock, from merging or combining with us for a certain period of time. Additionally, certain provisions contained in the indenture governing our 2025 Notes could make it more difficult or more expensive for a third party to acquire us. The application of Section 203 or certain provisions contained in the indenture governing our 2025 Notes also could have the effect of delaying or preventing a change in control of us. Any of these provisions could, under certain circumstances, depress the market price of our common stock.

General Risk Factors

Our business is subject to the risks of earthquakes, fire, power outages, floods, health risks, and other catastrophic events, and to interruption by man-made problems, such as terrorism.

Both our corporate headquarters and the location where our products are manufactured are located in the San Francisco Bay Area, a region known for seismic activity. In addition, other natural disasters, such as fire or floods, a significant power outage, telecommunications failure, terrorism, an armed conflict, cyberattacks, epidemics and pandemics such as COVID-19, or other geopolitical unrest could affect our supply chain, manufacturers, logistics providers, channel partners, end-customers, or the economy as a whole, and such disruption could impact our shipments and sales. These risks may be further increased if the disaster recovery plans for us and our suppliers prove to be inadequate. To the extent that any of the above should result in delays or cancellations of customer orders, the loss of customers, or the delay in the manufacture, deployment, or shipment of our products, our business, financial condition, and operating results would be adversely affected.

Our failure to raise additional capital or generate the significant capital necessary to expand our operations and invest in new products and subscriptions could reduce our ability to compete and could harm our business.

We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges, including the need to develop new features to enhance our portfolio, improve our operating infrastructure, or acquire complementary businesses and technologies. Accordingly, we may need to engage in equity or debt financings to secure additional funds. If we engage in future debt financings, the holders of such additional debt would have priority over the holders of our common stock. Current and future indebtedness may also contain terms that, among other things, restrict our ability to incur additional indebtedness. In addition, we may be required to take other actions that would otherwise be in the interests of the debt holders and would require us to maintain specified liquidity or other ratios, any of which could harm our business, operating results, and financial condition. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly impaired, and our business may be adversely affected.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

All references made to share or per share amounts related to our common stock have been retroactively adjusted to reflect the effects of the Stock Split. Refer to Note 1. Description of Business and Summary of Significant Accounting Policies in Part I, Item 1 of this Quarterly Report on Form 10-Q for more information on the Stock Split.

Unregistered Sales of Equity Securities

During the three months ended January 31, 2025, holders of the 2025 Notes converted \$112.4 million in aggregate principal amount of the 2025 Notes, which we repaid in cash. We also issued 1.7 million shares of our unregistered common stock to the holders of the 2025 Notes for the conversion value in excess of the principal amount. These shares of our common stock were issued in reliance on the exemption from registration provided by Section 3(a)(9) of the Securities Act of 1933, as amended (the "Securities Act").

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

In February 2019, we announced that our board of directors authorized a \$1.0 billion share repurchase program, which is funded from available working capital. In December 2020, August 2021, August 2022, November 2023, and August 2024, we announced additional \$700.0 million, \$676.1 million, \$915.0 million, \$316.7 million, and \$500.0 million increases to this share repurchase program, respectively, bringing the total authorization to \$4.1 billion, with \$1.0 billion remaining as of January 31, 2025. The expiration date of this repurchase authorization was extended to December 31, 2025, and our repurchase program may be suspended or discontinued at any time. Repurchases under our program are to be made at management's discretion on the open market, through privately negotiated transactions, transactions structured through investment banking institutions, block purchase techniques, 10b5-1 trading plans, or a combination of the foregoing. We did not repurchase shares of our common stock under our share repurchase program during the three months ended January 31, 2025.

Between November 1, 2024 and November 30, 2024, we withheld shares of restricted stock upon employee net exercise of stock options to satisfy the associated exercise price and tax withholding requirements. An aggregate of 1.3 million shares with an average value of \$191.68 per share were withheld by us to satisfy the exercise price and tax withholding requirements during this period.

Between November 1, 2024 and November 30, 2024, December 1, 2024 and December 31, 2024, and January 1, 2025 and January 31, 2025, shares of restricted stock were withheld by us from certain employees upon the vesting of equity awards to satisfy tax withholding requirements. The average value of shares withheld to satisfy tax withholding requirements during these periods were \$181.20 per share, \$189.36 per share, and \$180.18 per share, respectively. The number of shares withheld to satisfy tax withholding requirements during these periods was not significant.

Item 5. Other Information

Trading Plans of Directors and Executive Officers

Set forth below is certain information regarding Rule 10b5-1 trading plans adopted or terminated by our directors and officers (as defined in Rule 16a-1(f)) during the second quarter of fiscal 2025. The Rule 10b5-1 trading plans listed below are each intended to satisfy the affirmative defense of Rule 10b5-1(c).

Name	Title	Date Plan Was		Expiration Date	Total Amount of Common Stock to be Sold Under the Plan
		Adopted	Date Plan was Terminated		
Dipak Golechha	Executive Vice President, Chief Financial Officer	January 6, 2025	Not applicable	March 31, 2026 or, if earlier, when all shares have been sold	20,000
Nir Zuk	Executive Vice President, Chief Technology Officer	January 9, 2025	Not applicable	April 30, 2026 or, if earlier, when all shares have been sold	1,449,828

No other officers or directors, as defined in Rule 16a-1(f), adopted, modified, and/or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as defined in Regulation S-K Item 408, during the second quarter of fiscal 2025.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	File No.	Exhibit	Filing Date
3.1	Amendment to Restated Certificate of Incorporation of Palo Alto Networks, Inc.	8-K	001-35594	3.1	December 12, 2024
10.1	Amended and Restated 2021 Equity Incentive Plan.	8-K	001-35594	10.1	December 12, 2024
10.2	2012 Employee Stock Purchase Plan, as amended and restated, and related form agreements.				
10.3	Amendment No. 1, dated as of November 22, 2024, to Credit Agreement, dated as of April 13, 2023, among Palo Alto Networks, Inc., the lenders party thereto, and Wells Fargo Bank, National Association, as administrative agent.				
31.1	Certification of the Chief Executive Officer pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002.				
31.2	Certification of the Chief Financial Officer pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002.				
32.1†	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
32.2†	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
101	The following financial information from Palo Alto Networks, Inc.'s Quarterly Report on Form 10-Q for the three months ended January 31, 2025 formatted in Inline XBRL includes: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statements of Comprehensive Income (Loss), (iv) Condensed Consolidated Statements of Stockholders' Equity, (v) Condensed Consolidated Statements of Cash Flows, and (vi) Notes to the Condensed Consolidated Financial Statements.				
104	Cover Page Interactive Data File—(formatted as Inline XBRL and contained in Exhibit 101).				

† The certifications attached as Exhibit 32.1 and 32.2 that accompany this Quarterly Report on Form 10-Q are not deemed filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of Palo Alto Networks, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 14, 2025

PALO ALTO NETWORKS, INC.

By: /s/ DIPAK GOLECHA

Dipak Golechha

Chief Financial Officer

(Duly Authorized Officer and Principal Financial Officer)

Date: February 14, 2025

PALO ALTO NETWORKS, INC.

By: /s/ JOSH PAUL

Josh Paul

Chief Accounting Officer

(Duly Authorized Officer and Principal Accounting Officer)

PALO ALTO NETWORKS, INC.
2012 EMPLOYEE STOCK PURCHASE PLAN
(as amended and restated December 12, 2024)

1. Purpose. The purpose of the Plan is to provide employees of the Company and its Designated Companies with an opportunity to purchase Common Stock through accumulated Contributions. The Company intends for the Plan to have two components: a Code Section 423 Component ("423 Component") and a Non-Code Section 423 Component ("Non-423 Component"). The Company's intention is to have the 423 Component of the Plan qualify as an "employee stock purchase plan" under Section 423 of the Code. The provisions of the 423 Component, accordingly, will be construed so as to extend and limit Plan participation in a uniform and nondiscriminatory basis consistent with the requirements of Section 423 of the Code. In addition, this Plan authorizes the grant of an option to purchase shares of Common Stock under the Non-423 Component that does not qualify as an "employee stock purchase plan" under Section 423 of the Code; such an option will be granted pursuant to rules, procedures or subplans adopted by the Administrator designed to achieve tax, securities laws or other objectives for Eligible Employees and the Company. Except as otherwise provided herein, the Non-423 Component will operate and be administered in the same manner as the 423 Component.

2. Definitions.

(a) **"Administrator"** means the Board or any Committee designated by the Board to administer the Plan pursuant to Section 14.

(b) **"Affiliate"** means any entity, other than a Subsidiary, in which the Company has an equity or other ownership interest.

(c) **"Applicable Laws"** means the requirements relating to the administration of equity-based awards under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any foreign country or jurisdiction where options are, or will be, granted under the Plan.

(d) **"Board"** means the Board of Directors of the Company.

(e) **"Change in Control"** means the occurrence of any of the following events:

(i) A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group ("Person"), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than fifty percent (50%) of the total voting power of the stock of the Company; provided, however, that for purposes of this subsection, the acquisition of additional stock by any one Person, who is considered to own more than fifty percent (50%) of the total voting power of the stock of the Company will not be considered a Change in Control; or

(ii) A change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any twelve (12)-month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this clause (ii), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change in Control; or

(iii) A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than fifty percent (50%) of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection, the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (A) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (B) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (2) an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least fifty percent (50%) of the total value or voting power of which is owned, directly or indirectly, by a Person described in this subsection (iii)(B)(3). For purposes of this subsection, gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this definition, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing, a transaction will not be deemed a Change in Control unless the transaction qualifies as a change in control event within the meaning of Code Section 409A, as it has been and may be amended from time to time, and any proposed or final U.S. Treasury Regulations and Internal Revenue Service guidance that has been promulgated or may be promulgated thereunder from time to time.

Further and for the avoidance of doubt, a transaction will not constitute a Change in Control if: (i) its sole purpose is to change the state of the Company's incorporation, or (ii) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

(f) **“Code”** means the U.S. Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or U.S. Treasury Regulation thereunder will include such section or regulation, any valid regulation or other official applicable guidance promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(g) **“Committee”** means a committee of the Board appointed in accordance with Section 14 hereof.

(h) **“Common Stock”** means the common stock of the Company.

(i) **“Company”** means Palo Alto Networks, Inc., a Delaware corporation, or any successor thereto.

(j) **“Compensation”** means an Eligible Employee's base straight time gross earnings, payments for overtime and shift premium, but exclusive of payments for commissions, incentive compensation, bonuses and other similar compensation. The Administrator, in its discretion, may, on a uniform and nondiscriminatory basis, establish a different definition of Compensation for a subsequent Offering Period.

(k) **“Contributions”** means the payroll deductions and other additional payments that the Company may permit to be made by a Participant to fund the exercise of options granted pursuant to the Plan.

(l) **“Designated Company”** means any Subsidiary or Affiliate that has been designated by the Administrator from time to time in its sole discretion as eligible to participate in the Plan. For purposes of the 423 Component, only the Company and its Subsidiaries may be Designated Companies, provided, however, that at any given time, a Subsidiary that is a Designated Company under the 423 Component shall not be a Designated Company under the Non-423 Component.

(m) **“Director”** means a member of the Board.

(n) **“Eligible Employee”** means any individual who is providing services to the Company or a Designated Company as an employee and is considered by the Company or a Designated Company to be an employee and who meets any minimum service limitations determined under the methodology specified below. For purposes of clarity, the term “Eligible Employee” shall not include the following, regardless of any subsequent reclassification as an employee by the Company or a Designated Company, any governmental agency, or any court: (i) any independent contractor; (ii) any consultant; (iii) any individual performing services for the Company or a Designated Company who has entered into an independent contractor or consultant agreement with the Company or a Designated Company; (iv) any individual performing services for the Company or a Designated Company under a purchase order, a supplier agreement or any other agreement that the Company or a Designated Company enters into for services; (v) any individual classified by the Company or a Designated Company as contract labor (such as contractors, contract employees, job shoppers), regardless of length of service; (vi) any individual whose base wage or salary is not processed for payment by the payroll department(s) or payroll provider(s) of the Company or a Designated Company; and (vii) any leased employee within the meaning of Code Section 414(n), including such persons leased from a professional employer organization. The exclusive means for individuals who are not contemporaneously classified as employees of the Company or a Designated Company on the Company's or Designated Company's payroll system on an Enrollment Date to become eligible to participate in the Plan is through the adoption of a subplan that specifically designates such individuals eligible to participate.

For purposes of the Plan, the employment relationship will be treated as continuing intact while the individual is on sick leave or other leave of absence that the Employer approves or is legally protected under Applicable Laws. Where the period of leave exceeds three (3) months and the individual's right to reemployment is not guaranteed either by statute or by contract, the employment relationship will be deemed to have terminated three (3) months and one (1) day following the commencement of such leave.

The Administrator retains the authority to revise the definition of Eligible Employee (on a uniform and nondiscriminatory basis or as otherwise permitted by Treasury Regulation Section 1.423-2). Accordingly, the Administrator, in its discretion, from time to time may, prior to an Enrollment Date for all options to be granted on such Enrollment Date in an Offering, determine (on a uniform and nondiscriminatory basis or as otherwise permitted by Treasury Regulation Section 1.423-2) that the definition of Eligible Employee will or will not include an individual if he or she: (i) has not completed at least two (2) years of service since his or her last hire date (or such lesser period of time as may be determined by the Administrator in its discretion), (ii) customarily works not more than twenty (20) hours per week (or such lesser period of time as may be determined by the Administrator in its discretion), (iii) customarily works not more than five (5) months per calendar year (or such lesser period of time as may be determined by the Administrator in its discretion), (iv) is a highly compensated employee within the meaning of Section 414(q) of the Code, or (v) is a highly compensated employee within the meaning of Section 414(q) of the Code with compensation above a certain level or is an officer or subject to the

disclosure requirements of Section 16(a) of the Exchange Act, provided the exclusion is applied with respect to each Offering in an identical manner to all highly compensated individuals of the Employer whose Employees are participating in that Offering. Until subsequent action is taken by the Administrator, to be an Eligible Employee an individual must be customarily employed for at least twenty (20) hours per week and more than five (5) months in any calendar year by the Employer, or any lesser number of hours per week and/or number of months in any calendar year established by the Administrator (if required under applicable local law) for purposes of any separate Offering or for Eligible Employees participating in the Non-423 Component. Each exclusion shall be applied with respect to an Offering in a manner complying with U.S. Treasury Regulation Section 1.423-2(e)(2)(ii).

(o) Employer means the employer of the applicable Eligible Employee(s).

(p) Enrollment Date means the first Trading Day of each Offering Period.

(q) Exchange Act means the U.S. Securities Exchange Act of 1934, as amended, including the rules and regulations promulgated thereunder.

(r) Exercise Date means the first Trading Day on or after February 28 and August 31 of each Purchase Period. Notwithstanding the foregoing, the first Exercise Date following the Restatement Effective Date will be February 28, 2018.

(s) Fair Market Value means, as of any date and unless the Administrator determines otherwise, the value of Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or a national market system, including without limitation the New York Stock Exchange, NASDAQ Global Select Market, the NASDAQ Global Market or the NASDAQ Capital Market of The NASDAQ Stock Market, its Fair Market Value will be the closing sales price for such stock as quoted on such exchange or system on the date of determination (or the closing bid, if no sales were reported), as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, its Fair Market Value will be the mean between the high bid and low asked prices for the Common Stock on the date of determination (or if no bids and asks were reported on that date, as applicable, on the last Trading Day such bids and asks were reported), as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable; or

(iii) In the absence of an established market for the Common Stock, the Fair Market Value thereof will be determined in good faith by the Administrator.

(t) Fiscal Year means the fiscal year of the Company.

(u) New Exercise Date means a new Exercise Date if the Administrator shortens any Offering Period then in progress.

(v) Offering means an offer under the Plan of an option that may be exercised during an Offering Period as further described in Section 4. For purposes of the Plan, the Administrator may designate separate Offerings under the Plan (the terms of which need not be identical) in which Employees of one or more Employers will participate, even if the dates of the applicable Offering Periods of each such Offering are identical and the provisions of the Plan will separately apply to each Offering. To the extent permitted by U.S. Treasury Regulation Section 1.423-2(a)(1), the terms of each Offering need not be identical provided that the terms of the Plan and an Offering together satisfy U.S. Treasury Regulation Section 1.423-2(a)(2) and (a)(3).

(w) Offering Periods means the periods of approximately twenty-four (24) months during which an option granted pursuant to the Plan may be exercised, (i) commencing on the first Trading Day on or after February 28 and August 31 of each year and terminating on the first Trading Day on or after August 31 and February 28, approximately twenty-four (24) months later (subject to Section 30); for clarity, the first Offering Period following the Restatement Effective Date will commence on September 18, 2017 and end on the first Trading Date on or after August 31, 2019. The duration and timing of Offering Periods may be changed pursuant to Sections 4 and 20.

(x) Parent means a "parent corporation," whether now or hereafter existing, as defined in Section 424(e) of the Code.

(y) Participant means an Eligible Employee who participates in the Plan.

(z) Plan means this Palo Alto Networks, Inc. 2012 Employee Stock Purchase Plan.

(aa) Purchase Period means the period during an Offering Period which shares of Common Stock may be purchased on a Participant's behalf in accordance with the terms of the Plan. Unless the Administrator provides otherwise, for Offering Periods commencing on or after the Restatement Effective Date, the Purchase Period shall mean the approximately six (6)-month period commencing on one Exercise Date and ending with the next Exercise Date, except that the first Purchase Period of any Offering Period shall commence on the Enrollment Date and end with the next Exercise Date.

(bb) Purchase Price means an amount equal to eighty-five percent (85%) of the Fair Market Value of a share of Common Stock on the Enrollment Date or on the Exercise Date, whichever is lower; provided however, that the Purchase Price may be determined for subsequent Offering Periods by the Administrator subject to compliance with Section 423 of the Code (or any successor rule or provision or any other Applicable Law, regulation or stock exchange rule) or pursuant to Section 20.

(cc) Restatement Effective Date means August 29, 2017.

(dd) Subsidiary means a "subsidiary corporation," whether now or hereafter existing, as defined in Section 424(f) of the Code.

(ee) Trading Day means a day on which the national stock exchange upon which the Common Stock is listed is open for trading.

(ff) U.S. Treasury Regulations means the Treasury regulations of the Code. Reference to a specific Treasury Regulation or Section of the Code shall include such Treasury Regulation or Section, any valid regulation promulgated under such Section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such Section or regulation.

3. Eligibility.

(a) Enrollment. Any Eligible Employee on a given Enrollment Date subsequent to the first Offering Period will be eligible to participate in the Plan, subject to the requirements of Section 5.

(b) Non-U.S. Employees. Eligible Employees who are citizens or residents of a non-U.S. jurisdiction (without regard to whether they also are citizens or residents of the United States or resident aliens (within the meaning of Section 7701(b)(1)(A) of the Code)) may be excluded from participation in the Plan or an Offering if the participation of such Eligible Employees is prohibited under the laws of the applicable jurisdiction or if complying with the laws of the applicable jurisdiction would cause the Plan or an Offering to violate Section 423 of the Code. In the case of the Non-423 Component, Eligible Employees may be excluded from participation in the Plan or an Offering if the Administrator has determined that participation of such Eligible Employees is not advisable or practicable.

(c) Limitations. Any provisions of the Plan to the contrary notwithstanding, no Eligible Employee will be granted an option under the Plan (i) to the extent that, immediately after the grant, such Eligible Employee (or any other person whose stock would be attributed to such Eligible Employee pursuant to Section 424(d) of the Code) would own capital stock of the Company or any Parent or Subsidiary of the Company and/or hold outstanding options to purchase such stock possessing five percent (5%) or more of the total combined voting power or value of all classes of the capital stock of the Company or of any Parent or Subsidiary of the Company, or (ii) to the extent that his or her rights to purchase stock under all employee stock purchase plans (as defined in Section 423 of the Code) of the Company or any Parent or Subsidiary of the Company accrues at a rate, which exceeds twenty-five thousand dollars (\$25,000) worth of stock (determined at the Fair Market Value of the stock at the time such option is granted) for each calendar year in which such option is outstanding at any time, as determined in accordance with Section 423 of the Code and the regulations thereunder.

4. Offering Periods. The Plan will be implemented by overlapping Offering Periods with a new Offering Period commencing on the first Trading Day on or after February 28 and August 31 of each year, or on such other date as the Administrator will determine. Notwithstanding the foregoing, the first Offering Period following the Restatement Effective Date will commence on September 18, 2017. The Administrator will have the power to change the duration of Offering Periods (including the commencement dates thereof) with respect to future Offerings without stockholder approval if such change is announced prior to the scheduled beginning of the first Offering Period to be affected thereafter; provided, however, that no Offering Period may last more than twenty-seven (27) months.

5. Participation. An Eligible Employee may participate in the Plan pursuant to Section 3(a) by (i) submitting to the Company's stock administration office (or its designee), on or before a date determined by the Administrator prior to an applicable Enrollment Date, a properly completed subscription agreement authorizing Contributions in the form provided by the Administrator for such purpose, or (ii) following an electronic or other enrollment procedure determined by the Administrator.

6. Contributions.

(a) At the time a Participant enrolls in the Plan pursuant to Section 5, he or she will elect to have Contributions (in the form of payroll deductions or otherwise, to the extent permitted by the Administrator) made on each pay day during the Offering Period in an amount not exceeding fifteen percent (15%) of the Compensation, which he or she receives on each pay day during the Offering Period, including any pay day that occurs on an Exercise Date. The Administrator, in its sole discretion, may permit all Participants in a specified Offering to contribute amounts to the Plan through payment by cash, check or other means set forth in the subscription agreement prior to each Exercise Date of each Purchase Period. A Participant's subscription agreement will remain in effect for successive Offering Periods unless terminated as provided in Section 10 hereof.

(b) In the event Contributions are made in the form of payroll deductions, such payroll deductions for a Participant will commence on the first pay day following the Enrollment Date and will end on the last pay day on or prior to

the Exercise Date of such Offering Period to which such authorization is applicable, unless sooner terminated by the Participant as provided in Section 10 hereof; provided, however, that for the first Offering Period, payroll deductions will commence on the first pay day on or following the end of the Enrollment Window.

(c) All Contributions made for a Participant will be credited to his or her account under the Plan and Contributions will be made in whole percentages only. A Participant may not make any additional payments into such account.

(d) A Participant may discontinue his or her participation in the Plan as provided in Section 10. Unless otherwise determined by the Administrator, during an Offering Period, a Participant may not increase the rate of his or her Contributions and may only decrease the rate of his or her Contributions one (1) time per Purchase Period. Any such decrease during an Offering Period requires the Participant (i) properly completing and submitting to the Company's stock administration office (or its designee), on or before a date determined by the Administrator prior to an applicable Exercise Date, a new subscription agreement authorizing the change in Contribution rate in the form provided by the Administrator for such purpose, or (ii) following an electronic or other procedure prescribed by the Administrator. If a Participant has not followed such procedures to change the rate of Contributions, the rate of his or her Contributions will continue at the originally elected rate throughout the Offering Period and future Offering Periods (unless terminated as provided in Section 10). The Administrator may, in its sole discretion, amend the nature and/or number of Contribution rate changes that may be made by Participants during any Offering Period or Purchase Period, and may establish such other conditions or limitations as it deems appropriate for Plan administration. Any change in payroll deduction rate made pursuant to this Section 6(d) will be effective as of the first full payroll period following five (5) business days after the date on which the change is made by the Participant (unless the Administrator, in its sole discretion, elects to process a given change in payroll deduction rate more quickly).

(e) Notwithstanding the foregoing, to the extent necessary to comply with Section 423(b)(8) of the Code and Section 3(c), a Participant's Contributions may be decreased to zero percent (0%) at any time during a Purchase Period. Subject to Section 423(b)(8) of the Code and Section 3(c) hereof, Contributions will recommence at the rate originally elected by the Participant effective as of the beginning of the first Purchase Period scheduled to end in the following calendar year, unless terminated by the Participant as provided in Section 10.

(f) Notwithstanding any provisions to the contrary in the Plan, the Administrator may allow Eligible Employees to participate in the Plan via cash contributions instead of payroll deductions if (i) payroll deductions are not permitted under applicable local law, (ii) the Administrator determines that cash contributions are permissible under Section 423 of the Code, or (iii) for Participants participating in the Non-423 Component.

(g) At the time the option is exercised, in whole or in part, or at the time some or all of the Common Stock issued under the Plan is disposed of (or any other time that a taxable event related to the Plan occurs), the Participant must make adequate provision for the Company's or Employer's federal, state, local or any other tax liability payable to any authority including taxes imposed by jurisdictions outside of the U.S., national insurance, social security or other tax withholding obligations, if any, which arise upon the exercise of the option or the disposition of the Common Stock (or any other time that a taxable event related to the Plan occurs). At any time, the Company or the Employer may, but will not be obligated to, withhold from the Participant's compensation the amount necessary for the Company or the Employer to meet applicable withholding obligations, including any withholding required to make available to the Company or the Employer any tax deductions or benefits attributable to sale or early disposition of Common Stock by the Eligible Employee. In addition, the Company or the Employer may, but will not be obligated to, withhold from the proceeds of the sale of Common Stock or any other method of withholding the Company or the Employer deems appropriate to the extent permitted by U.S. Treasury Regulation Section 1.423-2(f).

7. Grant of Option. On the Enrollment Date of each Offering Period, each Eligible Employee participating in such Offering Period will be granted an option to purchase on each Exercise Date during such Offering Period (at the applicable Purchase Price) up to a number of shares of Common Stock determined by dividing such Eligible Employee's Contributions accumulated prior to such Exercise Date and retained in the Eligible Employee's account as of the Exercise Date by the applicable Purchase Price; provided that in no event will an Eligible Employee be permitted to purchase during each Purchase Period more than 3,750 shares of Common Stock (subject to any adjustment pursuant to Section 19) and provided further that such purchase will be subject to the limitations set forth in Sections 3(d) and 13. The Eligible Employee may accept the grant of such option (i) with respect to the first Offering Period by submitting a properly completed subscription agreement in accordance with the requirements of Section 5 on or before the last day of the Enrollment Window, and (ii) with respect to any subsequent Offering Period under the Plan, by electing to participate in the Plan in accordance with the requirements of Section 5. The Administrator may, for future Offering Periods, increase or decrease, in its absolute discretion, the maximum number of shares of Common Stock that an Eligible Employee may purchase during each Purchase Period of an Offering Period. Exercise of the option will occur as provided in Section 8, unless the Participant has withdrawn pursuant to Section 10. The option will expire on the last day of the Offering Period.

8. Exercise of Option.

(a) Unless a Participant withdraws from the Plan as provided in Section 10, his or her option for the purchase of shares of Common Stock will be exercised automatically on the Exercise Date, and the maximum number of full shares subject to the option will be purchased for such Participant at the applicable Purchase Price with the accumulated Contributions from his or her account. No fractional shares of Common Stock will be purchased; any Contributions accumulated in a Participant's account, which are not sufficient to purchase a full share will be promptly refunded to

Participant as soon as reasonably practicable following an Exercise Date. During a Participant's lifetime, a Participant's option to purchase shares hereunder is exercisable only by him or her.

(b) If the Administrator determines that, on a given Exercise Date, the number of shares of Common Stock with respect to which options are to be exercised may exceed (i) the number of shares of Common Stock that were available for sale under the Plan on the Enrollment Date of the applicable Offering Period, or (ii) the number of shares of Common Stock available for sale under the Plan on such Exercise Date, the Administrator may in its sole discretion (x) provide that the Company will make a pro rata allocation of the shares of Common Stock available for purchase on such Enrollment Date or Exercise Date, as applicable, in as uniform a manner as will be practicable and as it will determine in its sole discretion to be equitable among all Participants exercising options to purchase Common Stock on such Exercise Date, and continue all Offering Periods then in effect or (y) provide that the Company will make a pro rata allocation of the shares available for purchase on such Enrollment Date or Exercise Date, as applicable, in as uniform a manner as will be practicable and as it will determine in its sole discretion to be equitable among all participants exercising options to purchase Common Stock on such Exercise Date, and terminate any or all Offering Periods then in effect pursuant to Section 20. The Company may make a pro rata allocation of the shares available on the Enrollment Date of any applicable Offering Period pursuant to the preceding sentence, notwithstanding any authorization of additional shares for issuance under the Plan by the Company's stockholders subsequent to such Enrollment Date.

9. Delivery. As soon as reasonably practicable after each Exercise Date on which a purchase of shares of Common Stock occurs, the Company will arrange the delivery to each Participant of the shares purchased upon exercise of his or her option in a form determined by the Administrator (in its sole discretion) and pursuant to rules established by the Administrator. The Company may permit or require that shares be deposited directly with a broker designated by the Company or to a designated agent of the Company, and the Company may utilize electronic or automated methods of share transfer. The Company may require that shares be retained with such broker or agent for a designated period of time and/or may establish other procedures to permit tracking of disqualifying dispositions of such shares. No Participant will have any voting, dividend, or other stockholder rights with respect to shares of Common Stock subject to any option granted under the Plan until such shares have been purchased and delivered to the Participant as provided in this Section 9.

10. Withdrawal.

(a) A Participant may withdraw all but not less than all the Contributions credited to his or her account and not yet used to exercise his or her option under the Plan at least one (1) business day prior to an Exercise Date by (i) submitting to the Company's stock administration office (or its designee) a written notice of withdrawal in the form determined by the Administrator for such purpose, or (ii) following an electronic or other withdrawal procedure determined by the Administrator. All of the Participant's Contributions credited to his or her account will be paid to such Participant promptly after receipt of notice of withdrawal and such Participant's option for the Offering Period will be automatically terminated, and no further Contributions for the purchase of shares will be made for such Offering Period. If a Participant withdraws from an Offering Period, Contributions will not resume at the beginning of the succeeding Offering Period, unless the Participant re-enrolls in the Plan in accordance with the provisions of Section 5.

(b) A Participant's withdrawal from an Offering Period will not have any effect upon his or her eligibility to participate in any similar plan that may hereafter be adopted by the Company or in succeeding Offering Periods that commence after the termination of the Offering Period from which the Participant withdraws.

11. Termination of Employment. Upon a Participant's ceasing to be an Eligible Employee, for any reason, he or she will be deemed to have elected to withdraw from the Plan and the Contributions credited to such Participant's account during the Offering Period but not yet used to purchase shares of Common Stock under the Plan will be returned to such Participant or, in the case of his or her death, to the person or persons entitled thereto under Section 15, and such Participant's option will be automatically terminated.

12. Interest. No interest will accrue on the Contributions of a participant in the Plan, except as may be required by Applicable Law, as determined by the Company, and if so required by the laws of a particular jurisdiction, shall apply to all Participants in the relevant Offering under the 423 Component, except to the extent otherwise permitted by U.S. Treasury Regulation Section 1.423-2(f).

13. Stock.

(a) Subject to adjustment upon changes in capitalization of the Company as provided in Section 19 hereof, the maximum number of shares of Common Stock that will be made available for sale under the Plan will be 6,000,000 shares of Common Stock, plus an annual increase to be added on the first day of each Fiscal Year beginning with the 2014 Fiscal Year equal to the least of (i) 12,000,000 shares of Common Stock, (ii) one percent (1%) of the outstanding shares of Common Stock on such date, or (iii) an amount determined by the Administrator.

(b) Until the shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), a Participant will only have the rights of an unsecured creditor with respect to such shares, and no right to vote or receive dividends or any other rights as a stockholder will exist with respect to such shares.

(c) Shares of Common Stock to be delivered to a Participant under the Plan will be registered in the name of the Participant or in the name of the Participant and his or her spouse.

14. Administration. The Plan will be administered by the Board or a Committee appointed by the Board, which Committee will be constituted to comply with Applicable Laws. The Administrator will have full and exclusive discretionary authority to construe, interpret and apply the terms of the Plan, to designate separate Offerings under the Plan, to designate Subsidiaries and Affiliates as participating in the 423 Component or Non-423 Component, to determine eligibility, to adjudicate all disputed claims filed under the Plan and to establish such procedures that it deems necessary for the administration of the Plan (including, without limitation, to adopt such procedures and sub-plans as are necessary or appropriate to permit the participation in the Plan by employees who are foreign nationals or employed outside the U.S., the terms of which sub-plans may take precedence over other provisions of this Plan, with the exception of Section 13(a) hereof, but unless otherwise superseded by the terms of such sub-plan, the provisions of this Plan shall govern the operation of such sub-plan). Unless otherwise determined by the Administrator, the Employees eligible to participate in each sub-plan will participate in a separate Offering or in the Non-423 Component. Without limiting the generality of the foregoing, the Administrator is specifically authorized to adopt rules and procedures regarding eligibility to participate, the definition of Compensation, handling of Contributions, making of Contributions to the Plan (including, without limitation, in forms other than payroll deductions), establishment of bank or trust accounts to hold Contributions, payment of interest, conversion of local currency, obligations to pay payroll tax, determination of beneficiary designation requirements, withholding procedures and handling of stock certificates that vary with applicable local requirements. The Administrator also is authorized to determine that, to the extent permitted by U.S. Treasury Regulation Section 1.423-2(f), the terms of an option granted under the Plan or an Offering to citizens or residents of a non-U.S. jurisdiction will be less favorable than the terms of options granted under the Plan or the same Offering to employees resident solely in the U.S. Every finding, decision and determination made by the Administrator will, to the full extent permitted by law, be final and binding upon all parties.

15. Designation of Beneficiary.

(a) If permitted by the Administrator, a Participant may file a designation of a beneficiary who is to receive any shares of Common Stock and cash, if any, from the Participant's account under the Plan in the event of such Participant's death subsequent to an Exercise Date on which the option is exercised but prior to delivery to such Participant of such shares and cash. In addition, if permitted by the Administrator, a Participant may file a designation of a beneficiary who is to receive any cash from the Participant's account under the Plan in the event of such Participant's death prior to exercise of the option. If a Participant is married and the designated beneficiary is not the spouse, spousal consent will be required for such designation to be effective.

(b) Such designation of beneficiary may be changed by the Participant at any time by notice in a form determined by the Administrator, which may be electronic. In the event of the death of a Participant and in the absence of a beneficiary validly designated under the Plan who is living at the time of such Participant's death, the Company will deliver such shares and/or cash to the executor or administrator of the estate of the Participant, or if no such executor or administrator has been appointed (to the knowledge of the Company), the Company, in its discretion, may deliver such shares and/or cash to the spouse or to any one or more dependents or relatives of the Participant, or if no spouse, dependent or relative is known to the Company, then to such other person as the Company may designate.

(c) All beneficiary designations will be in such form and manner as the Administrator may designate from time to time. Notwithstanding Sections 15(a) and (b) above, the Company and/or the Administrator may decide not to permit such designations by Participants in non-U.S. jurisdictions to the extent permitted by U.S. Treasury Regulation Section 1.423-2(f).

16. Transferability. Neither Contributions credited to a Participant's account nor any rights with regard to the exercise of an option or to receive shares of Common Stock under the Plan may be assigned, transferred, pledged or otherwise disposed of in any way (other than by will, the laws of descent and distribution or as provided in Section 15 hereof) by the Participant. Any such attempt at assignment, transfer, pledge or other disposition will be without effect, except that the Company may treat such act as an election to withdraw funds from an Offering Period in accordance with Section 10 hereof.

17. Use of Funds. The Company may use all Contributions received or held by it under the Plan for any corporate purpose, and the Company will not be obligated to segregate such Contributions except under Offerings or for Participants in the Non-423 Component for which Applicable Laws require that Contributions to the Plan by Participants be segregated from the Company's general corporate funds and/or deposited with an independent third party. Until shares of Common Stock are issued, Participants will only have the rights of an unsecured creditor with respect to such shares.

18. Reports. Individual accounts will be maintained for each Participant in the Plan. Statements of account will be given to participating Eligible Employees at least annually, which statements will set forth the amounts of Contributions, the Purchase Price, the number of shares of Common Stock purchased and the remaining cash balance, if any.

19. Adjustments, Dissolution, Liquidation, Merger or Change in Control.

(a) Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Common Stock or other securities of the Company, or other change in the corporate structure of the Company affecting the Common Stock occurs, the Administrator, in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will, in such manner as it may deem equitable, adjust the number and class of Common Stock that may be delivered under the Plan, the Purchase Price per share and the number of shares of Common Stock covered by each option

under the Plan that has not yet been exercised, and the numerical limits of Sections 7 and 13.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, any Offering Period then in progress will be shortened by setting a New Exercise Date, and will terminate immediately prior to the consummation of such proposed dissolution or liquidation, unless provided otherwise by the Administrator. The New Exercise Date will be before the date of the Company's proposed dissolution or liquidation. The Administrator will notify each Participant in writing or electronically, prior to the New Exercise Date, that the Exercise Date for the Participant's option has been changed to the New Exercise Date and that the Participant's option will be exercised automatically on the New Exercise Date, unless prior to such date the Participant has withdrawn from the Offering Period as provided in Section 10 hereof.

(c) Merger or Change in Control. In the event of a merger or Change in Control, each outstanding option will be assumed or an equivalent option substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the option, the Offering Period with respect to which such option relates will be shortened by setting a New Exercise Date on which such Offering Period shall end. The New Exercise Date will occur before the date of the Company's proposed merger or Change in Control. The Administrator will notify each Participant in writing or electronically prior to the New Exercise Date, that the Exercise Date for the Participant's option has been changed to the New Exercise Date and that the Participant's option will be exercised automatically on the New Exercise Date, unless prior to such date the Participant has withdrawn from the Offering Period as provided in Section 10 hereof.

20. Amendment or Termination.

(a) The Administrator, in its sole discretion, may amend, suspend, or terminate the Plan, or any part thereof, at any time and for any reason. If the Plan is terminated, the Administrator, in its discretion, may elect to terminate all outstanding Offering Periods either immediately or upon completion of the purchase of shares of Common Stock on the next Exercise Date (which may be sooner than originally scheduled, if determined by the Administrator in its discretion), or may elect to permit Offering Periods to expire in accordance with their terms (and subject to any adjustment pursuant to Section 19). If the Offering Periods are terminated prior to expiration, all amounts then credited to Participants' accounts that have not been used to purchase shares of Common Stock will be returned to the Participants (without interest thereon, except as otherwise required under Applicable Laws, as further set forth in Section 12 hereof) as soon as administratively practicable.

(b) Without stockholder consent and without limiting Section 20(a), the Administrator will be entitled to change the Offering Periods or Purchase Periods, designate separate Offerings, limit the frequency and/or number of changes in the amount withheld during an Offering Period, establish the exchange ratio applicable to amounts withheld in a currency other than U.S. dollars, permit Contributions in excess of the amount designated by a Participant in order to adjust for delays or mistakes in the Company's processing of properly completed Contribution elections, establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Common Stock for each Participant properly correspond with Contribution amounts, and establish such other limitations or procedures as the Administrator determines in its sole discretion advisable that are consistent with the Plan.

(c) In the event the Administrator determines that the ongoing operation of the Plan may result in unfavorable financial accounting consequences, the Administrator may, in its discretion and, to the extent necessary or desirable, modify, amend or terminate the Plan to reduce or eliminate such accounting consequence including, but not limited to:

(i) amending the Plan to conform with the safe harbor definition under the Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto), including with respect to an Offering Period underway at the time;

(ii) altering the Purchase Price for any Offering Period or Purchase Period including an Offering Period or Purchase Period underway at the time of the change in Purchase Price;

(iii) shortening any Offering Period or Purchase Period by setting a New Exercise Date, including an Offering Period or Purchase Period underway at the time of the Administrator action;

(iv) reducing the maximum percentage of Compensation a Participant may elect to set aside as Contributions; and

(v) reducing the maximum number of Shares a Participant may purchase during any Offering Period or Purchase Period.

Such modifications or amendments will not require stockholder approval or the consent of any Plan Participants.

21. Notices. All notices or other communications by a Participant to the Company under or in connection with the Plan will be deemed to have been duly given when received in the form and manner specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

22. Conditions Upon Issuance of Shares. Shares of Common Stock will not be issued with respect to an option unless the exercise of such option and the issuance and delivery of such shares pursuant thereto will comply with all

applicable provisions of law, domestic or foreign, including, without limitation, the U.S. Securities Act of 1933, as amended, the Exchange Act, the rules and regulations promulgated thereunder, and the requirements of any stock exchange upon which the shares may then be listed, and will be further subject to the approval of counsel for the Company with respect to such compliance.

As a condition to the exercise of an option, the Company may require the person exercising such option to represent and warrant at the time of any such exercise that the shares are being purchased only for investment and without any present intention to sell or distribute such shares if, in the opinion of counsel for the Company, such a representation is required by any of the aforementioned applicable provisions of law.

23. Code Section 409A. The 423 Component of the Plan is exempt from the application of Code Section 409A and any ambiguities herein will be interpreted to so be exempt from Code Section 409A. In furtherance of the foregoing and notwithstanding any provision in the Plan to the contrary, if the Administrator determines that an option granted under the Plan may be subject to Code Section 409A or that any provision in the Plan would cause an option under the Plan to be subject to Code Section 409A, the Administrator may amend the terms of the Plan and/or of an outstanding option granted under the Plan, or take such other action the Administrator determines is necessary or appropriate, in each case, without the Participant's consent, to exempt any outstanding option or future option that may be granted under the Plan from or to allow any such options to comply with Code Section 409A, but only to the extent any such amendments or action by the Administrator would not violate Code Section 409A. Notwithstanding the foregoing, the Company shall have no liability to a Participant or any other party if the option to purchase Common Stock under the Plan that is intended to be exempt from or compliant with Code Section 409A is not so exempt or compliant or for any action taken by the Administrator with respect thereto. The Company makes no representation that the option to purchase Common Stock under the Plan is compliant with Code Section 409A.

24. Term of Plan. The Plan will become effective upon the earlier to occur of its adoption by the Board or its approval by the stockholders of the Company. It will continue in effect for a term of twenty (20) years, unless sooner terminated under Section 20.

25. Stockholder Approval. The Plan will be subject to approval by the stockholders of the Company within twelve (12) months after the date the Plan is adopted by the Board. Such stockholder approval will be obtained in the manner and to the degree required under Applicable Laws.

26. Governing Law. The Plan shall be governed by, and construed in accordance with, the laws of the State of California (except its choice-of-law provisions).

27. No Right to Employment Participation Participation in the Plan by a Participant shall not be construed as giving a Participant the right to be retained as an employee of the Company or a Subsidiary or Affiliate, as applicable. Furthermore, the Company or a Subsidiary or Affiliate may dismiss a Participant from employment at any time, free from any liability or any claim under the Plan.

28. Severability. If any provision of the Plan is or becomes or is deemed to be invalid, illegal, or unenforceable for any reason in any jurisdiction or as to any Participant, such invalidity, illegality or unenforceability shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as to such jurisdiction or Participant as if the invalid, illegal or unenforceable provision had not been included.

29. Compliance with Applicable Laws. The terms of this Plan are intended to comply with all Applicable Laws and will be construed accordingly.

30. Automatic Transfer to Low Price Offering Period To the extent permitted by Applicable Laws, if the Fair Market Value of the Common Stock on any Exercise Date in an Offering Period is lower than the Fair Market Value of the Common Stock on the Enrollment Date of such Offering Period, then all participants in such Offering Period will be automatically withdrawn from such Offering Period immediately after the exercise of their option on such Exercise Date and automatically re-enrolled in the immediately following Offering Period as of the first day thereof.

PALO ALTO NETWORKS, INC
APPENDIX – ISRAELI TAXPAYERS
2012 EMPLOYEE STOCK PURCHASE PLAN

ADOPTED
ON MAY 30, 2014

PALO ALTO NETWORKS, INC.
APPENDIX – ISRAELI TAXPAYERS
2012 EMPLOYEE STOCK PURCHASE PLAN

1. Special Provisions for Persons who are Israeli Taxpayers

1.1 This Appendix (the “**Appendix**”) to the Palo Alto Networks, Inc. 2012 Employee Stock Purchase Plan (the “**ESPP Plan**”), is effective as of May 30, 2014 (the ‘**Effective Date**’).

1.2 The provisions specified hereunder apply only to Eligible Employees who are subject to taxation by the State of Israel with respect to grant of rights to purchase Plan Shares under the ESPP Plan (respectively, the “**Israeli Eligible Employee**” and “**Purchase Rights**”).

1.3 This Appendix applies with respect to Purchase Rights granted under the ESPP Plan. The purpose of this Appendix is to establish certain rules and limitations applicable to Purchase Rights that may be granted under the ESPP Plan from time to time, in compliance with the securities and other applicable laws currently in force in the State of Israel. For Israeli tax purposes, such Purchase Rights are classified as options issued under the ESPP Plan. Except as otherwise provided by this Appendix, all grants made pursuant to this Appendix shall be governed by the terms of the ESPP Plan. This Appendix is applicable only to grants made after the Effective Date. This Appendix complies with, and is subject to the ITO, the ITO Rules and Section 102 (as such terms are defined below).

1.4 The ESPP Plan and this Appendix shall be read together. In any case of contradiction, whether explicit or implied, between the provisions of this Appendix and the ESPP Plan, the provisions of the ESPP Plan shall govern.

2. Definitions

Capitalized terms not otherwise defined herein shall have the meaning assigned to them in the ESPP Plan. The following additional definitions will apply to grants made pursuant to this Appendix:

“**Affiliate**” as used in this Appendix, shall mean any Parent or Subsidiary that is an “employing company” within the meaning of Section 102(a) of the ITO.

“**Controlling Shareholder**” as defined under Section 32(9) of the ITO, means an individual who prior to the grant or as a result of the exercise of any options under the ESPP Plan, holds or would hold, directly or indirectly, in his name or with a relative (as defined in the ITO) (i) 10% of the outstanding shares of the Company, (ii) 10% of the voting power of the Company, (iii) the right to hold or purchase 10% of the outstanding equity or voting power of the Company, (iv) the right to obtain 10% of the “profit” of the Company (as defined in the ITO), or (v) the right to appoint a Director.

“**Eligible 102 Israeli Eligible Employee**” an Israeli Eligible Employee who is an employee or is serving as a director of the Company or an Affiliate, who is not a Controlling Shareholder.

“**ITA**” means the Israeli Tax Authority.

“**ITO**” means the Israeli Income Tax Ordinance (New Version) 1961 and the rules, regulations, orders or procedures promulgated thereunder and any amendments thereto, including specifically the ITO Rules, all as may be amended from time to time.

“**ITO Rules**” means the Income Tax Rules (Tax Benefits in Share Issuance to Employees) 5763-2003.

“**Non-Trustee Grant**” means a Purchase Right granted to an Israeli Eligible Employee pursuant to Section 102(c) of the ITO and not held in trust by a Trustee.

“**Section 102**” means the provisions of Section 102 of the ITO, as amended from time to time.

“**Section 3(i)**” means Section 3(i) of the ITO, as amended from time to time.

“**Shares**” means Plan Shares issued upon the exercise of Purchase Rights under the ESPP Plan.

3. Non-Trustee Grant of Purchase Right

3.1 A grant of Purchase Rights to an Israeli Eligible Employee shall be made pursuant to Section 102(c) or Section 3(i) of the ITO.

3.2 Only Eligible 102 Israeli Eligible Employee may receive Non-Trustee Grants under this Appendix.

4. Terms And Conditions Of Non-Trustee Grants

4.1 Each grant under the ESPP Plan shall be subject to the relevant provisions of the ITO, the ITO Rules, Section 102 and any ruling obtained from the ITA in connection with the ESPP Plan, which shall be deemed an integral part of the such grant and shall prevail over any term contained in the ESPP Plan, this Appendix or any offering document that is not consistent therewith. Any provision of the ITO and any approvals by the ITA not expressly specified in this Appendix or any document evidencing a grant that are necessary to receive under the ITO, the ITO Rules and Section 102 in connection with grant under the ESPP Plan shall be binding on the Israeli Eligible Employee. The Israeli Eligible Employee granted a Purchase Offering under the ESPP Plan shall comply with the ITO provisions. For avoidance of doubt, it is reiterated that compliance with the ITO specifically includes compliance with the ITO Rules. Further, the Israeli Eligible Employee agrees to execute any and all documents which the Company and/or Affiliate may reasonably determine to be necessary in order to comply with the provision of any applicable law.

4.2 Shares issued upon an exercise of a Purchase Right shall be transferred to the Israeli Eligible Employee directly, provided that the Israeli Eligible Employee first complies with all applicable provisions of the ESPP Plan, and all taxes which apply to the grant of the Purchase Right and exercise of the Purchase Rights were paid.

5. Tax Consequences

Any tax consequences arising from the grant of the Purchase Right or from exercise of the Purchase Right or from the sale of Shares issued upon an exercise of the Purchase Right, or from any other event or act (of the Company, and/or its Affiliates, or the Israeli Eligible Employee) hereunder, shall be borne solely by the Israeli Eligible Employee. The Company and/or its Affiliates shall withhold taxes according to the requirements under the applicable laws, rules, and regulations, including withholding taxes at source. Furthermore, the Israeli Eligible Employee shall agree to indemnify the Company and/or its Affiliates and hold them harmless against and from any and all liability for any such tax or interest or penalty thereon, including without limitation, liabilities relating to the necessity to withhold, or to have withheld, any such tax from any payment made to the Israeli Eligible Employee. The Company or any of its Affiliates may make such provisions and take such steps as it may deem necessary or appropriate for the withholding of all taxes required by law to be withheld with respect to Purchase Rights granted under the ESPP Plan and the sale of Shares issued upon an exercise of such Purchase Right, including, but not limited, to (i) deducting the amount so required to be withheld from any other amount then or thereafter payable to an Israeli Eligible Employee, and/or (ii) requiring an Israeli Eligible Employee to pay to the Company or any of its Affiliates the amount so required to be withheld as a condition of the issuance, delivery, distribution or release of any Share, and/or (iii) by causing the exercise of Purchase Right and/or the sale of Shares held by an Israeli Eligible Employee to cover such liability, up to the amount required to satisfy minimum statutory withholding requirements. In addition, the Israeli Eligible Employee will be required to pay any amount which exceeds the tax to be withheld and remitted to the tax authorities, pursuant to applicable tax laws, regulations and rules.

6. Guarantee

If an Eligible 102 Israeli Eligible Employee that holds Shares issued upon the exercise of Purchase Rights ceases to be employed by the Company or any Affiliate, such Israeli Eligible Employee shall extend to the Company and/or its Affiliate a security or guarantee for the payment of tax due at the time of sale of Shares to the satisfaction of the Company, all in accordance with the provisions of Section 102 of the ITO and the ITO Rules.

7. Governing Law and Jurisdiction

Notwithstanding any other provision of the ESPP Plan, with respect to Israeli Eligible Employees subject to this Appendix, (i) the ESPP Plan the Purchase Rights and Shares issued thereunder or in connection therewith shall be governed by, and interpreted in accordance with, the laws of the State of Israel applicable to contracts made and to be performed therein, and (ii) any contribution by Israeli Eligible Employees under the ESPP Plan by means of salary deduction shall be subject to the restrictions and limitations provided under applicable Israeli labor laws.

8. Securities Laws

Without derogation from any provisions of the ESPP Plan, all Purchase Rights and Shares issued hereunder shall be subject to compliance with the Israeli Securities Law, 1968, and the rules and regulations promulgated thereunder.

EXHIBIT A

PALO ALTO NETWORKS, INC.

2012 EMPLOYEE STOCK PURCHASE PLAN

GLOBAL SUBSCRIPTION AGREEMENT

1. **Enrollment.** By electronically accepting this Global Subscription Agreement and the Appendix to the Global Subscription Agreement ("Appendix") (together, the "Agreement"), I hereby elect to participate in the Palo Alto Networks, Inc. 2012 Employee Stock Purchase Plan (the "ESPP") and subscribe to purchase shares of Common Stock in accordance with this Agreement and the ESPP. Any defined terms in this Agreement shall have the meaning ascribed to such terms in the ESPP.

2. **Amount of Contribution.** I hereby authorize payroll deductions from each paycheck at the percentage of my Compensation (from 1% to 15%) as indicated on the online enrollment page (and as I may subsequently change, to the extent allowed under the provisions of the ESPP and the Administrator) on each payday during the Offering Period in accordance with the ESPP. (Please note that no fractional percentages are permitted.) I acknowledge that a lesser percentage of my Compensation than indicated by me may be contributed if necessary to comply with Applicable Laws (in particular, those related to minimum salary requirements).

I understand that the ESPP is a voluntary plan and I acknowledge that any payroll deductions I elect to contribute to the ESPP are made on an entirely voluntary basis. I understand that said payroll deductions will be accumulated for the purchase of shares of Common Stock at the applicable Purchase Price determined in accordance with the ESPP. I also understand that, subject to the provisions of the ESPP, I may freely withdraw from participation in the ESPP (through the Company's designated electronic process) and receive a full refund of all voluntary contributions I have made under the ESPP that have not been applied toward the purchase of shares of Common Stock. Finally, I understand that if I do not withdraw from an Offering Period, any accumulated payroll deductions will be used to automatically exercise my option and purchase Common Stock under the ESPP.

Unless I withdraw from the ESPP or become ineligible to participate in the ESPP, or unless the ESPP is terminated by the Company, I will continue to participate in the ESPP during subsequent Offering Periods and shares of Common Stock will be purchased on my behalf with my accumulated payroll deductions on the applicable Exercise Date. My participation in the ESPP will continue to be governed by this Agreement and the ESPP. At its discretion and to the extent permitted by the ESPP, the Company may amend the ESPP and/or this Agreement, and by continuing to participate in the ESPP, and without the need to provide affirmative consent, I agree to the terms and conditions of the amended ESPP and/or Agreement.

I agree to execute a separate participation agreement with the Company or the Employer (as defined below), or any other agreement or consent that may be required by the Company or the Employer in connection with this authorization, either now or in the future. I understand that I will not be able to participate in the ESPP if I fail to execute any such consent or agreement.

3. **Issuance of Shares.** Shares of Common Stock purchased for me under the ESPP should be issued in the name(s) of the person(s) I specify on the online enrollment page. (Eligible Employee or Eligible Employee and Spouse only).

4. **Responsibility for Taxes.** I acknowledge that, regardless of any action taken by the Company or, if different, my employer (the "Employer"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to my participation in the ESPP and legally applicable or deemed legally applicable to me ("Tax-Related Items") is and remains my responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. I further acknowledge that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the ESPP, including, but not limited to, the grant of the option to purchase shares of Common Stock, the purchase of shares of Common Stock, the issuance of shares of Common Stock purchased under the ESPP, the sale of shares of Common Stock purchased under the ESPP or the receipt of any dividends; and (2) do not commit to and are under no obligation to structure the terms of the option to purchase shares of Common Stock or any aspect of the ESPP to reduce or eliminate my liability for Tax-Related Items or achieve any particular tax result. Further, if I am subject to Tax-Related Items in more than one jurisdiction, I acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

In connection with any relevant taxable or tax withholding event, as applicable, I agree to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, I authorize the Company and/or the Employer, at their discretion, to satisfy any obligations with regard to all Tax-Related Items by one or a combination of the following: (1) withholding from my wages or other cash compensation payable to me by the Company, the Employer, or any other Subsidiary or Affiliate; (2) withholding from proceeds of the sale of shares of Common

Stock under the ESPP, either through a voluntary sale or through a mandatory sale arranged by the Company (on my behalf pursuant to this authorization without further consent); (3) withholding shares of Common Stock to be issued at purchase under the ESPP; or (4) any other method deemed by the Company to comply with Applicable Laws and the ESPP.

The Company and/or the Employer may withhold or account for Tax-Related Items by considering statutory withholding rates or other withholding rates, including maximum rates applicable in my jurisdiction(s). In the event of over-withholding, I may receive a refund of any over-withheld amount in cash (with no entitlement to the equivalent in shares of Common Stock) or, if not refunded, I may be able to seek a refund from the applicable tax authorities. In the event of under-withholding, I may be required to pay additional Tax-Related Items directly to the applicable tax authorities. If the obligation for Tax-Related Items is satisfied by withholding shares of Common Stock, for tax purposes, I am deemed to have been issued the full number of shares of Common Stock purchased under the ESPP, notwithstanding that a number of the shares of Common Stock is held back solely for the purpose of paying the Tax-Related Items.

Finally, I agree to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of my participation in the ESPP that cannot be satisfied by the means previously described. The Company may refuse to purchase or deliver the shares or the proceeds of the sale of shares of Common Stock, if I fail to comply with my obligations in connection with the Tax-Related Items.

5. Nature of Grant. By enrolling and participating in the ESPP, I acknowledge, understand and agree that:

- (a) the ESPP is established voluntarily by the Company, it is discretionary in nature, and it may be terminated, suspended or amended by the Company at any time, to the extent permitted by the ESPP;
- (b) the grant of the option to purchase shares of Common Stock is exceptional, voluntary and does not create any contractual or other right to receive future options or benefits in lieu of options, even if options have been granted in the past;
- (c) all decisions with respect to future options to purchase shares of Common Stock or other grants, if any, will be at the sole discretion of the Company;
- (d) the grant of the option to purchase shares of Common Stock and my participation in the ESPP shall not create a right to employment or be interpreted as forming an employment or service contract with the Company and shall not interfere with the ability of the Employer to terminate my employment relationship (if any) at any time;
- (e) I am voluntarily participating in the ESPP;
- (f) the ESPP and the shares of Common Stock purchased under the ESPP, and the income from and value of same, are not intended to replace any pension rights or compensation;
- (g) the ESPP and the shares of Common Stock subject to the ESPP, and the income from and value of same, are not part of normal or expected compensation for any purposes, including but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, leave-related pay, holiday pay, pension or retirement or welfare benefits or similar payments;
- (h) unless otherwise agreed with the Company, the option to purchase shares of Common Stock and the shares of Common Stock subject to the option, and the income from and value of same, are not granted as consideration for, or in connection with, the service I may provide as a director of a Subsidiary or Affiliate;
- (i) the future value of the underlying shares of Common Stock is unknown, indeterminable and cannot be predicted with certainty and the value of the shares of Common Stock purchased under the ESPP may increase or decrease in the future, even below the Purchase Price;
- (j) no claim or entitlement to compensation or damages shall arise from forfeiture of the option to purchase shares of Common Stock under the ESPP resulting from termination of my employment (for any reason whatsoever, whether or not later found to be invalid or in breach of Applicable Laws in the jurisdiction where I am employed or the terms of my employment agreement, if any);
- (k) in the event of termination of my employment (for any reason whatsoever, whether or not later found to be invalid or in breach of Applicable Laws in the jurisdiction where I am employed or the terms of my employment agreement, if any), my right to participate in the ESPP, if any, will terminate effective as of the date I cease to actively provide services and will not be extended by any notice period (e.g., employment would not include any contractual notice or any period of "garden leave" or similar period mandated under Applicable Laws in the jurisdiction where I am employed or the terms of my employment agreement, if any); the Administrator shall have exclusive discretion to determine when I am no longer actively employed for purposes of my participation in the ESPP (including whether I can be considered to be actively employed while on a leave of absence);
- (l) unless otherwise provided in the ESPP or by the Company in its discretion, the option to purchase shares of Common Stock and the benefits evidenced by this Agreement do not create any entitlement to have the ESPP or any such benefits granted thereunder, transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of the Company; and

(m) if I provide services outside the United States:

- (i) the ESPP and the shares of Common Stock subject to the ESPP, and the income from and value of same, are not part of normal or expected compensation for any purposes; and
- (ii) neither the Company, the Employer nor any Subsidiary or Affiliate shall be liable for any foreign exchange rate fluctuation between my local currency and the United States Dollar that may affect the value of the shares of Common Stock or any amounts due pursuant to the purchase of the shares or the subsequent sale of any shares of Common Stock purchased under the ESPP.

6. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding my participation in the ESPP or my purchase or sale of the shares of Common Stock. I understand and agree that I should consult with my own personal tax, legal and financial advisors regarding my participation in the ESPP before taking any action related to the ESPP.

7. Governing Law and Venue. The option to purchase shares of Common Stock and the provisions of this Agreement are governed by, and subject to, the laws of the State of California (except its choice-of-law provisions).

For purposes of any action, lawsuit or other proceedings brought to enforce this Agreement, relating to it, or arising from it, the parties hereby submit to and consent to the sole and exclusive jurisdiction of the courts of Santa Clara County, California, or the federal courts for the United States for the Northern District of California, and no other courts, where this grant is made and/or to be performed.

8. Language. I acknowledge that I am sufficiently proficient in English, or have consulted with an advisor who is sufficiently proficient in English, so as to allow me to understand the terms and conditions of this Agreement. Furthermore, if I have received this Agreement or any other document related to the ESPP translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control, unless otherwise required by Applicable Laws.

9. Electronic Delivery and Participation. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the ESPP by electronic means. I hereby consent to receive such documents by electronic delivery and agree to participate in the ESPP through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

10. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

11. Appendix. Notwithstanding any provisions in this Agreement, my participation in the ESPP shall be subject to the additional terms and conditions set forth in for my country in the Appendix. Moreover, if I relocate to one of the countries included in the Appendix, the additional terms and conditions for such country will apply to me, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Agreement.

12. Imposition of Other Requirements. The Company, at its discretion, may elect to terminate, suspend or modify the terms of the ESPP at any time, to the extent permitted by the ESPP. I agree to be bound by such termination, suspension or modification regardless of whether notice is given to me of such event, subject in any case to my right to timely withdraw from the ESPP in accordance with the ESPP withdrawal procedures then in effect. In addition, the Company reserves the right to impose other requirements on my participation in the ESPP and on any shares of Common Stock purchased under the ESPP, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require me to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

13. Waiver. I acknowledge that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by me or any other Participant.

14. Insider-Trading/Market-Abuse Laws. I may be subject to insider-trading restrictions and/or market-abuse laws which may affect my ability to accept, acquire, sell or otherwise dispose of shares of Common Stock under the ESPP, rights to shares, or rights linked to the value of shares during such times as I am considered to have "inside information" regarding the Company (as defined by the laws or regulations in my country). Local insider-trading laws and regulations may prohibit the cancellation or amendment of orders I place before possessing inside information. Furthermore, I could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. I understand that third parties include fellow employees.

Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider-trading policy. I am responsible for complying with any applicable restrictions, and I should speak to my personal legal advisor for further details regarding any applicable insider-trading and/or market-abuse laws in my country.

15. Exchange Control, Foreign Asset/Account and/or Tax Reporting. Certain foreign asset and/or account reporting

requirements may affect my ability to acquire or hold shares of Common Stock under the ESPP or cash received from participating in the ESPP (including from any dividends received or sale proceeds arising from the sale of shares of Common Stock) in a brokerage or bank account outside my country. I also may be required to repatriate sale proceeds or other funds received as a result of my participation in the ESPP to my country through a designated bank or broker and/or within a certain time after receipt. In addition, I may be subject to tax payment and/or reporting obligations in connection with any income realized under the ESPP and/or from the sale of shares of Common Stock. I acknowledge that I am responsible for ensuring compliance with any applicable requirements, and that I should consult my personal legal advisor on this matter.

* * *

By clicking "ACCEPT" and electronically enrolling in the ESPP, I hereby agree to be bound by the terms of the ESPP and this Agreement. The effectiveness of this Agreement is dependent upon my eligibility to participate in the ESPP. I have received a copy of the complete ESPP and its accompanying prospectus. I understand that my participation in the ESPP is in all respects subject to the terms of the ESPP. Further, I expressly acknowledge the information provided in the Appendix related to the collection, processing and use of my personal data by the Company and its Subsidiaries or Affiliates and the transfer of personal data to the recipients mentioned in the Appendix.

I UNDERSTAND THAT THIS AGREEMENT WILL REMAIN IN EFFECT THROUGHOUT SUCCESSIVE OFFERING PERIODS UNLESS TERMINATED BY ME.

EXHIBIT B

**APPENDIX
TO THE
PALO ALTO NETWORKS, INC.
2012 EMPLOYEE STOCK PURCHASE PLAN
GLOBAL SUBSCRIPTION AGREEMENT**

Certain capitalized terms used but not defined in this Appendix have the meanings set forth in the ESPP and/or the Global Subscription Agreement.

Terms and Conditions

This Appendix includes additional terms and conditions that govern my participation in the ESPP, including the option to purchase shares of Common Stock granted under the ESPP, if I reside and/or work in one of the countries listed below.

If I am a citizen or resident (or am considered as such for local law purposes) of a country other than the one in which I am currently residing and/or working or if I transfer employment and/or residency to another country after enrolling in the ESPP, the terms and conditions of participation in the ESPP contained herein may not be applicable to me and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall apply to my participation in the ESPP.

Notifications

This Appendix also includes information regarding exchange controls and certain other issues of which I should be aware with respect to participation in the ESPP. The information is based on the securities, exchange control and other laws in effect in the respective countries as of August 2024. Such laws are often complex and change frequently. As a result, the Company strongly recommends that I not rely on the information herein as my only source of information relating to the consequences of my participation in the ESPP because the information may be out of date at the time that I purchase shares of Common Stock under the ESPP or sell the shares of Common Stock acquired under the ESPP.

In addition, the information contained herein is general in nature and may not apply to my particular situation, and the Company is not in a position to assure me of a particular result. Accordingly, I should seek appropriate professional advice as to how the relevant laws in my country may apply to my situation.

Finally, if I am a citizen or resident (or am considered as such for local law purposes) of a country other than the one in which I am currently residing and/or working or if I transfer employment and/or residency to another country after enrolling in the ESPP, the information contained herein may not be applicable to me.

DATA PRIVACY PROVISIONS FOR ALL PARTICIPANTS

Terms and Conditions

The following provisions apply if I reside in European Union / European Economic Area member states, Guernsey, Switzerland or the United Kingdom:

(i) Collection and Usage. Pursuant to applicable data protection laws, I am hereby notified that the Company collects, processes, uses and transfers certain personally-identifiable information about me for the legitimate purpose of granting options to purchase shares of Common Stock under the ESPP and implementing, administering and managing my participation in the ESPP. Specifics of the data processing are described below.

(ii) Controller and Representative. The Company is the controller responsible for the processing of my personal data in connection with the Plan. The Company's representative is Chief Privacy Officer, privacy@paloaltonetworks.com.

(iii) Personal Data Subject to Processing. The Company collects, processes and uses the following types of personal data about me: my name, employee ID, home address and telephone number, work and email address, date of birth, social security number or other tax identification number, social insurance, passport number or other international identification number, salary, nationality, job title, hire date, work country, department, cost center, subsidiary, organization level, expense group, termination date, supervisor, employment status, any shares of stock or directorships held in the Company, details of all options to purchase shares of Common Stock or any other entitlement to shares of Common Stock awarded, canceled, settled, purchased, vested, unvested or outstanding in my favor, which the Company receives from me or the Employer ("Data").

(iv) Purposes and Legal Bases of Processing. The Company processes Data for the purposes of performing its contractual obligations under this Agreement, granting options to purchase shares of Common Stock under the ESPP, implementing, administering and managing my participation in the ESPP and facilitating compliance with applicable tax and securities law. The legal basis for the processing of Data by the Company and the third-party service providers described below is the necessity of the data processing for the Company to perform its contractual obligations under this Agreement and for the Company's legitimate business interests of managing the ESPP and generally administering employee equity awards.

(v) Service Providers. The Company transfers Data to its designated stock plan service provider (currently, E*TRADE Financial Services, Inc. and certain of its affiliated companies ("E*TRADE")), which is an independent stock plan administrator with operations, relevant to the Company, in the United States and assists the Company with the implementation, administration and management of the ESPP. In the future, the Company may select different service providers and may share Data with such service providers. The Company's stock plan administrators will open an account for me to receive and trade shares of Common Stock. I will be asked to agree on separate terms and data processing practices with the service provider, which is a condition of my ability to participate in the ESPP. Data will only be accessible by those individuals requiring access to it for purposes of implementing, administering and operating my participation in the Plan. I understand that I may request a list with the names and addresses of any potential recipients of Data by contacting my local human resources representative, filling out the individual rights request online form at <https://www.paloaltonetworks.com/legal-notices/privacy>, or by sending an email to individualrights@paloaltonetworks.com.

(vi) International Transfers. The Company and its service providers, including, without limitation, E*TRADE, operate, relevant to the Company, in the United States, which means that it will be necessary for Data to be transferred to, and processed in, the United States. I understand and acknowledge that the United States is not subject to an unlimited adequacy finding by the European Commission and that Data may not have an equivalent level of protection as compared to my country of residence. To provide appropriate safeguards for the protection of Data, Data is transferred to the Company based on data transfer and processing agreements implementing the EU Standard Contractual Clauses. I may request a copy of the safeguards used to protect Data by contacting the Company at: privacy@paloaltonetworks.com. The Company reserves the right to use a different but adequate data transfer legal mechanism.

(vii) Data Retention. The Company will use Data only as long as is necessary to implement, administer and manage my participation in the ESPP, or as required to comply with Applicable Laws, exercise or defense of legal rights, and archiving, back-up and deletion processes. When the Company no longer needs Data, the Company will remove it from its systems according to its retention policies. If the Company keeps data longer, it would be to satisfy legal or regulatory obligations and the Company's legal basis would be relevant laws or regulations.

(viii) Data Subject Rights. To the extent provided by law, I have the right to (i) inquire whether and what kind of Data the Company holds about me and how it is processed, and to access or request copies of such Data, (ii)

request the correction or supplementation of Data that is inaccurate, incomplete or out-of-date in light of the purposes underlying the processing, or (iii) obtain the erasure of Data no longer necessary for the purposes underlying the processing or processed in non-compliance with applicable legal requirements. In addition, I have, to the extent provided by law, the right to (iv) request the Company to restrict the processing of Data in certain situations where I feel its processing is inappropriate, (v) object, in certain circumstances, to the processing of Data for legitimate interests, and to (vi) request portability of Data that I have actively or passively provided to the Company, where the processing of such Data is based on consent or a contractual agreement with me and is carried out by automated means. In case of concerns, I also have the right to (vii) lodge a complaint with the competent local data protection authority. To receive additional information regarding my rights, raise any other questions regarding the practices described in this Agreement or to exercise my rights, I should contact the Company at: privacy@paloaltonetworks.com (for questions) or individualrights@paloaltonetworks.com (to exercise rights).

(ix) Contractual Requirement. My provision of Data and its processing as described above is a contractual requirement and a condition to my ability to participate in the ESPP. I understand that, as a consequence of my refusing to provide Data, the Company may not be able to allow me to participate in the ESPP, grant options to purchase shares of Common Stock to me or administer or maintain such options to purchase shares of Common Stock under the ESPP. However, my participation in the ESPP and my acceptance of this Agreement are purely voluntary. While I will not be able receive options to purchase shares of Common Stock under the ESPP if I decide against participating in the ESPP or providing Data as described above, with the exception of not receiving these benefits, my status as an employee will not be affected in any way. For more information on the consequences of the refusal to provide Data, I may contact the Company at: privacy@paloaltonetworks.com.

The following provisions apply if I reside outside of European Union / European Economic Area member states, Guernsey, Switzerland and the United Kingdom:

I consent to the collection, use and transfer, in electronic or other form, of my personal data as described in this Agreement and any other ESPP participation materials by and among, as applicable, the Employer, the Company and any Subsidiary or Affiliate for the exclusive purpose of implementing, administering and managing my participation in the ESPP.

I understand that the Company and the Employer hold certain personal information about me, including, but not limited to, my name, home address and telephone number, email address, date of birth, social insurance number, passport or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all options to purchase shares of Common Stock under the ESPP or any other entitlement to shares of stock awarded, cancelled, exercised, vested, unvested, or outstanding in my favor ("Data"), for the exclusive purpose of implementing, administering and managing the ESPP.

I understand that Data will be transferred to E*TRADE Financial Services, Inc. and certain of its affiliated companies (collectively, "E*TRADE"), or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the ESPP. I understand that the recipients of Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than my country. I understand that, if I resides outside the U.S., I may request a list with the names and addresses of any potential recipients of Data by contacting my local human resources representative, filling out the individual rights request online form at <https://www.paloaltonetworks.com/legal-notices/privacy>, or by sending an email to individualrights@paloaltonetworks.com. I authorize the Company, E*TRADE and any other possible recipients which may assist the Company, (presently or in the future) with implementing, administering and managing the ESPP to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing my participation in the ESPP. I understand that Data will be held only as long as is necessary to implement, administer and manage my participation in the ESPP. I understand that, if I reside outside the U.S., I may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing my local human resources representative, filling out the individual rights request online form at <https://www.paloaltonetworks.com/legal-notices/privacy>, or by sending an email to individualrights@paloaltonetworks.com. Further, I understand that I am providing the consents herein on a purely voluntary basis. If I do not consent, or if I later seek to revoke my consent, my employment status or service with the Employer will not be affected; the only consequence of refusing or withdrawing my consent is that the Company would not be able to grant me the option to purchase shares of Common Stock under the ESPP or other equity awards or administer or maintain such awards. Therefore, I understand that refusing or withdrawing my consent may affect my ability to participate in the ESPP. For more information on the consequences of my refusal to consent or withdrawal of consent, I understand that I may contact my local human resources representative or send an email to privacy@paloaltonetworks.com.

AUSTRALIA

Terms and Conditions

Australian Offer Document. The offer of options to purchase shares of Common Stock under the ESPP is being made under Division 1A of Part 7.12 of the Australian Corporations Act 2001 (Cth) ("Division 1A"). For purposes of Division 1A, the Agreement, including this Appendix, is to be regarded as an Employee Share Scheme ("ESS") offer document.

In addition to the information set out in the Agreement (including this Appendix), I am also being provided with copies of the following documents:

- (a) the ESPP;
- (b) the ESPP prospectus; and
- (c) Employee Information Supplement (collectively, the "Additional Documents").

The Additional Documents provide further information to help me make an informed investment decision about participating in the ESPP. Neither the ESPP nor the ESPP prospectus is a prospectus for the purposes of the Corporations Act 2001.

I should not rely upon any oral statements made in relation to this offer. I should rely only upon the statements contained in the Agreement (including this Appendix) and the Additional Documents when considering participation in the ESPP.

Notifications

Exchange Control Information. Exchange control reporting is required for cash transactions exceeding a certain threshold (currently AUD10,000) and international fund transfers. I understand that the Australian bank assisting with the transaction may file the report for me. If there is no Australian bank involved in the transfer, I will have to file the report. I acknowledge that I should consult with a personal advisor to ensure that I am properly complying with applicable reporting requirements in Australia.

Securities Law Information. **Investment in Common Stock involves a degree of risk. Eligible employees who elect to participate in the ESPP should monitor their participation and consider all risk factors relevant to the acquisition of Common Stock under the ESPP as set forth below and in the Additional Documents.**

The information herein is general information only. It is not advice or information that takes into account my objectives, financial situation and needs. I should consider obtaining my own financial product advice from a person who is licensed by the Australian Securities & Investments Commission ("ASIC") to give such advice.

Additional Risk Factors for Australian Residents. I should have regard to risk factors relevant to investment in securities generally and, in particular, to holding shares of Common Stock. For example, the price at which an individual share of Common Stock is quoted on The Nasdaq Global Select Market ("Nasdaq") may increase or decrease due to a number of factors. There is no

guarantee that the price of a share of Common Stock will increase. Factors that may affect the price of the Common Stock include fluctuations in the domestic and international market for listed stocks, general economic conditions, including interest rates, inflation rates, commodity and oil prices, changes to government fiscal, monetary or regulatory policies, legislation or regulation, the nature of the markets in which the Company operates and general operational and business risks.

More information about potential factors that could affect the Company's business and financial results will be included in the Company's most recent Annual Report on Form 10-K and the Company's Quarterly Report on Form 10-Q. Copies of these reports are available at www.sec.gov, on the Company's investor's page at <https://investors.paloaltonetworks.com/investor-relations/financials/sec-filings/default.aspx>, and upon request to the Company.

In addition, Participant should be aware that the Australian dollar ("AUD") value of any shares of Common Stock acquired under the ESPP will be affected by the USD/AUD exchange rate. Participation in the ESPP involves certain risks related to fluctuations in this rate of exchange.

Common Stock in a U.S. Corporation Common stock of a U.S. corporation is analogous to ordinary shares of an Australian corporation. Each holder of a share of Common Stock is entitled to one vote. Dividends may be paid on the shares of Common Stock out of any funds of the Company legally available for dividends at the discretion of the Board. Further, the Common Stock is not liable to any further calls for payment of capital or for other assessment by the Company and have no sinking fund provisions, pre-emptive rights, conversion rights or redemption provisions.

Ascertaining the Market Price of Shares. I may ascertain the current market price of the Common Stock as traded on The Nasdaq Global Select Market under the symbol "PANW" at <https://www.nasdaq.com/market-activity/stocks/panw>. The AUD equivalent of that price can be obtained at www.rba.gov.au/statistics/frequency/exchange-rates.html. Please note that this is not a prediction of what the market price of the Common Stock will be on any applicable Exercise Date or when shares of

Common Stock are issued to me (or at any other time), or of the applicable exchange rate at such time.

Statutory Terms and Conditions. As noted above, this offer is being made under Division 1A. To comply with Division 1A, the following terms and conditions apply:

1. Enrollment Period

A new Offering Period will automatically begin approximately every six (6) months on the first Trading Day on or after February 28 and August 31 of each year. Each new Offering Period will be approximately twenty-four (24) months in duration and will consist of four (4) six-month Purchase Periods, ending on the first Trading Day on or after February 28 and August 31 of each year. Enrollment periods for each Offering Period generally begin on or about February 1 and August 1 each year and remain open until the first day of the respective Offering Period (the "Enrollment Period"). I may accept this offer at any time during an Enrollment Period.

2. Acquisition of Options and Shares of Common Stock

Since I may access this ESS offer document starting from the first day of each Enrollment Period and each Enrollment Period begins more than 14 days prior to start of the relevant Offering Period,

I cannot acquire any options under the ESPP or shares of Common Stock until at least 14 days after receiving this ESS offer document.

3. ESS Contribution Plan Terms

The ESPP is an ESS contribution plan for the purposes of Division 1A. Accordingly, the following terms are included:

- (a) The ESPP allows Australian Participants to elect to have regular deductions made from Australian Participants' wages or salary for the purpose of acquiring shares of Common Stock.
- (b) Before Australian Participants acquire any shares of Common Stock under this offer, any such deductions will be held on trust in an account with an Australian ADI that is kept solely for that purpose.
- (c) Australian Participants may elect to discontinue the deductions at any time.
- (d) If Australian Participants do so elect:
 - (i) any deductions from Australian Participants' wages or salary will cease, and any deductions made after the election will be repaid to Australian Participants, within 45 days of the election; and
 - (ii) the amount of the deductions or payments standing, at the time when Australian Participants' election is made, to the credit of the account for Australian Participants will be repaid to Australian Participants within 45 days of the election.
- (e) Australian Participants must agree in writing (which may be electronic) to the terms of the ESPP before participating in the ESPP.

4. Terms Relating to Disclosure

This offer is also subject to the following terms relating to disclosure:

- (a) this ESS offer document and the terms of the offer:
 - (i) must not include a misleading or deceptive statement; and
 - (ii) must not omit any information that would result in this document or terms of the offer being misleading or deceptive;
- (b) the Company must provide Australian Participants with an updated ESS offer document as soon as practicable after becoming aware that the document that was provided has become out of date, or is otherwise not correct, in a material respect;
- (c) each person mentioned in items (ii), (iii) and (iv) of the table below must notify, in writing, the Company as soon as practicable if, during the Enrollment Period, the person becomes aware that:
 - (i) a material statement in the documents mentioned in paragraph (a) is misleading or deceptive; or
 - (ii) information was omitted from any of those documents that has resulted in one or more of those documents being misleading or deceptive; or
 - (iii) a new circumstance has arisen during the Enrollment Period which means the ESS offer document is out of date, or otherwise not correct, in a material respect; and
- (d) if Australian Participants suffer loss or damage because of a contravention of a term of the offer covered by paragraph (a), (b) or (c) above, Australian Participants can recover the amount of loss or damage in accordance with the table below.

For the purposes of paragraph (d) above, Australian Participants must be able to recover loss or damage in accordance with the following table:

Item	Australian Participants may recover loss or damage suffered from these people... as a result of a contravention of	
i)	a term of the offer covered by any of the following paragraphs: <ul style="list-style-type: none"> paragraph (a) (misleading or deceptive statements and omissions); paragraph (b) (out of date ESS offer document) 	the Company
ii)	a term of the offer covered by any of the following paragraphs: <ul style="list-style-type: none"> paragraph (a) (misleading or deceptive statements and omissions); paragraph (b) (out of date ESS offer document) 	each director of the Company
iii)	a term of the offer covered by any of the following paragraphs: <ul style="list-style-type: none"> paragraph (a) (misleading or deceptive statements and omissions); paragraph (b) (out of date ESS offer document) 	a person named, with their consent, in an ESS offer document or the terms of the offer as a proposed director of the Company
iv)	a term of the offer covered by paragraph (a) (misleading or deceptive statements and omissions)	a person named, with their consent, in the ESS offer document or the terms of the offer as having made: <ol style="list-style-type: none"> the misleading or deceptive statement; or a statement on which the misleading or deceptive statement is based
v)	a term of the offer covered by paragraph (c) (failure to notify the Company of misleading or deceptive statement and omissions or new circumstances)	the person mentioned in item (ii), (iii) or (iv) of this table who failed to notify the Company in accordance with the term covered by paragraph (c)

5. Exclusions from Liability

A person mentioned in the table in section 4 above is not liable for any loss or damage suffered by Australian Participants because of a contravention of a term of the offer covered by paragraph (a) or (b) of section 4 above if:

- (a) the person:
 - (i) made all inquiries (if any) that were reasonable in the circumstances; and
 - (ii) after doing so, believed on reasonable grounds that the statement was not misleading or deceptive; or
- (b) the person did not know that the statement was misleading or deceptive; or
- (c) the person placed reasonable reliance on information given to the person by:
 - (i) if the person is a body corporate or a responsible entity of a registered scheme—someone other than a director, employee or agent of the body corporate or responsible entity; or
 - (ii) if the person is an individual—someone other than an employee or agent of the individual; or
- (d) for a person mentioned in column 2 of item (iii) or (iv) of the table in section 4 above—the person proves that they publicly withdrew their consent to being named in the document in that way; or
- (e) the contravention arose because of a new circumstance that has arisen since the ESS offer document was prepared and the person proves that they were not aware of the matter.

AUSTRIA

Terms and Conditions

Interest Waiver. By enrolling in the ESPP and accepting the terms of the Agreement, I unambiguously consent to waive my right to any interest with respect to payroll deductions accumulated for me during an Offering Period.

Amount of Contribution. My individual payroll deductions are subject to compliance with the minimum salary and minimum subsistence level provisions under Applicable Laws in Austria. The Company and/or the Employer, at their discretion, may limit the amount of my payroll deductions to comply with such requirements.

Notifications

Securities Law Information. The Company has prepared and made available an Information Document in reliance on an exemption from prospectus requirements that may otherwise apply to the offer of the ESPP in Austria. The Information Document is attached hereto as Exhibit C.

Exchange Control Information. If I hold securities (including shares of Common Stock acquired under the ESPP outside Austria, even if I hold them outside of Austria with an Austrian bank) or cash (including proceeds from the sales of shares of Common Stock), I understand I must submit quarterly reports to the Austrian National Bank. An exemption applies if the value of the shares held outside Austria of any quarter does not exceed a certain threshold (currently €5,000,000). The deadline for filing the quarterly report is the 15th of the month following the end of the respective quarter.

If I sell shares of Common Stock or receive any cash dividends, there may be exchange control obligations if the cash received is held outside Austria, as a separate reporting requirement applies to any non-Austrian cash accounts. If the transaction volume of all of my cash accounts abroad exceeds a certain threshold (currently €10,000,000), the movements and the balance of all accounts must be reported monthly, as of the last day of the month, on or before the 15th day of the following month, on the prescribed forms.

BELGIUM

Terms and Conditions

Authorization to Remit Eligible Cash Earnings For Belgian law purposes, I understand that "payroll deductions" means a specific instruction to the Employer to pay out part of my Compensation (as indicated in the Agreement) in order to fund the Purchase Price for the shares of Common Stock, in accordance with the terms and conditions of the ESPP.

Notifications

Exchange Control Information. I acknowledge and understand that if I am a Belgian resident, I am required to complete a report providing the National Bank of Belgium with details regarding any securities or bank accounts held outside Belgium, including the account number, the name of the bank in which such account is held and the country in which the account is located. This report, as well as information on how to complete it, can be found on the website of the National Bank of Belgium, www.nbb.be, under the *Kredietcentrales / Centrales des credits* caption.

BRAZIL

Terms and Conditions

Authorization for Transmission of Funds. I agree to execute a letter of authorization and any other agreements or consents that may be required to enable the Company, any Subsidiary or Affiliate or the Employer to remit accumulated payroll deductions from Brazil to the United States for the purchase of shares of Common Stock. I understand that if I fail to execute the letter of authorization or any other agreements or consents that may be required for the remittance of payroll deductions, I will not be able to participate in the ESPP.

Compliance with Law. By enrolling in the ESPP and accepting the terms of this Agreement, I acknowledge and agree to comply with all applicable Brazilian laws and pay any and all Tax-Related Items associated with the purchase and sale of shares of Common Stock acquired pursuant to the ESPP and the receipt of any dividends paid on such shares.

Nature of Grant. The following provision supplements Section 5 of the Global Subscription Agreement:

By enrolling and participating in the ESPP, I agree that (i) I am making an investment decision and (ii) the value of the shares of Common Stock is not fixed and may increase or decrease without compensation to me.

Notifications

Exchange Control Information. If I am a resident or domiciled in Brazil, I will be required to submit an annual declaration of assets and rights held outside of Brazil to the Central Bank of Brazil if the aggregate value of such assets and rights is equal to or greater than a certain threshold (currently US\$1,000,000). Quarterly reporting is required if the aggregate value of such assets and rights exceeds a certain threshold (currently US\$100,000,000). Assets and rights that must be reported include shares of Common Stock acquired pursuant to the ESPP.

BULGARIA

Notifications

Exchange Control Information. I will be required to file statistical forms with the Bulgarian National Bank annually regarding my receivables in bank accounts abroad as well as securities held abroad (e.g., shares of Common Stock acquired under the ESPP) if the total sum of all such receivables and securities equals or exceeds a certain threshold (currently BGN 50,000) as of the previous calendar year-end. The reports are due by March 31. I should contact my bank in Bulgaria for additional information regarding these requirements.

CANADA

Terms and Conditions

Termination of Service. The following provision replaces Section 5(j) of the Global Subscription Agreement:

In the event of termination of my employment (for any reason and whether or not later found to be invalid or in breach of Canadian laws or the terms of my employment agreement, if any), my right to participate in the ESPP, if any, shall terminate effective as of the date I am no longer actually providing services to the Company or any other Designated Company (the "Termination Date"). The Termination Date shall exclude and shall not be extended by any period during which notice, pay in lieu of notice or related payments or damages are provided or required to be provided under statute, contract, common/civil law or otherwise. For greater certainty, I will not purchase or be entitled to any pro-rated purchase of shares for that portion of time before the date on which my participation terminates, nor will I be entitled to any compensation for lost purchase.

Notwithstanding the foregoing, if applicable employment standards legislation explicitly requires continued participation in the ESPP during a statutory notice period, I acknowledge my right to participate in the ESPP, if any, will terminate effective as of the last day of my minimum statutory notice period, but I will not earn or be entitled to any pro-rated purchase of shares if the Exercise Date falls after the end of my statutory notice period, nor will I be entitled to any compensation for the lost purchase of shares.

The following provision applies if I reside in Quebec:

French Language Documents. The following provision replaces Section 8 of the Global Subscription Agreement in its entirety:

A French translation of this document and the ESPP are available to me on the Company's Global Equity Programs LOOP Page (<https://theloop.paloaltonetworks.com/loop/employee-resources/global-equity-programs/equity-plan-documents>). Notwithstanding anything to the contrary in the ESPP or the Agreement, and unless I indicate otherwise, the French translation of this Agreement and the ESPP will govern my participation in the ESPP. If I transfer residency outside of Quebec, the English version of this Agreement and the ESPP will govern my participation in the ESPP.

Documents en langue française. *La disposition suivante remplace le paragraphe 8 de la Convention mondiale de souscription dans son intégralité :*

Une traduction française du présent document et du Régime est mise à ma disposition sur la page LOOP des programmes d'actions mondiaux de la Société (<https://theloop.paloaltonetworks.com/loop/employee-resources/global-equity-programs/equity-plan-documents>). Malgré toute disposition contraire dans le Régime ou la Convention, sauf si j'indique le contraire, la traduction française de la présente Convention et du Régime régira ma participation au Régime. Si je transfère ma résidence à l'extérieur du Québec, la version anglaise de la présente Convention et du Régime régira ma participation au Régime.

Data Privacy. This provision supplements the Data Privacy Provisions for Participants who reside outside of European Union / European Economic Area member states, Switzerland and the United Kingdom above in this Appendix:

I hereby authorize the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the ESPP. I further authorize the Company or any Subsidiary or Affiliate and the Administrator to disclose and discuss the ESPP with their advisors. I acknowledge and agree that my personal information, including sensitive personal information, may be transferred or disclosed outside the Province of Quebec, including to the United States. I further authorize the Company or any Subsidiary or Affiliate to record such information and to keep such information in my employee file. I also acknowledge that the Company and other parties involved in the administration of the ESPP may use technology for profiling purposes and make automated decisions that may have an impact on me or the administration of the ESPP.

Notifications

Securities Law Information. I acknowledge that I am permitted to sell shares of Common Stock acquired pursuant to the ESPP through the designated broker appointed under the ESPP, if any, provided the sale of the shares acquired pursuant to the ESPP takes place outside of Canada through the facilities of a stock exchange on which the shares are listed (i.e., the Nasdaq Stock Market).

CHINA

Terms and Conditions

The following provisions will apply if I am subject to exchange control restrictions and requirements in the People's Republic of China ("PRC"), including the requirements imposed by the State Administration of Foreign Exchange ("SAFE") as determined by the Company in its sole discretion:

Purchase Conditioned on Satisfaction of Regulatory Obligations. Notwithstanding anything to the contrary in the Agreement or the ESPP, no shares of Common Stock will be purchased on my behalf unless and until all necessary exchange control or other approvals with respect to the ESPP have been obtained from SAFE or its local counterpart ("SAFE Approval") and maintained prior to each Exercise Date. In the event SAFE Approval has not been obtained or maintained prior to any Exercise Date(s), the Company may return payroll deductions credited to my account but not used to purchase shares during the Purchase Period, without interest, or take such other steps as it determines in its sole discretion to be necessary for the implementation of the ESPP. In such case, participation in the ESPP will continue, unless I otherwise withdraw from or becomes ineligible to participate in the ESPP.

Shares Must Remain With Company's Designated Broker. I agree to hold any shares of Common Stock acquired under the ESPP with E*TRADE, or such other broker as the Company may designate, until the shares are sold. The limitation shall apply to all shares issued to me under the ESPP, whether or not I remain an Eligible Employee.

Sale of Shares. Due to local regulatory requirements, I understand and agree that the Company may require that any shares of Common Stock purchased under the ESPP be immediately sold.

I further agree that the Company is authorized to instruct its designated broker to assist with the mandatory sale of such shares (on my behalf pursuant to this authorization without further consent) and I expressly authorize the Company's designated broker to complete the sale of such shares. In this regard, I agree to sign any agreements, forms and/or consents that may be reasonably requested by the Company (or the Company's designated broker) to effectuate the sale of the shares (including, without limitation, as to the transfers of the proceeds and other exchange control matters noted below) and shall otherwise cooperate with the Company with respect to such matters, provided that I shall not be permitted to exercise any influence over how, when or whether the sales occur. I acknowledge that the Company's designated broker is under no obligation to arrange for the sale of the shares at any particular price.

If the Company, in its discretion, does not exercise its right to require the automatic sale of the shares purchased under the ESPP, as described in the preceding paragraph, I understand and agree that any shares acquired under the ESPP must be sold no later than six months from my termination of employment, or within any such other period as may be permitted by the Company or required by SAFE. I understand that any shares acquired under the ESPP that have not been sold within six months of my termination or within such other period as may be permitted by the Company or required by SAFE will be automatically sold by the designated broker pursuant to this authorization without further consent and subject to the terms of the preceding paragraph.

Upon the sale of the shares, I will receive the cash proceeds from the sale, less any brokerage fees or commissions and subject to any obligation to satisfy any Tax-Related Items. I agree to comply with all requirements the Company may impose in order to facilitate compliance with exchange control requirements in China prior to receipt of the cash proceeds. I acknowledge that I am not aware of any material nonpublic information with respect to the Company or any securities of the Company as of the date of the Agreement.

Exchange Control Requirements. By enrolling and participating in the ESPP, I understand and agree that, pursuant to local exchange control requirements, I will be required to repatriate the cash proceeds from the sale of the shares and the receipt of any dividends to China. I further understand that, under local law, such repatriation of the cash proceeds may need to be effectuated through a special exchange control account established by the Company, the Employer or another Subsidiary or Affiliate, and I hereby consent and agree that any proceeds from the sale of any shares I acquire under the ESPP and any dividends may be transferred to such special account prior to being delivered to me.

I further understand that the proceeds will be delivered to me as soon as possible, but there may be delays in distributing the funds to me due to exchange control requirements in China. Proceeds may be paid to me in U.S. dollars or local currency, at the Company's discretion. If the proceeds are paid in U.S. dollars, I will be required to set up a U.S. dollar bank account in China so that the proceeds may be deposited into this account. If the proceeds are paid in local currency, I agree that the Company, the Employer or any other Subsidiary or Affiliate in China is under no obligation to secure any particular exchange conversion rate and there may be delays in converting the cash proceeds to local currency due to exchange control restrictions. I agree to bear any currency fluctuation risk between the time the cash proceeds are received and the time the cash proceeds are distributed to me through the special account described above.

I further agree to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in China.

Additional Restrictions. No shares of Common Stock will be purchased or issued unless the Company determines that such purchase and issuance and delivery of shares complies with all Applicable Laws. Further, the Company is under no obligation to purchase and/or issue shares if the Company's SAFE approval becomes invalid or ceases to be in effect by the Exercise Date.

COSTA RICA

Terms and Conditions

Authorization for Payroll Deductions. I hereby expressly acknowledge that my authorization to the Employer to withhold a percentage of my Compensation, as specified in the Global Subscription Agreement, was given voluntarily for purposes of my participation in the ESPP.

CZECH REPUBLIC

Terms and Conditions

Payroll Deduction Authorization. I hereby authorize the Employer to take payroll deductions from each of my paychecks during the Offering Period at the percentage of my Compensation (from 1% to 15%) as indicated on the online enrollment page. I understand that, by electronically accepting this Agreement, I am executing the attached Agreement on Wage Deductions. I understand I will not be able to participate in the ESPP if I fail to execute the Agreement on Wage Deductions.

Notifications

Exchange Control Information. The Czech National Bank may require me to fulfill certain notification duties in relation to the purchase of shares of Common Stock under the ESPP and/or the opening and maintenance of a foreign bank or brokerage account. In addition, I may need to report certain events even in the absence of a request from the Czech National Bank. Because exchange control regulations may change without notice, I should consult my personal legal advisor prior to the purchase or the sale of shares of Common Stock to ensure compliance with current regulations. It is my responsibility to comply with any applicable Czech exchange control laws.

DOHODA O SRÁŽKÁCH ZE MZDY

(dále jen „Dohoda“)

uzavřená podle zákona č. 262/2006 Sb., zákoníku práce (dále jen „zákoník práce“) mezi:

Palo Alto Networks (Czech) s.r.o., společností založenou a existující podle práva České republiky, se sídlem Město, Czech Republic, IČO: 038 66 149, dále jen „Zaměstnavatel“,

AGREEMENT ON WAGE DEDUCTIONS

(hereinafter referred to as the "Agreement")

concluded pursuant to Act No. 262/2006, the Labor Code (hereinafter referred to as the "Labor Code"), between:

Palo Alto Networks (Czech) s.r.o., a company established and existing under the laws of the Czech Republic, with its registered seat at Město, Czech Republic, Identification No.: 038 66 149 hereinafter referred to as the "Employer",

and

The employee who has electronically enrolled in the Palo Alto Networks, Inc. 2012 Employee Stock Purchase Plan ("Plan") and whose date of birth and home address are maintained in the records of Palo Alto Networks, Inc., hereinafter referred to as the "Employee."

Employee and Employer are hereinafter also referred to jointly as "Parties" or individually as a "Party."

1. Zaměstnanec je oprávněn účastnit se Plánu a kupovat kmenové akcie („Akcie“), společnosti Palo Alto Networks, Inc., se sídlem 3000 Tannery Way, Santa Clara, California 95054, U.S.A. („Společnost“), a to za podmínek stanovených Plánem a jakoukoliv dodatečnou dohodou o zápisu, uzavřenou mezi Zaměstnancem a Společností. Není-li výslově uvedeno jinak, jednotlivé termíny a definice užívané v této Dohodě mají význam, který je jim připisován v Plánu.

2. Zaměstnanec bude hradit svůj příspěvek na kupní cenu Akcií dle Plánu, a to prostřednictvím srážek ze mzdy Zaměstnance, vyplácené mu Zaměstnavatelem, a to počínaje prvním platebním termínem následujícím po zápisu Zaměstnance do Plánu. Zaměstnanec tímto dává souhlas Zaměstnavateli, aby Zaměstnavatel prováděl jednou za každý kalendářní měsíc srážku ze mzdy Zaměstnance (ve smyslu § 145 zákoníku práce podle ustanovení § 146 písm. b) zákoníku práce a článků 3.01 a 6 Plánu)

ve výši, která nepřesáhne 25 000 USD (v českých korunách) v hodnotě akcií za kalendářní rok, odpovídající procentu ze mzdy Zaměstnance (jak je definována v Plánu), které se Zaměstnanec rozhodl přispívat po zápisu do Plánu. Jestliže Zaměstnanec následně zvýší či sníží procento svého příspěvku (jak je povoleno v podmínkách Plánu), výše srážek Zaměstnance se adekvátně změní. Mimoto pokud se změní mzda Zaměstnance, výše srážek se může adekvátně změnit.

Například, pokud mzda Zaměstnance v měsíci po zápisu činí 100 000 Kč a Zaměstnanec se rozhodl přispívat 10% své mzdy na nákup Akcií dle Plánu, Zaměstnavatel je oprávněn provést srážku 10 000 Kč ze mzdy Zaměstnance v měsíci po Dni zápisu. Jestliže se mzda Zaměstnance zvýší na 120 000 Kč v následujícím měsíci, Zaměstnavatel je oprávněn provést srážku 12 000 Kč ze mzdy Zaměstnance. Jestliže Zaměstnanec sníží procento svého příspěvku na 5% v následujícím měsíci, Zaměstnavatel je oprávněn provést srážku 6 000 Kč ze mzdy Zaměstnance.

worth of stock per calendar year that reflects the percentage of the Employee's Compensation (as defined in the Plan) that he or she has elected to contribute upon enrollment in the Plan. If the Employee subsequently increases or decreases his/her contribution percentage (as permitted under the terms of the Plan), the amount of the Employee's deductions will change accordingly. In addition, if the Employee's Compensation changes, the amount of the deductions may change accordingly.

By way of example, if the Employee's Compensation in the month after enrollment is CZK 100,000 and the Employee has elected to contribute 10% of his or her Compensation to purchase Shares under the Plan, the Employer is authorized to deduct CZK 10,000 from the Employee's Compensation in the month after the Enrollment Date. If the Employee's Compensation increases to CZK 120,000 in a subsequent month, the Employer is authorized to deduct CZK 12,000 from the Employee's Compensation in the month of the increase. If the Employee decreases his or her contribution percentage to 5% in a subsequent month, the Employer is authorized to deduct CZK 6,000 from the Employee's Compensation.

3. Zaměstnavatel se zavazuje poukazovat provedené srážky ze mzdy dle této Dohody Společnosti, a to do 30 dnů od data zakoupení. Zaměstnavatel je oprávněn použít sražené finanční prostředky dle této Dohody výhradně v souladu s podmínkami a pravidly uvedenými v této Dohodě a Plánu a vrátit jakékoliv srážky Zaměstnanci, pokud to vyžaduje Plán.

4. Zaměstnanec potvrzuje a souhlasí s tím, že veškeré srážky ze mzdy Zaměstnance provedené v minulosti v souvislosti s účastí Zaměstnance na Plánu byly v souladu s českým právem a Zaměstnanec dal se všemi těmito srážkami řádný souhlas.

5. Tato Dohoda zaniká:

- a) pokud je (písemně) vypovězena jakoukoliv Stranou; nebo
- b) pokud je ukončena účast Zaměstnance v Plánu, jak je stanoveno v Plánu (včetně situace, kdy Zaměstnanec ukončí pracovní poměr nebo odstoupí od Plánu).

6. Tato Dohoda je vyhotovena v českém a anglickém jazyce. Rozhodující je české znění této Dohody. Každá Strana obdrží jedno vyhotovení této Dohody. Jakékoli změny této Dohody mohou být učiněny jen písemnou dohodou podepsanou oběma Stranami.

Obě Strany tímto prohlašují a potvrzují, že tato Dohoda byla uzavřena po vzájemném projednání a to svobodně, vážně a určitě, nikoliv v tísni za nápadně nevýhodných podmínek a na důkaz toho Strany vyjadřují osobně či prostřednictvím svých zástupců svůj souhlas.

3. The Employer undertakes to remit the wage deductions under this Agreement to the Company within 30 days prior to the Exercise Date. The Employer is entitled to use such wage deductions solely in accordance with the terms and conditions of this Agreement and the Plan, and to refund any deductions to the Employee, if required by the Plan.

4. The Employee acknowledges and agrees that any past deductions from the Employee's Compensation with respect to the Employee's participation in the Plan complied with Czech law and the Employee duly authorized all such deductions.

5. This Agreement terminates:

- (a) if it is terminated (in writing) by either Party; or
- (b) when the Employee's participation in the Plan is terminated, as set forth in the Plan (including if the Employee terminates employment or withdraws from the Plan).

6. This Agreement has been executed in Czech and English language. The Czech language version of this Agreement shall be decisive. Each Party will receive one version of this Agreement. Any change(s) to this Agreement may only be made by a written agreement signed by both Parties.

Both Parties represent and declare that this Agreement has been concluded upon mutual discussion, freely, seriously and definitely and not under strikingly unfavorable conditions, in witness whereof, the Parties themselves or through their representatives have agreed hereto.

DENMARK

Terms and Conditions

Danish Stock Option Act. By accepting the option to purchase shares of Common Stock and enrolling in the ESPP, I acknowledge that I have received the Employer Statement translated into Danish and set forth below, which is being provided to comply with the Danish Stock Option Act (the "Act").

I acknowledge that the Act has been amended as of January 1, 2019. Accordingly, I agree that in the event of termination of my employment, the provisions governing my participation in the ESPP under this Agreement and the ESPP will apply for any Offering Period which begins on or after January 1, 2019. The relevant provisions are detailed in the Agreement, the ESPP and the Employer Statement.

EMPLOYER STATEMENT

Pursuant to Section 3(1) of the Act on Stock Options in employment I henhold til § 3, stk. 1, i lov om brug af køberet eller tegningsret mv. i

ARBEJDSGIVERERKLÆRING

relations (the "Stock Option Act"), you are entitled to receive the following information regarding the PALO ALTO NETWORKS, Inc. 2012 Employee Stock Purchase Plan (the "ESPP") in a separate written statement.

This statement contains information applicable to your participation in the ESPP, as required under the Stock Option Act. Additional terms and conditions of the ESPP are described in the ESPP and other subscription materials, which have been made available to you. In the event of a conflict between a provision contained in this Employer Statement and provisions contained in the ESPP subscription materials, this Employer Statement shall prevail. Capitalized terms used but not defined herein, shall have the same meaning as terms defined in the ESPP.

1. Time of grant of right to purchase stock under the ESPP

Provided you are eligible to participate in the ESPP and decide to enroll in the ESPP, consistent with the requirements of the ESPP, you will be granted a right to purchase shares of stock of PALO ALTO NETWORKS, Inc. (the "Company") at the beginning of each Offering Period, as defined in the ESPP, as long as you remain enrolled in the ESPP.

For each Offering Period, you may elect to have payroll deductions from each paycheck in the amount of a specific percentage of your Compensation on each payday (from 1 to 15%). Your participation in the ESPP is subject to the additional terms and conditions provided in the ESPP materials.

2. Terms or conditions for grant of a right to future purchases of stock.

The ESPP is offered at the discretion of the Company's Board of Directors. The Company may terminate, suspend or amend the ESPP at any time and without the consent of the participating employees.

3. Purchase Date

On the last day of each Purchase Period, or the next trading day, if the last day is not a trading day (*i.e.*, the Exercise Date), shares of common stock of the Company will automatically be purchased for you with your accumulated payroll deductions. The number of shares purchased will depend upon the Purchase Price, as defined below, and the amount of accumulated payroll deductions. You will become the immediate owner of the shares purchased and you may then sell your shares at any time.

4. Purchase Price

The Purchase Price per share shall mean an amount equal to 85% of the lesser of (a) the Fair Market Value, as defined in the ESPP, of a share of common stock on the Enrollment Date; or (b) the Fair Market Value, as defined in the ESPP, of a share of common stock on the Exercise Date.

5. Your rights upon termination of employment

The treatment of your ESPP rights upon termination of employment will be determined in accordance with the termination provisions in the ESPP and the ESPP subscription materials, pursuant to which your right to purchase shares under the ESPP will terminate immediately as of the date you cease to actively provide services.

6. Financial aspects of participating in the ESPP

Aside from the payroll deductions which will start after you enroll in the ESPP, the ESPP offering has no immediate financial consequences for you. The value of the shares purchased for you under the ESPP are not taken into account when calculating holiday allowances, pension contributions or other statutory consideration calculated on the basis of salary.

Shares of stock are financial instruments and investing in stock will always have financial risk. The possibility of profit at the time you sell your shares will not only be dependent on the Company's

ansættelsesstorno („Aktieoptionsloven“) er du berettiget til i en særskit skriftlig erklæring at modtage følgende oplysninger vedrørende PALO ALTO NETWORKS, Inc.'s medarbejderaktieordning "2012 Employee Stock Purchase Plan" (i det følgende kaldet "ESPP").

Denne erklæring indeholder de i henhold til Aktieoptionsloven krævede oplysninger vedrørende din deltagelse i ESPP. Yderligere kriterier og betingelser for ordningen er beskrevet i ESPP og det andet tegningsmateriale, som du har fået udleveret. I tilfælde af uoverensstemmelser mellem en bestemmelse i denne Arbejdsgivererklæring og bestemmelserne i ESPP-tegningsmaterialet skal denne Arbejdsgivererklæring have forrang. Begreber, der står med stort begyndelsesbogstav i denne Arbejdsgivererklæring, men som ikke er defineret heri, har samme betydning som de i ESPP definerede begreber.

1. Tidspunktet for tildeling af retten til at købe aktier i henhold til ESPP

Forudsat at du er berettiget til at deltage i ESPP samt beslutter dig for at tilmelde dig ESPP, vil du i overensstemmelse med kravene i ESPP få tildelt en ret til at købe aktier i PALO ALTO NETWORKS, Inc. ("Selskabet") ved starten af hver Udbudsperiode (som defineret i ESPP), så længe du vedbliver at være tilmeldt ESPP.

For hver Udbudsperiode kan du vælge, at der i forbindelse med hver lønudbetaling fra din løn trækkes et beløb svarende til en bestemt procentdel af dit Vederlag (fra 1 til 15%). Din deltagelse i ESPP er underlagt de yderligere kriterier og betingelser, som fremgår af ESPP-materialet.

2. Kriterier eller betingelser for tildeling af retten til senere at købe aktier

ESPP udbydes efter Selskabets bestyrelsесs frie skøn. Selskabet har til enhver tid ret til at opnæve, afbryde eller ændre ESPP uden de deltagende medarbejdernes samtykke.

3. Købsdato

På den sidste dag i hver købsperiode, eller, hvis denne dag ikke er en handelsdag, på den næstfølgende handelsdag efter den sidste dag i hver Udbudsperiode (dvs. Udnyttelsesdatoen) vil der automatisk blive købt ordinære aktier i Selskabet til dig for det akkumulerede beløb, der er fratrukket dine lønudbetalinger. Antallet af købte aktier afhænger af Købskursen (som defineret nedenfor) og det akkumulerede beløb, der er fratrukket dine lønudbetalinger. Du bliver den umiddelbare ejer af de købte aktier, og du kan til enhver tid sælge dine aktier.

4. Købskurs

Købskursen pr. aktie betyder et beløb svarende til 85% af det laveste af de to følgende beløb: (a) Markedskursen (som defineret i ESPP) på en ordinær aktie på Tilmeldingsdato eller (b) Markedskursen (som defineret i ESPP) på en ordinær aktie på Udnyttelsesdatoen.

5. Din retsstilling i forbindelse med fratræden

I tilfælde af dit ansættelsesforholds ophør vil dine ESPP-rettigheder blive behandlet i overensstemmelse med fratrædelsesbestemmelserne i ESPP og ESPP-tegningsmaterialet, ifølge din ret til at købe aktier i henhold til ESPP ophører øjeblikkeligt med virkning fra det tidspunkt, hvor du ophører med aktivt at leve ydelser.

6. Økonomiske aspekter ved at deltage i ESPP

Bortset fra de fradrag i din løn, der vil blive påbegyndt, når du har tilmeldt dig ESPP, har ESPP-udbuddet ikke nogen umiddelbare økonomiske konsekvenser for dig. Værdien af de aktier, der købes til dig i henhold til ESPP, indgår ikke i beregningen af feriepenge, pensionsbidrag eller øvrige vederlagsafhængige lovlige ydelser.

Aktier er finansielle instrumenter, og investering i aktier vil altid være forbundet med en økonomisk risiko. Muligheden for en gevinst på det tidspunkt, hvor du sælger dine aktier, afhænger ikke kun af Selskabets økonomiske udvikling, men også af den generelle udvikling på aktiemarkedet. Derudover kan aktiernes

your shares will not only be dependent on the Company's financial development, but also on the general development of the stock market, among other things. In addition, after you purchase shares, the shares could decrease in value even below the Purchase Price.

Stock Plan Services

ogda dinde af den generelle udvikling på aktiemarkedet. Desuden kan aktiernes værdi efter købstidspunktet falde til en værdi, der ligger under Købsprisen.

Aktieordningsadministrationen

FINLAND

There are no country-specific provisions.

FRANCE

Terms and Conditions

French Translation. The following is a French translation of Section 2 of the Global Subscription Agreement:

Montant de la Contribution. Par la présente, j'autorise des déductions sur mon salaire d'un pourcentage de ma Rémunération (de 1% à 15%) sur chacune de mes fiches de paie de chaque jour de paie, tel qu'indiqué sur la page de souscription en ligne (et, comme j'ai la possibilité de modifier, dans la mesure permise par le Plan d'Achat d'Actions et de l'Administrateur), et ce durant toute la Période d'Offre en vertu du Plan d'Achat d'Actions. (Merci de noter qu'aucune décimale n'est autorisée dans les pourcentages). Je reconnais qu'un pourcentage de ma Rémunération inférieur à celui indiqué par moi peut être cotisé si nécessaire pour se conformer aux lois applicables (en particulier les lois applicables relatives aux exigences de salaire minimum).

Je comprends que le Plan d'Achat d'Actions est un régime volontaire et je reconnais que toutes les retenues salariales que je choisis de cotiser à le Plan d'Achat d'Actions sont effectuées sur une base entièrement volontaire. Je comprends que ces déductions opérées sur mon salaire seront accumulées pour l'achat des Actions au Prix d'Achat applicable déterminé en vertu du Plan d'Achat d'Actions. Je comprends également que, sous réserve des dispositions du Plan d'Achat d'Actions, je peux modifier le taux de mes retenues salariales ou librement me retirer de la participation au Plan d'Achat d'Actions (par le biais du processus électronique désigné par la Société) et recevoir un remboursement intégral de toutes les contributions volontaires que j'ai versées dans le cadre de le Plan d'Achat d'Actions qui n'ont pas été affectées à l'achat d'Actions. Enfin, je comprends que si je ne me retire pas durant la Période d'Offre, toute accumulation de déductions sur mon salaire serait automatiquement utilisée pour exercer mon option et acheter des Actions en vertu du Plan d'Achat d'Actions.

À moins que je ne me retire du Plan d'Achat d'Actions, ou que je ne devienne inéligible au Plan d'Achat d'Actions, ou à moins que le Plan d'Achat d'Actions ne soit dénoncé par la Société, je continuerai à souscrire au Plan d'Achat d'Actions au cours des Périodes d'Offres suivantes et les Actions seront acquises en mon nom à la Date d'Exercice applicable avec le montant total des déductions effectuées sur mon salaire. La souscription au Plan d'Achat d'Actions continuera d'être régie par cet Accord et le Plan d'Achat d'Actions. A sa discrétion et dans la mesure permise par le Plan d'Achat d'Actions, la Société pourra modifier le Plan d'Achat d'Actions et/ou cet Accord, et en continuant à souscrire au Plan d'Achat d'Actions, sans avoir besoin de fournir un consentement exprès, j'accepte les termes et conditions du Plan d'Achat d'Actions modifié et/ou de l'Accord.

J'accepte de signer un accord de participation distinct avec la Société ou l'Employeur (tel que défini ci-dessous), ou tout autre accord ou consentement qui pourrait être requis par la Société ou l'Employeur dans le cadre de cette autorisation, maintenant ou à l'avenir. Je comprends que je ne pourrai pas participer à le Plan d'Achat d'Actions si je n'exécute pas un tel consentement ou accord.

Language Consent. By enrolling in the ESPP, I confirm having read and understood the documents relating to the grant of the option to purchase shares of Common Stock under the ESPP, which were provided in the English language. I accept the terms of those documents accordingly.

Accord sur la langue. En souscrivant au Plan d'Achat d'Actions, je confirme avoir lu et compris les documents en lien avec l'octroi du droit d'acquérir des actions en vertu du Plan d'Achat d'Actions, lesquels m'ont été communiqués en langue anglaise. J'accepte les termes de ces documents en connaissance de cause.

GERMANY

Notifications

Securities Law Information. The Company has prepared and made available an Information Document in reliance on an exemption from prospectus requirements that may otherwise apply to the offer of the ESPP in Germany. The Information Document is attached hereto as Exhibit C.

Exchange Control Information. Certain cross-border transactions in excess of a certain threshold (currently €12,500) (the "Threshold") must be reported to the German Federal Bank (*Bundesbank*). If I make or receive a payment in excess of the Threshold (including if I acquire shares of Common Stock under the ESPP with a value in excess of the Threshold or sell shares of Common Stock via a foreign broker, bank or service provider and receive proceeds in excess of the Threshold) and/or if the Company withholds or sells shares of Common Stock with a value in excess of the Threshold to cover Tax-Related Items, I must report the payment and/or the value of the shares of Common Stock withheld or sold to the *Bundesbank*, either electronically using the "General Statistics Reporting Portal" ("Allgemeine Meldeportal Statistik")

available via the *Bundesbank's* website (www.bundesbank.de) or via such other method (e.g., by email or telephone) as is permitted or required by the *Bundesbank*. The report must be submitted monthly or within other such timing as is permitted or required by the *Bundesbank*. I understand I am responsible for complying with applicable reporting requirements.

GREECE

There are no country-specific provisions.

GUERNSEY

There are no country-specific provisions.

HONG KONG

Notifications

Securities Law Information. Warning: *The option to purchase shares of Common Stock and the issuance of shares of Common Stock upon purchase do not constitute a public offer of securities under Hong Kong law and are available only to Eligible Employees. The ESPP, the Agreement, this Appendix and other incidental communication materials that I may receive have not been prepared in accordance with and are not intended to constitute a “prospectus” for a public offering of securities under applicable securities laws in Hong Kong. Furthermore, none of the documents relating to the ESPP have been reviewed by any regulatory authority in Hong Kong. I understand that I should exercise caution in relation to the offer. If I am in any doubt about any of the contents of the ESPP, the Agreement, this Appendix or any other communication materials, I should obtain independent professional advice.*

HUNGARY

Terms and Conditions

Authorization for Payroll Deductions. I understand that as a condition of my participation in the ESPP, I will be required to execute the attached Consent for Deduction form. I understand that, by electronically accepting this Agreement, I am executing the attached Consent for Deduction form. I understand that I will not be able to participate in the ESPP until the Company receives my executed form.

(Consent for Deduction form on next page)

CONSENT FOR DEDUCTION

I, the undersigned, in order to participate in the Palo Alto Networks, Inc. 2012 Employee Stock Purchase Plan ("ESPP"), authorize my employer to withhold payroll deductions in the amount of my Compensation I indicated on the online enrollment page, or such other percentage as subsequently selected by me under the ESPP. I understand that this amount must not be less than 1% and not more than 15% of my Compensation for any purchase period with the reservation that the deductions are made in accordance with the applicable provisions of the Hungarian labor law.

I acknowledge and agree that any past payroll deductions from my Compensation with respect to my participation in the ESPP complied with Hungarian law and that I authorized all such deductions.

All the terms written in capital letters shall have the meanings given to them in the ESPP.

In case of any discrepancies between the Hungarian language version of this document and its English language version, the Hungarian language version shall prevail.

HOZZÁJÁRULÁS LEVONÁSHOZ

Alulírott, a Palo Alto Networks, Inc. 2012 Munkavállalói Részvénnyásárlási Programjában ("Program") való részvételre érdekében felhatalmazom a munkáltatóm, hogy a nettó munkabéremből levonja a Kompenzációmnak az általam az online jelentkezési oldalon megjelölt összegét, vagy az általam a Program ideje alatt a későbbiekben meghatározott százalékát. Tudomásul veszem, hogy ez az összeg nem lehet kevesebb, mint a Kompenzációm egy százaléka és nem haladhatja meg annak tizenöt százalékát egyetlen vásárlási időszakban sem, feltéve, hogy a levonások a magyar munkajog vonatkozó rendelkezéseinek megfelelően történtek.

Tudomásul veszem és elfogadom, hogy a Kompenzációból korábban a Programban való részvételre tekintettel teljesített levonások a magyar jogszabályoknak megfelelően történtek, és ezen levonásokhoz hozzájárultam.

Valamennyi nagybetűs fogalom a Programban meghatározott jelentéssel bír.

Jelen dokumentum magyar és angol nyelvű változata közötti bármilyen eltérés esetén a magyar nyelvű változat az irányadó.

INDIA

Terms and Conditions

Tax Collection at Source. By enrolling and participating in the ESPP, I understand that Tax Collection at Source ("TCS") may apply to funds remitted out of India if the funds exceed a certain amount (currently, INR 700,000) during the Indian fiscal year ("TCS Threshold"). Therefore, my annual remittances out of India, including my payroll deductions contributed under the ESPP, may be subject to TCS. Depending on the procedures established by the Employer and the bank remitting the funds out of India, I understand and agree that the Company or the Employer may deduct any applicable TCS via any withholding method set forth in Section 4 of the Global Subscription Agreement. If any applicable TCS is not deducted via any withholding method set forth in Section 4 of the Global Subscription Agreement, I understand that the Employer or the bank may collect any applicable TCS from my contributed payroll deductions and remit the remaining payroll deductions to the Company which may impact the number of shares of Common Stock that I will be able to purchase with my payroll deductions under the ESPP. I understand that I may be required to provide a declaration to the Employer or the bank remitting the funds regarding whether the TCS Threshold has been reached based on all my remittances out of India, including payroll deductions contributed under the ESPP, and I agree to provide such declaration upon request.

Notifications

Exchange Control Information. I understand that I must repatriate any proceeds from the sale of shares of Common Stock purchased under the ESPP and any dividends received in relation to the shares of Common Stock to India and convert the proceeds into local currency within such period of time as required under applicable regulations. I should obtain a foreign inward remittance certificate (the "FIRC") from the bank where I deposit the foreign currency and maintain the FIRC as evidence of the repatriation of funds in the event the Reserve Bank of India or the Employer requests proof of repatriation. I also agree to provide any information that may be required by the Company or the Employer to make any applicable filings under exchange control laws in India.

INDONESIA

Terms and Conditions

Language Consent. By enrolling and participating in the ESPP, I (i) confirm having read and understood the documents relating to the grant (i.e., the ESPP and the Agreement) which were provided in the English language, (ii) accept the terms of those documents accordingly, and (iii) agree not to challenge the validity of this document based on Law No. 24 of 2009 on National Flag, Language, Coat of Arms and National Anthem or the implementing Presidential Regulation.

Persetujuan Bahasa. *Dengan mendaftar dan ikut serta dalam ESPP, saya (i) memberikan konfirmasi bahwa saya telah membaca dan memahami dokumen-dokumen berkaitan dengan pemberian ini (yaitu, ESPP dan Perjanjian) yang disediakan dalam Bahasa Inggris, (ii) menerima persyaratan di dalam dokumen-dokumen tersebut, dan (iii) setuju untuk tidak mengajukan keberatan atas keberlakuan dari dokumen ini berdasarkan Undang-Undang No. 24 Tahun 2009 tentang Bendera, Bahasa dan Lambang Negara serta Lagu Kebangsaan ataupun Peraturan Presiden sebagai pelaksanaannya.*

Notifications

Exchange Control Information. Indonesian residents are obliged to provide the Indonesian central bank (Bank Indonesia) with information on foreign exchange activities. The reporting must be completed online through Bank Indonesia's website, no later than the 15th day of the month following the month in which the foreign exchange activity took place.

In addition, if I remit funds into or out of Indonesia (e.g., proceeds from the sale of shares of Common Stock), the Indonesian Bank through which the transaction is made will submit a report of the transaction to the Bank of Indonesia for statistical reporting purposes. For transactions that equal or exceed a certain threshold (currently US \$10,000), a description of the transaction must be included in the report.

IRELAND

Notifications

Director Notification Obligation. Directors, shadow directors or secretaries of an Irish Subsidiary must notify the Irish Subsidiary in writing if they receive or dispose of an interest in the Company representing more than 1% of the Company's voting share capital (e.g., right to purchase shares of Common Stock under the ESPP, shares, etc.), if they become aware of the event giving rise to the notification requirement or if they become a director or secretary if such an interest exists at the time. This notification requirement also applies with respect to the interests of the spouse or children under the age of 18 of the director, shadow director or secretary (whose interests will be attributed to the director, shadow director or secretary).

ISRAEL

Terms and Conditions

Israeli Appendix. I acknowledge and agree that the offer of the ESPP is subject to the terms and conditions of the Appendix - Israeli Taxpayers to the ESPP, which has been provided or otherwise made available to me.

ITALY

Terms and Conditions

ESPP Document Acknowledgment. In participating in the ESPP, I acknowledge that I have received a copy of the ESPP and the Agreement and have reviewed the ESPP and the Agreement, including this Appendix, in their entirety and fully understand and accept all provisions of the ESPP and the Agreement. I further acknowledge that I have read and specifically and expressly approve the following sections of the Global Subscription Agreement: Section 4 - Responsibility for Taxes; Section 5 - Nature of Grant; Section 7 - Governing Law; Section 8 - Language; Section 9 - Electronic Delivery and Acceptance; Section 10 - Severability; and the Data Privacy Provisions for Participants who reside in European Union / European Economic Area member states, Switzerland and the United Kingdom above in this Appendix.

JAPAN

There are no country-specific provisions.

KOREA

Terms and Conditions

Power of Attorney. If so requested by the Company or the Employer, I understand that I must print, sign and return a Power of Attorney in a form provided to me by the Company or the Employer to my local human resources representative in order to participate in the ESPP.

Notifications

Exchange Control Information. Korean residents may need to file a report with a Korean foreign exchange bank if the Korean resident sells shares of Common Stock acquired under the ESPP and/or receives cash dividends in excess of a certain threshold (currently US\$5,000) (per transaction) and deposits the proceeds into a non-Korean bank account. The reporting is not required if proceeds are deposited into a non-Korean brokerage account. I am responsible for complying with any applicable exchange control reporting obligations in Korea and I should consult my personal legal advisor to determine my personal reporting obligations.

LUXEMBOURG

There are no country-specific provisions.

MALAYSIA

Terms and Conditions

Data Privacy. This provision replaces the Data Privacy Provisions for Participants who reside outside of European Union / European Economic Area member states, Switzerland and the United Kingdom above in this Appendix:

I consent to the collection, use and transfer, in electronic or other form, of my personal data as described in the Global Subscription Agreement and any other Plan grant materials by and among, as applicable, the Employer, the Company and any other Subsidiary or Affiliate or any third parties authorized by the same in assisting in the implementation, administration and management of my participation in the ESPP.

I may have previously provided the Company and the Employer with, and the Company and the Employer may hold, certain personal information about me, including, but not limited to, my name, home address, email address and telephone number, date of birth, social insurance number, passport or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, the fact and conditions of my participation in the ESPP, details of all options or any other entitlement to shares awarded, cancelled, exercised, vested, unvested or outstanding in my favor ("Data"), for the exclusive purpose of implementing, administering and managing the ESPP.

*I also authorize any transfer of Data, as may be required, to E*TRADE Financial Services, Inc. and its affiliates ("E*TRADE") or such designated broker which may be assisting the Company with the implementation, administration and management of the ESPP in the future and with whom any shares acquired upon exercise of the options are deposited. I acknowledge that these recipients may be located in my country or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws and protections to my country, which may not give the same level of protection to Data. I understand that I may request a list with the names and addresses of any potential recipients of Data by contacting my local human resources representative. I authorize the Company, E*TRADE and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing my participation in the ESPP to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing my participation in the ESPP. I understand that Data will be held only as long as is necessary to implement, administer and manage my participation in the ESPP. I understand that I may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case, without cost, by contacting in writing my local human resources representative, whose contact details are equity@paloaltonetworks.com.*

Further, I understand that I am providing the consents herein on a purely voluntary basis. If I do not consent, or if I later seek to revoke my consent, my employment status or service with the Employer will not be affected; the only consequence of refusing or withdrawing my consent is that the Company would not be able to grant future options or other equity awards to me or administer or maintain such awards. Therefore, I understand

Saya bersetuju dengan pengumpulan, penggunaan dan pemindahan, dalam bentuk elektronik atau lain-lain, data peribadi saya seperti yang dinyatakan dalam Perjanjian Langganan dan apa-apa bahan geran Pelan oleh dan di antara, sebagaimana yang berkenaan, Majikan, Syarikat dan mana-mana Anak Syarikat atau Syarikat Sekutu atau mana-mana pihak ketiga yang diberi kuasa oleh yang sama untuk membantu dalam pelaksanaan, pentadbiran dan pengurusan penyertaan saya dalam Pelan.

Sebelum ini, saya mungkin telah membekalkan Syarikat dan Majikan dengan, dan Syarikat dan Majikan mungkin memegang, maklumat peribadi tertentu tentang saya, termasuk, tetapi tidak terhad kepada, nama saya, alamat rumah, alamat emel dan nombor telefon, tarikh lahir, nombor insurans sosial, passport atau nombor pengenalan lain, gaji, kewarganegaraan, jawatan, apa-apa syer atau saham atau jawatan pengarah yang dipegang dalam Syarikat, fakta dan syarat-syarat penyertaan saya dalam Pelan, butir-butir semua opsyen atau apa-apa hak lain untuk Syer yang dianugerahkan, dibatalkan, dilaksanakan, terletak hak, tidak diletak hak ataupun yang belum dijelaskan bagi faedah saya ("Data"), untuk tujuan eksklusif bagi melaksanakan, mentadbir dan menguruskan Pelan.

*Saya juga memberi kuasa untuk membuat apa-apa pemindahan Data, sebagaimana yang diperlukan, kepada E*TRADE Financial Services, Inc. dan syarikat sekutunya ("E*TRADE") atau broker yang ditetapkan yang mungkin membantu Syarikat dalam pelaksanaan, pentadbiran dan pengurusan Pelan pada masa depan dan dengan sesiapa yang didepositkan dengan Syer-syer yang diperolehi melalui pelaksanaan opsyen. Saya mengakui bahawa penerima-penerima ini mungkin berada di negara saya atau di tempat lain, dan bahawa negara penerima (contohnya, Amerika Syarikat) mungkin mempunyai undang-undang privasi data dan perlindungan yang berbeza daripada negara saya, yang mungkin tidak boleh memberi tahap perlindungan yang sama kepada Data. Saya faham bahawa saya boleh meminta senarai nama dan alamat mana-mana penerima Data yang berpotensi dengan menghubungi wakil sumber manusia tempatan saya. Saya memberi kuasa kepada Syarikat, E*TRADE dan mana-mana penerima lain yang mungkin membantu Syarikat (masa sekarang atau pada masa depan) dengan melaksanakan, mentadbir dan menguruskan penyertaan saya dalam Pelan untuk menerima, memiliki, menggunakan, mengekalkan dan memindahkan Data, dalam bentuk elektronik atau lain-lain, semata-mata dengan tujuan tunggal untuk melaksanakan, mentadbir dan menguruskan penyertaan saya dalam Pelan. Saya faham bahawa Data akan dipegang hanya untuk tempoh yang diperlukan untuk melaksanakan, mentadbir dan menguruskan penyertaan saya dalam Pelan. Saya faham bahawa saya boleh, pada bila-bila masa, melihat Data, meminta maklumat tambahan mengenai penyimpanan dan pemprosesan Data, meminta apa-apa pindaan-pindaan dilaksanakan ke atas Data atau menolak atau menarik balik persetujuan dalam ini, dalam mana-mana kes, tanpa kos, dengan menghubungi equity@paloaltonetworks.com.*

Selanjutnya, saya memahami bahawa saya memberikan persetujuan di sini secara sukarela. Jika saya tidak bersetuju, atau jika saya kemudian membatalkan persetujuan saya, status pekerjaan atau perkhidmatan saya dengan Majikan tidak akan terjejas; satu-satunya akibat jika saya tidak bersetuju atau menarik balik persetujuan saya adalah bahawa Syarikat tidak akan dapat memberikan opsyen pada masa depan atau

administer or maintain such awards. Therefore, I understand that refusing or withdrawing my consent may affect my ability to participate in the ESPP. For more information on the consequences of my refusal to consent or withdrawal of consent, I understand that I may contact my local human resources representative.

aku atau dapat meminta atau menarik kembali setujuan saya atau mengekalkan anugerah ekuiti lain kepada saya atau mentadbir atau mengekalkan anugerah tersebut. Oleh itu, saya faham bahawa keengganan atau penarikan balik persetujuan saya boleh menjelaskan keupayaan saya untuk mengambil bahagian dalam Pelan. Untuk maklumat lanjut mengenai akibat keengganan saya untuk memberikan keizinan atau penarikan balik keizinan, saya fahami bahawa saya boleh menghubungi wakil sumber manusia tempatan saya.

Notifications

Director Notification Obligation. Malaysian resident participants who are directors of a Malaysian Subsidiary or Affiliate are subject to certain notification requirements under the Malaysian Companies Act 2016. Among these requirements is an obligation to notify the Malaysian Subsidiary or Affiliate in writing when receiving or disposing of an interest (e.g., purchase rights, shares, etc.) in the Company or any related company. This notification must be made within 14 days of receiving or disposing of any interest in the Company or any related company.

MEXICO

Terms and Conditions

Acknowledgement of the Agreement. By enrolling and participating in the ESPP, I acknowledge that I have received a copy of the ESPP and the Agreement, including this Appendix, which I have reviewed. I further acknowledge that I accept all the provisions of the ESPP and the Agreement, including this Appendix. I also acknowledge that I have read and specifically and expressly approves the terms and conditions set forth in Section 5 of the Global Subscription Agreement, which clearly provide as follows:

- (1) My participation in the ESPP does not constitute an acquired right;
- (2) The ESPP and my participation in it are offered by the Company on a wholly discretionary basis;
- (3) My participation in the ESPP is voluntary; and
- (4) The Company and any of its Parent and Subsidiaries are not responsible for any decrease in the value of any shares of Common Stock purchased under the ESPP.

Labor Law Policy and Acknowledgment I expressly recognize that the Company, with registered offices at 3000 Tannery Way, Santa Clara, California 95054, USA, is solely responsible for the administration of the ESPP and that my participation in the ESPP and purchase of shares of Common Stock does not constitute an employment relationship between myself and the Company since I am participating in the ESPP on a wholly commercial basis. Based on the foregoing, I expressly recognize that the ESPP and the benefits that I may derive from participation in the ESPP do not establish any rights between myself and the Employer and do not form part of the employment conditions and/or benefits provided by the Employer and any modification of the ESPP or its termination shall not constitute a change or impairment of the terms and conditions of my employment.

I further understand that my participation in the ESPP is as a result of a unilateral and discretionary decision of the Company, therefore, the Company reserves the absolute right to amend and/or discontinue my participation at any time without any liability to me.

Finally, I hereby declare that I do not reserve any action or right to bring any claim against the Company for any compensation or damages regarding any provision of the ESPP or the benefits derived under the ESPP, and I therefore grant a full and broad release to the Company, its branches, representation offices, shareholders, officers, agents or legal representatives and any Subsidiary or Affiliate with respect to any claim that may arise.

Reconocimiento del Convenio. Al inscribirme y participar en el ESPP, reconozco que he recibido y revisado una copia del ESPP y del Convenio, incluyendo este Apéndice. De igual forma, reconozco y acepto todas las disposiciones del ESPP y del Convenio, incluyendo el apéndice. También reconozco que he leído y que apruebo de forma expresa todos los términos y condiciones establecidos en la sección 5 del Convenio de Subscripción Global, que claramente establece lo siguiente:

- (1) Mi participación en el ESPP no constituye un derecho adquirido;
- (2) El ESPP y mi participación en el mismo se ofrecen por la Compañía de forma totalmente discrecional;
- (3) Mi participación en el ESPP es voluntaria; y
- (4) La Compañía y sus Subsidiarias no son responsables por ninguna disminución en el valor de las acciones que pudiera adquirir bajo el ESPP.

Política Laboral y Reconocimiento. Reconozco expresamente que la Compañía, con sus oficinas registradas en 3000 Tannery Way, Santa Clara, California 95054, Estados Unidos, es el único responsable de la administración del ESPP y que

mi participación en el mismo y la compra de Acciones no constituye de ninguna manera una relación laboral entre mi persona y la Compañía, dado que mi participación en el ESPP deriva únicamente de una relación comercial. Derivado de lo anterior, expresamente reconozco que el ESPP y los beneficios que pudieran derivar del mismo no establecen ningún derecho entre mi persona y el empleador y no forman parte de las condiciones laborales y/o prestaciones otorgadas por el empleador, y cualquier modificación al ESPP o la terminación del mismo no podrá ser interpretada como una modificación o degradación de los términos y condiciones de mi trabajo.

Asimismo, entiendo que mi participación en el ESPP es resultado de la decisión unilateral y discrecional de la Compañía, por lo tanto, la Compañía se reserva el derecho absoluto para modificar y/o terminar mi participación en cualquier momento, sin ninguna responsabilidad para mi persona.

Finalmente, manifiesto que no me reservo ninguna acción o derecho que origine una demanda en contra de la Compañía, por cualquier compensación o daño en relación con cualquier disposición del ESPP o de los beneficios derivados del mismo, y en consecuencia otorgo un amplio y total finiquito a la Compañía, sus sucursales, oficinas de representación, sus accionistas, directores, agentes y representantes legales o de cualquier Subsidiaria o Afiliada con respecto a cualquier demanda que pudiera surgir.

Notifications

Securities Law Information. The option to purchase shares of Common Stock and any shares of Common Stock acquired under the ESPP have not been registered with the National Register of Securities maintained by the Mexican National Banking and Securities Commission and cannot be offered or sold publicly in Mexico. In addition, the ESPP, the Agreement and any other document relating to the option to purchase shares of Common Stock may not be publicly distributed in Mexico. I acknowledge that these materials are addressed to me because of my existing relationship with the Company and these materials should not be reproduced or copied in any form. The offer contained in these materials does not constitute a public offering of securities, but rather constitutes a private placement of securities addressed specifically to Eligible Employees made in accordance with the provisions of the Mexican Securities Market Law, and any rights under such offering shall not be assigned or transferred.

NETHERLANDS

Notifications

Securities Law Information. The Company has prepared and made available an Information Document in reliance on an exemption from prospectus requirements that may otherwise apply to the offer of the ESPP in the Netherlands. The Information Document is attached hereto as Exhibit C.

NEW ZEALAND

Notifications

Securities Law Information. Warning: *I understand that I am being offered an opportunity to participate in the ESPP, which allows me to purchase shares of Common Stock under the ESPP in accordance with the terms of the ESPP and the Agreement. The shares of Common Stock, if purchased, give me a stake in the ownership of the Company. I may receive a return if dividends are paid.*

If the Company runs into financial difficulties and is wound up, I will be paid only after all creditors and holders of preference shares have been paid. I may lose some or all of my investment.

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors to make an informed decision.

The usual rules do not apply to this offer because it is made under an employee share purchase scheme. As a result, I may not be given all the information usually required. I will also have fewer other legal protections for this investment.

I understand that I should ask questions, read all documents carefully, and seek independent financial advice before committing myself.

The right to purchase shares of Common Stock under the ESPP is not quoted. The Common Stock is quoted and approved for trading on the Nasdaq Stock Market. This means that, if I purchase shares of Common Stock under the ESPP, I may be able to sell my investment on the Nasdaq Stock Market if there are interested buyers. I understand that I may get less than I invested. The price will depend on the demand for the Common Stock.

For information on risk factors impacting the Company's business that may affect the value of the shares of Common Stock, I should refer to the risk factors discussion in the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are filed with the U.S. Securities and Exchange Commission and are available online at www.sec.gov, as well as on the Company's website at <http://investors.paloaltonetworks.com/>.

NORWAY

There are no country-specific provisions.

POLAND

Terms and Conditions

Authorization for Payroll Deductions. I understand that as a condition of my participation in the ESPP, I will be required to execute the attached Consent for Deduction form. I understand that, by electronically accepting this Agreement, I am executing the attached Consent for Deduction form. I understand that I will not be able to participate in the ESPP until the Company receives my executed form.

Notifications

Exchange Control Information. Polish residents holding foreign securities (including shares of Common Stock) and maintaining accounts abroad must report information to the National Bank of Poland on transactions and balances of the securities and cash deposited in such accounts if the value of such transactions or balances exceeds PLN 7,000,000. If required, the reports must be filed on a quarterly basis on special forms available on the website of the National Bank of Poland. In addition, transfers of funds in excess of a certain threshold (currently €15,000, or PLN 15,000 if such transfer of funds is connected with business activity of an entrepreneur) into and out of Poland must be made via a bank account held at a bank in Poland. Polish residents are required to store all documents related to any foreign exchange transactions for a period of five years. I understand that I am responsible for complying with all applicable exchange control regulations.

(Consent for Deduction form on next page)

CONSENT FOR DEDUCTION

I, in order to participate in the Palo Alto Networks, Inc. Employee Stock Purchase Plan ("Plan"), authorize my employer Palo Alto Networks (Poland) sp. z o.o. to withhold payroll deductions at the percentage of my Compensation I indicated on the online enrollment page, which I may subsequently change to the extent allowed under the Plan and by the Administrator. I understand that this amount must not be less than 1% and not more than 15% of my Compensation for any Offering Period with the reservation that the deductions are made in accordance with the applicable provisions of the Polish labor law.

I acknowledge and agree that any past payroll deductions from my Compensation with respect to my participation in the Plan complied with Polish law and that I authorized all such deductions.

All the terms written in capital letters shall have the meanings given to them in the Plan.

In case of any discrepancies between the Polish language version of this document and its English language version, the Polish language version shall prevail.

ZGODA NA POTRĄCENIE

Ja, w celu uczestnictwa w Palo Alto Networks, Inc. Employee Stock Purchase Plan ("Plan"), upoważniam mojego pracodawcę Palo Alto Networks (Poland) sp. z o.o. do potrącenia procentu mojego Wynagrodzenia wskazanego przeze mnie na stronie rejestracji on-line, którą mogę następnie zmienić w zakresie dozwolonym przez Plan oraz Administratora. Przyjmuję do wiadomości, iż ta kwota nie może być mniejsza niż 1% i większa niż 15% mojego Wynagrodzenia w każdym Okresie Oferty z zastrzeżeniem, że potrącenia będą dokonywane zgodnie z obowiązującymi przepisami polskiego prawa pracy.

Niniejszym potwierdzam i zgadzam się z tym, że jakiekolwiek przeszłe potrącenia z mojego wynagrodzenia dokonane w związku z moim uczestnictwem w Planie były zgodne z polskim prawem i że wyraziłem/am na nie zgodę.

Wszystkie terminy pisane wielkimi literami mają znaczenie przypisane im w ramach Planu.

W przypadku jakichkolwiek rozbieżności pomiędzy polską a angielską wersją językową niniejszego dokumentu, wersja polska ma charakter wiążący.

PORUGAL

Terms and Conditions

Language Consent. I hereby agree to receive information related to the ESPP in English through my participation in the ESPP. Specifically, I acknowledge as follows:

I hereby expressly declare that I have full knowledge of the English language and have read, understood and fully accepted and agreed with the terms and conditions established in the ESPP and the Agreement.

Por meio do presente, eu declaro expressamente que tem pleno conhecimento da língua inglesa e que li, comprehendi e livremente aceitei e concordei com os termos e condições estabelecidas no Plano e no Acordo.

Notifications

Exchange Control Information. If I hold shares of Common Stock acquired under the ESPP, the acquisition of shares should be reported to the Banco de Portugal for statistical purposes. If the shares are deposited with a commercial bank or financial intermediary in Portugal, such bank or financial intermediary will submit the report on my behalf. If the shares are not deposited with a commercial bank or financial intermediary in Portugal, I am responsible for submitting the report to the Banco de Portugal.

QATAR

Notifications

Securities Law Information. The options granted under the ESPP and any shares of Common Stock issued under the ESPP have not been offered, sold or delivered and will not be offered, sold or delivered, at any time, directly or indirectly in the State of Qatar in a manner that would constitute a public offering.

The Agreement, the ESPP and any other incidental communication materials distributed in connection with the ESPP have not been, and will not be, registered with or approved by the Qatar Financial Markets Authority or Qatar Central Bank and may not be publicly distributed. The Agreement, the ESPP and any other incidental communication materials distributed in connection with the ESPP are intended only for Eligible Employees and must not be provided to any other person. These materials are not for general circulation in the State of Qatar and may not be reproduced or used for any other purpose.

ROMANIA

Terms and Conditions

Language Consent. By participating in the ESPP, I acknowledge that I am proficient in reading and understanding English and fully understand the terms of the documents related to my participation (the ESPP and the Agreement), which were provided in the English language. I accept the terms of those documents accordingly.

Consimtamant cu privire la limba. Prin participarea la planul ESPP, confirm ca am un nivel adevarat de cunoastere in ce priveste citirea si intelegerea limbii engleze, am intelese pe deplin termenii documentelor referitoare la participarea mea (planul ESPP si Formularul de aderare/schimbare, inclusiv aceasta Anexa), care au fost furnizate in limba engleza. Accept termenii acestor documente in mod corespunzator.

Notifications

Exchange Control Information. If I deposit the proceeds from the sale of shares of Common Stock acquired under the ESPP into a bank account in Romania, I may be required to provide the Romanian bank with appropriate documentation explaining the source of the funds. I understand that I should consult with my personal legal advisor to determine whether I will be required to submit such documentation to the Romanian bank.

SAUDI ARABIA

Terms and Conditions

Purchase of Shares. I understand that no shares of Common Stock will be purchased on my behalf under the ESPP, provided the Company, in its sole discretion, determines that such purchase does not comply with securities law requirements in Saudi Arabia.

Notifications

Securities Law Information. The Agreement and related ESPP plan document may not be distributed in Saudi Arabia except to such persons as are permitted under the Offers of Securities and Continuous Obligations issued by the Capital Market Authority.

The Capital Market Authority does not make any representation as to the accuracy or completeness of the Agreement, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of the Agreement. I should conduct my own due diligence on the accuracy of the information relating to the shares of Common Stock. If I do not understand the contents of the Agreement, I should consult an authorized financial advisor.

SINGAPORE

Terms and Conditions

Restriction on Sale and Transferability of Shares. I understand and acknowledge that my option to purchase shares of Common Stock is subject to section 257 of the Singapore Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA") and I will not be able to make any subsequent sale of shares of Common Stock in Singapore, or any offer of the shares of Common Stock acquired under the ESPP unless such sale or offer in Singapore is made (i) more than six months from the date of offer, (ii) pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA, or (iii) pursuant to, and in accordance with the condition of, any other applicable provisions of the SFA.

Notifications

Securities Law Information. I understand that the option to purchase shares of Common Stock under the ESPP is being granted to me pursuant to the "Qualifying Person" exemption under section 273(1)(f) of the SFA. I further understand that the ESPP has not been lodged or registered as a prospectus with the Monetary Authority of Singapore.

Director Reporting Notice. If I am a director, associate director or shadow director of a Singapore Subsidiary or Affiliate, as such terms are used in the Singapore Companies Act (the "SCA"), I agree to comply with notification requirements under the SCA. Among these requirements is an obligation to notify the Singapore Subsidiary or Affiliate in writing when I receive an interest (e.g., shares of Common Stock) in the Company or any related companies (including when I sell shares acquired under the ESPP). In addition, I must notify the Singapore Subsidiary or Affiliate when I sell or receive shares of the Company or any related company (including when I sell or receive shares under the ESPP). These notifications must be made within two business days of acquiring or disposing of any interest in the Company or any related company. In addition, I acknowledge that a notification must be made of my interests in the Company or any related company within two business days of becoming a director.

SLOVAKIA

There are no country-specific provisions.

SLOVENIA

Terms and Conditions

Language Consent. By enrolling in the ESPP, I acknowledge that I am proficient in reading and understanding English and fully understand the terms of the documents related to the grant (the Agreement and the ESPP), which were provided in the English language. I accept the terms of those documents accordingly.

Soglasje za uporabo angleškega jezika. Z vpisom v ESPP (plan) priznavam in potrjujem, da sem sposoben brati in razumeti angleški jezik ter v celoti razumem pogoje dokumentov, povezanih z dodelitvijo (pogodba (Agreement) in ESPP (plan)), ki so bili posredovani v angleškem jeziku. Skladno s tem sprejemam pogoje teh dokumentov.

SOUTH AFRICA

Terms and Conditions

Responsibility for Taxes. The following provision supplements Section 4 of the Global Subscription Agreement:

By enrolling and participating in the ESPP, I agree that, immediately upon the purchase of shares of Common Stock, I will notify the Employer of the amount of any discount/gain realized. I understand that if I fail to advise the Employer of the gain realized upon purchase, I may be liable for a fine. I acknowledge that I am solely responsible for paying any difference between the actual tax liability and the amount withheld.

Tax Clearance Certificate for ESPP Participation. I understand that in order to participate in the ESPP, I may be required to obtain and provide to the Employer, or any third party designated by the Employer or the Company, a Tax Clearance Certificate (with respect to foreign investments – see Exchange Control Information below) bearing the official stamp and signature of the Exchange Control Department of the South African Revenue Service ("SARS") and I must renew this Tax Clearance Certificate each year or such other period as may be required by the SARS. I acknowledge that my failure to provide a valid Tax Clearance Certificate by the deadline provided by the Employer or the Company may result in my withdrawal from participation in the ESPP.

Notifications

Securities Law Information. The documents listed below are available for my review on the Company's website at <https://investors.paloaltonetworks.com> and the Company's intranet:

1. The Company's most recent annual financial statements; and
2. The Company's most recent ESPP prospectus.

A copy of the above documents will be sent to me free of charge on written request to equity@paloaltonetworks.com.

I should carefully read the materials provided before making a decision whether to participate in the ESPP. In addition, I should contact my tax advisor for specific information concerning my personal tax situation with regard to ESPP participation.

Exchange Control Information. Under current South African exchange control policy, South African residents may invest a maximum of a certain threshold (currently ZAR 11 million) per annum in offshore investments, including in shares of Common Stock. The ZAR 11 million allowance consists of a ZAR 1 million annual discretionary allowance which may be utilized for investment and non-investment purposes and without prior authorization, and a ZAR 10 million

annual allowance which may be utilized solely for investment purposes and requires a tax clearance certificate. These limits do not apply to non-resident Participants.

It is my responsibility to ensure that I do not exceed the combined limit. This limit is a cumulative allowance; therefore, my ability to remit funds for the purchase of Common Stock will be reduced if my foreign investment limit is utilized to make a transfer of funds offshore that is unrelated to the ESPP. If the ZAR 11 million limit will be exceeded as a result of a purchase under the ESPP, I may still participate in the ESPP; however, I will need to immediately sell the shares of Common Stock purchased on my behalf under the ESPP and repatriate the proceeds to South Africa in order to ensure that I do not hold assets outside South Africa with a value in excess of the permitted offshore investment allowance amount.

As the investment limit and other exchange control requirements are subject to change without notice, I should consult my personal legal advisor prior to the purchase or sale of shares of Common Stock under the ESPP to ensure compliance with current regulations. I am solely responsible for complying with exchange control requirements in South Africa and neither the Company nor any Subsidiary or Affiliate will be liable for any fines or penalties resulting from my failure to do so.

SPAIN

Terms and Conditions

Nature of Grant. This provision supplements Section 5 of the Global Subscription Agreement:

By enrolling in the ESPP, I consent to participation in the ESPP and acknowledge that I have received a copy of the ESPP.

I understand and agree that I will cease to be a Participant in the ESPP upon the termination of my status as an Eligible Employee for any reason (including for the reasons listed below) and my payroll deductions shall cease and be returned to me, without interest, as soon as administratively possible.

In particular, I understand and agree that I will no longer be able to participate in the ESPP and any right to the shares of Common Stock will be forfeited upon the termination of my status as an Eligible Employee due to, but not limited to: resignation, retirement, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without cause, individual or collective layoff on objective grounds, whether adjudged to be with cause or adjudged or recognized to be without cause, material modification of the terms of employment under Article 41 of the Workers' Statute, relocation under Article 40 of the Workers' Statute, Article 50 of the Workers' Statute, unilateral withdrawal by the Employer, and under Article 10.3 of Royal Decree 1382/1985.

Furthermore, I understand that the Company has unilaterally, gratuitously and discretionally decided to grant options to purchase shares of Common Stock under the ESPP to individuals who may be Eligible Employees. The decision is a limited decision that is entered into upon the express assumption and condition that (i) any grant will not economically or otherwise bind the Company

or any Subsidiary or Affiliate on an ongoing basis; (ii) the option and any shares of Common Stock purchased under the ESPP are not part of any employment contract either with the Company or any Subsidiary or Affiliate and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever; and (iii) my participation in the ESPP will cease upon the termination of my status as an Eligible Employee, as detailed above. In addition, I understand that the option to purchase shares of Common Stock would not be granted to me but for the assumptions and conditions referred to herein; thus, I acknowledge and freely accept that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then the grant of the option to purchase shares of Common Stock shall be null and void.

Notifications

Securities Law Information. No "offer of securities to the public," as defined under Spanish law, has taken place or will take place in the Spanish territory in connection with the ESPP or the shares of Common Stock acquired pursuant thereto.

The Agreement (including this Appendix) has not been nor will it be registered with the *Comisión Nacional del Mercado de Valores*, and does not constitute a public offering prospectus.

Exchange Control Information. When receiving foreign currency payments exceeding €50,000 derived from the ownership of any shares of Common Stock (i.e., dividends or sale proceeds), I acknowledge that I must inform the financial institution receiving the payment of the basis upon which such payment is made. I will need to provide the institution with the following information: (i) my name, address, and tax identification number; (ii) the name and corporate domicile of the Company; (iii) the amount of the payment and the currency used; (iv) the country of origin; (v) the reasons for the payment; and (vi) further information that may be required.

I am required to declare electronically to the Bank of Spain any securities accounts (including brokerage accounts held abroad), as well as the shares held in such accounts if the value of the transactions for all such accounts during the prior tax year or the balances in such accounts as of December 31 of the prior tax year exceed a certain threshold (currently €1,000,000). Different thresholds and deadlines to file this declaration apply. However, if neither such transactions during the immediately preceding year nor the balances / positions as of December 31 exceed a certain threshold (currently €1,000,000), no such declaration must be filed unless expressly required by the Bank of Spain. If any of such thresholds were exceeded during the current year, I may be required to file the relevant declaration corresponding to the prior year, however, a summarized form of declaration may be available. I should consult my personal tax or legal advisor for further information regarding these exchange control reporting obligations.

SWEDEN

Responsibility for Taxes. The following provisions supplement Section 4 of the Global Subscription Agreement:

Without limiting the Company and the Employer's authority to satisfy their withholding obligations for Tax-Related Items as set forth in Section 4 of the Global Subscription Agreement, by participating in the ESPP, I authorize the Company and/or the Employer to withhold or to sell

shares of Common Stock otherwise deliverable to me upon purchase in order to satisfy Tax-Related Items, regardless of whether the Company and/or the Employer has an obligation to withhold such Tax-Related Items.

SWITZERLAND

Notifications

Securities Law Information. Neither this document nor any other materials relating to participation in the ESPP (i) constitutes a prospectus according to articles 35 et seq. of the Swiss Federal Act on Financial Services ("FinSA"), (ii) may be publicly distributed or otherwise made publicly available in Switzerland to any person other than an Eligible Employee, or (iii) has been or will be filed with, approved or supervised by any Swiss reviewing body according to article 51 FinSA or any Swiss regulatory authority, including the Swiss Financial Market Supervisory Authority.

TAIWAN

Terms and Conditions

Data Privacy. I hereby acknowledge that I have read and understand the terms regarding the collection, processing and transfer of Data contained in the Data Privacy Provisions above in this Appendix and, by enrolling and participating in the ESPP, I agree to such terms. In this regard, upon request of the Company or the Employer, I agree to provide any executed data privacy consent form (or any other agreements or consents that may be required by the Employer or the Company) should the Company and/or the Employer deem such agreement or consent necessary under applicable data privacy laws, either now or in the future. I understand I will not be able to participate in the ESPP if I fail to execute any such consent or agreement.

Notifications

Securities Law Information. The offer to participate in the ESPP and the shares of Common Stock to be purchased under the ESPP are available only for Eligible Employees. It is not a public offer of securities by a Taiwanese company. Therefore, it is exempt from registration in Taiwan.

Exchange Control Information. I may acquire and remit foreign currency (including proceeds from the sale of shares of Common Stock and the receipt of any dividends paid on such shares) into and out of Taiwan up to a certain threshold (currently US\$5,000,000) per year. If the transaction amount equals or exceeds a certain threshold (currently TWD500,000) in a single transaction, I must submit a Foreign Exchange Transaction Form and also provide supporting documentation to the satisfaction of the remitting bank.

THAILAND

Terms and Conditions

Authorization for Participation in the ESPP. I hereby authorize the Employer, the Company and any Subsidiary or Affiliate to remit my accumulated payroll deductions under the ESPP, on my behalf, to the United States of America, to purchase shares of Common Stock under the ESPP.

Upon request of the Company or the Employer, I agree to execute a power of attorney and any other agreements or consents that may be required to enable the Employer, the Company or any Subsidiary or Affiliate or any third party designated by the Employer or the Company to remit my accumulated payroll deductions from Thailand for the purchase of shares of Common Stock. I understand that if I fail to execute a power of attorney or any other form of agreement or consent that is required for the remittance of my payroll deductions, I will not be able to participate in the ESPP.

Notifications

Exchange Control Information. I acknowledge that I am required to immediately repatriate the proceeds from the sale of shares of Common Stock to Thailand if the funds received in a single transaction equal or exceed a certain threshold (currently US\$1,000,000), unless I can rely on an applicable exemption (e.g., where the funds will be used offshore for any permissible purposes under exchange control regulations and the relevant form and supporting documents have been submitted to a commercial bank in Thailand). Any foreign currency repatriated to Thailand must either be converted to Thai Baht or deposited into a foreign currency deposit account within 360 days of repatriation. I must specifically report the inward remittance to the Bank of Thailand on a foreign exchange transaction form. If I fail to comply with these obligations, I may be subject to penalties assessed by the Bank of Thailand. I acknowledge that I should consult my personal legal advisor prior to taking any action with respect to remittance of proceeds from the sale of shares of Common Stock into Thailand. I am responsible for ensuring compliance with all exchange control laws in Thailand.

TÜRKİYE

Notifications

Securities Law Information. By electing to participate in the ESPP, I understand and agree that I am not permitted to sell any shares of Common Stock acquired under the ESPP in Türkiye. The shares of Common Stock are currently traded on the Nasdaq Stock Market, which is located outside of Türkiye, under the ticker symbol “PANW” and the shares may be sold through this exchange.

Financial Intermediary Information. Activity by Turkish residents related to investments in foreign securities (e.g., the sale of shares of Common Stock under the ESPP) must be conducted through a bank or financial intermediary institution licensed by the Turkish Capital Markets Board and should be reported to the Turkish Capital Markets Board. I understand that I am solely

responsible for complying with this requirement and I should contact my personal legal advisor for further information regarding my obligations in this respect.

UNITED ARAB EMIRATES

Terms and Conditions

Nature of Grant. The following provision supplements Section 5 of the Global Subscription Agreement:

I acknowledge that the ESPP and related benefits do not constitute a component of my “wages” for any legal purpose. Therefore, the ESPP and related benefits will not be included and/or considered for purposes of calculating any and all labor benefits, such as social insurance contributions and/or any other labor-related amounts which will be payable.

Notifications

Securities Law Information. Participation in the ESPP is being offered only to selected employees and is in the nature of providing equity incentives to Eligible Employees in the United Arab Emirates. The ESPP and the Agreement are intended for distribution only to such employees and must not be delivered to, or relied on by, any other person. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If I do not understand the contents of the ESPP or the Agreement, I understand that I should consult an authorized financial adviser. The Emirates Securities and Commodities Authority has no responsibility for reviewing or verifying any documents in connection with the ESPP, and neither the Ministry of Economy nor the Dubai Department of Economic Development have approved the ESPP or the Agreement nor taken any steps to verify the information set out therein and have no responsibility for such documents.

UNITED KINGDOM

Terms and Conditions

Joint Election. As a condition of my participation in the ESPP, I agree to accept any liability for secondary Class 1 NICs ("Employer NICs") which may be payable by the Company or the Employer with respect to the purchase of the shares of Common Stock or otherwise payable in connection with my participation in the ESPP. Without prejudice to the foregoing, I agree to enter into the joint election with the Company and/or the Employer attached hereto as Exhibit D (the "Election"), the form of such Election being formally approved by HM Revenue and Customs ("HMRC"), and any other consent or elections required to accomplish the transfer of the Employer NICs to me. I further agree to execute such other joint elections as may be required between me and any successor to the Company and/or the Employer. I agree to enter into an Election prior to any event giving rise to Employer NICs. I further agree that the Company and/or the Employer may collect the Employer NICs by any of the means set forth in Section 4 of the Global Subscription Agreement or the Election.

If I do not enter into an Election prior to the purchase of shares of Common Stock, I will not be entitled to purchase shares unless and until I enter into an Election, without any liability to the Company, the Employer or any other Subsidiary or Affiliate.

Responsibility for Taxes. The following supplements Section 4 of the Global Subscription Agreement:

Without limitation to Section 4 of the Global Subscription Agreement, I agree that I am liable for all Tax-Related Items and hereby covenant to pay all such Tax-Related Items as and when requested by the Company or the Employer or by HMRC (or any other tax authority or any other relevant authority). I also agree to indemnify and keep indemnified the Company and the Employer against any Tax-Related Items that they are required to pay or withhold or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on my behalf.

Notwithstanding the foregoing, if I am a director or executive officer of the Company (within the meaning of Section 13(k) of the Exchange Act), I may not be able to indemnify the Company or the Employer for the amount of any income tax not collected from or paid by me, as it may be considered a loan. In this case, the amount of any income tax not collected may constitute an additional benefit to me on which additional income tax and NICs may be payable. I understand that I will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying the Company and/or Employer for the value of any employee NICs due on this additional benefit, which may be collected from me by the Company or the Employer by any of the means referred to in Section 4 of the Global Subscription Agreement.

Notifications

Securities Law Information. The Company has prepared and made available an Information Document in reliance on an exemption from prospectus requirements that may otherwise apply to the offer of the ESPP in the United Kingdom. The Information Document is attached hereto as Exhibit C.

EXHIBIT C

2012 Employee Stock Purchase Plan

Information Document

Important Information for Eligible Employees in the European Union (EU) / European Economic Area (EEA) and the United Kingdom

Introduction

Palo Alto Networks, Inc. (the “**Company**” or the “**Issuer**”) offers to its non-U.S. eligible employees (including employees in the EU/EEA and the United Kingdom) the opportunity to purchase shares of common stock, par value USD \$0.0001 (the “**Shares**”), under the 2012 Employee Stock Purchase Plan, as amended and restated (the “**Plan**”), at a discounted purchase price through contributions that are made by payroll deductions. This information document provides information about the number and nature of the securities and the reasons for and details of the offer or allotment. To that end, this information document describes the Issuer, the Plan, the grant of purchase rights under the Plan and the Shares to be purchased.

Exemption from the EU Prospectus Regulation

To the extent offers of shares under the Plan are offers of securities to the public in the EU/EEA and the United Kingdom, the Issuer can claim an exemption from the obligation to publish a prospectus which meets the requirements set forth in Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the “**Prospectus Regulation**”) and the United Kingdom Prospectus Regulation Rules (“**PRR**”), respectively. Article 1(4)(i) of the Prospectus Regulation and Rule 1.2.3(4)(i) of the PRR exempt issuers from the obligation to publish a prospectus if the securities are offered to existing or former directors or employees by their employer or by an affiliated undertaking provided that the present document is made available to the eligible employees (the “**Exemption**”). The Exemption has been incorporated into United Kingdom domestic law in Rule 1.2.3 of the United Kingdom Prospectus Rules contained in the Financial Conduct Authority’s Handbook. Accordingly, in reliance on the Exemption, for offers under the Plan made after this information document is made available to eligible employees, the Issuer has not prepared or filed a prospectus with any competent regulatory authority in the EU/EEA or the United Kingdom in relation to offers made under the Plan, and no such prospectus has been approved and/or published in the EU/EEA or the United Kingdom.

This document does not constitute a prospectus. Instead, this document contains the information that the Company must make available to employees in the EU/EEA and the United Kingdom in order to comply with the Exemption.

Information about the Issuer

The Issuer is Palo Alto Networks, Inc., a U.S. publicly-traded corporation which has listed its Shares on the Nasdaq stock exchange (“**Nasdaq**”) under the ticker symbol “PANW.” The International Securities Identification Number (the “**ISIN**”) for the Shares is US6974351057. The U.S. security identification number (the “**CUSIP number**”) for the Shares is 697435105.

The Issuer’s address is 3000 Tannery Way, Santa Clara, California 95054, U.S.A.

Additional information about the Issuer, as well as the current trading price of the Shares and the total number of Shares that are issued and outstanding, can be found on its website at <https://investors.paloaltonetworks.com>. Filings made by the Company with the U.S. Securities and Exchange Commission (“**SEC**”) are available on its website at www.sec.gov. You also can access these filings through the Investor Relations section of the Company’s website, or you can request copies of the filings by contacting the Company’s Investor Relations Department at:

Palo Alto Networks, Inc.
3000 Tannery Way, Santa Clara, California 95054, U.S.A.
<https://investors.paloaltonetworks.com>
(408) 753-4000

Reasons for the Offer

The purpose of the Plan is to provide eligible employees of the Company and subsidiaries or affiliates of the Company that have been designated by the Administrator (as defined below) as eligible to participate in the Plan (“**Designated Companies**”) with an opportunity to purchase Shares through accumulated contributions. The Company intends for the Plan to have two components: a component that is intended to qualify as an “employee stock purchase plan” under Section 423 of the U.S. Internal Revenue Code of 1986 (the “**423 Component**”) and a component that is not intended to qualify as such (the “**Non-423 Component**”).

Details of the Offer

The Plan is offered on a wholly discretionary basis. The Plan is administered by the Company's Board of Directors (" **Board**"), or a committee appointed by the Board (the "**Administrator**"). The Administrator will have full and exclusive discretionary authority to construe, interpret and apply the terms of the Plan, to designate separate offerings under the Plan, to designate subsidiaries and affiliates of the Company as participating in the 423 Component or Non-423 Component, to determine eligibility, to adjudicate all disputed claims filed under the Plan and to establish such procedures that it deems necessary for the administration of the Plan.

Eligibility

Generally, all individuals who are common law employees of the Company or a Designated Company and are customarily employed for at least twenty hours per week and more than five months in any calendar year are eligible to participate in the Plan. However, the Administrator also may determine (subject to the terms of the Plan) that certain individuals will or will not be eligible to participate in the Plan if they have not completed at least two years of service since their last hire date (or such lesser period of time as may be determined by the Administrator in its discretion), or they customarily work no more than twenty hours per week or five months per calendar year (or such lesser period of time as may be determined by the Administrator in its discretion) as required under applicable local law .

Time Frame of the Offer and Enrollment

Each "**Offering Period**" under the Plan is approximately twenty-four months in duration, commencing on the first trading day on or after February 28 and August 31 of each year and ending on the first trading day on or after February 28 and August 31, approximately twenty-four months later. Each Offering Period consists of four six-month "**Purchase Periods**" during which your payroll deductions or other contributions are accumulated under the Plan.

If you are eligible to participate in the Plan, you may become a participant by submitting to the Company's stock administration office (or its designee), on or before a date determined by the Administrator prior to the applicable enrollment date for the Offering Period, a properly completed subscription agreement authorizing Contributions (as defined below) in the form provided by the Administrator for such purpose, or following an electronic or other enrollment procedure determined by the Administrator.

Once you become a participant in the Plan, you will automatically participate in each succeeding Offering Period unless you either withdraw from the Plan or you cease to be an eligible employee. You are not required to complete any additional subscription agreement, form or procedure in order to continue participation in the Plan, unless requested by the Administrator for legal or administrative reasons.

Minimum and Maximum Amount of Contributions

You may contribute through contributions (in the form of payroll deductions or otherwise, to the extent permitted by the Administrator) (" **Contributions**") an amount not exceeding fifteen percent (15%) of your eligible Compensation (as defined below) toward the purchase of Shares under the Plan, subject to the terms of the Plan. The payroll deductions will commence on the first payday following the first trading day of the Offering Period and will continue until the first trading day on or after February 28 and August 31 of each Purchase Period (the "**Exercise Date**") unless sooner altered or terminated as provided in the Plan. Contributions may be made in whole percentages only.

For purposes of the Plan, your "**Compensation**" includes base straight time gross earnings, payments for overtime and shift premium, but excludes payments for commissions, incentive compensation, bonuses and other similar compensation. The Administrator, in its discretion, may, on a uniform and nondiscriminatory basis, establish a different definition of Compensation for a subsequent Offering Period.

Unless otherwise determined by the Administrator, during a Purchase Period, you may not increase the rate of your Contributions and may only decrease the rate of your Contributions one time per Purchase Period. Any such decrease during a Purchase Period requires you to properly complete and submit to the Company's stock administration office (or another Company designee), on or before a date determined by the Administrator prior to an applicable Exercise Date, a new subscription agreement authorizing the change in Contribution rate or follow an electronic or other procedure prescribed by the Administrator.

Details of the Price

The purchase price is eighty-five percent (85%) of (i) the fair market value of the Shares on the first trading day of the Offering Period or (ii) the fair market value of the Shares on the applicable Exercise Date, whichever is lower. The fair market value is generally the closing price of a Share on the Nasdaq on the Exercise Date.

Nature of the Offer

On each Exercise Date, so long as the Plan remains in effect and provided that you have not withdrawn from the Offering Period in accordance with the requirements of the Plan, the Company shall apply the funds then in your account to the purchase of whole Shares. Any Contributions accumulated in your account which are not sufficient to purchase a full Share will be promptly refunded to you promptly following an Exercise Date.

Number and Nature of the Securities Offered

The maximum number of Shares initially reserved for issuance under the Plan was 6,000,000 Shares. However, the number of Shares available for issuance under the Plan is increased on an annual basis in accordance with the terms of the Plan.

Delivery

As soon as reasonably practicable after each Exercise Date, the Company will arrange the delivery to each participant of the Shares purchased upon exercise of his or her purchase right in a form determined by the Administrator (in its sole discretion) and pursuant to rules established by the Administrator. The Company may permit or require that Shares be deposited directly with a broker designated by the Company or to a designated agent of the Company, and the Company may utilize electronic or automated methods of share transfer. The Company may require that Shares be retained with such broker or agent for a designated period of time and/or may establish other procedures to permit tracking of dispositions of such Shares.

Commission

The Company has selected a broker to administer the issuance of Shares under the Plan (currently E*TRADE Corporate Financial Services, Inc.) (the "Broker"). At the time of enrollment, you were or will be asked to open an account with the Broker. You will not have to pay a fee for opening an account with the Broker for the management of your account or for the purchase of Shares. You are responsible for all the commissions and fees related to any sale or transfer of the Shares from the account with the Broker. In addition, the SEC applies a fee to most securities transactions at a rate determined by the SEC. Such commissions and fees are subject to change at any time.

Termination of Participation in the Plan

You may withdraw from the Plan at least one (1) business day prior to an Exercise Date by submitting to the Company's stock administration office (or its designee) a written notice of withdrawal in the form determined by the Administrator for such purpose, or following an electronic or other withdrawal procedure determined by the Administrator. Upon withdrawal from the Plan, all of your accumulated payroll deductions will be returned to you, without interest (unless otherwise required by applicable law), promptly after receipt of notice of withdrawal, and your purchase right for the Offering Period will be automatically terminated, and no further Contributions for the purchase of Shares will be made for such Offering Period.

If you voluntarily withdraw from the Plan, you may not resume participation in the Plan during the same Offering Period. However, you may participate in any Offering Period under the Plan which begins on a date after such withdrawal by completing a subscription agreement in the same manner as described in the Plan for initial participation in the Plan.

Termination of Employment

If you cease to be an eligible employee, for any reason, you will be deemed to have elected to withdraw from the Plan and the Contributions credited to your account during the Offering Period but not yet used to purchase Shares under the Plan will be returned to you without interest (unless otherwise required by applicable law), and your purchase right will be automatically terminated.

Non-transferability of Purchase Rights

Neither Contributions credited to your account nor any rights with regard to the exercise of a purchase right or to receive Shares under the Plan may be assigned, transferred, pledged or otherwise disposed of in any way (other than by will or the laws of descent and distribution). Any such attempt at assignment, transfer, pledge or other disposition will be without effect, except that the Company may treat such act as an election to withdraw funds from an Offering Period in accordance with the Plan.

Restriction on Shares and Transferability

The Shares in this offering under the Plan are registered on a registration statement on Form S-8 with the SEC and are generally freely transferable (subject however to any transferability restrictions resulting from applicable insider trading laws and the Company's insider trading policy).

The Plan is intended to provide Shares for investment and not for resale. The Company does not, however, intend to restrict or influence any participant in the conduct of his or her own affairs. Therefore, you may sell Shares purchased under the Plan at any time you choose, subject to compliance with any applicable securities laws. You assume the risk of any market or currency fluctuations in the price of the Shares. Moreover, you should be aware of the risks of investing in Shares as described, in particular, in the "Risk Factors" section of certain of the Company's SEC filings.

Termination, Suspension, or Amendment of the Plan

The Administrator, in its sole discretion, may amend, suspend, or terminate the Plan, or any part thereof, at any time and for any reason. If the Plan is terminated, the Administrator, in its discretion, may elect to terminate all outstanding Offering Periods either immediately or upon completion of the purchase of Shares on the next Exercise Date (which may be sooner than originally scheduled, if determined by the Administrator in its discretion), or may elect to permit Offering Periods to expire in accordance with their terms (and subject to any adjustment pursuant to the Plan).

If the Offering Periods are terminated prior to expiration, all amounts then credited to participants' accounts that have not been used to purchase Shares will be returned to participants without interest (unless otherwise required by applicable laws) as soon as administratively practicable.

Information on the Shares and Rights Attached to the Shares

The Shares acquired under the Plan are shares of the Company's common stock, which will allow a shareholder to participate in:

- *Dividends* – If and when declared payable by the Company as authorized in its bylaws.
- *Voting* – A shareholder will be entitled to vote at the Company's shareholder meetings where each of the Shares will count for one vote.
- *Information Reporting* – A shareholder will have the right to receive certain information from the Company such as the Company's annual report to shareholders and annual proxy statement. The Company can make such information available for its shareholders at its office and/or via its website.

- *Liquidation Proceeds* – In the event of liquidation, dissolution or winding up of the Company, the holders of Shares are entitled to share ratably in all assets remaining after payment of or provisions for the Company's liabilities, subject to prior rights or preferred stock, if any, then outstanding.
- *No Preemptive, Redemptive or Conversion Provisions* – The Shares are not entitled to preemptive rights and are not subject to conversion or redemption.

With respect to Shares subject to the purchase right under the Plan, you will not be deemed a shareholder with the above rights until the Shares have been purchased and delivered to you.

The Company may issue other classes of shares and/or securities which are not part of this offer and the Plan.

Note that the Company may, at any time, but subject to the passing of a shareholder vote, amend its Bylaws and/or Certificate of Incorporation in a way that impacts the rights of holders of the Shares. These documents can be found on the Company's website at <https://investors.paloaltonetworks.com>.

Additional Information about the Plan

Additional information about the Plan can be found in your participant account on the website of the Broker (or any successor to the Broker). Requests for information about the Plan also can be directed to equity@paloaltonetworks.com.

* * * * *

IMPORTANT NOTE

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding whether or not you decide to participate in the Plan. You should consult with your personal tax, legal and financial advisors regarding whether to participate in the Plan before taking any action related to the Plan. Further, depending upon where the Shares are listed, the country of your residence and/or the country in which your broker resides, you may be subject to insider trading restrictions and/or market abuse laws that may affect your ability to accept, acquire, sell or otherwise dispose of Shares, rights to Shares (e.g., purchase rights) or rights linked to the value of Shares during such times you are considered to have "inside information" regarding the Company as defined by the laws or regulations in your country. Local insider trading laws and regulations also may prohibit the cancellation or amendment of orders you place before you possessed inside information. Furthermore, you could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Third parties may include fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. Please note that it is your personal responsibility to comply with any applicable requirements or restrictions, and you should consult with your personal legal advisor to determine your personal obligations and duties.

EXHIBIT D

PALO ALTO NETWORKS, INC.

2012 EMPLOYEE STOCK PURCHASE PLAN

**Important Note on the Form of Election to Transfer the
Employer's Secondary Class 1 National Insurance Liability to the Participant**

As a condition of participation in the Palo Alto Networks, Inc. 2012 Employee Stock Purchase Plan (the **ESPP**) and the option to purchase shares of Palo Alto Networks, Inc. (the **Company**) that may be granted to you by the Company, you are required to enter into a joint election to transfer to you any liability for the employer's secondary Class 1 National Insurance Contributions (the **Employer's Liability**) that may arise on the occurrence of a taxable event in respect of the option to purchase shares under the ESPP (the **Joint Election**).

By entering into the Joint Election:

- you agree that any Employer's Liability that may arise in connection with or pursuant to the option to purchase shares (and the acquisition of the Company's shares) or other taxable events in connection with the option to purchase shares will be transferred to you; and
- you authorise the Company and/or your employer to recover an amount sufficient to cover this liability by any method set forth in the Global Subscription Agreement and/or the Joint Election.

Please read the terms of the Joint Election carefully before agreeing to enroll in the ESPP.

You understand that by providing your electronic signature and thereby enrolling in the ESPP, you are agreeing to be bound by the terms of the Joint Election.

PALO ALTO NETWORKS, INC.
2012 EMPLOYEE STOCK PURCHASE PLAN
FORM OF ELECTION TO TRANSFER THE EMPLOYER'S SECONDARY
CLASS 1 NATIONAL INSURANCE LIABILITY TO THE PARTICIPANT

1. Parties

This Election is between:

- a. The individual who has obtained authorized access to this Election (the **Participant**), who is employed by one of the UK companies listed on the Schedule attached hereto (the **Employer**) and who is eligible to receive options to purchase shares of common stock of Palo Alto Networks, Inc. pursuant to the terms and conditions of the Palo Alto Networks, Inc. 2012 Employee Stock Purchase Plan (the **ESPP**), and
- b. **Palo Alto Networks, Inc.** (the **Company**), whose registered office is at 3000 Tannery Way, Santa Clara, CA 95054, U.S.A., which is entering into this Election on behalf of the Employer.

2. Purpose of Election

- a. This Election relates to the Employer's secondary Class 1 National Insurance Contributions (the **Employer's Liability**) that may arise on the occurrence of a "Taxable Event" in respect of the options to purchase shares of the Company granted under the ESPP (**Options**) pursuant to section 4(4)(a) and/or paragraph 3B(1A) of Schedule 1 of the Social Security Contributions and Benefits Act 1992 (**SCCBA**), including, without limitation:
 - (i) the acquisition of securities pursuant to the Options (within section 477(3)(a) ITEPA); and/or
 - (ii) the assignment or release of the Options in return for consideration (within section 477(3)(b) ITEPA); and/or
 - (iii) the receipt of a benefit in connection with the Options other than a benefit within (i) or (ii) above (within section 477(3)(c) ITEPA); and/or
 - (iv) post-acquisition charges relating to the shares acquired pursuant to the ESPP (within section 427 of ITEPA); and/or
 - (v) post-acquisition charges relating to the shares acquired pursuant to the ESPP rights (within section 439 of the ITEPA).

In this Election, ITEPA means the Income Tax (Earnings and Pensions) Act 2003.

- b. This Election is made in accordance with paragraph 3B(1) of Schedule 1 to SCCBA.
- c. This Election applies to all Options granted under the ESPP up to the termination date of the ESPP.
- d. This Election does not apply in relation to any liability, or any part of any liability, arising as a result of regulations being given retrospective effect by virtue of section 4B(2) of either the SCCBA, or the Social Security Contributions and Benefits (Northern Ireland) Act 1992.
- e. This Election will not apply to the extent that it relates to relevant employment income, which is employment income of the earner by virtue of Chapter 3A of Part 7 of ITEPA (employment income: securities with artificially depressed market value).

3. The Election

The Participant and the Company jointly elect that the entire liability of the Employer to pay the Employer's Liability on the Taxable Event is hereby transferred to the Participant. The Participant understands that, by signing or electronically accepting this Election, he or she will become personally liable for the Employer's Liability covered by this Election.

4. Payment of the Employer's Liability

- a. The Participant and the Company acknowledge that the Employer is under a duty to remit the Employer's Liability to HM Revenue & Customs on behalf of the Participant within fourteen (14) days after the end of the

U.K. tax month during which the Taxable Event occurs (or within seventeen (17) days of the end of the U.K. tax month during which the Taxable Event occurs, if payments are made electronically), or such other period of time as may be prescribed. The Participant agrees to pay to the Employer the amount of the Employer's Liability on demand, at any time on or after the Taxable Event, and hereby authorises the Employer to account for the Employer's Liability to HM Revenue & Customs.

- b. Without limitation to Clause 4.1 above, the Participant hereby authorises the Company and/or the Employer to collect the Employer's Liability from the Participant at any time after the Taxable Event:
 - (i) by deduction from salary or any other payment payable to the Participant at any time on or after the date of the Taxable Event; and/or
 - (ii) directly from the Participant by payment in cash or cleared funds; and/or
 - (iii) by arranging, on behalf of the Participant, for the sale of some of the securities which the Participant is entitled to receive pursuant to the Options; and/or
 - (iv) where the proceeds of the gain are to be paid through a third party, the Participant will authorize that party to withhold an amount from the payment or to sell some of the securities which the Participant is entitled to receive pursuant to the Options; and/or
 - (v) through any other method as set forth in the relevant award agreement entered into between the Participant and the Company.

- c. The Company hereby reserves for itself and the Employer the right to withhold the transfer of any securities to the Participant in respect of the ESPP until full payment of the Employer's Liability is received.

5. Duration of Election

- a. The Participant and the Company agree to be bound by the terms of this Election regardless of whether the Participant is transferred, is abroad, or no longer renders services to the Employer on the date on which the Employer's Liability becomes due.
- b. Any reference to the Company and/or the Employer shall include that entity's successors in title and assigns as permitted in accordance with the terms of the Plan and relevant award agreement. This Election will continue in effect in respect of any awards which replace the Options in circumstances where section 483 of ITEPA applies.
- c. This Election will continue in effect until the earliest of the following:
 - (i) the date on which both the Participant and the Company agree in writing that it should cease to have effect;
 - (ii) the date on which the Company serves written notice on the Participant terminating its effect;
 - (iii) the date on which HM Revenue & Customs withdraws approval of this Election; or
 - (iv) the date on which, after due payment of the Employer's Liability in respect of the entirety of the Options to which this Election relates or could relate, this Election ceases to have effect according to its own terms.

Acceptance by the Participant

By providing your electronic signature and enrolling in the ESPP, the Participant agrees to be bound by the terms hereof as stated above.

Acceptance by the Company

The Company acknowledges that, by arranging for the scanned signature of an authorized representative to appear on this Election, the Company agrees to be bound by the terms hereof as stated above.

Signed for and on behalf of **Palo Alto Networks, Inc.**

Vice President & General Counsel

Schedule of Employer Companies

The employing companies to which this Election relates are:

NAME:

Palo Alto Networks (UK) Limited

Registered number: 06851390

Registered Office:	22 Bishopsgate, Level 55, London, EC2N 4BQ, England
Corporation Tax District:	District 623
Corporation Tax Reference:	14747 26068
PAYE Tax District:	120 – North East Metropolitan
PAYE Reference:	120/PH00260439

NAME:

Palo Alto Networks FS International Limited

Registered number: 13789823

Registered Office:	22 Bishopsgate, Level 55, London, EC2N 4BQ, England
Corporation Tax District:	District 623
Corporation Tax Reference:	26559 18447
PAYE Tax District:	120 – North East Metropolitan
PAYE Reference:	120/TE66757

AMENDMENT NO. 1

This AMENDMENT NO. 1 (this "**Agreement**"), dated as of November 22, 2024, is made by and among Palo Alto Networks, Inc., a Delaware corporation (the "**Borrower**"), Wells Fargo Bank, National Association, as Administrative Agent under the Existing Credit Agreement (as defined below) (the "**Administrative Agent**"), and each of the Lenders party hereto.

PRELIMINARY STATEMENTS:

(1) The Borrower, the lenders party thereto from time to time and the Administrative Agent are party to that certain Credit Agreement, dated as of April 13, 2023 (as amended, restated, amended and restated, supplemented, waived or otherwise modified from time to time prior to the date hereof, the "**Existing Credit Agreement**").

(2) The Borrower has requested, and the Lenders party hereto constituting the Required Lenders have agreed, that the Existing Credit Agreement be amended as hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and subject to the conditions set forth herein, the parties hereto hereby agree as follows:

AGREEMENT:

SECTION 1. Defined Terms. Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Amended Credit Agreement (as defined below).

SECTION 2. Amendment of the Existing Credit Agreement. Effective on and as of the Amendment Effective Date (as defined below):

(a) the Existing Credit Agreement and Schedule 1.01(b) thereto are hereby amended in accordance with Section 9.02 of the Existing Credit Agreement to delete the bold, stricken text therein (indicated textually in the same manner as the following example: **stricken text**) and to add the bold, double-underlined text therein (indicated textually in the same manner as the following example: **double-underlined text**) as set forth in Exhibit A hereto (the Existing Credit Agreement, as so amended, the "**Amended Credit Agreement**").

SECTION 3. Representations of the Borrower. The Borrower hereby represents and warrants to the Lenders party hereto and the Administrative Agent as of the Amendment Effective Date that (a) this Agreement has been duly authorized, executed and delivered by the Borrower and constitutes a legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law, (b) no Event of Default or Default has occurred and is continuing and (c) the representations and warranties set forth in the Loan Documents are true and correct in all material respects as of the Amendment Effective Date, in each case, with the same effect as though made on and as of the Amendment Effective Date, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties shall be true and correct in all material respects as of such earlier date) and except to the extent such representations and warranties are qualified by materiality (in which case such representations and warranties shall be true and correct in all respects).

SECTION 4. Conditions to Effectiveness of this Agreement. The effectiveness of this Agreement is subject to the satisfaction (or waiver by the Lenders party hereto) of the following conditions (the date of such satisfaction or waiver of all such conditions, the "**Amendment Effective Date**"):

(a) The Administrative Agent (or its counsel) shall have received (i) from each Lender party hereto (which shall constitute at least the Required Lenders under the Existing Credit Agreement) and (ii) from the Borrower, either (x) a counterpart of this Agreement signed on behalf of such party or (y) written evidence reasonably satisfactory to the Administrative Agent (which may include delivery of a signed signature page of this Agreement by facsimile or other means of electronic transmission (e.g., "pdf")) that such party has signed a counterpart of this Agreement.

(b) The Administrative Agent shall have received, to the extent invoiced at least three Business Days prior to the Amendment Effective Date, reimbursement or payment of all reasonable and documented out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder or under any Loan Document on or prior to the Amendment Effective Date.

For purposes of determining compliance with the conditions specified in this Section 4, each Lender party hereto shall be deemed to have consented to, approved or accepted or to be satisfied with each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to the Lenders party hereto unless an officer of the Administrative Agent responsible for the transactions contemplated by this Agreement shall have received notice from such Lender prior to the Amendment Effective Date specifying its objection thereto.

SECTION 5. Sustainability-Related Information Acknowledgment. The Borrower, the Lenders party hereto and the Administrative Agent agree that this Amendment and the information provided by or on behalf of the Borrower to the Lenders party hereto and the Administrative Agent in connection herewith satisfies any and all notice requirements as of the Amendment Effective Date under Section 5.10(b)(ii) and/or Section 5.10(b)(iii) of the Existing Credit Agreement and Amended Credit Agreement relating to the changes to Schedule 1.01(b) contemplated by this Amendment.

SECTION 6. Reference to and Effect on the Loan Documents. (a) On and after the Amendment Effective Date, each reference in the Amended Credit Agreement to "hereunder", "hereof", "Agreement", "this Agreement" or words of like import and each reference in the other Loan Documents to "Credit Agreement", "thereunder", "thereof" or words of like import shall, unless the context otherwise requires, mean and be a reference to the Amended Credit Agreement.

(b) The Existing Credit Agreement and each other Loan Document, as specifically amended by this Agreement, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

(c) The execution, delivery and effectiveness of this Agreement shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents.

SECTION 7. Execution in Counterparts; Electronic Signature. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by .pdf or other electronic form shall be effective as delivery of a manually executed original counterpart of this Agreement. The words "execution," "execute", "signed," "signature," "delivery" and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include Electronic Signatures or execution in the form of an Electronic Record, the electronic

matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

SECTION 8. Amendments; Headings; Severability. This Agreement constitutes a Loan Document. Except as otherwise set forth herein, this Agreement may not be amended nor may any provision hereof be waived except pursuant to a writing signed by the Borrower, the Administrative Agent and the Lenders party hereto. The Section headings used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting this Agreement. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof, and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions. In the event that any provision is held to be so prohibited or unenforceable in any jurisdiction, the Administrative Agent, the Lenders and the Borrower shall negotiate in good faith to amend such provision to preserve the original intent thereof in such jurisdiction (subject to the approval of the Required Lenders).

SECTION 9. Governing Law; Etc.

- (a) This Agreement shall be construed in accordance with and governed by the internal laws of the State of New York.
- (b) Each party hereto hereby agrees as set forth Sections 9.09 and 9.10 of the Existing Credit Agreement as if such sections were set forth in full herein.

SECTION 10. No Novation. This Agreement shall not extinguish the obligations for the payment of money outstanding under the Existing Credit Agreement or discharge. Nothing herein contained shall be construed as a substitution or novation of the obligations outstanding under the Existing Credit Agreement or instruments securing the same, which shall remain in full force and effect, except to any extent modified hereby or by instruments executed concurrently herewith and except to the extent repaid as provided herein. Nothing implied in this Agreement or in any other document contemplated hereby shall be construed as a release or other discharge of any of the Loan Parties under any Loan Document from any of its obligations and liabilities as a borrower, guarantor or pledgor under any of the Loan Documents.

SECTION 11. Notices. All notices hereunder shall be given in accordance with the provisions of Section 9.01 of the Amended Credit Agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

PALO ALTO NETWORKS, INC.

By: /s/ DIPAK GOLECHA
Name: Dipak Golechha
Title: Chief Financial
Officer

[Signature Page to Amendment]

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative
Agent and as a Lender

By: /s/ WILLIAM MASON

Name: William Mason

Title: Vice President

[Signature Page to Amendment]

ROYAL BANK OF CANADA, as a Lender

By: /s/ HARSH GREWAL

Name: Harsh Grewal

Title: Authorized Signatory

[Signature Page to Amendment]

MORGAN STANLEY BANK N.A., as a Lender

By: /s/ ATU KOFFIE-LART

Name: Atu Koffie-Lart

Title: Authorized Signatory

[Signature Page to Amendment]

JPMORGAN CHASE BANK N.A., as a Lender

By: /s/ MELANIE GEORGE

Name: Melanie George

Title: Vice President

[Signature Page to Amendment]

GOLDMAN SACHS BANK USA, as a Lender

By: /s/ PRIYANKUSH GOSWAMI

Name: Priyankush Goswami

Title: Authorized Signatory

[Signature Page to Amendment]

CITIBANK, N.A., as a Lender

By: /s/ SEAN KLIMCHALK

Name: Sean Klimchalk

Title: Vice President

[Signature Page to Amendment]

EXHIBIT A
(Amended Credit Agreement and Schedule 1.01(b))

[See attached]

CREDIT AGREEMENT

dated as of

April 13, 2023
(Conformed to Amendment No. 1 dated as of November 22, 2024)

among

PALO ALTO NETWORKS, INC.

The Lenders Party Hereto

and

WELLS FARGO BANK, NATIONAL ASSOCIATION.
as Administrative Agent

WELLS FARGO SECURITIES, LLC
as Sustainability Structuring Agent

WELLS FARGO SECURITIES, LLC and CITIBANK, N.A.
as Joint Lead Arrangers and Joint Bookrunners

CITIBANK, N.A.
as Syndication Agent

TABLE OF CONTENTS

	<u>Page</u>	
ARTICLE I	Definitions	5
SECTION 1.01.	Defined Terms	5
SECTION 1.02.	Classification of Loans and Borrowings	36
SECTION 1.03.	Terms Generally	36
SECTION 1.04.	Accounting Terms; GAAP; Pro Forma Calculations	37
SECTION 1.05.	Status of Obligations	38
SECTION 1.06.	Times of Day	38
SECTION 1.07.	Interest Rate	39
SECTION 1.08.	Divisions	39
SECTION 1.09.	Sustainability Adjustments	39
ARTICLE II	The Credits	42
SECTION 2.01.	Commitments	42
SECTION 2.02.	Loans and Borrowings	42
SECTION 2.03.	Requests for Revolving Borrowings	43
SECTION 2.04.	Administrative Agent's Clawback	43
SECTION 2.05.	Notice and Manner of Conversion or Continuation of Loans	44
SECTION 2.06.	Termination and Reduction of Commitments	45
SECTION 2.07.	Repayment of Loans; Evidence of Indebtedness	45
SECTION 2.08.	Prepayment of Loans	46
SECTION 2.09.	Fees	46
SECTION 2.10.	Interest	47
SECTION 2.11.	Changed Circumstances	47
SECTION 2.12.	Increased Costs	50
SECTION 2.13.	Break Funding Payments	51
SECTION 2.14.	Taxes	52
SECTION 2.15.	Manner of Payment; Pro Rata Treatment; Sharing of Payments	55
SECTION 2.16.	Mitigation Obligations; Replacement of Lenders	57
SECTION 2.17.	Increase Option	58
SECTION 2.18.	Defaulting Lenders	59
ARTICLE III	Representations and Warranties	60
SECTION 3.01.	Organization; Powers; Subsidiaries	60
SECTION 3.02.	Authorization; Enforceability	61
SECTION 3.03.	Governmental Approvals; No Conflicts	61
SECTION 3.04.	Financial Condition; No Material Adverse Change	61
SECTION 3.05.	Properties	62
SECTION 3.06.	Litigation, Environmental and Labor Matters	62
SECTION 3.07.	Compliance with Laws and Agreements	62

SECTION 3.08.	Investment Company Status	63
SECTION 3.09.	Taxes	63
SECTION 3.10.	ERISA	63
SECTION 3.11.	Disclosure	63
SECTION 3.12.	Federal Reserve Regulations	63
SECTION 3.13.	Liens	63
SECTION 3.14.	No Default	64
SECTION 3.15.	Anti-Corruption Laws; Anti-Money Laundering Laws and Sanctions	64
SECTION 3.16.	Sustainability-Related Information	64
ARTICLE IV	Conditions	65
SECTION 4.01.	Effective Date	65
SECTION 4.02.	Each Credit Event	66
ARTICLE V	Affirmative Covenants	66
SECTION 5.01.	Financial Statements and Other Information	66
SECTION 5.02.	Notices of Material Events	68
SECTION 5.03.	Existence; Conduct of Business	68
SECTION 5.04.	Payment of Obligations	68
SECTION 5.05.	Maintenance of Properties; Insurance	68
SECTION 5.06.	Books and Records; Inspection Rights	69
SECTION 5.07.	Compliance with Laws and Material Contractual Obligations	69
SECTION 5.08.	Use of Proceeds	69
SECTION 5.09.	Subsidiary Guaranty	70
SECTION 5.10.	Sustainability-Related Information	70
ARTICLE VI	Negative Covenants	71
SECTION 6.01.	Subsidiary Indebtedness	71
SECTION 6.02.	Liens	73
SECTION 6.03.	<i>[Reserved]</i>	75
SECTION 6.04.	Fundamental Changes	75
SECTION 6.05.	Investments, Loans, Advances, Guarantees and Acquisitions	75
SECTION 6.06.	Swap Agreements	77
SECTION 6.07.	Transactions with Affiliates	77
SECTION 6.08.	Restricted Payments	78
SECTION 6.09.	Restrictive Agreements	78
SECTION 6.10.	Financial Covenants	79
ARTICLE VII	Events of Default	80
ARTICLE VIII	The Administrative Agent	82

SECTION 8.01.	Appointment and Authority	82
SECTION 8.02.	Rights as a Lender	83
SECTION 8.03.	Exculpatory Provisions	83
SECTION 8.04.	Reliance by the Administrative Agent	84
SECTION 8.05.	Delegation of Duties	85
SECTION 8.06.	Resignation of Administrative Agent and Sustainability Structuring Agent	85
SECTION 8.07.	Non-Reliance on Administrative Agent, Sustainability Structuring Agent and Other Lenders	87
SECTION 8.08.	No Other Duties, Etc	88
SECTION 8.09.	Guaranty Matters	88
SECTION 8.10.	Certain ERISA Matters	88
SECTION 8.11.	Erroneous Payments	89
ARTICLE IX	Miscellaneous	92
SECTION 9.01.	Notices	92
SECTION 9.02.	Waivers; Amendments	94
SECTION 9.03.	Expenses; Indemnity; Damage Waiver	95
SECTION 9.04.	Successors and Assigns	98
SECTION 9.05.	Survival	102
SECTION 9.06.	Counterparts; Integration; Effectiveness; Electronic Execution	102
SECTION 9.07.	Severability	103
SECTION 9.08.	Right of Setoff	103
SECTION 9.09.	Governing Law; Jurisdiction; Consent to Service of Process	104
SECTION 9.10.	WAIVER OF JURY TRIAL	104
SECTION 9.11.	Headings	105
SECTION 9.12.	Confidentiality	105
SECTION 9.13.	USA PATRIOT Act; Anti-Money Laundering Laws	106
SECTION 9.14.	Releases of Subsidiary Guarantors	107
SECTION 9.15.	Interest Rate Limitation	107
SECTION 9.16.	No Advisory or Fiduciary Responsibility	107
SECTION 9.17.	Acknowledgement and Consent to Bail-In of EEA Financial Institutions	108
SECTION 9.18.	Reversal of Payments; Term of Agreement	109

SCHEDULE:

Schedule 1.01(b) – Sustainability Table

Schedule 2.01 – Commitments

EXHIBITS:

Exhibit A - Form of Assignment and Assumption

Exhibit B - Form of Notice of Prepayment

Exhibit C - Form of Increasing Lender Supplement

Exhibit D - Form of Augmenting Lender Supplement

Exhibit E - List of Closing Documents

Exhibit F - Form of Subsidiary Guaranty

Exhibit G-1 - Form of U.S. Tax Certificate (Foreign Lenders That Are Not Partnerships)

Exhibit G-2 - Form of U.S. Tax Certificate (Foreign Participants That Are Not Partnerships)

Exhibit G-3 - Form of U.S. Tax Certificate (Foreign Participants That Are Partnerships)

Exhibit G-4 - Form of U.S. Tax Certificate (Foreign Lenders That Are Partnerships)

Exhibit H-1 - Form of Notice of Borrowing

Exhibit H-2 - Form of Notice of Conversion/Continuation

Exhibit H-3 - Form of Notice of Account Designation

Exhibit I - Form of Note

Exhibit J - Form of Compliance Certificate

Exhibit K – Form of Sustainability Certificate

CREDIT AGREEMENT (this “Agreement”) dated as of April 13, 2023 among PALO ALTO NETWORKS, INC., the LENDERS from time to time party hereto and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as Administrative Agent.

The parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

“2023 Notes” means the Borrower’s 0.75% Convertible Senior Notes due 2023.

“2025 Notes” means the Borrower’s 0.375% Convertible Senior Notes due 2025.

“Adjusted Term SOFR” means, for purposes of any calculation, the rate per annum equal to (a) Term SOFR for such calculation plus (b) the Term SOFR Adjustment; provided that if Adjusted Term SOFR as so determined shall ever be less than the Floor, then Adjusted Term SOFR shall be deemed to be the Floor.

“Administrative Agent” means Wells Fargo (or any of its designated branch offices or affiliates), in its capacity as Administrative Agent hereunder, and any successor thereto appointed pursuant to Section 8.06.

“Administrative Agent’s Office” means the office of the Administrative Agent specified in or determined in accordance with the provisions of Section 9.01.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Affected Financial Institution” means (a) any EEA Financial Institution or (b) any UK Financial Institution.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Agent Party” has the meaning assigned to such term in Section 9.01(d)(ii).

“Aggregate Commitment” means the aggregate of the Commitments of all of the Lenders, as reduced or increased from time to time pursuant to the terms and conditions hereof. As of the Effective Date, the Aggregate Commitment is \$400,000,000.

“Anti-Corruption Laws” means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or its Subsidiaries from time to time concerning or relating to bribery or

corruption, including the United States Foreign Corrupt Practices Act of 1977 and the rules and regulations thereunder and the U.K. Bribery Act 2010 and the rules and regulations thereunder.

“Anti-Money Laundering Laws” means any and all laws, statutes, regulations or obligatory government orders, decrees, ordinances or rules related to terrorism financing, money laundering, any predicate crime to money laundering or any financial record keeping, including any applicable provision of the PATRIOT Act and The Currency and Foreign Transactions Reporting Act (also known as the “Bank Secrecy Act,” 31 U.S.C. §§ 5311-5330 and 12 U.S.C. §§ 1818(s), 1820(b) and 1951-1959).

“Applicable Percentage” means, with respect to any Lender, the percentage of the Aggregate Commitment represented by such Lender’s Commitment; provided that, in the case of Section 2.18 when a Defaulting Lender shall exist, “Applicable Percentage” shall mean the percentage of the Aggregate Commitment (disregarding any Defaulting Lender’s Commitment) represented by such Lender’s Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments and to any Lender’s status as a Defaulting Lender at the time of determination.

“Applicable Rate” means, for any day, with respect to any Term SOFR Loan or any Base Rate Loan or with respect to the commitment fees payable hereunder, as the case may be, the applicable rate per annum set forth below under the caption “Term SOFR Spread”, “Base Rate Spread” or “Commitment Fee Rate”, as the case may be, based upon the Leverage Ratio applicable on such date:

	<u>Leverage Ratio:</u>	<u>Term SOFR Spread</u>	<u>Base Rate Spread</u>	<u>Commitment Fee Rate</u>
Category 1:	< 0.50 to 1.00	1.00%	0.00%	0.090%
Category 2:	≥ 0.50 to 1.00 but < 1.50 to 1.00	1.125%	0.125%	0.110%
Category 3:	≥ 1.50 to 1.00 but < 2.50 to 1.00	1.250%	0.250%	0.125%
Category 4:	≥ 2.50 to 1.00	1.375%	0.375%	0.150%

For purposes of the foregoing,

(i) if at any time the Borrower fails to deliver the Financials on or before the date the Financials are due pursuant to Section 5.01, Category 4 shall be deemed applicable for the period commencing three (3) Business Days after the required date of delivery and ending on the date which is three (3) Business Days after the Financials are actually delivered, after which the Category shall be determined in accordance with the table above as applicable;

(ii) adjustments, if any, to the Category then in effect shall be effective three (3) Business Days after the Administrative Agent has received the applicable Financials (it being understood and agreed that each change in Category shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change); and

(iii) notwithstanding the foregoing, Category 2 shall be deemed to be applicable until the Administrative Agent's receipt of the applicable Financials for the Borrower's first full fiscal quarter ending after the Effective Date and adjustments to the Category then in effect shall thereafter be effected in accordance with the preceding paragraphs.

It is hereby understood and agreed that the Applicable Rate shall be adjusted from time to time on an annual basis based upon the Sustainability Rate Adjustment (to be calculated and applied as set forth in Section 1.09); provided that in no event shall the Applicable Rate be less than 0%. Notwithstanding anything to the contrary herein, until the delivery of (or failure to deliver) the Sustainability Certificate delivered in respect of Reference Year ending July 31, 2024 pursuant to Section 1.09, the Sustainability Rate Adjustment shall be 0% and there shall be no Sustainability Rate Adjustment to the Applicable Rate.

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Arrangers" means WFS and Citibank, N.A., each in its capacity as joint lead arranger and joint bookrunner.

"Assignment and Assumption" means an assignment and assumption agreement entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

"Augmenting Lender" has the meaning assigned to such term in Section 2.17.

"Availability Period" means the period from and including the Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the Commitments.

"Available Tenor" means, if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to Section 2.11(c)(iv).

"Available Revolving Commitment" means, at any time with respect to any Lender, the Commitment of such Lender then in effect minus the Revolving Credit Exposure of such Lender at such time.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"Bail-In Legislation" means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"Bankruptcy Code" means 11 U.S.C. §§ 101 et seq.

"Base Rate" means, at any time, the highest of (a) the Prime Rate, (b) the Federal Funds Effective Rate plus 0.50% and (c) Adjusted Term SOFR for a one-month tenor in effect on such day plus 1.0%; each change in the Base Rate shall take effect simultaneously with the corresponding change or changes in the Prime Rate, the Federal Funds Effective Rate or Adjusted Term SOFR, as applicable (provided that clause (c) shall not be applicable during any period in which Adjusted Term SOFR is unavailable or unascertainable). Notwithstanding the foregoing, in no event shall the Base Rate be less than 0%.

"Base Rate Loan" means any Loan bearing interest at a rate based upon the Base Rate.

"Benchmark" means, initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or then-current Benchmark for Dollars, then "Benchmark" means, with respect to such Obligations, interest, fees, commissions or other amounts, the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.11(c).

"Benchmark Replacement" means, with respect to any Benchmark Transition Event for any then-current Benchmark, the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower as the replacement for such Benchmark giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for such Benchmark for Dollar-denominated syndicated credit facilities at such time and (b) the related Benchmark Replacement Adjustment; provided that, if such Benchmark Replacement as so determined would be less than the Floor, such Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

"Benchmark Replacement Adjustment" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Available Tenor, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for syndicated credit facilities denominated in Dollars.

"Benchmark Replacement Date" means the earliest to occur of the following events with respect to the then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event," the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide such Benchmark (or such component thereof), or if such Benchmark is a term rate, all Available Tenors of such Benchmark (or such component thereof); or

(b) in the case of clause (c) of the definition of "Benchmark Transition Event," the first date on which such Benchmark (or the published component used in the calculation thereof) has been or, if such Benchmark is a term rate, all Available Tenors of such Benchmark (or component thereof) have been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if such Benchmark (or such component thereof), or if such Benchmark is a term rate, any Available Tenor of such Benchmark (or such component thereof), continues to be provided on such date.

For the avoidance of doubt, if such Benchmark is a term rate, the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Transition Event" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide such Benchmark (or such component thereof), or if such Benchmark is a term rate, all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark (or such component thereof), or if such Benchmark is a term rate, any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the FRB, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide such Benchmark (or such component thereof), or if such Benchmark is a term rate, all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark (or such component thereof), or if such Benchmark is a term rate, any Available Tenor of such Benchmark (or such component thereof); or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such Benchmark (or such component thereof), or if such Benchmark is a term rate, all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, if such Benchmark is a term rate, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Transition Start Date" means, in the case of a Benchmark Transition Event, the earlier of (a) the applicable Benchmark Replacement Date and (b) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

"Benchmark Unavailability Period" means, the period (if any) (x) beginning at the time that a Benchmark Replacement Date with respect to a Benchmark has occurred if, at such time, no Benchmark Replacement has replaced such Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.11(c)(i) and (y) ending at the time that a Benchmark Replacement has replaced such Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.11(c)(i).

"Beneficial Ownership Certification" means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" means 31 C.F.R. § 1010.230.

"Benefit Plan" means any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

“Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Borrower” means Palo Alto Networks, Inc., a Delaware corporation.

“Borrower Materials” means, collectively, materials and/or information provided by or on behalf of the Borrower hereunder.

“Borrowing” means Revolving Loans of the same Type, made, converted or continued on the same date and, in the case of Term SOFR Loans, as to which a single Interest Period is in effect.

“Business Day” means any day that (a) is not a Saturday, Sunday or other day on which the Federal Reserve Bank of New York is closed and (b) is not a day on which commercial banks in Charlotte, North Carolina are closed.

“Capital Lease Obligations” of any Person means, subject to the last sentence of Section 1.04(a), the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital lease obligations on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

“Certificate Inaccuracy Payment Date” has the meaning specified in Section 1.09(d).

“Change in Control” means (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the SEC thereunder as in effect on the date hereof), of Equity Interests representing more than 35% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the Borrower; or (b) occupation of a majority of the seats (other than vacant seats) on the board of directors of the Borrower by Persons who were neither (i) members of the board of directors of the Borrower on the date of this Agreement, (ii) nominated, appointed or approved by the board of directors of the Borrower (either by a specific vote or by approval of a proxy statement issued by the Borrower on behalf of its board of directors in which such individual is named as a nominee for director) nor (iii) nominated, appointed or approved (either by a specific vote or by approval of a proxy statement issued by the Borrower on behalf of its board of directors in which such individual is named as a nominee for director) by directors so nominated.

“Change in Law” means the occurrence, after the date of this Agreement (or with respect to any Lender, if later, the date on which such Lender becomes a Lender), of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority, or (c) the making or issuance of any request, rules, guideline, requirement or directive (whether or not having the force of law) by any Governmental Authority; provided however, that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder, issued in connection therewith or in implementation thereof, and (ii) all requests, rules, guidelines, requirements and directives promulgated by the Bank for

International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law" regardless of the date enacted, adopted, issued or implemented.

Citibank" means Citibank, N.A. and its successors.

Code" means the Internal Revenue Code of 1986, as amended.

Commitment" means, with respect to each Lender, the commitment of such Lender to make Revolving Loans expressed as an amount representing the maximum aggregate amount of such Lender's Revolving Credit Exposure hereunder, as such commitment may be (a) reduced or terminated from time to time pursuant to Section 2.06, (b) increased from time to time pursuant to Section 2.17 and (c) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender's Commitment is set forth on Schedule 2.01, or in the Assignment and Assumption or other documentation contemplated hereby pursuant to which such Lender shall have assumed its Commitment, as applicable.

Commitment Fee" has the meaning assigned to such term in Section 2.09(a).

Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

Communications" has the meaning assigned to such term in Section 9.01(d).

Conforming Changes" means, with respect to the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Base Rate", the definition of "Business Day," the definition of "U.S. Government Securities Business Day", the definition of "Interest Period" or any similar or analogous definition (or the addition of a concept of "interest period"), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of Section 2.13 and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consolidated Adjusted EBITDA" means, for any period, Consolidated Net Income for such period plus, without duplication and to the extent deducted in determining Consolidated Net Income for such period, the sum of (a) Consolidated Interest Charges for such period, (b) the provision for federal, state, local and foreign income taxes payable by the Borrower and its Subsidiaries for such period, including, without limitation, any franchise taxes or other taxes based on income, profits or capital and all other taxes that are included in the provision for income tax line item on the consolidated income statement of the Borrower and its Subsidiaries for such period, (c) depreciation and amortization expense, including amortization of intangibles (including, but not limited to, goodwill), for such period, (d) any increases in deferred or unearned revenue or substantially equivalent items for such period (net of any increases in deferred costs (which deferred costs, for avoidance of doubt, do not include deferred commissions, capitalized costs to acquire revenue contracts or substantially equivalent items) for such period), (e) all non-cash expenses, losses or charges for such period (other than any such non-cash expenses, losses or charges that represent an accrual or reserve for future cash expenses, losses or charges or that relate to the write-down of current assets), including, without limitation, non-cash stock based employee compensation expenses for such period and non-cash expenses, losses or charges for such period in connection with (A) "goodwill impairment losses" under FASB Statement 142, (B) unrealized losses resulting from mark-to-market accounting in respect of Swap Agreements and (C) unrealized losses on equity investments, (f) any transition, integration and similar fees, charges and expenses related to Material Acquisitions or Material Dispositions incurred within the first twelve (12) months of the consummation of such Material Acquisition or Material Disposition, (g) restructuring, integration or similar expenses, charges or reserves and (h) any extraordinary expenses, unusual or non-recurring charges or losses (provided that the amount that may be added back pursuant to clause (g) and clause (h) in the aggregate for any four fiscal quarter period may not exceed 20% of Consolidated Adjusted EBITDA for such period (determined without giving effect to any such adjustment pursuant to this proviso)), and minus, without duplication and to the extent included in calculating such Consolidated Net Income for such period, the sum of (1) any extraordinary gains (less all fees and expenses related thereto), (2) any decreases in deferred or unearned revenue or substantially equivalent items for such period (net of any decreases in deferred costs (which deferred costs, for avoidance of doubt, do not include deferred commissions, capitalized costs to acquire revenue contracts or substantially equivalent items) for such period) and (3) all non-cash income or gains for such period including, without limitation, unrealized gains resulting from mark-to-market accounting in respect of Swap Agreements and unrealized gains on equity investments;

In addition, in the event that the Borrower or any of its Subsidiaries, during the relevant period, consummated a Material Acquisition or Material Disposition, Consolidated Adjusted EBITDA will be determined giving pro forma effect to such Material Acquisition or Material Disposition as if such Material Acquisition or Material Disposition and any related incurrence or repayment of Indebtedness had occurred on the first day of the relevant period, but shall not take into account any cost savings projected to be realized as a result of such acquisition or disposition.

"Consolidated Interest Charges" means, for any period, for the Borrower and its Subsidiaries on a consolidated basis, the sum of, without duplication, (a) all interest, premium payments, amortization of debt discount, fees, charges and related expenses in connection with Indebtedness (including capitalized interest) or in connection with the deferred purchase price of assets, in each case to the extent treated as interest in accordance with GAAP *plus* (b) the portion of rent expense with respect to such period under capitalized or finance leases that is treated as interest

in accordance with GAAP *plus* (c) the implied interest component of Synthetic Lease Obligations with respect to such period.

“Consolidated Net Income” means, for any period, the net income or loss of the Borrower and its consolidated Subsidiaries for such period, determined on a consolidated basis in conformity with GAAP.

“Consolidated Total Assets” means, as of the date of any determination thereof, total assets of the Borrower and its Subsidiaries calculated in accordance with GAAP on a consolidated basis as of such date.

“Consolidated Tangible Assets” means, as of the date of any determination thereof, the Consolidated Total Assets *minus* all goodwill, tradenames, trademarks, patents, unamortized debt discount and expense, developed technology, customer relationships, acquired intellectual property, in-process research and development and other like intangible assets, all as set forth on the most recent balance sheet of the Borrower and its consolidated Subsidiaries delivered pursuant to Section 5.01(a) or (b).

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. The terms “Controlling” and “Controlled” have meanings correlative thereto. A Person shall not be deemed to control another Person through the ability to exercise voting power unless such Person possesses, directly or indirectly, the power to vote 10% or more of the securities having ordinary voting power for the election of directors (or equivalent governing body) of such Person.

“Convertible Debt Security” means debt securities, the terms of which provide for conversion into Equity Interests, cash by reference to such Equity Interests or a combination thereof and including, without limitation, the Specified Converts.

“Credit Event” means a Borrowing.

“Debtor Relief Laws” means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

“Default” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"Defaulting Lender" means, subject to Section 2.18(b), any Lender that (a) has failed to (i) fund all or any portion of the Loans required to be funded by it hereunder within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender's good faith determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within two Business Days of the date when due, (b) has notified the Borrower or the Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's good faith determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the FDIC or any other state or federal regulatory authority acting in such a capacity or (iii) become the subject of a Bail-In Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.18(b)) upon delivery of written notice of such determination to the Borrower and each Lender.

"Disclosure Letter" means the disclosure letter, dated as of the Effective Date, delivered by the Company to the Administrative Agent and the Lenders.

"Disqualified Stock" means with respect to any Person, any Equity Interests of such Person which, by their terms, or by the terms of any security into which they are convertible or for which they are putable or exchangeable, or upon the happening of any event or condition, (a) mature (excluding any maturity as result of an optional redemption by the issuer thereof) or are mandatorily redeemable pursuant to a sinking fund obligation or otherwise, or are redeemable at the option of the holder thereof, in whole or in part, or otherwise provide for scheduled, mandatory payments of dividends in cash, in each case prior to the Maturity Date, in each case other than (i) for any Qualified Equity Interests and cash in lieu of fractional shares or (ii) solely as a result of a change of control, asset sale, casualty, condemnation, eminent domain or similar event, so long as any rights of the holders thereof upon the occurrence of a change of control, asset sale, casualty, condemnation,

eminent domain or similar event shall be subject to the prior repayment in full of the Loans and all other Obligations that are then accrued and payable, or (b) are convertible into or exchangeable (unless at the sole option of the issuer thereof) for (x) debt securities or (y) any Equity Interest referred to in clause (a) above (provided that only that portion of the Equity Interests that so mature or are so mandatorily redeemable, are so convertible or exchangeable or are so redeemable at the option of the holder thereof prior to the Maturity Date shall be deemed to be Disqualified Stock); provided, however, that if such Equity Interests are issued to any plan for the benefit of employees, directors or consultants of the Borrower or its Subsidiaries or by any such plan to such employees, directors or consultants, such Equity Interests shall not constitute Disqualified Stock solely because they may be required to be repurchased by the Borrower or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's, director's or consultant's termination, death or disability. Notwithstanding the foregoing, (i) Permitted Bond Hedges shall not for purposes of this definition be deemed to be Disqualified Stock, (ii) Structured Repurchases that do not constitute Indebtedness shall not for purposes of this definition be deemed to be Disqualified Stock and (iii) any class of Equity Interest of any Person that by its terms authorizes such Person to satisfy its obligations thereunder by the delivery of Qualified Equity Interests shall not for purposes of this definition be deemed to be Disqualified Stock.

"Dollars" or "\$" refers to lawful money of the United States of America.

"Domestic Subsidiary" means a Subsidiary organized under the laws of a jurisdiction located in the United States of America, other than (i) any such Subsidiary substantially all of the assets of which consist of capital stock of (or such capital stock and debt owed or treated as owed by) one or more Subsidiaries that are "controlled foreign corporations" within the meaning of Section 957 of the Code or other Subsidiaries described in this clause (i) or (ii) any such Subsidiary that is (directly or indirectly) owned by either (A) a Subsidiary organized under the laws of a jurisdiction other than a jurisdiction located in the United States of America or (B) a subsidiary described in clause (i) of this definition.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegate) having responsibility for the resolution of any credit institution or investment firm established in any EEA Member Country.

"Effective Date" means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02).

"Electronic Record" has the meaning assigned to that term in, and shall be interpreted in accordance with, 15 U.S.C. 7006.

"Electronic Signature" has the meaning assigned to that term in, and shall be interpreted in accordance with, 15 U.S.C. 7006.

"Eligible Assignee" means any Person that meets the requirements to be an assignee under Section 9.04(b)(iii) and (v) (subject to such consents, if any, as may be required under Section 9.04(b)(iii)).

"Environmental Laws" means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, or notices issued or promulgated by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, release or threatened release of or exposure to any Hazardous Material or to employee health and safety matters.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of or relating to the Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Interests" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any of the foregoing. Notwithstanding the foregoing, and for the avoidance of doubt, (i) Convertible Debt Securities, (ii) Permitted Bond Hedges and (iii) Structured Repurchases shall not for purposes of this definition be deemed to be an Equity Interest.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event" means (a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the failure of any Plan to satisfy the "minimum funding standard" within the meaning of Section 412 or 430 of the Code or Section 302 of ERISA, whether or not waived; (c) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) a determination that any Plan is, or is expected to be, in "at-risk" status (as defined in Section 303(i)(4) of ERISA or Section 430(i)(4) of the Code); (e) the incurrence by the Borrower or any ERISA Affiliate of any liability under Title IV of ERISA with respect to the termination of any Plan or Multiemployer Plan; (f) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (g) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan (including any liability under Section 4062(e) of ERISA) or Multiemployer Plan; or (h) the receipt by the Borrower or any ERISA Affiliate of any notice concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, "insolvent" within the meaning of Section 4245 of ERISA or in "endangered" or "critical status", within the meaning of Section 432 of the Code or Section 305 of ERISA.

"Erroneous Payment" has the meaning assigned thereto in Section 8.11(a).

"Erroneous Payment Deficiency Assignment" has the meaning assigned thereto in Section 8.11(d).

"Erroneous Payment Return Deficiency" has the meaning assigned thereto in Section 8.11(d).

"ESG Standards" means the Sustainability Accounting Standards Board Sustainability Accounting Standards (2018) (or successor standards) published by the Sustainability Accounting Standards Board.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

"Event of Default" has the meaning assigned to such term in Article VII.

"Excluded Subsidiary" means (a) any Foreign Subsidiary, (b) any Subsidiary that is prohibited by applicable law or by any contractual obligation existing on the Effective Date (or, in the case of a newly acquired Subsidiary, in existence at the time of acquisition but not entered into in contemplation thereof) from guaranteeing the Obligations or which would require governmental (including regulatory) consent, approval, license or authorization to provide a guaranty unless such consent, approval, license or authorization has been received, (c) captive insurance companies, (d) not-for-profit subsidiaries, (e) special purpose entities, (f) any non-wholly owned subsidiary, and (g) any other subsidiary with respect to which the Administrative Agent and the Borrower have determined in their reasonable judgment, and agree in writing, that the cost or other consequences (including any material adverse tax consequences; provided that with respect to material adverse tax consequences the determination shall be made by the Borrower in consultation with (but without the

consent of) the Administrative Agent) of providing a guaranty shall be excessive in view of the benefits to be obtained therefrom.

Excluded Taxes means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that otherwise are Other Connection Taxes, (b) in the case of a Lender, U.S. Federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.16(b)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.14, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender acquired the applicable interest in a Loan or Commitment or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 2.14(f) and (d) any withholding Taxes imposed under FATCA.

FATCA means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, and any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

Federal Funds Effective Rate means, for any day, the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day, provided that if such rate is not so published for any day which is a Business Day, the Federal Funds Effective Rate for such day shall be the average of the quotation for such day on such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by the Administrative Agent. Notwithstanding the foregoing, if the Federal Funds Effective Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

Financial Officer means the chief financial officer, principal accounting officer, treasurer or controller of the Borrower.

Financials means the annual or quarterly financial statements, and accompanying certificates and other documents, of the Borrower and its Subsidiaries required to be delivered pursuant to Section 5.01(a) or 5.01(b).

Floor means a rate of interest equal to 0%.

“Foreign Lender” means (a) if the Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if the Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

“Foreign Subsidiary” means each Subsidiary that is not a Domestic Subsidiary.

“FRB” means the Board of Governors of the Federal Reserve System of the United States.

“Fund” means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course of its activities.

“GAAP” means generally accepted accounting principles in the United States of America.

“Governmental Authority” means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“Guarantee” of or by any Person (the “guarantor”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation of the primary obligor; provided, that the term “Guarantee” shall not include endorsements for collection or deposit in the ordinary course of business or any indemnification obligations entered into in the ordinary course of business or customary indemnification obligations entered into in connection with transactions permitted by this Agreement. The amount of any Guarantee shall be deemed to be the lower of (i) an amount equal to the stated or determined amount of the primary obligation in respect of which such Guarantee is made and (ii) the maximum amount for which such guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Guarantee, or, if such Guarantee is not an unconditional guarantee of the entire amount of the primary obligation and such maximum amount is not stated or determinable, the amount of such guaranteeing Person’s maximum reasonably anticipated liability in respect thereof determined by such Person in good faith.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, friable asbestos, polychlorinated biphenyls, per- and polyfluoroalkyl substances, radon gas, mold, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Illegality Notice" has the meaning assigned to such term in Section 2.11(b).

"Increasing Lender" has the meaning assigned to such term in Section 2.17.

"Indebtedness" of a Person means, without duplication, (1) the obligations of such Person (i) for borrowed money, (ii) under or with respect to notes payable which represent extensions of credit (whether or not representing obligations for borrowed money) to such Person, (iii) constituting reimbursement obligations with respect to letters of credit and banker's acceptances issued for the account of such Person, (iv) for the deferred purchase price of property or services (other than (A) trade accounts payable, intercompany payables, charges and expenses, deferred revenue and other accrued liabilities (including deferred payments in respect of services by employees), in each case incurred in the ordinary course of business, and (B) any earn-out obligation or other post-closing balance sheet adjustment prior to such time as it becomes past due), (v) under direct or indirect guaranties in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of any other Person of the kinds referred to in clause (i), (ii), (iii) or (iv) above or clause (vi), (vii) or (viii) below, (vi) for its net mark-to-market exposure under Swap Agreements, (vii) for its Capital Lease Obligations and (viii) with respect to Disqualified Stock and (2) the obligations of others, whether or not assumed, secured by Liens on property of such Person. Notwithstanding the foregoing, clause (1) (vii) shall not include any obligations of the Borrower or any Subsidiary classified as capitalized lease obligations under GAAP or for other accounting purposes, but for which the Borrower and its Subsidiaries do not make and are not required to make any cash payment. Notwithstanding the foregoing and for the avoidance of doubt, no obligation of Borrower in respect of any Permitted Bond Hedge or any Structured Repurchase, in each case that was entered into for hedging or mitigating risks or for other operational purposes and was not entered into for speculative purposes, shall constitute Indebtedness.

"Indebtedness for Borrowed Money" of a Person means, without duplication, (a) the outstanding principal amount of indebtedness for borrowed money (whether or not evidenced by bonds, debentures, notes or similar instruments), (b) Capital Lease Obligations, (c) unpaid reimbursement obligations with respect to drawn letters of credit and banker's acceptances issued for the account of such Person (to the extent not already cash collateralized), (d) obligations under direct or indirect guaranties in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of any other Person of the kinds referred to in clause (a), (b) or (c) above and (e) all Indebtedness of the types referred to in clauses (a) through (d) above of any partnership in which any Loan Party or any Subsidiary is a general partner, except to the extent that Indebtedness is expressly made non-recourse to such Person. Notwithstanding the foregoing, clause (b) shall not include any obligations of the Borrower or any Subsidiary classified as capitalized lease obligations under GAAP or for other accounting purposes, but for which the Borrower and its Subsidiaries do not make and are not required to make any cash payment.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in clause (a) hereof, Other Taxes.

"Indemnitee" has the meaning assigned to such term in Section 9.03(b).

"Interest Coverage Ratio" means the ratio, determined as of the end of each of the Borrower's fiscal quarters, of (i) Consolidated Adjusted EBITDA to (ii) Consolidated Interest Charges, in each case for the period of four (4) consecutive fiscal quarters ending with the end of such fiscal quarter, all calculated for the Borrower and its Subsidiaries on a consolidated basis.

"Interest Payment Date" means (a) as to any Base Rate Loan, the last Business Day of each March, June, September and December and the Maturity Date and (b) as to any Term SOFR Loan, (x) the last day of each Interest Period therefor; (y) in the case of any Interest Period of more than three (3) months' duration, each day prior to the last day of such Interest Period that occurs at three month intervals after the first day of such Interest Period; provided, that each such three-month interval payment day shall be the immediately succeeding Business Day if such day is not a Business Day, unless such day is not a Business Day but is a day of the relevant month after which no further Business Day occurs in such month, in which case such day shall be the immediately preceding Business Day; and (z) the Maturity Date.

"Interest Period" means, as to any Term SOFR Loan, the period commencing on the date such Loan is disbursed or converted to or continued as a Term SOFR Loan and ending on the date one (1), three (3) or six (6) months thereafter, in each case as selected by the Borrower in its Notice of Borrowing or Notice of Conversion/Continuation and subject to availability; provided that:

(a) the Interest Period shall commence on the date of advance of or conversion to any Term SOFR Loan and, in the case of immediately successive Interest Periods, each successive Interest Period shall commence on the date on which the immediately preceding Interest Period expires;

(b) if any Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day; provided that if any Interest Period would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the immediately preceding Business Day;

(c) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the relevant calendar month at the end of such Interest Period;

(d) no Interest Period shall extend beyond the Maturity Date;

(e) there shall be no more than ten (10) Interest Periods in effect at any time; and

(f) no tenor that has been removed from this definition pursuant to Section 2.11(c)(iv) shall be available for specification in any Notice of Borrowing or Notice of Conversion/Continuation.

“Investment” has the meaning set forth in Section 6.05.

“IRS” means the United States Internal Revenue Service.

“KPI 1” means, for any Reference Year, the metric tons of carbon dioxide equivalent (MTCO2e) in respect of Scope 1 emissions (emissions from operations owned or controlled by the reporting company) and/or Scope 2 emissions (emissions from generation of purchased or acquired energy consumed by the reporting company) according to the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocols.

“KPI 1 Applicable Rate Adjustment Amount” means, subject to the provisions of Section 1.09(b), with respect to any period between Sustainability Pricing Adjustment Dates, as determined for the applicable Reference Year:

(a) positive 0.025%, if the KPI 1 for the applicable Reference Year as set forth in the Sustainability Certificate is more than the KPI 1 Threshold A for such Reference Year;

(b) 0.000%, if the KPI 1 for the applicable Reference Year as set forth in the Sustainability Certificate is less than or equal to the KPI 1 Threshold A for such Reference Year but more than the KPI 1 Target A for such Reference Year; and

(c) negative 0.025%, if the KPI 1 for the applicable Reference Year as set forth in the Sustainability Certificate is less than or equal to KPI 1 Target A for such Reference Year.

“KPI 1 Commitment Fee Adjustment Amount” means, subject to the provisions of Section 1.09(b), with respect to any period between Sustainability Pricing Adjustment Dates, as determined for the applicable Reference Year:

(a) positive 0.005%, if the KPI 1 for the applicable Reference Year as set forth in the Sustainability Certificate is more than the KPI 1 Threshold A for such Reference Year;

(b) 0.000%, if the KPI 1 for the applicable Reference Year as set forth in the Sustainability Certificate is less than or equal to the KPI 1 Threshold A for such Reference Year but more than the KPI 1 Target A for such Reference Year; and

(c) negative 0.005%, if the KPI 1 for the applicable Reference Year as set forth in the Sustainability Certificate is less than or equal to KPI 1 Target A for such Reference Year.

“KPI 1 Target A” means, with respect to any Reference Year, the KPI 1 Target A for such Reference Year as set forth in the Sustainability Table.

“KPI 1 Threshold A” means, with respect to any Reference Year, the KPI 1 Threshold A for such Reference Year as set forth in the Sustainability Table.

"KPI 2" means, for any Reference Year, the metric tons of carbon dioxide equivalent (MTCO2e) in respect of Scope 3 emissions (indirect emissions) from customers' use of sold products per each Dollar in gross profit according to the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocols.

"KPI 2 Applicable Rate Adjustment Amount" means, subject to the provisions of Section 1.09(b), with respect to any period between Sustainability Pricing Adjustment Dates, as determined for the applicable Reference Year:

(a) positive 0.025%, if the KPI 2 for the applicable Reference Year as set forth in the Sustainability Certificate is more than the KPI 2 Threshold B for such Reference Year;

(b) 0.000%, if the KPI 2 for the applicable Reference Year as set forth in the Sustainability Certificate is less than or equal to the KPI 2 Threshold B for such Reference Year but more than the KPI 2 Target B for such Reference Year; and

(c) negative 0.025%, if the KPI 2 for the applicable Reference Year as set forth in the Sustainability Certificate is less than or equal to KPI 2 Target B for such Reference Year.

"KPI 2 Commitment Fee Adjustment Amount" means, subject to the provisions of Section 1.09(b), with respect to any period between Sustainability Pricing Adjustment Dates, as determined for the applicable Reference Year:

(a) positive 0.005%, if the KPI 2 for the applicable Reference Year as set forth in the Sustainability Certificate is more than the KPI 2 Threshold B for such Reference Year;

(b) 0.000%, if the KPI 2 for the applicable Reference Year as set forth in the Sustainability Certificate is less than or equal to the KPI 2 Threshold B for such Reference Year but more than the KPI 2 Target B for such Reference Year; and

(c) negative 0.005%, if the KPI 2 for the applicable Reference Year as set forth in the Sustainability Certificate is less than or equal to KPI 2 Target B for such Reference Year.

"KPI 2 Target B" means, with respect to any Reference Year, the KPI 2 Target B for such Reference Year as set forth in the Sustainability Table.

"KPI 2 Threshold B" means, with respect to any Reference Year, the KPI 2 Threshold B for such Reference Year as set forth in the Sustainability Table.

"KPI Metric" means each of the KPI 1 and the KPI 2.

"Lenders" means the Persons listed on **Schedule 2.01** and any other Person that shall have become a Lender hereunder pursuant to Section 2.17 or pursuant to an Assignment and Assumption or other documentation contemplated hereby, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption or other documentation contemplated hereby.

"Lending Office" means, with respect to any Lender, the office of such Lender maintaining such Lender's Loans, which office may, to the extent the applicable Lender notifies the Administrative Agent in writing, include an office of any Affiliate of such Lender or any domestic or foreign branch of such Lender or Affiliate.

"Leverage Ratio" means the ratio, determined as of the end of each of the Borrower's fiscal quarters, of (i) Indebtedness for Borrowed Money to (ii) Consolidated Adjusted EBITDA for the period of four (4) consecutive fiscal quarters ending with the end of such fiscal quarter, all calculated for the Borrower and its Subsidiaries on a consolidated basis.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset and (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset.

"Loan Documents" means this Agreement, any promissory notes issued pursuant to Section 2.07(b), the Subsidiary Guaranty (as applicable), and all other agreements, instruments, documents and certificates executed and delivered to, or in favor of, the Administrative Agent or any Lenders in connection with this Agreement or the transactions contemplated hereby. Any reference in this Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to this Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative. In no event shall any Swap Agreement constitute a Loan Document.

"Loan Parties" means, collectively, the Borrower and the Subsidiary Guarantors.

"Loans" means the loans made by the Lenders to the Borrower pursuant to this Agreement.

"Material Acquisition" means any acquisition of property or series of related acquisitions of property that involves the payment of consideration by the Borrower and its Subsidiaries in excess of \$500,000,000.

"Material Adverse Effect" means a material adverse effect on (a) the business, assets, operations or financial condition of the Borrower and the Subsidiaries taken as a whole, (b) the ability of the Borrower to perform any of its payment obligations under this Agreement or (c) the legality, validity, binding effect or enforceability against the Borrower of any Loan Document.

"Material Disposition" means any disposition of property or series of related dispositions of property that yields gross proceeds to the Borrower and its Subsidiaries in excess of \$500,000,000.

“Material Indebtedness” means Indebtedness (other than the Loans), or obligations in respect of one or more Swap Agreements, of any one or more of the Borrower and its Subsidiaries in an aggregate principal amount exceeding \$250,000,000. For purposes of determining Material Indebtedness, the “principal amount” of the obligations of the Borrower or any Subsidiary in respect of any Swap Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Borrower or such Subsidiary would be required to pay if such Swap Agreement were terminated at such time.

“Material Subsidiary” means each Subsidiary (i) which, as of the most recent fiscal quarter of the Borrower, for the period of four consecutive fiscal quarters then ended, for which financial statements have been delivered pursuant to Section 5.01(a) or (b) (or, if prior to the date of the delivery of the first financial statements to be delivered pursuant to Section 5.01(a) or (b), the financial statements for the fiscal quarter ended January 31, 2023), contributed greater than ten percent (10%) of consolidated revenue (after giving effect to intercompany eliminations) for such period, (ii) which contributed greater than ten percent (10%) of Consolidated Total Assets (after giving effect to intercompany eliminations) as of such date or (iii) which is designated by the Borrower as a Material Subsidiary; *provided* that, if at any time the aggregate amount of consolidated revenues or Consolidated Total Assets attributable to all Subsidiaries (other than Foreign Subsidiaries) that are not Material Subsidiaries exceeds fifteen percent (15%) of consolidated revenues (after giving effect to intercompany eliminations) for any such period or fifteen percent (15%) of Consolidated Total Assets (after giving effect to intercompany eliminations) as of the end of any such fiscal quarter, the Borrower (or, in the event the Borrower has failed to do so within ten (10) days after written request by the Administrative Agent, the Administrative Agent) shall designate sufficient Subsidiaries (other than Foreign Subsidiaries) as “Material Subsidiaries” to eliminate such excess, and such designated Subsidiaries shall for all purposes of this Agreement constitute Material Subsidiaries.

“Maturity Date” means the fifth anniversary of the Effective Date (or if such day is not a Business Day, the immediately preceding Business Day).

“Moody’s” means Moody’s Investors Service, Inc. and any successor thereto.

“Multiemployer Plan” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“Non-Consenting Lender” has the meaning assigned to such term in Section 9.02(d).

“Non-Defaulting Lender” means, at any time, each Lender that is not a Defaulting Lender at such time.

“Notice of Account Designation” has the meaning assigned thereto in Section 2.03(b).

“Notice of Borrowing” has the meaning assigned thereto in Section 2.03(a).

“Notice of Conversion/Continuation” has the meaning assigned thereto in Section 2.05.

"Notice of Prepayment" has the meaning assigned thereto in Section 2.08.

"Obligations" means all unpaid principal of and accrued and unpaid interest on the Loans, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations and indebtedness (including interest and fees accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), obligations and liabilities of any of the Borrower and its Subsidiaries to any of the Lenders, the Administrative Agent or any indemnified party, individually or collectively, existing on the Effective Date or arising thereafter, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law or otherwise, arising or incurred under this Agreement or any of the other Loan Documents.

"OFAC" means Office of Foreign Assets Control of the United States Department of the Treasury.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.16).

"Overnight Rate" means, for any day, the greater of (i) the Federal Funds Effective Rate and (ii) an overnight rate determined by the Administrative Agent to be customary in the place of disbursement or payment for the settlement of international banking transactions.

"Parent" means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

"Participant" has the meaning assigned to such term in Section 9.04(d).

"Participant Register" has the meaning assigned to such term in Section 9.04(d)

"Participating Member State" means any member state of the European Union that adopts or has adopted the euro as its lawful currency in accordance with legislation of the European Union relating to economic and monetary union.

"PATRIOT Act" means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

"Payment Recipient" has the meaning assigned thereto in Section 8.11(a).

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Permitted Bond Hedge" means any call option, warrant or right to purchase (or substantively equivalent derivative transaction) that is settled (after payment of any premium or any prepayment thereunder) through the delivery of cash and/or of Equity Interests of the Borrower and is entered into in connection with any Convertible Debt Securities, the purpose of which is to mitigate dilution upon conversion of such Convertible Debt Securities (including, but not limited to, any bond hedge transaction, warrant transaction, or capped call transaction), including, without limitation, bond hedge transactions entered into and warrants issued in connection with the Specified Converts, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Permitted Encumbrances" means:

- (a) Liens imposed by law for Taxes that are not yet due or are being contested in compliance with Section 5.04;
- (b) carriers', warehousemen's, mechanics', materialmen's, repairmen's, landlord's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than sixty (60) days or are being contested in compliance with Section 5.04;
- (c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations (including pledges or deposits securing liabilities for reimbursement or indemnity arrangements and letters of credit or bank guaranty reimbursement arrangements with respect thereto);
- (d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;
- (e) judgment Liens in respect of judgments that do not constitute an Event of Default under clause (k) of Article VII;
- (f) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Borrower or any Subsidiary;
- (g) leases or subleases granted to other Persons and not interfering in any material respect with the business of the lessor or sublessor;
- (h) Liens arising from precautionary Uniform Commercial Code filings or similar filings relating to operating leases;

(i) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection within the importation of goods;

(j) licenses of intellectual property in the ordinary course of business (including, intercompany licensing of intellectual property between the Borrower and any Subsidiary and between Subsidiaries in connection with cost-sharing arrangements, distribution, marketing, make-sell or other similar arrangements); and

(k) any interest or title of a lessor, sublessor, licensor or sublicensor under any lease of real property or personal property;

provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness.

"Permitted Investments" means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody's;

(c) investments in certificates of deposit, banker's acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof which has a combined capital and surplus and undivided profits of not less than \$500,000,000;

(d) fully collateralized repurchase agreements with a term of not more than thirty (30) days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above;

(e) money market funds that (i) comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated AAA by S&P and Aaa by Moody's and (iii) have portfolio assets of at least \$5,000,000,000; and

(f) investments permitted by the Borrower's investment policy as previously disclosed to the Administrative Agent and in effect on the Effective Date (and as amended, restated, supplemented or otherwise modified from time to time with the consent (such consent not to be unreasonably withheld and shall not be required other than for purposes of this definition) of the Administrative Agent; provided that changes that do not affect the tenor or quality of the investments permitted thereby shall not require such consent).

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“Platform” means DebtDomain, Intralinks, Syndtrak or a substantially similar electronic transmission system.

“Prime Rate” means, at any time, the rate of interest per annum publicly announced from time to time by the Administrative Agent as its prime rate. Each change in the Prime Rate shall be effective as of the opening of business on the day such change in such prime rate occurs. The parties hereto acknowledge that the rate announced publicly by the Administrative Agent as its prime rate is an index or base rate and shall not necessarily be its lowest or best rate charged to its customers or other banks.

“PTE” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“Recipient” means (a) the Administrative Agent and (b) any Lender, as applicable.

“Reference Year” means, with respect to any Sustainability Certificate, the fiscal year ending immediately prior to the date of such Sustainability Certificate.

“Register” has the meaning assigned to such term in Section 9.04(c).

“Related Parties” means, with respect to any specified Person, such Person’s Affiliates and the respective partners, trustees, administrators, directors, officers, employees, agents and advisors of such Person and such Person’s Affiliates.

“Relevant Governmental Body” means the FRB or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the FRB or the Federal Reserve Bank of New York, or any successor thereto.

“Removal Effective Date” has the meaning assigned thereto in Section 8.06(b).

“Representatives” has the meaning assigned thereto in Section 5.10(a).

“Required Lenders” means, at any time, Lenders having Revolving Credit Exposures and unused Commitments representing more than 50% of the sum of the total Revolving Credit Exposures and unused Commitments at such time.

“Resignation Effective Date” has the meaning assigned thereto in Section 8.06(a).

“Resolution Authority” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities and/or other property) with respect to any Equity Interests in the Borrower or any Subsidiary, or any payment (whether in cash, securities and/or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests in the Borrower or any Subsidiary or any option, warrant or other right to acquire any such Equity Interests in the Borrower or any Subsidiary. Notwithstanding the foregoing, and for the avoidance of doubt, (i) neither of (a) the conversion of (including any cash payment upon conversion) or (b) payment of any principal (including, without limitation, payments of principal and payments upon redemption or repurchase) or premium on, or paying any interest with respect to, or repurchase and/or exchange of, any Convertible Debt Securities (whether in or for cash, securities, other property, or any combination of the foregoing), in each case, shall constitute a Restricted Payment and (ii) any payment (whether in cash, securities or other property) with respect to, or early unwind or settlement of, any Permitted Bond Hedge shall not constitute a Restricted Payment.

"Revolving Credit Exposure" means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender's Revolving Loans.

"Revolving Loan" means a Loan made pursuant to Section 2.01.

"S&P" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business and any successor thereto.

"Sanctioned Country" means at any time, a country, region or territory which is itself (or whose government is) the subject or target of any Sanctions (including, as of the Effective Date, the so-called Donetsk People's Republic, the so-called Luhansk People's Republic, non-government controlled areas of the Kherson and Zaporizhzhia regions of Ukraine, Crimea region of Ukraine, Cuba, Iran, North Korea, Syria, and Venezuela).

"Sanctioned Person" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC (including OFAC's Specially Designated Nationals and Blocked Persons List and OFAC's Consolidated Non-SDN List), the U.S. Department of State, the United Nations Security Council, the European Union, any European member state, His Majesty's Treasury, or other relevant sanctions authority, (b) any Person operating, organized or resident in a Sanctioned Country, (c) any Person owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, any such Person or Persons described in clauses (a) and (b), including a Person that is deemed by OFAC to be a Sanctions target based on the ownership of such legal entity by Sanctioned Person(s) or (d) any Person otherwise a target of Sanctions, including vessels and aircraft, that are designated under any Sanctions program.

"Sanctions" means any and all economic or financial sanctions, sectoral sanctions, secondary sanctions, trade embargoes and restrictions and anti-terrorism laws, including but not limited to those imposed, administered or enforced from time to time by the U.S. government (including those administered by OFAC or the U.S. Department of State), the United Nations Security Council, the European Union, any European member state, His Majesty's Treasury, or other relevant sanctions authority in any jurisdiction in which (a) the Borrower or any of its Subsidiaries or Affiliates is located or conducts business, (b) in which any of the proceeds of the Loans will be used, or (c) from which repayment of the Loans will be derived.

"SEC" means the United States Securities and Exchange Commission.

"SOFR" means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

"SOFR Administrator" means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

"Specified Converts" means the 2023 Notes and the 2025 Notes.

"Structured Repurchases" has the meaning specified in the definition of "Swap Agreement".

"Subordinated Indebtedness" means any Indebtedness of the Borrower or any Subsidiary the payment of which by its terms is subordinated in writing to payment of the obligations under the Loan Documents. No Indebtedness of the Borrower or any Subsidiary shall be deemed to be subordinated in right of payment to any other Indebtedness solely by virtue of Liens, guarantees, maturity or payments, or structural subordination.

"subsidiary" means, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held by the parent.

"Subsidiary" means any subsidiary of the Borrower.

"Subsidiary Guarantor" means each Material Subsidiary and each other Subsidiary that is designated by the Borrower or the Administrative Agent as such pursuant to Section 5.09, in each case, that is a party to the Subsidiary Guaranty; provided that notwithstanding anything to the contrary, no Excluded Subsidiary shall be a Subsidiary Guarantor. Subsidiary Guarantors on the Effective Date are identified as such in Schedule 3.01 to the Disclosure Letter.

"Subsidiary Guaranty" means the Guaranty in the form of Exhibit E (including any and all supplements thereto) and executed by any Subsidiary Guarantor from time to time after the Effective Date, as amended, restated, supplemented or otherwise modified from time to time.

"Sustainability Certificate" means a certificate substantially in the form of Exhibit K, executed by the Chief Executive Officer or Chief Financial Officer of the Borrower (a) setting forth the Sustainability Rate Adjustment and the Sustainability Commitment Fee Adjustment and calculations in reasonable detail of the KPI Metrics, in each case, for the Reference Year covered thereby, (b) specifying the website for the public reporting of the Borrower's Sustainability Report for such Reference Year as in effect on the date of such certificate (or attaching a true and complete copy of the Borrower's Sustainability Report for the applicable Reference Year) and (c) attaching a true and complete report of the Sustainability Metric Auditor, which report (i) measures, verifies, calculates and certifies each KPI Metric set forth in the Sustainability Certificate or the Sustainability Report, as applicable, for the applicable Reference Year and (ii) confirms that the Sustainability Metric Auditor is not aware of any modifications that should be made to such computations in order for them to be presented in all material respects in conformity with the ESG Standards.

"Sustainability Certificate Inaccuracy" has the meaning specified in Section 1.09(d).

"Sustainability Commitment Fee Adjustment" means, with respect to any Sustainability Certificate for any period between Sustainability Pricing Adjustment Dates, an amount (whether positive, negative or zero), expressed as a percentage, equal to the sum of (a) the KPI 1 Commitment Fee Adjustment Amount (whether positive, negative or zero), plus (b) the KPI 2 Commitment Fee Adjustment Amount (whether positive, negative or zero), in each case for such period.

"Sustainability Metric Auditor" means Apex Companies, LLC, or any replacement sustainability metric auditor thereof as designated from time to time by the Borrower; provided that any such replacement Sustainability Metric Auditor (a) shall be (i) a qualified external reviewer (other than an Affiliate of the Borrower), with relevant expertise, such as an auditor, environmental consultant and/or independent ratings agency of recognized national standing or (ii) another firm designated by the Borrower and approved by the Administrative Agent and the Required Lenders, and (b) shall apply auditing standards and methodology that are the same as or substantially consistent with the auditing standards and methodology used in the Borrower's Sustainability Report for the Reference Year ending July 31, 2021, except for any changes to such standards and/or methodology that (x) are consistent with then generally accepted industry standards or (y) if not so consistent, are proposed by the Borrower and approved by the Administrative Agent and the Required Lenders.

"Sustainability Pricing Adjustment Date" has the meaning specified in Section 1.09(a).

"Sustainability Rate Adjustment" with respect to any Sustainability Certificate for any period between Sustainability Pricing Adjustment Dates, an amount (whether positive, negative or zero), expressed as a percentage, equal to the sum of (a) the KPI 1 Applicable Rate Adjustment Amount (whether positive, negative or zero), plus (b) the KPI 2 Applicable Rate Adjustment Amount (whether positive, negative or zero), in each case for such period.

"Sustainability Recalculation Event" has the meaning specified in Section 1.09(f).

"Sustainability-Related Information" has the meaning specified in Section 3.16.

"Sustainability Report" means the annual non-financial disclosure report prepared in accordance with the ESG Standards publicly reported by the Borrower and published on an Internet or intranet website to which each Lender and the Administrative Agent have been granted access free of charge (or at the expense of the Borrower), it being understood and agreed that the applicable Sustainability Report shall be such disclosure report as in effect and available on the date of delivery of the applicable Sustainability Certificate.

"Sustainability Structuring Agent" means Wells Fargo Securities, LLC in such capacity solely prior to the effectiveness of this Agreement on the Closing Date.

"Sustainability Structuring Agent Resignation Effective Date" has the meaning assigned thereto in Section 8.06(d).

"Sustainability Table" means the Sustainability Table set forth on Schedule 1.01(b).

"Swap Agreement" means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities (other than Equity Interests of the Borrower or any of its Affiliates), or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that, for the avoidance of doubt, the following shall not be deemed a "Swap Agreement": (i) any phantom stock or similar plan (including, any stock option plan) providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or the Subsidiaries, (ii) any stock option or warrant agreement for the purchase of Equity Interests of the Borrower, (iii) the purchase of Equity Interests or Indebtedness (including securities convertible into Equity Interests) of Borrower pursuant to delayed delivery contracts, accelerated stock repurchase agreements, prepaid put options, forward contracts or other similar agreements ("Structured Repurchases"), (iv) any Permitted Bond Hedge and (v) any of the foregoing to the extent that it constitutes a derivative embedded in a convertible security issued by the Borrower.

"Syndication Agent" means Citibank, N.A. in its capacity as syndication agent for the credit facility evidenced by this Agreement.

"Synthetic Lease Obligation" means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such Person but which, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term SOFR" means,

(a) for any calculation with respect to a SOFR Loan, the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the "Periodic Term SOFR Determination Day") that is two (2) U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (Eastern time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day, and

(b) for any calculation with respect to a Base Rate Loan on any day, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the "Base Rate Term SOFR Determination Day") that is two (2) U.S. Government Securities Business Days prior to such day, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (Eastern time) on any Base Rate Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Base Rate SOFR Determination Day.

"Term SOFR Adjustment" means a percentage equal to 0.10% per annum.

"Term SOFR Administrator" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Administrative Agent in its reasonable discretion).

"Term SOFR Loan" means any Loan that bears interest at a rate based on Adjusted Term SOFR other than pursuant to clause (c) of the definition of "Base Rate".

"Term SOFR Reference Rate" means the forward-looking term rate based on SOFR.

"Total Revolving Credit Exposure" means, the sum of the outstanding principal amount of all Lenders' Revolving Loans at such time.

"Transactions" means the execution, delivery and performance by the Loan Parties of this Agreement and the other Loan Documents and the borrowing of Loans.

Type", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted Term SOFR or the Base Rate.

UK Financial Institution" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

Unadjusted Benchmark Replacement" means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

U.S. Government Securities Business Day" means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities; provided, that for purposes of notice requirements in Article II, such day is also a Business Day.

U.S. Person" means a "United States person" within the meaning of Section 7701(a)(30) of the Code.

U.S. Tax Compliance Certificate" has the meaning assigned to such term in Section 2.14(f)(ii)(B)(3).

Venture Fund" means Palo Alto Networks Venture Fund LLC.

Wells Fargo" means Wells Fargo Bank, National Association, a national banking association.

WFS" means Wells Fargo Securities, LLC.

Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

"Write-Down and Conversion Powers" means (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Type (e.g., a "Term SOFR Loan" or "Base Rate Loan"). Borrowings also may be classified and referred to by Type (e.g., a "Term SOFR Borrowing" or "Base Rate Borrowing").

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". The word "law" shall be construed as referring to all statutes, rules, regulations, codes and other laws (including official rulings and interpretations thereunder having the force of law or with which affected Persons customarily comply), and all judgments, orders and decrees, of all Governmental Authorities. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein), (b) any definition of or reference to any applicable law, including Anti-Corruption Laws, Anti-Money Laundering Laws, the Bankruptcy Code, the Code, ERISA, the PATRIOT Act, the Investment Company Act, the Trading with the Enemy Act of the United States or any of the foreign assets control regulations of the United States Treasury Department, shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such applicable law, (c) any reference herein to any Person shall be construed to include such Person's successors and assigns (subject to any restrictions on assignment set forth herein) and, in the case of any Governmental Authority, any other Governmental Authority that shall have succeeded to any or all functions thereof, (d) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (e) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04.

Accounting Terms; GAAP; Pro Forma Calculations.

(a) Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith; provided, further, that in the event that the Borrower requests such an amendment, the Administrative Agent and the Required Lenders shall negotiate in good faith to evaluate such proposed amendment. Notwithstanding any other provision contained herein, other than for purposes of Sections 3.04, 5.01(a) and 5.01(b), all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made (i) without giving effect to any election under Accounting Standards Codification 825-10-25 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Borrower or any Subsidiary at "fair value", as defined therein, and (ii) without giving effect to any treatment of Indebtedness in respect of convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof. For purposes of the definitions of "Indebtedness" and "Indebtedness for Borrowed Money" and all other financial definitions and calculations pursuant to this Agreement (but not the preparation of financial statements in accordance with GAAP), all obligations of any Person that are or would have been treated as operating leases for purposes of GAAP prior to the effectiveness of FASB ASC 842 shall continue to be accounted for as operating leases (whether or not such operating lease obligations were in effect on such date) notwithstanding the fact that such obligations are required in accordance with FASB ASC 842 (on a prospective or retroactive basis or otherwise) to be treated as Capital Lease Obligations in the financial statements.

(b) All pro forma computations required to be made hereunder giving effect to any acquisition or disposition, or issuance, incurrence or assumption of Indebtedness, or other transaction, shall in each case be calculated giving pro forma effect thereto (and, in the case of any pro forma computation made hereunder to determine whether such acquisition or disposition, or issuance, incurrence or assumption of Indebtedness, or other transaction is permitted to be consummated hereunder, to any other such transaction consummated since the first day of the period covered by any component of such pro forma computation and on or prior to the date of such computation), as if such transaction had occurred on the first day of the period of four consecutive fiscal quarters ending with the most recent fiscal quarter for which financial statements shall have been delivered pursuant to Section 5.01(a) or Section 5.01(b) (or, prior to the delivery of any such financial statements, ending with the last fiscal quarter included in the financial statements referred to in Section 3.04(a)), and, to the extent applicable, to the historical earnings and cash flows associated with the assets acquired or disposed of (but without giving effect to any synergies or cost savings) and any related incurrence or reduction of Indebtedness, all in accordance with Article 11 of Regulation S-X under the Securities Act. If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the

interest on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Swap Agreement applicable to such Indebtedness).

SECTION 1.05. Status of Obligations. In the event that the Borrower or any other Loan Party shall at any time issue or have outstanding any Subordinated Indebtedness, the Borrower shall take or cause such other Loan Party to take all such actions as shall be necessary to cause the Obligations to constitute senior indebtedness (however denominated) in respect of such Subordinated Indebtedness and to enable the Administrative Agent and the Lenders to have and exercise any payment blockage or other remedies available or potentially available to holders of senior indebtedness under the terms of such Subordinated Indebtedness. Without limiting the foregoing, the Obligations are hereby designated as "senior indebtedness" and as "designated senior indebtedness" and words of similar import under and in respect of any indenture or other agreement or instrument under which such Subordinated Indebtedness is outstanding and are further given all such other designations as shall be required under the terms of any such Subordinated Indebtedness in order that the Lenders may have and exercise any payment blockage or other remedies available or potentially available to holders of senior indebtedness under the terms of such Subordinated Indebtedness.

SECTION 1.06. Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

SECTION 1.07. Interest Rate. The Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, (a) the continuation of, administration of, submission of, calculation of or any other matter related to the Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR or any other Benchmark, or any component definition thereof or rates referred to in the definition thereof, or with respect to any alternative, successor or replacement rate thereto (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement), as it may or may not be adjusted pursuant to Section 2.11(c), will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, the Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR or such other Benchmark prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Conforming Changes. The Administrative Agent and its Affiliates or other related entities may engage in transactions that affect the calculation of a Benchmark, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto and such transactions may be adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain any Benchmark, any component definition thereof or rates referred to in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

SECTION 1.08. Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

SECTION 1.09. Sustainability Adjustments.

(a) Effective as of the fifth Business Day following receipt by the Administrative Agent of a Sustainability Certificate delivered pursuant to Section 1.09(e) (such day, the "Sustainability Pricing Adjustment Date") in respect of the most recently ended Reference Year, commencing with the Reference Year ending July 31, 2024, (i) the Applicable Rate shall be increased or decreased (or neither increased nor decreased), as applicable, pursuant to the Sustainability Rate Adjustment as set forth in such Sustainability Certificate, and (ii) the Commitment Fee shall be increased or decreased (or neither increased nor decreased), as applicable, pursuant to the Sustainability Commitment Fee Adjustment as set forth in such Sustainability Certificate. Each change in the Applicable Rate and the Commitment Fee resulting from a Sustainability Certificate shall be effective during the period commencing on and including the applicable Sustainability Pricing Adjustment Date and ending on the date immediately preceding the next such Sustainability Pricing Adjustment Date.

(b) In the event the Borrower does not deliver a Sustainability Certificate within the period set forth in Section 1.09(e) or any Sustainability Certificate shall be incomplete and fail to satisfy the requirements set forth in the definition of "Sustainability Certificate" (including the failure to set forth the Sustainability Rate Adjustment and the Sustainability Commitment Fee Adjustment and calculations in reasonable detail of the KPI Metrics, in each case, for the applicable Reference Year), the Sustainability Rate Adjustment will be positive 0.05% and the Sustainability Commitment Fee Adjustment will be positive 0.01% commencing on the fifth Business Day following the last day such Sustainability Certificate should have been delivered pursuant to the terms of Section 1.09(e) and continuing until the fifth Business Day following receipt by the Administrative Agent of a complete Sustainability Certificate for such Reference Year.

(c) For the avoidance of doubt, only one Sustainability Certificate may be delivered in respect of any Reference Year and any adjustment to the Applicable Rate or the Commitment Fee by reference to any of the KPI Metrics in any year shall not be cumulative year-over-year. Each applicable adjustment shall only apply until the date on which the next adjustment is to occur. It is further understood and agreed that the Applicable Rate will never be reduced or increased by more than 0.05% and that the Commitment Fee will never be reduced or increased by more than 0.01%, pursuant to the Sustainability Rate Adjustment and the Sustainability Commitment Fee Adjustment, respectively, during any Reference Year; provided that, and notwithstanding anything to the contrary in this Agreement (including any provision of Section 9.02 requiring the consent of "each Lender directly affected thereby" for reductions in interest rates or fees), the definitions of KPI 1, KPI 2, Reference Year, Sustainability Rate Adjustment (and the definitions of the components thereof), Sustainability Metric Auditor and Sustainability Report, and the Sustainability Table may be amended or otherwise modified with the consent of the Borrower, the

Administrative Agent and the Required Lenders; provided, however, for the avoidance of doubt, any changes to the Applicable Rate pursuant to any Sustainability Rate Adjustment and the Commitment Fee pursuant to the Sustainability Commitment Fee Adjustment in excess of the amounts set forth above shall be subject to the consent of "each Lender directly affected thereby" in accordance with Section 9.02.

(d) If (i)(A) the Administrative Agent becomes aware of any material inaccuracy in the Sustainability Rate Adjustment, the Sustainability Commitment Fee Adjustment or the KPI Metrics as reported in any Sustainability Certificate (any such material inaccuracy, a "Sustainability Certificate Inaccuracy") and the Administrative Agent notifies the Borrower thereof, or (B) any Lender becomes aware of any Sustainability Certificate Inaccuracy and such Lender delivers a written notice to the Administrative Agent and the Borrower describing such Sustainability Certificate Inaccuracy in reasonable detail (which description shall be shared with the Borrower), or (C) the Borrower becomes aware of a Sustainability Certificate Inaccuracy and delivers notice thereof to the Administrative Agent, and (ii) a proper calculation of the Sustainability Rate Adjustment, Sustainability Commitment Fee Adjustment or the KPI Metrics would have resulted in no adjustment or an increase in the Applicable Rate or Commitment Fee for any applicable period, (x) commencing on the fifth Business Day following delivery of a corrected Sustainability Certificate to the Administrative Agent, the Applicable Rate and Commitment Fee shall be adjusted (if required) to reflect such corrected calculations of the Sustainability Rate Adjustment and the Sustainability Commitment Fee Adjustment and (y) the Borrower shall be obligated to pay to the Administrative Agent for the account of the applicable Lenders, promptly on demand by the Administrative Agent (or, after the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under any Debtor Relief Laws, automatically and without further action by the Administrative Agent or any Lender), but in any event within ten (10) Business Days after the Borrower has received written notice of, or has determined that there was, a Sustainability Certificate Inaccuracy, an amount equal to the excess of (1) the amount of interest and fees that should have been paid for such period over (2) the amount of interest and fees actually paid for such period. It is understood and agreed that any Sustainability Certificate Inaccuracy shall not constitute a Default or Event of Default or otherwise result in the failure of any condition precedent to any advance; provided, that, the Borrower complies with the terms of this Section 1.09(d) with respect to such Sustainability Certificate Inaccuracy. Notwithstanding anything to the contrary herein, unless such amounts shall be due upon the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under any Debtor Relief Laws, (x) any additional amounts required to be paid pursuant to this paragraph shall not be due and payable until the earlier to occur of (I) a written demand is made for such payment by the Administrative Agent in accordance with this paragraph or (II) 10 Business Days after the Borrower has received written notice of, or has determined that there was, a Sustainability Certificate Inaccuracy (such earlier date, the "Certificate Inaccuracy Payment Date"), (y) any nonpayment of such additional amounts prior to the Certificate Inaccuracy Payment Date shall not constitute a Default (whether retroactively or otherwise) and (z) none of such additional amounts shall be deemed overdue prior to the Certificate Inaccuracy Payment Date or shall accrue interest at the default rate pursuant to Section 2.10(b) prior to the Certificate Inaccuracy Payment Date.

(e) As soon as available and in any event within ~~180~~²⁴⁰ days after the Borrower files its Annual Report on Form 10-K for the fiscal year of the Borrower (commencing with the Borrower's Annual Report on Form 10-K for the fiscal year ending July 31, 2024), the Borrower

shall deliver to the Administrative Agent and the Lenders, in form and detail reasonably satisfactory to the Administrative Agent and the Required Lenders, a Sustainability Certificate for the most recently-ended Reference Year; provided, that, for any Reference Year the Borrower may elect not to deliver a Sustainability Certificate, and such election shall not constitute a Default or Event of Default (but such failure to so deliver a Sustainability Certificate by the end of such **180240**-day period shall result in the Sustainability Rate Adjustment and the Sustainability Commitment Fee Adjustment being applied as set forth in Section 1.09(b)).

(f) If, after the date hereof, there occurs any Sustainability Recalculation Event, and either (i) the Borrower notifies the Administrative Agent in writing that the Borrower requests an amendment to any provision hereof to eliminate, accommodate or otherwise take into account the effect of such Sustainability Recalculation Event, or (ii) the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision or provisions hereof for such purpose (it being understood and agreed that any such notice may be given before or after such Sustainability Recalculation Event has occurred), then (A) the Borrower and the Administrative Agent shall negotiate in good faith to amend the provisions hereof to eliminate, accommodate or otherwise take into account the effect of such Sustainability Recalculation Event for the period from and after the occurrence of such Sustainability Recalculation Event, and (B) the provisions of this Agreement shall be interpreted on the basis of the provisions in effect and applied immediately prior to such Sustainability Recalculation Event for a period of not more than 30 days (unless the provisions hereof shall have been amended in accordance herewith or such notice shall have been withdrawn). If, after 30 days following any such notice, the consent of the Borrower, the Administrative Agent and the requisite Lenders under Section 9.02 has not been obtained, there will cease to be any Sustainability Rate Adjustment and any Sustainability Commitment Fee Adjustment until such time as the parties hereto can agree upon any such adjustments in accordance with the terms hereof, and for the period thereafter, no party to this Agreement shall, without the prior written consent of the Administrative Agent and the Borrower, make any public or private representations or description of the credit facility described in this Agreement as a sustainability-linked loan. For purposes of this paragraph, "Sustainability Recalculation Event" means (i) any acquisition, disposition, merger or similar transaction or series of related transactions consummated by the Borrower and its Subsidiaries whereby, as a result of the consummation of such transaction or series of related transactions any of the KPI Metrics would reasonably be expected to be (as determined in good faith by the Borrower), or shall be, increased or decreased by 10% or more (on a consolidated basis) as compared to the KPI Metrics in effect immediately prior to the consummation of such transaction or (ii) any Change in Law applicable to any party hereto the result of which shall (A) prohibit or modify any sustainability calculation hereunder or cause any other violation of any sustainability provision hereunder, or impose or modify any reporting obligation in respect thereof, (B) cause the Company to fail to attain or maintain any KPI Metric or target or threshold with respect thereto or (C) prohibit or otherwise limit such party's ability to make or maintain the Loans hereunder after applying the sustainability provisions hereunder.

ARTICLE II

The Credits

SECTION 2.01. Commitments. Subject to the terms and conditions set forth herein, each Lender, severally and not jointly, agrees to make Revolving Loans to the Borrower in Dollars from time to time during the Availability Period in an aggregate principal amount that will not result in (a) the amount of such Lender's Revolving Credit Exposure exceeding such Lender's Commitment or (b) the Total Revolving Credit Exposure exceeding the Aggregate Commitment. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Revolving Loans.

SECTION 2.02. Loans and Borrowings. (a) Each Revolving Loan shall be made as part of a Borrowing consisting of Revolving Loans made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Subject to Section 2.11, each Revolving Borrowing shall be comprised entirely of Base Rate Loans or Term SOFR Loans as the Borrower may request in accordance herewith. Each Lender at its option may make any Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan (and in the case of an Affiliate, the provisions of Sections 2.11, 2.12, 2.13 and 2.14 shall apply to such Affiliate to the same extent as to such Lender); provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

SECTION 2.03. Requests for Revolving Borrowings.

(a) The Borrower shall give the Administrative Agent irrevocable prior written notice substantially in the form of Exhibit H-1 (a "Notice of Borrowing") not later than 12:00 p.m. (i) on the same Business Day as each Base Rate Loan and (ii) in the case of a Term SOFR Loan, at least three (3) U.S. Government Securities Business Days before such Term SOFR Loan, of its intention to borrow, in each case, specifying (A) the date of such borrowing, which shall be a Business Day, (B) the amount of such borrowing, which shall be, (x) with respect to Base Rate Loans in an aggregate principal amount of \$1,000,000 or a whole multiple of \$500,000 in excess thereof and (y) with respect to Term SOFR Loans in an aggregate principal amount of \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof, (C) whether such Loan is to be a Term SOFR Loan or a Base Rate Loan, and (D) in the case of a Term SOFR Loan, the duration of the Interest Period applicable thereto. If the Borrower fails to specify a type of Loan in a Notice of Borrowing, then the applicable Loans shall be made as Base Rate Loans. If the Borrower requests a borrowing of a Term SOFR Loan in any such Notice of Borrowing, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month. A Notice of Borrowing received after 12:00 p.m. shall be deemed received on the next Business Day or U.S. Government Securities Business Day, as applicable. The Administrative Agent shall promptly notify the Lenders of each Notice of Borrowing.

(b) Not later than 2:00 p.m. on the proposed borrowing date, each Lender will make available to the Administrative Agent, for the account of the Borrower, at the Administrative Agent's Office in immediately available funds in Dollars, such Lender's Applicable Percentage of the Loans to be made on such borrowing date. The Borrower hereby irrevocably authorizes the Administrative Agent to disburse the proceeds of each borrowing requested pursuant to this Section in immediately available funds by crediting or wiring such proceeds to the deposit account of the Borrower identified in the most recent notice substantially in the form attached as Exhibit H-3 (a "Notice of Account Designation") delivered by the Borrower to the Administrative Agent or as may be otherwise agreed upon by the Borrower and the Administrative Agent from time to time. Subject to Section 2.04(a) hereof, the Administrative Agent shall not be obligated to disburse the portion of the proceeds of any Loan requested pursuant to this Section to the extent that any Lender has not made available to the Administrative Agent its Applicable Percentage of such Loan.

SECTION 2.04. Administrative Agent's Clawback.

(a) Funding by Lenders; Presumption by Administrative Agent. In connection with any borrowing hereunder, the Administrative Agent may assume that each Lender has made its respective share of such borrowing available on such date in accordance with Section 2.03(b) and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in Dollars with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the

Administrative Agent, at (A) in the case of a payment to be made by such Lender, the applicable Overnight Rate and (B) in the case of a payment to be made by the Borrower, the interest rate applicable to Base Rate Loans. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(b) Nature of Obligations of Lenders The obligations of the Lenders under this Agreement to make the Loans and to make payments under this Section, Section 2.14(e), Section 8.11, Section 9.03(c) or Section 9.08, as applicable, are several and are not joint or joint and several. The failure of any Lender to make available its Applicable Percentage of any Loan requested by the Borrower shall not relieve it or any other Lender of its obligation, if any, hereunder to make its Applicable Percentage of such Loan available on the borrowing date, but no Lender shall be responsible for the failure of any other Lender to make its Commitment Percentage of such Loan available on the borrowing date.

SECTION 2.05. Notice and Manner of Conversion or Continuation of Loans Provided that no Default or Event of Default has occurred and is then continuing, the Borrower shall have the option, subject to Section 2.13, to (a) convert at any time, subject to the notice requirements herein, all or any portion of any outstanding Base Rate Loans in a principal amount equal to \$5,000,000 or any whole multiple of \$1,000,000 in excess thereof (or such lesser amount as shall represent all of the Base Rate Loans then outstanding) into one or more Term SOFR Loans or (b) upon the expiration of any Interest Period therefor, (i) convert all or any part of any outstanding Term SOFR Loans in a principal amount equal to \$1,000,000 or a whole multiple of \$500,000 in excess thereof (or such lesser amount as shall represent all of the Term SOFR Loans then outstanding) into Base Rate Loans or (ii) continue any Term SOFR Loans as Term SOFR Loans. Whenever the Borrower desires to convert or continue Loans as provided above, the Borrower shall give the Administrative Agent irrevocable prior written notice in the form attached as Exhibit H-2 (a "Notice of Conversion/Continuation") not later than 12:00 p.m. at least three (3) U.S. Government Securities Business Days before the day on which a proposed conversion or continuation of such Loan is to be effective, specifying (A) the Loans to be converted or continued, and, in the case of any Term SOFR Loan to be converted or continued, the last day of the Interest Period therefor, (B) the effective date of such conversion or continuation (which shall be a Business Day), and (C) in the case of any Term SOFR Loan, the Interest Period to be applicable to such converted or continued Term SOFR Loan. If the Borrower fails to deliver a timely Notice of Conversion/Continuation with respect to a Term SOFR Loan prior to the end of the Interest Period therefor, then, unless such Term SOFR Loan is repaid as provided herein, the Borrower shall be deemed to have selected that such Term SOFR Loan shall automatically be converted to a Base Rate Loan denominated at the end of such Interest Period. If the Borrower requests a conversion to, or continuation of, a Term SOFR Loan, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period

of one month. The Administrative Agent shall promptly notify the affected Lenders of such Notice of Conversion/Continuation.

SECTION 2.06. Termination and Reduction of Commitments (a) Unless previously terminated, the Commitments shall terminate on the Maturity Date.

(b) The Borrower may at any time terminate, or from time to time reduce, the Commitmentsprovided that (i) each reduction of the Commitments shall be in an amount that is an integral multiple of \$5,000,000 and not less than \$10,000,000 and (ii) the Borrower shall not terminate or reduce the Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.08, the Total Revolving Credit Exposure would exceed the Aggregate Commitment.

(c) The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least three (3) Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable; provided that a notice of termination of the Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities or other transactions, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied (provided that the failure of such contingency shall not relieve the Borrower from its obligations in respect thereof under Section 2.13). Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments. All Commitment Fees accrued until the effective date of any termination of any Commitments shall be paid on the effective date of such termination.

SECTION 2.07. Repayment of Loans; Evidence of Indebtedness

(a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Revolving Loan on the Maturity Date.

(b) The Loans made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Loans made by the Lenders to the Borrower and its Subsidiaries and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, the Borrower shall execute and deliver to such

Lender (through the Administrative Agent) a promissory note payable to the order of such Lender and its registered assigns and in the form attached hereto as Exhibit I, which shall evidence such Lender's Loans in addition to such accounts or records. Each Lender may attach schedules to such promissory note held by it and endorse thereon the date, amount and maturity of its Loans and payments with respect thereto.

SECTION 2.08. Prepayment of Loans.

(a) The Borrower may at any time and from time to time prepay Loans, in whole or in part, without premium or penalty, with irrevocable prior written notice to the Administrative Agent substantially in the form attached as Exhibit B (a "Notice of Prepayment") given not later than 12:00 p.m. (i) on the same Business Day as prepayment of each Base Rate Loan and (ii) at least three (3) U.S. Government Securities Business Days before prepayment of each Term SOFR Loan, specifying the date and amount of prepayment and whether the prepayment is of Term SOFR Loans, Base Rate Loans or a combination thereof, and, if of a combination thereof, the amount allocable to each; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.06, then such notice of prepayment may be revoked if such notice of termination is revoked pursuant to Section 2.06. Upon receipt of such notice, the Administrative Agent shall promptly notify each Lender. Except if such Notice of Prepayment is revoked as provided in this section, if any such notice is given, the amount specified in such notice shall be due and payable on the date set forth in such notice. Partial prepayments shall be in an aggregate amount of \$1,000,000 or a whole multiple of \$500,000 in excess thereof with respect to Base Rate Loans and \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof with respect to Term SOFR Loans. A Notice of Prepayment received after 12:00 p.m. shall be deemed received on the next Business Day or U.S. Government Securities Business Day, as applicable. Each such repayment shall be accompanied by any amount required to be paid pursuant to Section 2.13 hereof.

(b) If at any time the sum of the aggregate principal amount of all of the Revolving Credit Exposures exceeds the Aggregate Commitment, the Borrower shall immediately repay Borrowings in an aggregate principal amount sufficient to cause the aggregate principal amount of all Revolving Credit Exposures to be less than or equal to the Aggregate Commitment.

SECTION 2.09. Fees. (a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee (the "Commitment Fee"), which shall accrue at the Applicable Rate on the Available Revolving Commitment of such Lender during the period from and including the Effective Date to but excluding the date on which such Commitment terminates. Accrued commitment fees shall be payable in arrears on the last Business Day of March, June, September and December of each year and on the date on which the Commitments terminate, commencing on the first such date to occur after the date hereof; provided that any commitment fees accruing after the date on which the Commitments terminate shall be payable on demand. All commitment fees shall be computed on the basis of a year of

360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) The Borrower agrees to pay to the Administrative Agent, each applicable Arranger and Lender, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent or such Arranger or Lender.

(c) All fees payable hereunder shall be paid on the dates due, in Dollars and immediately available funds, to the Administrative Agent for distribution, in the case of commitment fees and participation fees, to the Lenders. Fees paid shall not be refundable under any circumstances.

SECTION 2.10. Interest.

(a) Interest Rate Options. The Loans comprising each Base Rate Borrowing shall bear interest at the Base Rate plus the Applicable Rate. The Loans comprising each Term SOFR Borrowing shall bear interest at the Adjusted Term SOFR for the Interest Period in effect for such Borrowing plus the Applicable Rate. The Borrower shall select the rate of interest and Interest Period, if any, applicable to any Loan at the time a Notice of Borrowing is given or at the time a Notice of Conversion/Continuation is given pursuant to Section 2.05.

(b) Default Rate. Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraph of this Section or (ii) in the case of any other amount, 2% plus the rate applicable to Base Rate Loans as provided in paragraph (a) of this Section.

(c) Interest Payment and Computation. Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto; provided that (i) in the event of any repayment or prepayment of any Term SOFR Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (ii) in the event of any conversion of any Term SOFR Loan prior to the end of the Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion. All computations of interest for Base Rate Loans shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest provided hereunder shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365/366-day year).

(d) Conforming Changes. In connection with the use or administration of any Benchmark, the Administrative Agent will have the right, in consultation with the Borrower, to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this

Agreement or any other Loan Document. The Administrative Agent will promptly notify the Borrower and the Lenders of the effectiveness of any Conforming Changes in connection with the use or administration of any Benchmark.

SECTION 2.11. Changed Circumstances.

(a) Circumstances Affecting Benchmark Availability. Subject to clause (c) below, in connection with any request for a Term SOFR Loan or a conversion to or continuation thereof or otherwise, if for any reason (i) the Administrative Agent shall determine (which determination shall be conclusive and binding absent manifest error) that reasonable and adequate means do not exist for ascertaining Adjusted Term SOFR for the applicable Interest Period with respect to a proposed Term SOFR Loan on or prior to the first day of such Interest Period or (ii) the Required Lenders shall determine (which determination shall be conclusive and binding absent manifest error) that Adjusted Term SOFR does not adequately and fairly reflect the cost to such Lenders of making or maintaining such Loans during such Interest Period and, in the case of clause (ii), the Required Lenders have provided notice of such determination to the Administrative Agent, then, in each case, the Administrative Agent shall promptly give notice thereof to the Borrower. Upon notice thereof by the Administrative Agent to the Borrower, any obligation of the Lenders to make Term SOFR Loans, and any right of the Borrower to convert any Loan to or continue any Loan as a Term SOFR Loan, shall be suspended (to the extent of the affected Term SOFR Loans or the affected Interest Periods) until the Administrative Agent (with respect to clause (ii), at the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, (A) the Borrower may revoke any pending request for a borrowing of, conversion to or continuation of Term SOFR Loans (to the extent of the affected Term SOFR Loans or the affected Interest Periods) or, failing that, the Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to Base Rate Loans in the amount specified therein and (B) any outstanding affected Term SOFR Loans will be deemed to have been converted into Base Rate Loans at the end of the applicable Interest Period. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 2.13.

(b) Laws Affecting SOFR Availability. If, after the date hereof, the introduction of, or any change in, any applicable law or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any of the Lenders (or any of their respective Lending Offices) with any request or directive (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency, shall make it unlawful or impossible for any of the Lenders (or any of their respective Lending Offices) to honor its obligations hereunder to make or maintain any Term SOFR Loan, or to determine or charge interest based upon SOFR, the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, such Lender shall promptly give notice thereof to the Administrative Agent and the Administrative Agent shall promptly give notice to the Borrower and the other Lenders (an "Illegality Notice"). Thereafter, until each affected Lender notifies the Administrative Agent and the Administrative Agent notifies the Borrower that the circumstances giving rise to such determination no longer exist, (i) any obligation of the Lenders to make Term

SOFR Loans, and any right of the Borrower to convert any Loan to a Term SOFR Loan or continue any Loan as a Term SOFR Loan, shall be suspended and (ii) if necessary to avoid such illegality, the Administrative Agent shall compute the Base Rate without reference to clause (c) of the definition of "Base Rate". Upon receipt of an Illegality Notice, (i) the Borrower may revoke any pending request for a borrowing of, conversion to or continuation of Term SOFR Loans (to the extent of the affected Term SOFR Loans or affected Interest Periods) or, failing that, the Borrower will be deemed to have converted any such request into a request for a Borrowing of or conversion to Base Rate Loans in the amount specified therein, and (ii) the Borrower shall, if necessary to avoid such illegality, upon demand from any Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all Term SOFR Loans to Base Rate Loans (in each case, if necessary to avoid such illegality, the Administrative Agent shall compute the Base Rate without reference to clause (c) of the definition of "Base Rate"), on the last day of the Interest Period therefor, if all affected Lenders may lawfully continue to maintain such Term SOFR Loans to such day, or immediately, if any Lender may not lawfully continue to maintain such Term SOFR Loans to such day. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 2.13.

(c) Benchmark Replacement Setting.

(i) Benchmark Replacement.

(A) Notwithstanding anything to the contrary herein or in any other Loan Document, upon the occurrence of a Benchmark Transition Event, the Administrative Agent and the Borrower may amend this Agreement to replace the then-current Benchmark with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. on the fifth (5th) Business Day after the Administrative Agent has posted such proposed amendment to all affected Lenders and the Borrower so long as the Administrative Agent has not received, by such time, written notice of objection to such amendment from Lenders comprising the Required Lenders. No replacement of a Benchmark with a Benchmark Replacement pursuant to this Section 2.11(c)(i)(A) will occur prior to the applicable Benchmark Transition Start Date.

(ii) Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrative Agent will have the right, in consultation with the Borrower, to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(iii) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrower and the Lenders of (A) the implementation of any Benchmark Replacement and (B) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Administrative Agent will promptly notify the Borrower of (x) the removal or reinstatement of any tenor of a Benchmark pursuant to Section 2.11(c)(iv) and (y) the commencement of any Benchmark

Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.11(c), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.11(c).

(iv) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (A) if the then-current Benchmark is a term rate (including the Term SOFR Reference Rate) and either (1) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (2) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (B) if a tenor that was removed pursuant to clause (A) above either (1) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (2) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(v) Benchmark Unavailability Period. Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, (A) the Borrower may revoke any pending request for a borrowing of, conversion to or continuation of Term SOFR Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to Base Rate Loans and (B) any outstanding affected Term SOFR Loans will be deemed to have been converted to Base Rate Loans at the end of the applicable Interest Period. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Base Rate.

SECTION 2.12. Increased Costs. (a) If any Change in Law shall:

(vi) impose, modify or deem applicable any reserve (including pursuant to regulations issued from time to time by the FRB for determining the maximum reserve requirement (including any emergency, special, supplemental or other marginal reserve requirement) with respect to eurocurrency funding (currently referred to as "Eurocurrency liabilities" in Regulation D of the FRB, as amended and in effect from time to time)), special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or advances, loans or other credit extended or participated in by, any Lender;

(vii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(viii) impose on any Lender any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting into, continuing or maintaining any Loan (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or to reduce the amount of any sum received or receivable by such Lender or such other Recipient hereunder (whether of principal, interest or any other amount), then, upon written request of such Lender or such other Recipient, the Borrower shall promptly pay to such Lender or such other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or such other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) Certificates for Reimbursement. A certificate of a Lender or such other Recipient setting forth in reasonable detail the amount or amounts necessary to compensate such Lender or such other Recipient or any of their respective holding companies, as the case may be, as specified in paragraph (a) of this Section and delivered to the Borrower, shall be conclusive absent manifest error. The Borrower shall pay such Lender or such other Recipient, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(c) Delay in Requests. Failure or delay on the part of any Lender or such other Recipient to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or such other Recipient's right to demand such compensation; provided that the Borrower shall not be required to compensate any Lender or any other Recipient pursuant to this Section for any increased costs incurred or reductions suffered more than 270 days prior to the date that such Lender or such other Recipient, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender's or such other Recipient's intention to claim compensation therefor (except that if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 270-day period referred to above shall be extended to include the period of retroactive effect thereof).

(d) Survival. All of the obligations of the Loan Parties under this Section 2.12 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

SECTION 2.13. Break Funding Payments. The Borrower hereby indemnifies each of the Lenders against any loss, cost or expense (including any loss, cost or expense arising from the liquidation or reemployment of funds or from any fees payable) which may arise, be attributable to or result due to or as a consequence of (a) any failure by the Borrower to make any payment when due of any amount due hereunder in connection with a Term SOFR Loan, (b) any failure of the Borrower to borrow or continue a Term SOFR Loan or convert to a Term SOFR Loan on a date specified therefor in a Notice of Borrowing or Notice of Conversion/Continuation, (c) any failure of the Borrower to prepay any Term SOFR Loan on a date specified therefor in any Notice of Prepayment (regardless of whether any such Notice of Prepayment may be revoked under Section 2.08(a) and is revoked in accordance therewith), (d)

any payment, prepayment or conversion of any Term SOFR Loan on a date other than the last day of the Interest Period therefor (including as a result of an Event of Default) or (e) the assignment of any Term SOFR Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.16(b). A certificate of such Lender setting forth the basis for determining such amount or amounts necessary to compensate such Lender shall be forwarded to the Borrower through the Administrative Agent and shall be conclusively presumed to be correct save for manifest error. All of the obligations of the Loan Parties under this Section 2.13 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

SECTION 2.14. Taxes. (a) Payments Free of Taxes. Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable withholding agent) requires the deduction or withholding of any Tax from any such payment by a withholding agent, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 2.14) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by the Borrower. The Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, Other Taxes.

(c) Evidence of Payments. As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section 2.14, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(d) Indemnification by the Loan Parties. The Loan Parties shall indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.04 relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

(f) Status of Lenders. (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.14(f)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person:

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. Federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to

time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable;

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(2) in the case of a Foreign Lender claiming that its extension of credit will generate U.S. effectively connected income, executed copies of IRS Form W- 8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit G-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” related to the Borrower as described in Section 881(c)(3)(C) of the Code (such certificate, and any certificate described in Section 2.14(f)(ii)(B)(4) below, a “U.S. Tax Compliance Certificate”) and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit G-2 or Exhibit G-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit G-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. Federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(g) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.14 (including by the payment of additional amounts pursuant to this Section 2.14), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 2.14 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) Survival. Each party's obligations under this Section 2.14 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

(i) Defined Terms. For purposes of this Section 2.14, the term "applicable law" includes FATCA.

SECTION 2.15. Manner of Payment; Pro Rata Treatment; Sharing of Payments

(a) Each payment by the Borrower on account of the principal of or interest on the Loans or of any fee, commission or other amounts payable to the Lenders under this Agreement shall be made not later than 1:00 p.m. on the date specified for payment under this Agreement to the Administrative Agent at the Administrative Agent's Office for the account of the Lenders entitled to such payment in Dollars, in immediately available funds and shall be made without any setoff, counterclaim or deduction whatsoever. Any payment received after such time but before 2:00 p.m. on such day shall be deemed a payment on such date for the purposes of Article VII, but for all other purposes shall be deemed to have been made on the next succeeding Business Day. Any payment received after 2:00 p.m. shall be deemed to have been made on the next succeeding Business Day for all purposes. Upon receipt by the Administrative Agent of each such payment, the Administrative Agent shall distribute to each such Lender at its address for notices set forth herein its Applicable Percentage (or other applicable share as provided herein) of such payment and shall wire advice of the amount of such credit to each Lender. Each payment to the Administrative Agent of Administrative Agent's fees or expenses shall be made for the account of the Administrative Agent and any amount payable to any Lender under Sections 2.12, 2.13, 2.14 or 9.03 shall be paid to the Administrative Agent for the account of the applicable Lender. Subject to the definition of Interest Period, if any payment under this Agreement shall be specified to be made upon a day which is not a Business Day, it shall be made on the next succeeding day which is a Business Day and such extension of time shall in such case be included in computing any interest if payable along with such payment. Notwithstanding the foregoing, if there exists a Defaulting Lender each payment by the Borrower to such Defaulting Lender hereunder shall be applied in accordance with Section 2.18(a)(ii).

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or other obligations hereunder resulting in such Lender's receiving payment of a proportion of the aggregate amount of its Loans and accrued interest thereon or other such obligations (other than pursuant to Sections 2.12, 2.13, 2.14 or 9.03) greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so

that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them; provided that:

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and

(ii) the provisions of this paragraph shall not be construed to apply to (A) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender) or (B) any payment obtained by a Lender as consideration for the assignment of, or sale of, a participation in any of its Loans to any assignee or participant.

(d) Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against each Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of each Loan Party in the amount of such participation.

SECTION 2.16. Mitigation Obligations; Replacement of Lenders

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 2.12, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14, then such Lender shall use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.12 or Section 2.14, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable and documented costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 2.12, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14, and, in each case, such Lender has declined or is unable to designate a different Lending Office in accordance with Section 2.16(a), or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 9.04), all of its interests, rights (other than its existing rights to payments pursuant to Section 2.12 or Section 2.14) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that:

(i) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 9.04;

(ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 2.13) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower;

(iii) in the case of any such assignment resulting from a claim for compensation under Section 2.12 or payments required to be made pursuant to Section 2.14, such assignment will result in a reduction in such compensation or payments thereafter;

(iv) such assignment does not conflict with applicable law; and

(v) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

Each party hereto agrees that (x) an assignment required pursuant to this Section 2.16 may be effected pursuant to an Assignment and Assumption executed by the Borrower, the Administrative Agent and the assignee and (y) the Lender required to make such assignment need not be a party thereto in order for such assignment to be effective and shall be deemed to have consented to and be bound by the terms thereof; provided that, following the effectiveness of any such assignment, the other parties to such assignment agree to execute and deliver such documents necessary to evidence such assignment as reasonably requested by the applicable Lender or the Administrative Agent, provided, further that any such documents shall be without recourse to or warranty by the parties thereto.

(c) Selection of Lending Office. Subject to Section 2.16(a), each Lender may make any Loan to the Borrower through any Lending Office, provided that the exercise of this option shall not affect the obligations of the Borrower to repay the Loan in accordance with the terms of this Agreement or otherwise alter the rights of the parties hereto.

SECTION 2.17. Increase Option. The Borrower may from time to time elect to increase the Commitments in minimum increments of \$25,000,000 so long as, after giving effect thereto, the aggregate amount of such increases does not exceed \$350,000,000. The Borrower may arrange for any such increase to be provided by one or more Lenders (each Lender so agreeing to an increase in its Commitment, an "Increasing Lender"), or by one or more new banks, financial institutions or other entities (each such new bank, financial institution or other entity, an "Augmenting Lender"), to increase their existing Commitments or extend Commitments, as the case may be; provided that (i) each Augmenting Lender shall be subject to the approval of the Borrower and the Administrative Agent and (ii) (x) in the case of an Increasing Lender, the Borrower and such Increasing Lender execute an agreement substantially in the form of Exhibit C hereto, and (y) in the case of an Augmenting Lender, the Borrower and such Augmenting Lender execute an agreement substantially in the form of Exhibit D hereto. No consent of any Lender (other than the Lenders participating in the increase) shall be required for any increase in Commitments pursuant to this Section 2.17. Increases and new Commitments created pursuant to this Section 2.17 shall become effective on the date agreed by the Borrower, the Administrative Agent and the relevant Increasing Lenders or Augmenting Lenders, and the Administrative Agent shall notify each Lender thereof. Notwithstanding the foregoing, no increase in the Commitments (or in the Commitment of any Lender) shall become effective under this paragraph unless, (i) on the proposed date of the effectiveness of such increase, the conditions set forth in paragraph (b) of Section 4.02 shall be satisfied or waived by the Required Lenders and the Administrative Agent shall have received a certificate to that effect dated such date and executed by a Financial Officer of the Borrower and (ii) the Administrative Agent shall have received documents consistent with those delivered on the Effective Date as to the corporate power and authority of the Borrower to borrow hereunder after giving effect to such increase. On the effective date of any increase in the Commitments, (i) each relevant Increasing Lender and Augmenting Lender shall make available to the Administrative Agent such amounts in immediately available funds as the Administrative Agent shall determine, for the benefit of the other Lenders, as being required in order to cause, after giving effect to such increase and the use of such amounts to make payments to such other Lenders, each Lender's portion of the outstanding Revolving Loans of all the Lenders to equal its Applicable Percentage of such outstanding Revolving Loans, and (ii) the Borrower shall be deemed to have repaid and reborrowed all outstanding Revolving Loans as of the date of any increase in the Commitments (with such reborrowing to consist of the Types of Revolving Loans, with related Interest Periods if applicable, specified in a notice delivered by the Borrower, in accordance with the requirements of Section 2.03). The deemed payments made pursuant to clause (ii) of the immediately preceding sentence shall be accompanied by payment of all accrued interest on the amount prepaid and, in respect of each Term SOFR Loan, shall be subject to indemnification by the Borrower pursuant to the provisions of Section 2.13 if the deemed payment occurs other than on the last day of the related Interest Periods. Nothing contained in this Section 2.17 shall constitute, or otherwise be deemed to be, a commitment on the part of any Lender to increase its Commitment hereunder at any time and no Lender shall be obligated to participate in any such increase contemplated by this Section 2.17.

SECTION 2.18. Defaulting Lenders.

(a) Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of "Required Lenders" and Section 9.02.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VII or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 9.08 shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *third*, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement; *fourth*, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *fifth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction, provided that if (1) such payment is a payment of the principal amount of any Loans in respect of which such Defaulting Lender has not fully funded its appropriate share, and (2) such Loans were made at a time when the conditions set forth in Section 4.02 were satisfied or waived, such payment shall be applied solely to pay the Loans of all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of such Defaulting Lender until such time as all Loans are held by the Lenders pro rata in accordance with the Commitments. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.18(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees. No Defaulting Lender shall be entitled to receive any Commitment Fee for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(b) Defaulting Lender Cure. If the Borrower and the Administrative Agent agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify

the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, such Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Revolving Loans to be held on a pro rata basis by the Lenders in accordance with their Applicable Percentages, whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Non-Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

ARTICLE III

Representations and Warranties

The Borrower represents and warrants to the Lenders that:

SECTION 3.01. Organization; Powers; Subsidiaries. Each Loan Party is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required. Schedule 3.01 to the Disclosure Letter identifies as of the Effective Date each Subsidiary, noting whether such Subsidiary is a Material Subsidiary, the jurisdiction of its incorporation or organization, as the case may be, the percentage of issued and outstanding shares of each class of its capital stock or other equity interests owned by the Borrower and the other Subsidiaries and, if such percentage is not 100% (excluding directors' qualifying shares as required by law or shares held by nominees on behalf of the Borrower or any Subsidiary as required by law), a description of each class issued and outstanding. All of the outstanding shares of capital stock and other equity interests of each Material Subsidiary are validly issued and outstanding and, to the extent applicable, fully paid and nonassessable and, as of the Effective Date, all such shares and other equity interests indicated on Schedule 3.01 to the Disclosure Letter as owned by the Borrower or another Subsidiary are owned, beneficially and of record, by the Borrower or any Subsidiary free and clear of all Liens. Except as set forth in Schedule 3.01 to the Disclosure Letter, as of the Effective Date there are no outstanding commitments or other obligations of the Material Subsidiaries to issue, and no options, warrants or other rights of any Person to acquire, any shares of any class of capital stock or other equity interests of such Material Subsidiary.

SECTION 3.02. Authorization; Enforceability. The Transactions are within each Loan Party's organizational powers and have been duly authorized by all necessary organizational actions on the part of such Loan Party and, if required, actions by equity holders of such Loan Party. The Loan Documents to which each Loan Party is a party have been duly executed and delivered by such Loan Party and constitute a legal, valid and binding obligation of

such Loan Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.03. Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect, (b) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of the Loan Parties or any order of any Governmental Authority binding on any Loan Party, (c) will not violate or result in a default under any indenture, material agreement or other material instrument (including the Specified Converts) binding upon the Loan Parties or their assets, or give rise to a right thereunder to require any payment to be made by any Loan Party, and (d) will not result in the creation or imposition of any Lien on any asset of any Loan Party.

SECTION 3.04. Financial Condition; No Material Adverse Change. (a) The Borrower has publicly filed with the SEC (i) its consolidated balance sheet and statements of income, stockholders equity and cash flow as of and for the fiscal year ended July 31, 2022 reported on by Ernst & Young LLP, independent public accountants, and (ii) its consolidated balance sheet and statements of income and cash flow as of and for the fiscal quarter and the portion of the fiscal year ended January 31, 2023, in each case certified by its chief financial officer. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Borrower and its consolidated Subsidiaries as of such dates and for such periods in accordance with GAAP, subject to year-end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (ii) above.

(b) Since July 31, 2022, there has been no material adverse change in the business, assets, operations or financial condition of the Borrower and its Subsidiaries, taken as a whole.

SECTION 3.05. Properties. (a) Each of the Borrower and its Subsidiaries has good title to, or valid leasehold interests in, all its real and personal property material to its business, except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes.

(b) Each of the Borrower and its Subsidiaries owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to its business, and, to the Borrower's knowledge, the use thereof by the Borrower and its Subsidiaries does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.06. Litigation, Environmental and Labor Matters. (a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Borrower, threatened in writing against the Borrower or any of its Subsidiaries (i) which could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or (ii) that involve this Agreement or the Transactions.

(b) Except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, neither the Borrower nor any of its Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

(c) There are no strikes, lockouts or slowdowns against the Borrower or any of its Subsidiaries pending or, to their knowledge, threatened in writing that could reasonably be expected to have a Material Adverse Effect. The hours worked by and payments made to employees of the Borrower and its Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable Federal, state, local or foreign law relating to such matters, to the extent such violations, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. All material payments due from the Borrower or any of its Subsidiaries, or for which any claim may be made against the Borrower or any of its Subsidiaries, on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as liabilities on the books of the Borrower or such Subsidiary, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. The consummation of the Transactions will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement under which the Borrower or any of its Subsidiaries is bound.

SECTION 3.07. Compliance with Laws and Agreements. Each of the Borrower and its Subsidiaries is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except, in each case, where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.08. Investment Company Status. Neither the Borrower nor any of its Subsidiaries is required to register as an "investment company" as defined in the Investment Company Act of 1940.

SECTION 3.09. Taxes. Each of the Borrower and its Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which the Borrower or such Subsidiary, as applicable, has set aside on its books adequate reserves in accordance with GAAP or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.10. ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.11. Disclosure. When taken together with the Borrower's filings with the SEC, the Borrower has disclosed to the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. None of the reports, financial statements, certificates or other written or formally presented information (other than projections or forward-looking information and information of a general economic or industry specific nature) furnished by or on behalf of the Borrower or any Subsidiary to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or delivered hereunder (as modified or supplemented by other information so furnished) contains, when furnished and taken as a whole, and taken as a whole with the Borrower's filings with the SEC, any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not materially misleading; provided that, with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time (it being understood that such projected financial information are subject to significant uncertainties and contingencies and that no assurances can be given that any particular projected financial information will be realized and that variances between actual results and projected financial results can be material). As of the Effective Date, the information included in each Beneficial Ownership Certification is true and correct.

SECTION 3.12. Federal Reserve Regulations. No part of the proceeds of any Loan have been used or will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X.

SECTION 3.13. Liens. There are no Liens on any of the real or personal properties of the Borrower or any Subsidiary except for Liens permitted by Section 6.02.

SECTION 3.14. No Default. No Default or Event of Default has occurred and is continuing.

SECTION 3.15. Anti-Corruption Laws; Anti-Money Laundering Laws and Sanctions

(a) None of (i) the Borrower, any Subsidiary or any of their respective directors or officers, or, to the knowledge of the Borrower, any of their respective employees or Affiliates, or (ii) to the knowledge of the Borrower, any agent or representative of the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the Loans and Commitments, (A) is a Sanctioned Person or currently the subject or target of any Sanctions, (B) has its assets located in a Sanctioned Country, (C) is under any known administrative, civil or criminal investigation for an alleged violation of, or received notice from or made a voluntary disclosure to any governmental entity regarding a possible violation of, Anti-Corruption Laws, Anti-Money Laundering Laws or Sanctions by a governmental authority that enforces Sanctions or any Anti-Corruption Laws or Anti-Money Laundering Laws, or (D) directly or, to the Borrower's knowledge, indirectly derives revenues from investments in, or transactions with, Sanctioned Persons.

(b) Each of the Borrower and its Subsidiaries has implemented and maintains in effect policies and procedures reasonably designed to ensure compliance by the Borrower and its Subsidiaries and their respective directors, officers, employees, agents and Affiliates with all Anti-Corruption Laws, Anti-Money Laundering Laws and applicable Sanctions.

(c) Each of the Borrower and its Subsidiaries, and to the knowledge of the Borrower, director, officer, employee, agent and Affiliate of Borrower and each such Subsidiary, is in compliance in all material respects with all Anti-Corruption Laws, Anti-Money Laundering Laws and applicable Sanctions.

(d) No proceeds of any Loans have been used, directly or to the knowledge of the Borrower indirectly, by the Borrower, any of its Subsidiaries or any of its or their respective directors, officers, employees and agents in violation of Section 5.08.

SECTION 3.16. Sustainability-Related Information. The Borrower hereby represents and warrants to the Lenders that all information about its sustainability initiatives or strategy, including, without limitation, the KPI Metrics and any thresholds or targets with respect thereto, which have been or may be provided to the Administrative Agent, the Sustainability Structuring Agent or any Lender by or on behalf of it, or which have been or may be approved by it (collectively, including the Sustainability Certificate and any Sustainability Reports, the "Sustainability-Related Information"), is true and accurate in all material respects as of the date it is provided or approved and as of the date (if any) of which it is stated. It is understood and agreed that any breach of this Section 3.16 shall not constitute a Default or Event of Default or otherwise result in the failure of any condition precedent to any Loan.

ARTICLE IV

Conditions

SECTION 4.01. Effective Date. The obligations of the Lenders to make Loans hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) The Administrative Agent (or its counsel) shall have received (i) from each party hereto either (A) a counterpart of this Agreement signed on behalf of such party or (B) written evidence satisfactory to the Administrative Agent (which may include telecopy or electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement and (ii) duly executed copies of the Subsidiary Guaranty signed by each Material Subsidiary that is not an Excluded Subsidiary as of the Effective Date, if any, and the other Loan Documents to be delivered on the Effective Date and such other legal opinions, certificates, documents, instruments and agreements as the Administrative Agent shall reasonably request in connection with the Transactions, all in form and substance satisfactory to the Administrative Agent and its counsel and as further described in the list of closing documents attached as Exhibit E.

(b) The Administrative Agent shall have received a written opinion (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of Wilson Sonsini

Goodrich & Rosati, P.C., counsel for the Loan Parties, covering such matters relating to the Loan Parties, the Loan Documents or the Transactions as the Administrative Agent shall reasonably request. The Borrower hereby requests such counsel to deliver such opinion.

(c) The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the initial Loan Parties, the authorization of the Transactions and any other legal matters relating to such Loan Parties, the Loan Documents or the Transactions, all in form and substance satisfactory to the Administrative Agent and its counsel and as further described in the list of closing documents attached as Exhibit E.

(d) The Administrative Agent shall have received a certificate, dated the Effective Date and signed by the Chief Executive Officer or a Financial Officer of the Borrower, confirming compliance with the conditions set forth in paragraphs (a) and (b) of Section 4.02.

(e) The Lenders, the Administrative Agent and the lead arrangers for the credit facility evidenced hereby shall have received all fees and other amounts due and payable on or prior to the Effective Date, including, to the extent invoiced at least one (1) Business Day prior to the Effective Date, reimbursement or payment of all reasonable out-of-pocket expenses (including fees, charges and disbursements of counsel) required to be reimbursed or paid by the Borrower hereunder.

(f) The Administrative Agent shall have received all documentation and other information reasonably requested by the Administrative Agent or any Lender at least ten days prior to the Effective Date under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the USA PATRIOT Act.

(g) At least five days prior to the Effective Date, to the extent the Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, the Borrower shall deliver a Beneficial Ownership Certification in relation to the Borrower to each Lender that so requests.

The Administrative Agent shall notify the Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding.

SECTION 4.02. Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing, is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Borrower set forth in this Agreement shall be true and correct in all material respects (except that any representation and warranty that is qualified by materiality or Material Adverse Effect shall be true and correct in all respects) on and as of the date of such Borrowing, except to the extent such representation and warranty specifically refers to an earlier date, in which case it shall be true and correct in all material respects (except that any representation and warranty that is qualified by materiality or Material Adverse Effect shall be true and correct in all respects) as of such earlier date.

(b) At the time of and immediately after giving effect to such Borrowing, no Default or Event of Default shall have occurred and be continuing.

(c) The Administrative Agent shall have received a Notice of Borrowing in accordance with the requirements hereof.

Each Borrowing shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

ARTICLE V

Affirmative Covenants

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full, the Borrower covenants and agrees with the Lenders that:

SECTION 5.01. Financial Statements and Other Information. The Borrower will furnish to the Administrative Agent, on behalf of each Lender:

(a) within ninety (90) days after the end of each fiscal year of the Borrower (or, if earlier, by the date that the Annual Report on Form 10-K of the Borrower for such fiscal year would be required to be filed under the rules and regulations of the SEC, giving effect to any extension available thereunder for the filing of such form), its audited consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by Ernst & Young LLP or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(b) within forty-five (45) days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower (or, if earlier, by the date that the Quarterly Report on Form 10-Q of the Borrower for such fiscal quarter would be required to be filed under the rules and regulations of the SEC, giving effect to any extension available thereunder for the filing of such form), its consolidated balance sheet and related statements of operations and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(c) not later than three (3) Business Days after any delivery of financial statements under clause (a) or (b) above, a certificate of a Financial Officer of the Borrower in

the form set forth on Exhibit J (i) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations demonstrating compliance with Section 6.10, and (iii) stating whether any change in GAAP or in the application thereof has occurred since the date of the audited financial statements referred to in Section 3.04 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate.

(d) promptly after the same become publicly available, copies of all periodic and other reports and proxy statements filed by the Borrower or any Subsidiary with the SEC, or any Governmental Authority succeeding to any or all of the functions of said Commission; and

(e) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of the Borrower or any Subsidiary as the Administrative Agent or any Lender may reasonably request acting in good faith.

Documents required to be delivered pursuant to clauses (a), (b) and (d) of this Section 5.01 may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which such documents are filed for public availability on the SEC's Electronic Data Gathering and Retrieval System; provided that the Borrower shall, upon request, provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies, or links to access such documents) of such documents.

SECTION 5.02. Notices of Material Events. The Borrower will furnish to the Administrative Agent, on behalf of each Lender, promptly after the chief executive officer of the Borrower or any Financial Officer obtaining actual knowledge thereof, written notice of the following:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against the Borrower or any Subsidiary thereof that could reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect; and

(d) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03. Existence: Conduct of Business. The Borrower will, and will cause each of its Subsidiaries to, do or cause to be done all things necessary to (i) preserve, renew and keep in full force and effect its legal existence and the rights, qualifications, licenses, permits, privileges, franchises, governmental authorizations and intellectual property rights material to the conduct of its business and (ii) maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted, except in the case of each of clauses (i) and (ii) (other than in the case of legal existence with respect to the Borrower), where the failure to do so could not reasonably be expected to result in a Material Adverse Effect; provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.04.

SECTION 5.04. Payment of Obligations. The Borrower will, and will cause each of its Subsidiaries to, pay its obligations, including Tax liabilities, that, if not paid, could reasonably be expected to result in a Material Adverse Effect before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) the Borrower or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.05. Maintenance of Properties; Insurance. The Borrower will, and will cause each of its Subsidiaries to, (a) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect, and (b) maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations.

SECTION 5.06. Books and Records; Inspection Rights. The Borrower will, and will cause each of its Subsidiaries to, keep proper books of record and account in which full, true and correct entries are made in all material respects and sufficient to prepare financial statements in accordance with GAAP. The Borrower will, and will cause each of its Subsidiaries to, permit any representatives designated by the Administrative Agent, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested (but not more than once per calendar year unless an Event of Default exists). The Borrower acknowledges that the Administrative Agent, after exercising its rights of inspection, may prepare and distribute to the Lenders certain reports pertaining to the Borrower and its Subsidiaries' assets for internal use by the Administrative Agent and the Lenders. Notwithstanding the foregoing, neither the Borrower nor its Subsidiaries shall be required to disclose or discuss, or permit the inspection, examination or making of extracts of any document, book, record or other matter that (i) constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to the Administrative Agent, such Lender or their representatives is then prohibited by applicable law or any agreement binding on Borrower or its Subsidiaries or (iii) is protected from disclosure by the attorney-client privilege or the attorney work product privilege.

SECTION 5.07. Compliance with Laws and Material Contractual Obligations The Borrower will, and will cause each of its Subsidiaries to, (i) comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property (including without limitation Environmental Laws) and (ii) perform in all material respects its obligations under material agreements to which it is a party, in each case except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. The Borrower will (a) maintain in effect and implement policies and procedures reasonably designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, agents and employees with Anti-Corruption Laws, Anti-Money Laundering Laws and applicable Sanctions, (b) notify the Administrative Agent and each Lender that previously received a Beneficial Ownership Certification (or a certification that the Borrower qualifies for an express exclusion to the "legal entity customer" definition under the Beneficial Ownership Regulation) of any change in the information provided in the Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified therein (or, if applicable, the Borrower ceasing to fall within an express exclusion to the definition of "legal entity customer" under the Beneficial Ownership Regulation) and (c) promptly upon the reasonable request of the Administrative Agent or any Lender, provide the Administrative Agent or directly to such Lender, as the case may be, any information or documentation requested by it for purposes of complying with the Beneficial Ownership Regulation.

SECTION 5.08. Use of Proceeds. The proceeds of the Loans will be used for general corporate purposes of the Borrower and its Subsidiaries, including, without limitation, working capital, acquisitions, capital expenditures, Restricted Payments and repurchases of stock, in each case to the extent permitted or not prohibited under this Agreement. No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X. The Borrower will not request any Borrowing, and the Borrower shall not use, directly or indirectly, and shall procure that its Subsidiaries and its or their respective directors, officers, agents and employees shall not use, directly (or to the knowledge of the Borrower or any Subsidiary, indirectly), the proceeds of any Borrowing (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws or Anti-Money Laundering Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, except to the extent permitted for a Person required to comply with Sanctions, or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

SECTION 5.09. Subsidiary Guaranty. As promptly as possible but in any event within thirty (30) days (or such later date as may be agreed upon by the Administrative Agent) after any Person that is not an Excluded Subsidiary qualifies independently as, or is designated by the Borrower or the Administrative Agent as, a Subsidiary Guarantor pursuant to the definition of "Material Subsidiary", the Borrower shall provide the Administrative Agent with written notice thereof and shall cause each such Subsidiary to deliver to the Administrative Agent the Subsidiary Guaranty (or, a joinder to the Subsidiary Guaranty in the form contemplated thereby, as applicable) pursuant to which such Subsidiary agrees to be bound by

the terms and provisions thereof, such Subsidiary Guaranty to be accompanied by appropriate corporate resolutions, other corporate documentation and legal opinions (to be similar to the legal opinions delivered on the Effective Date) in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

SECTION 5.10. Sustainability-Related Information.

(a) The Borrower agrees to furnish the Administrative Agent and the Lenders with all Sustainability-Related Information and to provide such access to the directors, officers, employees and advisers of the Borrower and its Affiliates (together "Representatives"), in each case as the Administrative Agent or any Lender may reasonably request. In addition, the Borrower shall ensure that the Representatives are available, at reasonable times and upon reasonable prior notice, upon the Administrative Agent's or any Lender's reasonable request, to discuss the Sustainability-Related Information. The Borrower acknowledges and agrees that the Administrative Agent and the Lenders may rely, without independent verification, upon the accuracy, adequacy and completeness of the Sustainability-Related Information furnished by the Borrower or its Affiliates to the Administrative Agent or any Lender or approved by the Borrower for use in connection with this Agreement and that neither the Administrative Agent nor any Lender assumes any responsibility or has any liability therefor or has an obligation to conduct any appraisal of any Sustainability-Related Information.

(b) The Borrower shall:

- (i) within five Business Days after the Borrower's determination that there was a Sustainability Certificate Inaccuracy, deliver written notice to the Administrative Agent thereof;
- (ii) promptly notify the Administrative Agent and the Lenders (A) of any material change in the Borrower's sustainability strategy or initiatives or its internal policies related to sustainability in respect of the KPI Metrics, including any relevant comments or changes from a third party opinion provider, consultant or auditor, (B) if any Sustainability-Related Information furnished by the Borrower or any of its Affiliates to the Administrative Agent or any Lender or approved by the Borrower or its Affiliates is or becomes inaccurate, untrue, incomplete or misleading and (C) of the appointment of any successor Sustainability Metric Auditor; and
- (iii) supplement the Sustainability-Related Information promptly from time to time to ensure that the representations and warranties made under Section 3.16 are true and correct in all material respects as of the date when such Sustainability-Related Information is supplemented and/or the representations and warranties are deemed to be made;

provided that it is understood and agreed that any breach of this Section 5.10 shall not constitute a Default or Event of Default or otherwise result in the failure of any condition precedent to any Loan.

ARTICLE VI

Negative Covenants

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full, the Borrower covenants and agrees with the Lenders that:

SECTION 6.01. Subsidiary Indebtedness. The Borrower will not permit any Subsidiary to create, incur, assume or permit to exist any Indebtedness, except:

(a) the Obligations;

(b) Indebtedness existing on the date hereof and set forth in Schedule 6.01 to the Disclosure Letter and extensions, renewals, refinancings and replacements of any such Indebtedness with Indebtedness of a similar type that does not increase the outstanding principal amount thereof except by an amount equal to a reasonable premium or other reasonable amount paid, and fees and expenses reasonably incurred, in connection with such extensions, renewals, refinancings or replacements;

(c) Indebtedness of any Subsidiary to the Borrower or any other Subsidiary;

(d) Guarantees by any Subsidiary Guarantor of Indebtedness of the Borrower;

(e) Indebtedness of any Subsidiary incurred to finance the acquisition, construction or improvement of any fixed or capital assets and related software, including Capital Lease Obligations and any Indebtedness assumed in connection with the acquisition of any such assets or secured by a Lien on any such assets (and any additions, accessions, parts, improvements and attachments thereto and the proceeds thereof) prior to the acquisition thereof, and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof; provided that (i) such Indebtedness is incurred prior to or within one hundred eighty (180) days after such acquisition or the completion of such construction or improvement and (ii) the aggregate principal amount of Indebtedness permitted by this clause (e) shall not exceed \$250,000,000 at any time outstanding;

(f) Indebtedness of any Subsidiary as an account party in respect of trade or standby letters of credit, bank guarantees, bankers' acceptances and similar instruments and any guarantees of such Indebtedness of another Subsidiary;

(g) Indebtedness with respect to surety, appeal, indemnity, performance or other similar bonds in the ordinary course of business or with respect to agreements providing for indemnification, adjustment of purchase price, earn-out payments, earnest money or similar obligations in connection with any acquisitions, dispositions permitted by Section 6.04 or Section 6.05 or other uses provided for in clause (d) of the definition of Permitted Encumbrances;

(h) Indebtedness arising from the honoring of a check, draft or similar instrument against insufficient funds or from the endorsement of instruments for collection in the ordinary course of business;

(i) customer deposits and advance payments received in the ordinary course of business from customers for goods or services purchased in the ordinary course of business;

(j) Indebtedness consisting of (i) the financing of insurance premiums or (ii) take-or-pay obligations contained in supply agreements, in each case incurred in the ordinary course of business;

(k) Indebtedness of any Person that becomes a Subsidiary after the date hereof pursuant to an acquisition permitted hereunder; provided that such Indebtedness exists at the time such Person becomes a Subsidiary and is not created in contemplation of or in connection with such Person becoming a Subsidiary;

(l) Indebtedness of Subsidiaries in an aggregate outstanding principal amount of such Indebtedness, when aggregated with the aggregate principal amount of Indebtedness and other obligations permitted by Section 6.02(k), not exceeding the greater of \$500,000,000 and 5.0% of Consolidated Tangible Assets, determined at the time such Indebtedness is incurred;

(m) Indebtedness incurred in connection with Swap Agreements permitted by Section 6.06;

(n) Indebtedness arising in connection with (i) customary cash management services, (ii) overdraft facilities and (ii) the endorsements of instruments for deposit in the ordinary course of business; and

(o) Indebtedness consisting of obligations under repurchase agreements.

SECTION 6.02. Liens. The Borrower will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, except:

(a) Permitted Encumbrances;

(b) any Lien on any property or asset (and any additions, accessions, parts, improvements and attachments thereto and the proceeds thereof) of the Borrower or any Subsidiary existing on the date hereof and set forth in Schedule 6.02 to the Disclosure Letter; provided that (i) such Lien shall not apply to any other property or asset (other than any additions, accessions, parts, improvements and attachments thereto and the proceeds thereof) of the Borrower or any Subsidiary and (ii) such Lien shall secure only those obligations which it secures on the date hereof and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof (plus any accrued and unpaid interest and premium payable by the terms of such obligations thereon and other reasonable amounts paid, and fees and expenses reasonably incurred, in connection with such extensions, renewals, refinancings or replacements);

(c) any Lien existing on any property or asset (and any additions, accessions, parts, improvements and attachments thereto and the proceeds thereof) prior to the acquisition thereof by the Borrower or any Subsidiary or existing on any property or asset (and any additions, accessions, parts, improvements and attachments thereto and the proceeds thereof) of any Person that becomes a Subsidiary after the date hereof prior to the time such Person becomes a Subsidiary; provided that (i) such Lien is not created in contemplation of or in connection with

such acquisition or such Person becoming a Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property or assets (other than any additions, accessions, parts, improvements and attachments thereto and the proceeds thereof) of the Borrower or any Subsidiary and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be, and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof (plus any accrued and unpaid interest and premium payable by the terms of such obligations thereon and other reasonable amounts paid, and fees and expenses reasonably incurred, in connection with such extensions, renewals, refinancings or replacements);

(d) Liens on fixed or capital assets and related software (and any additions, accessions, parts, improvements and attachments thereto and the proceeds thereof) acquired, constructed or improved by the Borrower or any Subsidiary; provided that (i) in the case of any Subsidiary, such security interests secure Indebtedness permitted by clause (e) of Section 6.01, (ii) such security interests and the Indebtedness secured thereby are incurred prior to or within one hundred eighty (180) days after such acquisition or the completion of such construction or improvement, (iii) the Indebtedness secured thereby does not exceed, at the time of the incurrence of such Indebtedness, the cost of acquiring, constructing or improving such fixed or capital assets and (iv) such security interests shall not apply to any other property or assets (other than any additions, accessions, parts, improvements and attachments thereto and the proceeds thereof) of the Borrower or any Subsidiary;

(e) Liens arising as a matter of law or created in the ordinary course of business in the nature of (i) normal and customary rights of setoff and banker's liens upon deposits of cash in favor of banks or other depository institutions and (ii) Liens securing reasonable and customary fees for services in favor of banks, securities intermediaries or other depository institutions;

(f) Liens on any cash earnest money deposit made by the Borrower or any Subsidiary in connection with any letter of intent or acquisition agreement that is not prohibited by this Agreement;

(g) customary Liens granted in favor of a trustee to secure fees and other amounts owing to such trustee under an indenture or other agreement pursuant to Indebtedness not otherwise prohibited under this Agreement;

(h) assignments of the right to receive income effected as part of the sale of a Subsidiary or a business unit that is otherwise permitted pursuant to Section 6.04;

(i) Liens on insurance proceeds securing the premium of financed insurance proceeds;

(j) Liens on cash collateral securing reimbursement obligations with respect to letters of credit, bank guarantees and bankers' acceptances and similar instruments, and Liens on cash collateral or margin posted for obligations arising under Swap Agreements, in each case, that are not otherwise prohibited under this Agreement and are in respect of transactions entered into in the ordinary course of business;

(k) Liens on assets of the Borrower and its Subsidiaries not otherwise permitted above provided that the aggregate outstanding principal amount of the Indebtedness and other obligations subject to such Liens, when aggregated with the aggregate outstanding principal amount of Indebtedness permitted by Section 6.01(l), does not exceed the greater of \$500,000,000 and 5.0% of Consolidated Tangible Assets, determined at the time such Indebtedness or other obligations are incurred;

(l) Liens securing any overdraft and related liabilities arising from treasury, depository or cash management services or automated clearing house transfer of funds;

(m) deposits as security for contested taxes or contested import or customs duties;

(n) any encumbrance or restriction with respect to the transfer of Equity Interests of any Person that is not a Subsidiary;

(o) Liens of a collecting bank arising in the ordinary course of business under the Uniform Commercial Code in effect in the relevant jurisdiction covering only the items being collected upon;

(p) Liens securing obligations in respect of repurchase agreements provided that such Liens shall apply to such investments against which such obligations are incurred, together with the income and proceeds thereof; and

(q) Liens on specific items of inventory or other goods and the proceeds thereof securing obligations in respect of documentary letters of credit or bankers' acceptances issued or created for the account of the Borrower or any Subsidiary in the ordinary course of business to facilitate the purchase, shipment or storage of such inventory or other goods.

SECTION 6.03. [Reserved].

SECTION 6.04. Fundamental Changes. (a) The Borrower will not, and will not permit any Subsidiary to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (in one transaction or in a series of transactions) all or substantially all of the assets of the Borrower and its Subsidiaries, taken as a whole (whether now owned or hereafter acquired), or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Default shall have occurred and be continuing:

(i) any Person may merge into the Borrower in a transaction in which the Borrower is the surviving corporation;

(ii) (A) any Subsidiary may merge into a Loan Party in a transaction in which the surviving entity is a Loan Party or in which such surviving entity becomes a Loan Party (provided that any such merger involving the Borrower must result in the Borrower as the surviving entity) or (B) any Subsidiary that is not a Loan Party may merge into any other Subsidiary that is not a Loan Party;

(iii) any Subsidiary may liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders; provided that if any such Subsidiary is a Loan Party, the assets of such Subsidiary must be distributed or transferred to another Loan Party; and

(iv) the Borrower and its Subsidiaries may consummate acquisitions permitted by Section 6.05.

(b) The Borrower will not, and will not permit any of its Subsidiaries to, engage to any material extent in any business other than businesses of the type conducted by the Borrower and its Subsidiaries on the date of execution of this Agreement and businesses reasonably related or incidental thereto or constituting a reasonable extension thereof.

(c) The Borrower will not, nor will it permit any of its Subsidiaries to, change its fiscal year for GAAP purposes from the basis in effect on the Effective Date, provided, that any Subsidiary subsequently acquired after the Effective Date may change its fiscal year for GAAP purposes to correspond with the Borrower's fiscal year.

(d) The Borrower will not reincorporate or reorganize in any jurisdiction outside of the United States.

SECTION 6.05. Investments, Loans, Advances, Guarantees and Acquisitions. The Borrower will not, and will not permit any of its Subsidiaries to, purchase, hold or acquire (including pursuant to any merger or consolidation with any Person that was not a wholly owned Subsidiary (other than directors' qualifying shares as required by law or shares held by nominees on behalf of the Borrower or any Subsidiary as required by law) prior to such merger or consolidation) any capital stock, evidences of indebtedness or other securities (including any option, warrant or other right to acquire any of the foregoing) of, make or permit to exist any loans or advances to, Guarantee any Indebtedness of, any other Person, or purchase or otherwise acquire (in one transaction or a series of transactions) any Person or any assets of any other Person constituting a business unit (each, an "Investment"), except:

(a) Investments constituting Permitted Investments at the time made and Investments existing as of the date hereof and set forth in Schedule 6.05 to the Disclosure Letter and Investments to be made pursuant to written commitments set forth on Schedule 6.05 to the Disclosure Letter;

(b) Investments by the Borrower and its Subsidiaries existing on the date hereof in the Equity Interests of its Subsidiaries;

(c) (i) Guarantees by the Borrower of any Indebtedness, (ii) Guarantees by any Subsidiary constituting Indebtedness permitted by Section 6.01 and (iii) Guarantees by the Borrower or any Subsidiary of obligations of the Borrower or any Subsidiary not constituting Indebtedness;

(d) Investments consisting of extensions of credit in the nature of accounts receivable (including intercompany receivables and intercompany charges of expenses) or notes receivable arising from the grant of trade credit in the ordinary course of business and any prepayments and other credits to suppliers or vendors made in the ordinary course of business, endorsements for collection in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss or in connection with a bankruptcy or reorganization;

(e) Investments arising out of the receipt of non-cash consideration for any disposition permitted by Section 6.04 or any other disposition not prohibited by this Agreement;

(f) advances to officers, directors and employees of the Borrower and Subsidiaries made in the ordinary course of business for travel, entertainment, relocation, commission advances and analogous ordinary business purposes;

(g) Investments arising under any Swap Agreement permitted pursuant to Section 6.06;

(h) to the extent constituting Investments, pledges and deposits permitted pursuant to clauses (c) and (d) of the definition of Permitted Encumbrances or clauses (j), (k) or (m) of Section 6.02;

(i) Investments arising under any Structured Repurchase that is permitted pursuant to Section 6.08(h);

(j) Investments of any Person that becomes a Subsidiary after the date hereof,provided that (i) such Investments exists at the time that such Person becomes a Subsidiary and (ii) such Investments were not made in anticipation of such Person becoming a Subsidiary;

(k) Investments made by the Borrower in or to any Subsidiary or made by any Subsidiary in or to the Borrower or any Subsidiary;

(l) Investments made by Venture Fund in the ordinary course of business in an aggregate amount not to exceed \$100,000,000;

(m) to the extent constituting Investments, entry into, exercise of rights and performance of obligations under any Permitted Bond Hedge permitted pursuant to Section 6.08; and

(n) any other Investment (including the formation of any Subsidiary in connection with such acquisition and the capitalization of such Subsidiary whether by capital contribution or intercompany loans) so long as both immediately prior to and after giving effect (including giving effect on a pro forma basis) thereto (i) no Default or Event of Default has occurred and is continuing and (ii) the Borrower is in compliance with the financial covenants set forth in Section 6.10 for the most recently ended fiscal quarter.

SECTION 6.06. Swap Agreements. The Borrower will not, and will not permit any of its Subsidiaries to, enter into any Swap Agreement, except (a) Swap Agreements entered into to hedge or mitigate risks to which the Borrower or any Subsidiary has actual exposure (other than those in respect of Equity Interests of the Borrower or any of its Subsidiaries), and (b) Swap Agreements entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of the Borrower or any Subsidiary or foreign exchange rates.

SECTION 6.07. Transactions with Affiliates. The Borrower will not, and will not permit any of its Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (a) in the ordinary course of business at prices and on terms and conditions not less favorable to the Borrower or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (b) transactions between or among the Borrower and its wholly owned (other than directors' qualifying shares as required by law or shares held by nominees on behalf of the Borrower or any Subsidiary as required by law) Subsidiaries not involving any other Affiliate that is not a Subsidiary, (c) any Restricted Payment permitted by Section 6.08, any Investment permitted by Section 6.05 and any Indebtedness permitted by Section 6.01, (d) indemnification arrangements, employee agreements, compensation arrangements (including equity-based compensation and fees paid to directors), benefit plans or arrangements, and reimbursement of expenses of current or former employees, consultants, officers and directors, (e) severance arrangements entered into in the ordinary course of business, (f) extraordinary retention, bonus or similar arrangements approved by the Borrower's board of directors (or a committee thereof) and (g) issuance of Equity Interests of the Borrower.

SECTION 6.08. Restricted Payments. The Borrower will not, and will not permit any of its Subsidiaries to, declare or make, directly or indirectly, any Restricted Payment, except (a) the Borrower may declare and pay dividends with respect to its Equity Interests payable solely in additional shares of its common stock, (b) Subsidiaries may declare and pay dividends or make distributions ratably with respect to their Equity Interests, (c) the Borrower may make Restricted Payments pursuant to and in accordance with stock option plans or other benefit plans for management or employees or other eligible service providers of the Borrower and its Subsidiaries, (d) the Borrower may distribute rights pursuant to a stockholder rights plan or redeem such rights, provided that such redemption is in accordance with the terms of such stockholder rights plan, (e) the Borrower may purchase, redeem or otherwise acquire Equity Interests issued by it with the proceeds received from the substantially concurrent issuance of its Equity Interests, (f) the Borrower may repurchase or pay cash in lieu of fractional shares of its Equity Interests arising out of stock dividends, splits or combinations, business combinations or conversions of convertible securities or the exercise of warrants, (g) the Borrower may make Restricted Payments in connection with the retention of Equity Interests in payment of withholding taxes in connection with equity-based compensation plans, (h) Borrower may enter into and purchase its Equity Interests pursuant to any Structured Repurchase and perform its obligations thereunder or early unwind or settle such Structured Repurchase for cash, securities,

other property or any combination of the foregoing, provided that any repurchase of its Equity Interests is otherwise permitted under clause (e) or clause (m) of this Section 6.08 (for the avoidance of doubt, the amount of all Restricted Payments made to purchase Equity Interests pursuant to this clause (h) shall be determined based upon the net cash payments made after settlement of all payments and obligations pursuant to the terms of such Structured Repurchase, or following the early unwind or settlement of such Structured Repurchase), (i) the Borrower or any Subsidiary may receive or accept the return to the Borrower or any Subsidiary of Equity Interests of the Borrower or any Subsidiary constituting a portion of the purchase price consideration in settlement of indemnification claims, (j) the Borrower or any Subsidiary may make cash payments in lieu of fractional shares in connection with the conversion of any Equity Interests or make cash settlement payments upon the exercise of warrants to purchase its Equity Interest or “net share settle” warrants, (k) the Borrower may make payments or distributions required by applicable law to dissenting stockholders of a target company on or after the consummation of the acquisition by the Borrower of such target company, (l) the Borrower may enter into, exercise its rights and perform its obligations under Permitted Bond Hedges, and (m) the Borrower and its Subsidiaries may make any other Restricted Payment so long as both immediately prior to and after giving effect (including giving effect on a pro forma basis) thereto (tested as of the date such Restricted Payment is declared, so long as such Restricted Payment is paid within sixty (60) days of such declaration) (i) no Default or Event of Default has occurred and is continuing and (ii) the Borrower is in compliance with the financial covenants set forth in Section 6.10 for the most recently ended fiscal quarter.

SECTION 6.09. Restrictive Agreements. The Borrower will not, and will not permit any of its Subsidiaries to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of the Borrower or any Subsidiary to create, incur or permit to exist any Lien upon any of its property or assets to secure the Obligations, or (b) the ability of any Subsidiary to pay dividends or other distributions with respect to holders of its Equity Interests or to make or repay loans or advances to the Borrower or any other Subsidiary or to Guarantee Indebtedness of the Borrower or any other Subsidiary; provided that (i) the foregoing shall not apply to restrictions and conditions imposed by law or by any Loan Document, (ii) the foregoing shall not apply to customary restrictions and conditions contained in asset sale agreements, purchase agreements or acquisition agreements (including by way of merger, acquisition or consolidation) entered into by the Borrower or any Subsidiary solely to the extent in effect pending the consummation of such transaction, (iii) clause (a) of the foregoing shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness, (iv) clause (a) of the foregoing shall not apply to customary provisions in leases, licenses and other contracts restricting the assignment, sublicense, subletting, or encumbrance thereof, (v) the foregoing shall not apply to restrictions and conditions in any indenture, agreement, document, instrument or other arrangement relating to the assets or business of any Subsidiary existing prior to the consummation of an acquisition in which such Subsidiary was acquired (and not created in contemplation of such acquisition), (vi) the foregoing shall not apply to contractual encumbrances or restrictions in effect as of the date hereof and set forth on Schedule 6.09 to the Disclosure Letter (but shall apply to any extension or renewal of, or any amendment or

modification expanding the scope of, any such restriction or condition), (vii) the foregoing shall not apply to customary provisions in joint ventures agreements (and other similar agreements) (provided that such provisions apply only to such joint venture and to Equity Interests in such joint venture), (viii) the foregoing shall not apply to customary net worth provisions or similar financial maintenance provisions contained in real property leases entered into by a Subsidiary, so long as the Borrower has determined in good faith that such net worth provisions could not reasonably be expected to impair the ability of the Borrower and the Subsidiaries to meet their ongoing obligations under the Loan Documents, (ix) the foregoing shall not apply to restrictions or conditions set forth in any agreement governing Indebtedness not prohibited by Section 6.01; provided that such restrictions and conditions are customary for such Indebtedness, (x) the foregoing shall not apply to restrictions on cash or other deposits imposed by customers under contracts entered into the ordinary course of business, (xi) the foregoing shall not apply to customary restrictions contained in agreements related to minority Investments made by the Borrower or any Subsidiary in any Person that is not a Subsidiary, and (xii) the foregoing shall not apply to restrictions under any arrangement with any Governmental Authority imposed on any Foreign Subsidiary in connection with government grants, financial aid, tax holidays or similar benefits.

SECTION 6.10. Financial Covenants.

(a) Maximum Leverage Ratio. As of the end of each of its fiscal quarters ending on and after July 31, 2023, the Borrower will not permit the Leverage Ratio to be greater than 3.50 to 1.00; provided that upon the consummation of any Material Acquisition, such Leverage Ratio shall be increased to 4.00 to 1.00 for the period beginning with the fiscal quarter in which such Material Acquisition was consummated and each of the four immediately following fiscal quarters.

(b) Minimum Interest Coverage Ratio. As of the end of each of its fiscal quarters ending on and after July 31, 2023, the Borrower will not permit the Interest Coverage Ratio to be less than 3.00 to 1.00.

ARTICLE VII

Events of Default

If any of the following events ("Events of Default") shall occur:

(a) the Borrower shall fail to pay any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five Business Days;

(c) any representation or warranty made or deemed made by or on behalf of the Borrower or any Subsidiary in or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any other Loan Document or any amendment or modification thereof or waiver thereunder, shall prove to have been incorrect in any material respect when made or deemed made;

(d) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02, 5.03 (with respect to the Borrower's existence), 5.08 or 5.09 or in Article VI;

(e) the Borrower or any Subsidiary Guarantor, as applicable, shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in clause (a), (b) or (d) of this Article) or any other Loan Document, and such failure shall continue unremedied for a period of thirty (30) days after written notice thereof from the Administrative Agent to the Borrower (which notice will be given at the request of any Lender);

(f) the Borrower or any Subsidiary shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable after giving effect to any applicable grace periods;

(g) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (g) shall not apply to (w) secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness, (x) any redemption, repurchase, conversion or settlement with respect to any Convertible Debt Security pursuant to its terms unless such redemption, repurchase, conversion or settlement results from a default thereunder or an event of the type that constitutes an Event of Default, (y) any early payment requirement or unwinding or termination with respect to any Permitted Bond Hedge, any Structured Repurchase, any other derivative instrument referencing Equity Interests of the Borrower or any of its Affiliates, or any Swap Agreement or (z) any Indebtedness that becomes due as a result of a voluntary refinancing there of or a change of control provision of any Indebtedness of a Subsidiary as a result of the acquisition of such Subsidiary;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower, any Material Subsidiary or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower, any Material Subsidiary or for a substantial part of its assets, and, in any such case,

such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) the Borrower, any Material Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower, any Material Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(j) the Borrower, any Material Subsidiary shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount in excess of \$250,000,000 (to the extent not covered by a creditworthy insurer that has not denied coverage) shall be rendered against the Borrower, any Subsidiary or any combination thereof and the same shall remain unsatisfied or undischarged for a period of thirty (30) consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor holding a judgment in excess of \$250,000,000 to attach or levy upon any assets of the Borrower or any Subsidiary to enforce any such judgment;

(l) an ERISA Event shall have occurred that, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect;

(m) a Change in Control shall occur; or

(n) any material provision of any Loan Document for any reason ceases to be valid, binding and enforceable in accordance with its terms (or the Borrower or any Subsidiary shall challenge the enforceability of any Loan Document or shall assert in writing, or engage in any action or inaction based on any such assertion, that any provision of any of the Loan Documents has ceased to be or otherwise is not valid, binding and enforceable in accordance with its terms);

then, and in every such event (other than an event with respect to the Borrower described in clause (h) or (i) or of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together

with accrued interest thereon and all fees and other Obligations of the Borrower accrued hereunder and under the other Loan Documents, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower to the fullest extent permitted by applicable law; and in case of any event with respect to the Borrower described in clause (h) or (i) of this Article, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other Obligations accrued hereunder and under the other Loan Documents, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower to the fullest extent permitted by applicable law. Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent may, and at the request of the Required Lenders shall, exercise any rights and remedies provided to the Administrative Agent under the Loan Documents or at law or equity.

ARTICLE VIII

The Administrative Agent

SECTION 8.01. Appointment and Authority.

(a) Each of the Lenders hereby irrevocably appoints, designates and authorizes Wells Fargo to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. Except as provided in Section 8.06 and Section 8.09, the provisions of this Article are solely for the benefit of the Administrative Agent, the Arrangers, the Lenders and their respective Related Parties, and neither the Borrower nor any Subsidiary thereof shall have rights as a third-party beneficiary of any of such provisions.

(b) It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

SECTION 8.02. Rights as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of banking, trust, financial advisory, underwriting, capital markets or other business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were

not the Administrative Agent hereunder and without any duty to account therefor to the Lenders or to provide notice to or consent of the Lenders with respect thereto.

SECTION 8.03. Exculpatory Provisions.

(a) The Administrative Agent, the Arrangers and their respective Related Parties shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder and thereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent, the Arrangers and their respective Related Parties:

(i) shall not be subject to any agency, trust, fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law;

(iii) shall not, have any duty to disclose, and shall not be liable for the failure to disclose to any Lender or any other Person, any credit or other information concerning the business, prospects, operations, properties, assets, financial or other condition or creditworthiness of the Borrower or any of its Subsidiaries or Affiliates that is communicated to, obtained by or otherwise in the possession of the Person serving as the Administrative Agent, an Arranger or their respective Related Parties in any capacity, except for notices, reports and other documents that are required to be furnished by the Administrative Agent to the Lenders pursuant to the express provisions of this Agreement; and

(iv) shall not be required to account to any Lender for any sum or profit received by the Administrative Agent for its own account.

(b) The Administrative Agent, the Arrangers and their respective Related Parties shall not be liable for any action taken or not taken by it under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby or thereby (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Section 9.02 and Article VII) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final non-appealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default or Event of Default unless and until notice describing such Default or Event of Default and indicating that such notice is a "Notice of Default" is given to the Administrative Agent by the Borrower or a Lender.

(c) The Administrative Agent, the Arrangers and their respective Related Parties shall not be responsible for or have any duty or obligations to any Lender or Participant or any other Person to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

(d) Neither the Administrative Agent nor the Sustainability Structuring Agent nor any Arranger (x) shall have any duty to ascertain, inquire into or otherwise independently verify any Sustainability Related Information or any other information or materials provided by the Borrower and used in connection with the sustainability provisions of the credit facility described in this Agreement, including with respect to the applicable KPI Metrics, and (y) shall have any responsibility for (or liability in respect of) the completeness or accuracy of any such information. Each party hereto hereby agrees that neither the Administrative Agent nor the Sustainability Structuring Agent nor any Arranger shall have any responsibility for (or liability in respect of) reviewing, auditing or otherwise evaluating any Sustainability Rate Adjustment or Sustainability Commitment Fee Adjustment (or any of the data or computations that are part of or related to any such calculation) set forth in any Sustainability Certificate or notice as to a Sustainability Certificate Inaccuracy (and the Administrative Agent and the Sustainability Structuring Agent may rely conclusively on any such certificate or notice, without further inquiry).

SECTION 8.04. Reliance by the Administrative Agent. The Administrative Agent shall be entitled to rely upon, shall be fully protected in relying and shall not incur any liability for relying upon, any notice, request, certificate, consent, communication, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person, including any certification pursuant to Section 8.09. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall be fully protected in relying and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts. Each Lender that has signed this Agreement or a signature page to an Assignment and Assumption or any other Loan Document pursuant to which it is to become a Lender hereunder shall be deemed to have consented to, approved and accepted and

shall be deemed satisfied with each document or other matter required thereunder to be consented to, approved or accepted by such Lender or that is to be acceptable or satisfactory to such Lender.

SECTION 8.05. Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the Loans and Commitments as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub agents.

SECTION 8.06. Resignation of Administrative Agent and Sustainability Structuring Agent

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a bank or financial institution reasonably experienced in serving as administrative agent on syndicated bank facilities with an office in the United States, or an Affiliate of any such bank or financial institution with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the "Resignation Effective Date"), then the retiring Administrative Agent may (but shall not be obligated to), on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by applicable law, by notice in writing to the Borrower and such Person, remove such Person as Administrative Agent and, in consultation with the Borrower, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders) (the "Removal Effective Date"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable), (i) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders under any of the Loan Documents, the retiring or removed Administrative Agent shall continue to hold such

collateral security until such time as a successor Administrative Agent is appointed) and (ii) except for any indemnity payments or other amounts then owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Administrative Agent (other than any rights to indemnity payments or other amounts owed to the retiring or removed Administrative Agent as of the Resignation Effective Date or the Removal Effective Date, as applicable), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Article and Section 9.03 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent or relating to its duties as Administrative Agent that are carried out following its retirement or removal.

(d) The Sustainability Structuring Agent may at any time give notice of its resignation to the Administrative Agent, the Lenders and the Borrower, which resignation shall be effective on the date set forth in such notice (the "Sustainability Structuring Agent Resignation Effective Date"). Upon receipt of any such notice of resignation, the Borrower shall have the right to appoint a successor, which may be a Lender or Affiliate of a Lender; provided that such appointment shall be subject to the Required Lenders' written consent, and in no event shall any such successor Sustainability Structuring Agent be a Defaulting Lender. With effect from the Sustainability Structuring Agent Resignation Effective Date, the retiring Sustainability Structuring Agent shall be discharged from any duties and obligations hereunder and under the other Loan Documents. Upon the acceptance of a successor's appointment as Sustainability Structuring Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Sustainability Structuring Agent (other than any rights to indemnity payments owed to the retiring Sustainability Structuring Agent), and the retiring Sustainability Structuring Agent shall be discharged from any duties and obligations hereunder or under the other Loan Documents. After the retiring Sustainability Structuring Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article and Section 9.03 shall continue in effect for the benefit of such retiring Sustainability Structuring Agent, its sub agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Sustainability Structuring Agent was acting as Sustainability Structuring Agent.

SECTION 8.07. Non-Reliance on Administrative Agent, Sustainability Structuring Agent and Other Lenders. Each Lender expressly acknowledges that none of the Administrative Agent, the Sustainability Structuring Agent, the Arrangers or any of their respective Related Parties has made any representations or warranties to it and that no act taken or failure to act by the Administrative Agent, the Sustainability Structuring Agent, the Arrangers

or any of their respective Related Parties, including any consent to, and acceptance of any assignment or review of the affairs of the Borrower and its Subsidiaries or Affiliates shall be deemed to constitute a representation or warranty of the Administrative Agent, the Sustainability Structuring Agent, the Arrangers or any of their respective Related Parties to any Lender as to any matter, including whether the Administrative Agent, the Sustainability Structuring Agent, the Arrangers or any of their respective Related Parties have disclosed material information in their (or their respective Related Parties') possession. Each Lender expressly acknowledges, represents and warrants to the Administrative Agent, the Sustainability Structuring Agent and the Arrangers that (a) the Loan Documents set forth the terms of a commercial lending facility, (b) it is engaged in making, acquiring, purchasing or holding commercial loans in the ordinary course and is entering into this Agreement and the other Loan Documents to which it is a party as a Lender for the purpose of making, acquiring, purchasing and/or holding the commercial loans set forth herein as may be applicable to it, and not for the purpose of making, acquiring, purchasing or holding any other type of financial instrument, (c) it is sophisticated with respect to decisions to make, acquire, purchase or hold the commercial loans applicable to it and either it or the Person exercising discretion in making its decisions to make, acquire, purchase or hold such commercial loans is experienced in making, acquiring, purchasing or holding commercial loans, (d) it has, independently and without reliance upon the Administrative Agent, the Sustainability Structuring Agent, the Arrangers, any other Lender or any of their respective Related Parties and based on such documents and information as it has deemed appropriate, made its own (i) credit analysis and appraisal of, and investigations into, the business, prospects, operations, property, assets, liabilities, financial and other condition and creditworthiness of the Borrower and its Subsidiaries, all applicable bank or other regulatory applicable laws relating to the Transactions and the transactions contemplated by this Agreement and the other Loan Documents and (ii) independent investigation and analysis of this Agreement and the other Loan Documents and whether this Agreement and the other Loan Documents meet such Lender's criteria or expectations with regard to environmental impact and/or sustainability performance, and (e) it has made its own independent decision to enter into this Agreement and the other Loan Documents to which it is a party and to extend credit hereunder. Each Lender also acknowledges and agrees that (i) it will, independently and without reliance upon the Administrative Agent, the Sustainability Structuring Agent, any Arranger or any other Lender or any of their respective Related Parties (A) continue to make its own credit analysis, appraisals and decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder based on such documents and information as it shall from time to time deem appropriate and its own independent investigations and (B) continue to make such investigations and inquiries as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower and its Subsidiaries, (ii) none of the Administrative Agent, the Sustainability Structuring Agent or any Arranger, acting in such capacities have made any assurances as to (A) whether the terms and conditions of this Agreement and the other Loan Documents meets such Lender's criteria or expectations with regard to environmental impact and sustainability performance, (B) whether any characteristics of this Agreement and the other Loan Documents, including the characteristics of the relevant KPI Metrics or any thresholds or targets with respect thereto to be determined in connection with any increase or decrease in the Applicable Rate, including the Borrower's environmental and sustainability criteria, meet any

industry standards or market expectations for sustainability-linked credit facilities or (C) whether the relevant KPI Metrics or thresholds or targets with respect thereto will be attainable or able to be maintained by the Borrower and (iii) it will not assert any claim in contravention of this Section 8.07.

SECTION 8.08. No Other Duties, Etc. Anything herein to the contrary notwithstanding, none of the Sustainability Structuring Agent, the syndication agents, documentation agents, co-agents, arrangers or bookrunners listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent or a Lender hereunder, but each such Person shall have the benefit of the indemnities and exculpatory provisions hereof.

SECTION 8.09. Guaranty Matters.

(a) Each of the Lenders irrevocably authorize the Administrative Agent, at its option and in its discretion to release any Subsidiary Guarantor from its obligations under any Loan Documents if such Person ceases to be a Subsidiary as a result of a transaction permitted under the Loan Documents pursuant to Section 9.14. Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release any Subsidiary Guarantor from its obligations under the Subsidiary Guaranty Agreement pursuant to Section 9.14.

(b) The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of any collateral, the existence, priority or perfection of the Administrative Agent's Lien thereon, or any certificate prepared by any Loan Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of any collateral.

SECTION 8.10. Certain ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, each Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of Section 3(42) of ERISA or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) of one or more Benefit Plans with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments or this Agreement;

(ii) the prohibited transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for

certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable so as to exempt from the prohibitions of Section 406 of ERISA and Section 4975 of the Code such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement;

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement; or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, the Sustainability Structuring Agent, each Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that none of the Administrative Agent, the Sustainability Structuring Agent, any Arranger and their respective Affiliates is a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

SECTION 8.11. Erroneous Payments.

(a) Each Lender and each other party hereto hereby severally agrees that if (i) the Administrative Agent notifies (which such notice shall be conclusive absent manifest error) such Lender or any other Person that has received funds from the Administrative Agent or any of its Affiliates, either for its own account or on behalf of a Lender (each such recipient, a "Payment Recipient") that the Administrative Agent has determined in its sole discretion that any funds received by such Payment Recipient were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Payment Recipient) or (ii) any Payment Recipient receives any payment from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that

specified in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, as applicable, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, as applicable, or (z) that such Payment Recipient otherwise becomes aware was transmitted or received in error or by mistake (in whole or in part) then, in each case, an error in payment shall be presumed to have been made (any such amounts specified in clauses (i) or (ii) of this Section 8.11(a), whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise; individually and collectively, an "Erroneous Payment"), then, in each case, such Payment Recipient is deemed to have knowledge of such error at the time of its receipt of such Erroneous Payment; provided that nothing in this Section shall require the Administrative Agent to provide any of the notices specified in clauses (i) or (ii) above. Each Payment Recipient agrees that it shall not assert any right or claim to any Erroneous Payment, and hereby waives any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payments, including without limitation waiver of any defense based on "discharge for value" or any similar doctrine.

(b) Without limiting the immediately preceding clause (a), each Payment Recipient agrees that, in the case of clause (a)(ii) above, it shall promptly notify the Administrative Agent in writing of such occurrence.

(c) In the case of either clause (a)(i) or (a)(ii) above, such Erroneous Payment shall at all times remain the property of the Administrative Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Administrative Agent, and upon demand from the Administrative Agent such Payment Recipient shall (or, shall cause any Person who received any portion of an Erroneous Payment on its behalf to), promptly, but in all events no later than one Business Day thereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made in immediately available funds and in the currency so received, together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent at the Overnight Rate.

(d) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor by the Administrative Agent in accordance with immediately preceding clause (c), from any Lender that is a Payment Recipient or an Affiliate of a Payment Recipient (such unrecovered amount as to such Lender, an "Erroneous Payment Return Deficiency"), then at the sole discretion of the Administrative Agent and upon the Administrative Agent's written notice to such Lender (i) such Lender shall be deemed to have made a cashless assignment of the full face amount of the portion of its Loans (but not its Commitments) with respect to which such Erroneous Payment was made to the Administrative Agent or, at the option of the Administrative Agent, the Administrative Agent's applicable lending affiliate in an amount that is equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify)

(such assignment of the Loans (but not Commitments), the Erroneous Payment Deficiency Assignment") plus any accrued and unpaid interest on such assigned amount, without further consent or approval of any party hereto and without any payment by the Administrative Agent or its applicable lending affiliate as the assignee of such Erroneous Payment Deficiency Assignment. The parties hereto acknowledge and agree that (1) any assignment contemplated in this clause (d) shall be made without any requirement for any payment or other consideration paid by the applicable assignee or received by the assignor, (2) the provisions of this clause (d) shall govern in the event of any conflict with the terms and conditions of Section 9.04 and (3) the Administrative Agent may reflect such assignments in the Register without further consent or action by any other Person.

(e) Each party hereto hereby agrees that (x) in the event an Erroneous Payment (or portion thereof) is not recovered from any Payment Recipient that has received such Erroneous Payment (or portion thereof) for any reason, the Administrative Agent (1) shall be subrogated to all the rights of such Payment Recipient with respect to such amount and (2) is authorized to set off, net and apply any and all amounts at any time owing to such Payment Recipient under any Loan Document, or otherwise payable or distributable by the Administrative Agent to such Payment Recipient from any source, against any amount due to the Administrative Agent under this Section 8.11 or under the indemnification provisions of this Agreement, (y) the receipt of an Erroneous Payment by a Payment Recipient shall not for the purpose of this Agreement be treated as a payment, prepayment, repayment, discharge or other satisfaction of any Obligations owed by the Borrower or any other Loan Party, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrower or any other Loan Party for the purpose of making a payment on the Obligations and (z) to the extent that an Erroneous Payment was in any way or at any time credited as payment or satisfaction of any of the Obligations, the Obligations or any part thereof that were so credited, and all rights of the Payment Recipient, as the case may be, shall be reinstated and continue in full force and effect as if such payment or satisfaction had never been received, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrower or any other Loan Party for the purpose of making a payment on the Obligations.

(f) Each party's obligations under this Section 8.11 shall survive the resignation or replacement of the Administrative Agent or any transfer of right or obligations by, or the replacement of, a Lender, the termination of the Commitments or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

(g) Nothing in this Section 8.11 will constitute a waiver or release of any claim of the Administrative Agent hereunder arising from any Payment Recipient's receipt of an Erroneous Payment.

ARTICLE IX

Miscellaneous

SECTION 9.01. Notices. (a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(i) if to the Borrower, to it at:

3000 Tannery Way
Santa Clara, CA 95054
Attn: General Counsel
Email: Legal@paloaltonetworks.com

with a copy to:

3000 Tannery Way
Santa Clara, CA 95054
Attn: Chief Financial Officer
Email: Treasury@paloaltonetworks.com

(ii) if to the Administrative Agent, to it at its offices at:

Wells Fargo Bank, National Association
MAC D1109-019
1525 West W.T. Harris Blvd.
Charlotte, NC 28262
Attention of: Syndication Agency Services
Email: Agencyservices.requests@wellsfargo.com

(iii) if to any other Lender, to it at its address (or telecopy number) set forth in the Register with respect to deliveries of notices and other documentation that may contain material non-public information.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through electronic communications, to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet

websites) pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications (including via PDF) pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes or as otherwise expressly set forth in this Agreement, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient.

The Administrative Agent hereby designates its office located at the address set forth above, or any subsequent office which shall have been specified for such purpose by written notice to the Borrower and Lenders, as the Administrative Agent's Office referred to herein, to which payments due are to be made and at which Loans will be disbursed.

(c) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto.

(d) Platform.

(i) Each Loan Party, each Lender agrees that the Administrative Agent may, but shall not be obligated to, make the Borrower Materials available to the other Lenders by posting the Borrower Materials on the Platform.

(ii) The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the accuracy or completeness of the Borrower Materials or the adequacy of the Platform, and expressly disclaim liability for errors or omissions in the Borrower Materials. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Borrower Materials or the Platform. Although the Platform is secured pursuant to generally-applicable security procedures and policies implemented or modified by the Administrative Agent and its Related Parties, each of the Lenders and the Borrower acknowledges and agrees that distribution of information through an electronic means is not necessarily secure in all respects, the Administrative Agent, each Arranger and their respective Related Parties (collectively, the "Agent Parties") are not responsible for approving or vetting the representatives, designees or contacts of any Lender that are provided access to the Platform and that there may be confidentiality and other risks associated with such form of distribution. Each of the Borrower, each Lender understands

and accepts such risks. In no event shall the Agent Parties have any liability to any Loan Party, any Lender or any other Person or entity for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of any Loan Party's or the Administrative Agent's transmission of communications through the Internet (including the Platform), except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party; provided that in no event shall any Agent Party have any liability to any Loan Party, any Lender or any other Person for indirect, special, incidental, consequential or punitive damages, losses or expenses (as opposed to actual damages, losses or expenses).

SECTION 9.02. Waivers; Amendments. (a) No failure or delay by the Administrative Agent or any Lender

in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Lender may have had notice or knowledge of such Default at the time.

(b) Subject to Sections 2.10(d), 2.11, 2.17 and 9.02(e) and this Section 9.02(b) of this Agreement, neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender directly affected thereby (except that any amendment pursuant to Section 1.09(f) and any amendment or modification of definition of "Leverage Ratio" in this Agreement (or defined terms used in such definition of "Leverage Ratio") shall not constitute a reduction in the rate of interest or fees for purposes of this clause (ii)), (iii) postpone the scheduled date of payment of the principal amount of any Loan or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender directly affected thereby, (iv) change Section 2.15(b) or (c) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, (v) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender, (vi) change the definition of "Applicable Percentage" without the written consent of each Lender directly affected thereby, (vii) except as permitted by Section 9.14 as in

effect on the Effective Date, release all or substantially all of the Subsidiary Guarantors from their obligations under the Subsidiary Guaranty, without the written consent of each Lender or (viii) contractually subordinate any of the Obligations to any other Indebtedness in right of payment, without the written consent of each Lender; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent hereunder without the prior written consent of the Administrative Agent (it being understood that any change to Section 2.18 shall require the consent of the Administrative Agent). Notwithstanding the foregoing, no consent with respect to any amendment, waiver or other modification of this Agreement shall be required of any Defaulting Lender, except with respect to any amendment, waiver or other modification referred to in clause (i), (ii) or (iii) of the first proviso of this paragraph and then only in the event such Defaulting Lender shall be directly affected by such amendment, waiver or other modification.

(c) Notwithstanding the foregoing, this Agreement and any other Loan Document may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and the Borrower (x) to add one or more credit facilities to this Agreement and to permit extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Loan Documents with the Revolving Loans and the accrued interest and fees in respect thereof and (y) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and Lenders.

(d) If, in connection with any proposed amendment, waiver or consent requiring the consent of "each Lender" or "each Lender directly affected thereby," the consent of the Required Lenders is obtained, but the consent of other necessary Lenders is not obtained (any such Lender whose consent is necessary but not obtained being referred to herein as a "Non-Consenting Lender"), then the Borrower may elect to replace a Non-Consenting Lender as a Lender party to this Agreement, provided that, concurrently with such replacement, (i) another bank or other entity which is reasonably satisfactory to the Borrower and the Administrative Agent shall agree, as of such date, to purchase for cash the Loans and other Obligations due to the Non-Consenting Lender pursuant to an Assignment and Assumption and to become a Lender for all purposes under this Agreement and to assume all obligations of the Non-Consenting Lender to be terminated as of such date and to comply with the requirements of clause (b) of Section 9.04, and (ii) the Borrower shall pay to such Non-Consenting Lender in same day funds on the day of such replacement (1) all interest, fees and other amounts then accrued but unpaid to such Non-Consenting Lender by the Borrower hereunder to and including the date of termination, including without limitation payments due to such Non-Consenting Lender under Sections 2.12 and 2.14, and (2) an amount, if any, equal to the payment which would have been due to such Lender on the day of such replacement under Section 2.13 had the Loans of such Non-Consenting Lender been prepaid on such date rather than sold to the replacement Lender.

(e) Notwithstanding anything to the contrary herein the Administrative Agent may, with the consent of the Borrower only, amend, modify or supplement this Agreement or any of the other Loan Documents to cure any ambiguity, omission, mistake, defect or inconsistency.

SECTION 9.03. Expenses; Indemnity; Damage Waiver. (a) The Borrower shall pay all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of one primary counsel for the Administrative Agent (which shall be Davis Polk & Wardwell LLP) and of any special counsel and/or local counsel to the Administrative Agent determined by the Administrative Agent to be reasonably necessary in connection with the syndication and distribution (including, without limitation, via the internet or through a service such as Intralinks) of the credit facilities provided for herein, the preparation and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated) and all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, the Sustainability Structuring Agent or any Lender, including the fees, charges and disbursements of one primary counsel for the Administrative Agent, the Sustainability Structuring Agent or the Lenders and of any special counsel and/or local counsel to the Administrative Agent, the Sustainability Structuring Agent or the Lenders determined by the Administrative Agent to be reasonably necessary, and one counsel for all the Lenders other than the Administrative Agent (and in the case of an actual or perceived conflict of interest where the Lender affected by such conflict informs the Borrower and retains its own counsel, of another firm of counsel for such affected Lender), in connection with the enforcement or protection of its rights in connection with this Agreement and any other Loan Document, including its rights under this Section, or in connection with the Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

(b) The Borrower shall indemnify the Administrative Agent, the Sustainability Structuring Agent, the Arrangers and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (which, in the case of fees, charges and disbursements of counsel, shall be limited to the reasonable and documented fees, charges and disbursements of one primary counsel, one regulatory counsel and one additional local counsel in each applicable jurisdiction, for the Indemnitees (taken as a whole) (and, in the case of an actual or potential conflict of interest where the Indemnitee affected by such conflict informs the Borrower of such conflict and thereafter retains its own counsel, of another firm of counsel, regulatory counsel and additional local counsel in each applicable jurisdiction for such affected Indemnitee) incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of any Loan Document or any agreement or instrument contemplated thereby, the performance by the parties hereto of their respective obligations thereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or the use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability of or relating to the Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any of its Subsidiaries, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related

expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from (w) the bad faith, gross negligence or willful misconduct of such Indemnitee, (x) the material breach by such Indemnitee of its express obligations under this Agreement pursuant to a claim initiated by the Borrower, (y) any dispute solely among Indemnitees (not arising as a result of an act or omission by the Borrower or any of its Subsidiaries or Affiliates) other than claims against any of the Administrative Agent, the Sustainability Structuring Agent, the Arrangers or the Lenders or any of their Affiliates in its capacity or in fulfilling its role as the Administrative Agent, the Sustainability Structuring Agent, lead arranger, bookrunner or any similar role under this Agreement) or (z) arising from any settlement with respect to such losses, claims, damages, liabilities or related expenses which is entered into by such Indemnitee without the Borrower's written consent (such consent not to be unreasonably withheld, conditioned or delayed), but if settled with the Borrower's prior written consent or if there is a final non-appealable judgment against an Indemnitee in respect of such losses, claims, damages, liabilities or related expenses, the Borrower agrees to indemnify and hold harmless each Indemnitee from and against any and all losses, claims, damages, liabilities and expenses by reason of such settlement or judgment in accordance with this paragraph. The Borrower shall not, without the prior written consent of an Indemnitee (such consent not to be unreasonably withheld, conditioned or delayed), effect any settlement with respect to indemnified liabilities in respect of which indemnity could have been sought hereunder by such Indemnitee unless such settlement includes an unconditional release of each Indemnitee from all liability arising out of the applicable investigation, litigation or proceeding and (ii) does not include a statement as to, or an admission of, fault, culpability or failure to act by or on behalf of such Indemnitee. Each of the Administrative Agent, the Sustainability Structuring Agent and the Lenders hereby agrees, on behalf of itself and its related Indemnitees, that any settlement entered into by the Administrative Agent, the Sustainability Structuring Agent or such Lender, respectively, and its related Indemnitee in connection with a claim or proceeding for which an indemnity claim is made against the Borrower pursuant to the preceding sentence shall be so entered into in good faith and not on an arbitrary or capricious basis. This Section 9.03 shall not apply with respect to Taxes other than any Taxes that represent losses, claims or damages arising from any non-Tax claim.

(c) To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent or the Sustainability Structuring Agent under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent or the Sustainability Structuring Agent, as applicable, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount (it being understood that the Borrower's failure to pay any such amount shall not relieve the Borrower of any default in the payment thereof); provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent or the Sustainability Structuring Agent in its capacity as such.

(d) To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives to the fullest extent permitted by applicable law, any claim against any Indemnitee (i) for any damages arising from the use by others of information or other materials obtained through telecommunications, electronic or other information transmission systems (including the Internet), or (ii) on any theory of liability, for special, indirect, consequential or punitive damages

(as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or the use of the proceeds thereof.

(e) All amounts due under this Section shall be payable not later than fifteen (15) days after written demand therefor.

SECTION 9.04. Successors and Assigns.

(a) **Successors and Assigns Generally.** The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of paragraph (b) of this Section, (ii) by way of participation in accordance with the provisions of paragraph (d) of this Section or (iii) by way of pledge or assignment of a security interest subject to the restrictions of paragraph (e) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in paragraph (d) of this Section and, to the extent expressly contemplated hereby, the Arrangers, the Related Parties of each of the Administrative Agent, the Arrangers and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) **Assignments by Lenders.** Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) **Minimum Amounts.**

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Loans at the time owing to it or contemporaneous assignments to related Approved Funds (determined after giving effect to such assignments) that equal at least the amount specified in paragraph (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in paragraph (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than \$10,000,000, unless each of the Administrative

Agent and, so long as no Event of Default under clause (a), (b), (h) or (i) of Article VII has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed); provided that the Borrower shall be deemed to have given its consent ten (10) Business Days after the date written notice thereof has been delivered by the assigning Lender (through the Administrative Agent) unless such consent is expressly refused by the Borrower prior to such tenth (10th) Business Day;

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Commitment assigned;

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by paragraph (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) an Event of Default under clause (a), (b), (h) or (i) of Article VII has occurred and is continuing at the time of such assignment or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided, that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within ten (10) Business Days after having received notice thereof; and

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments if such assignment is to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500 for each assignment; provided that (A) only one such fee will be payable in connection with simultaneous assignments to two or more related Approved Funds by a Lender and (B) the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment shall be made to (A) the Borrower or any of its Subsidiaries or Affiliates, (B) a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person) or (C) any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (v).

(vi) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent

in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested, but not funded by, the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (A) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent and each other Lender hereunder (and interest accrued thereon), and (B) acquire (and fund as appropriate) its full pro rata share of all Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to paragraph (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 2.12, 2.13, 2.14 and 9.03 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section (other than a purported assignment to a natural Person or the Borrower or any of the Borrower's Subsidiaries or Affiliates, which shall be null and void).

(c) Register. The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices in Charlotte, North Carolina, a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of (and stated interest on) the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender (but only to the extent of entries in the Register that are applicable to such Lender), at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for

the primary benefit of, a natural Person, or the Borrower or any of the Borrower's Subsidiaries or Affiliates)) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 9.03(c) with respect to any payments made by such Lender to its Participant(s).

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that directly and adversely affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.12, 2.13 and 2.14 (subject to the requirements and limitations therein, including the requirements under Section 2.14(f) (it being understood that the documentation required under Section 2.14(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Section 2.16 as if it were an assignee under paragraph (b) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 2.12 or 2.14, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.16(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.15 and Section 9.08 as though it were a Lender.

Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts of (and stated interest on) each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan or other obligation is in registered form under Section 5f.103-1(c) or Proposed Section 1.163-5(b) of the United States Treasury Regulations (or, in each case, any amended or successor version). The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the

avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment or a security interest shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 9.05. Survival. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement or any other Loan Document is outstanding and unpaid and so long as the Commitments have not expired or terminated. The provisions of Sections 2.12, 2.13, 2.14 and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans and the Commitments or the termination of this Agreement or any other Loan Document or any provision hereof or thereof.

SECTION 9.06. Counterparts; Integration; Effectiveness; Electronic Execution. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to any document to be signed in connection with this Agreement or any other Loan Document and the transactions contemplated hereby shall be deemed to include Electronic Signatures or execution in the form of an Electronic Record, and contract formations on electronic platforms approved by the Administrative Agent, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures

in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. Each party hereto agrees that any Electronic Signature or execution in the form of an Electronic Record shall be valid and binding on itself and each of the other parties hereto to the same extent as a manual, original signature. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the parties of a manually signed paper which has been converted into electronic form (such as scanned into PDF format), or an electronically signed paper converted into another format, for transmission, delivery and/or retention. Notwithstanding anything contained herein to the contrary, the Administrative Agent is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it; provided that without limiting the foregoing, (i) to the extent the Administrative Agent has agreed to accept such Electronic Signature from any party hereto, the Administrative Agent and the other parties hereto shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of the executing party without further verification and (ii) upon the request of the Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by an original manually executed counterpart thereof. Without limiting the generality of the foregoing, each party hereto hereby (A) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent, the Lenders and any of the Loan Parties, electronic images of this Agreement or any other Loan Document (in each case, including with respect to any signature pages thereto) shall have the same legal effect, validity and enforceability as any paper original, and (B) waives any argument, defense or right to contest the validity or enforceability of the Loan Documents based solely on the lack of paper original copies of any Loan Documents, including with respect to any signature pages thereto.

SECTION 9.07. Severability. Any provision of any Loan Document held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final and in whatever currency denominated) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of the Borrower or any Subsidiary Guarantor against any of and all of the Obligations held by such Lender, irrespective of whether or not such Lender shall have made any demand under the Loan Documents and although such Obligations may be contingent or unmatured or are owed to a branch or office of such Lender or such Affiliate different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness; provided that in the event that any Defaulting Lender or any Affiliate thereof shall exercise any such right of setoff, (x) all amounts so setoff shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.18 and, pending such payment, shall be

segregated by such Defaulting Lender or Affiliate of a Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender or its Affiliate shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Secured Obligations owing to such Defaulting Lender or any of its Affiliates as to which such right of setoff was exercised. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have. Each Lender agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

SECTION 9.09. Governing Law; Jurisdiction; Consent to Service of Process (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in the Borough of Manhattan, and of the United States District Court for the Southern District of New York sitting in the Borough of Manhattan, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding shall be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Loan Party or its properties in the courts of any jurisdiction.

(c) The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY).

EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12. Confidentiality. Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other professional advisors who need to know such information and are informed of the confidential nature of such information, (b) pursuant to the order of any court or administrative agency or in any pending legal or administrative proceeding, or otherwise as required by applicable law or compulsory legal process (in which case each of the Administrative Agent and the Lenders, as applicable, agree (except with respect to any audit or examination conducted by bank accountants or any governmental bank regulatory authority exercising examination or regulatory authority) to inform the Borrower promptly thereof prior to such disclosure to the extent practicable and permitted by law, rule or regulation), (c) upon the request or demand of any regulatory authority having jurisdiction over the Administrative Agent or the Lenders or any of their respective Affiliates, as applicable, or upon the good faith determination by counsel that such information should be disclosed in light of ongoing oversight or review of by any governmental or regulatory authority having jurisdiction over the Administrative Agent or the Lenders or any of their respective Affiliates, as applicable (in which case the Administrative Agent or such Lender, as applicable, agrees (except with respect to any audit or examination conducted by bank accountants or any governmental bank regulatory authority exercising examination or regulatory authority) to promptly notify the Borrower thereof, in advance, to the extent practicable and permitted by law, rule or regulation), (d) to any other party to this Agreement, (e) to the extent necessary in connection with the exercise of any remedies under this Agreement or any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section or as otherwise agreed by the Borrower, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations or to any credit insurance provider relating to the Borrower and its obligations, (g) with the consent of the Borrower, (h) for the purposes of establishing a "due diligence" defense, (i) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent or any Lender on a nonconfidential basis from a source that is not, to the knowledge of the Administrative Agent or such Lender respectively, subject to confidentiality obligations owing to the Borrower or

any of its Subsidiaries and prohibiting such disclosure or (j) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or the Revolving Loans and Commitments or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the Revolving Loans and Commitments. In addition, the Administrative Agent, and the Lenders may disclose the existence of this Agreement and information about the terms of this Agreement (but not Information) to market data collectors, similar service providers to the lending industry and service providers to the Administrative Agents, the Sustainability Structuring Agent or the Lenders in connection with the administration of this Agreement, the other Loan Documents and the Commitments. Notwithstanding the foregoing, none of the Administrative Agent or any Lender shall be required to provide notice of any permitted disclosures made in connection with any regulatory review of the Administrative Agent or such Lender by any governmental agency or regulatory body with jurisdiction over the Administrative Agent or such Lender, so long as such review is not specifically targeted at the Borrower and notice thereof is not prohibited by applicable law, rule, regulation or order. For the purposes of this Section, "Information" means all information received from the Borrower or any Subsidiary relating to their business, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Borrower or such Subsidiary. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

EACH LENDER ACKNOWLEDGES THAT INFORMATION AS DEFINED IN THE IMMEDIATELY PRECEDING PARAGRAPH FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE BORROWER AND ITS RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY THE BORROWER OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE BORROWER, THE OTHER LOAN PARTIES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE BORROWER AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW.

SECTION 9.13. USA PATRIOT Act; Anti-Money Laundering Laws. The Administrative Agent and each Lender hereby notifies the Borrower that pursuant to the requirements of the PATRIOT Act, the Beneficial Ownership Regulation or any other Anti-Money Laundering Laws, each of them is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of each Loan Party and other information that will allow such Lender to identify each Loan Party in accordance with the PATRIOT Act, the Beneficial Ownership Regulation or such Anti-Money Laundering Laws.

SECTION 9.14. Releases of Subsidiary Guarantors.

(a) A Subsidiary Guarantor shall automatically be released from its obligations under the Subsidiary Guaranty upon the consummation of any transaction permitted by this Agreement as a result of which such Subsidiary Guarantor ceases to be a Subsidiary; provided that, if so required by this Agreement, the Required Lenders shall have consented to such transaction and the terms of such consent shall not have provided otherwise. In connection with any termination or release pursuant to this Section (including clause (b) below), the Administrative Agent shall (and is hereby irrevocably authorized by each Lender to) execute and deliver to any Loan Party, at such Loan Party's expense, all documents that such Loan Party shall reasonably request to evidence such termination or release. Any execution and delivery of documents pursuant to this Section shall be without recourse to or warranty by the Administrative Agent.

(b) Further, the Administrative Agent may (and is hereby irrevocably authorized by each Lender to), upon the request of the Borrower, release any Subsidiary Guarantor from its obligations under the Subsidiary Guaranty if such Subsidiary Guarantor is no longer a Material Subsidiary.

(c) Notwithstanding the foregoing Sections 9.14(a) and (b), the written consent of each Lender is required to release all or substantially all of the Subsidiary Guarantors from their obligations under the Subsidiary Guaranty.

(d) At such time as the principal and interest on the Loans, the fees, expenses and other amounts payable under the Loan Documents and the other Obligations (other than contingent indemnity or reimbursement obligations and Obligations expressly stated to survive such payment and termination) shall have been paid in full in cash, the Commitments shall have been terminated, the Subsidiary Guaranty (if any) and all obligations (other than contingent indemnity or reimbursement obligations and Obligations expressly stated to survive such termination) of each Subsidiary Guarantor thereunder shall automatically terminate, all without delivery of any instrument or performance of any act by any Person.

SECTION 9.15. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to

the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 9.16. No Advisory or Fiduciary Responsibility.

(a) In connection with all aspects of each transaction contemplated hereby, each Loan Party acknowledges and agrees, and acknowledges its Affiliates' understanding, that (i) the facilities provided for hereunder and any related arranging or other services in connection therewith (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document) are an arm's-length commercial transaction between the Borrower and its Affiliates, on the one hand, and the Administrative Agent, the Sustainability Structuring Agent, the Arrangers and the Lenders, on the other hand, and the Borrower is capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents (including any amendment, waiver or other modification hereof or thereof), (ii) in connection with the process leading to such transaction, each of the Administrative Agent, the Sustainability Structuring Agent, the Arrangers and the Lenders is and has been acting solely as a principal and is not the financial advisor, agent or fiduciary, for the Borrower or any of its Affiliates, stockholders, creditors or employees or any other Person, (iii) none of the Administrative Agent, the Sustainability Structuring Agent, the Arrangers or the Lenders has assumed or will assume an advisory, agency or fiduciary responsibility in favor of the Borrower with respect to any of the transactions contemplated hereby or the process leading thereto, including with respect to any amendment, waiver or other modification hereof or of any other Loan Document (irrespective of whether any Arranger or Lender has advised or is currently advising the Borrower or any of its Affiliates on other matters) and none of the Administrative Agent, the Sustainability Structuring Agent, the Arrangers or the Lenders has any obligation to the Borrower or any of its Affiliates with respect to the financing transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents, (iv) the Arrangers and the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from, and may conflict with, those of the Borrower and its Affiliates, and none of the Administrative Agent, the Sustainability Structuring Agent, the Arrangers or the Lenders has any obligation to disclose any of such interests by virtue of any advisory, agency or fiduciary relationship and (v) the Administrative Agent, the Sustainability Structuring Agent, the Arrangers and the Lenders have not provided and will not provide any legal, accounting, regulatory or tax advice with respect to any of the transactions contemplated hereby (including any amendment, waiver or other modification hereof or of any other Loan Document) and the Loan Parties have consulted their own legal, accounting, regulatory and tax advisors to the extent they have deemed appropriate.

(b) Each Loan Party acknowledges and agrees that each Lender, each Arranger and any Affiliate thereof may lend money to, invest in, and generally engage in any kind of business with, any of the Borrower, any Affiliate thereof or any other person or entity that may do

business with or own securities of any of the foregoing, all as if such Lender, such Arranger or such Affiliate thereof were not a Lender or an Arranger or an Affiliate thereof (or an agent or any other person with any similar role hereunder) and without any duty to account therefor to any other Lender, any Arranger, the Borrower or any Affiliate of the foregoing. Each Lender, each Arranger and any Affiliate thereof may accept fees and other consideration from the Borrower or any Affiliate thereof for services in connection with this Agreement, the Commitments, the Loans or otherwise without having to account for the same to any other Lender or Arranger, the Borrower or any Affiliate of the foregoing.

SECTION 9.17. Acknowledgement and Consent to Bail-In of EEA Financial Institutions

Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and
- (b) the effects of any Bail-In Action on any such liability, including, if applicable:
 - (i) a reduction in full or in part or cancellation of any such liability;
 - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or
 - (iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

SECTION 9.18. Reversal of Payments; Term of Agreement. To the extent any Loan Party makes a payment or payments to the Administrative Agent for the ratable benefit of any of the Lenders or to any Lender directly or the Administrative Agent or any Lender receives any payment or any Lender exercises its right of setoff, which payments (including any proceeds of such setoff) or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any Debtor Relief Law, other applicable law or equitable cause, then, to the extent of such payment repaid, the Obligations or part thereof intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been received by the Administrative Agent, and each Lender severally agrees to pay to the Administrative Agent upon demand its (or

its applicable Affiliate's) applicable ratable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent plus interest thereon at a per annum rate equal to the applicable Overnight Rate from time to time in effect of such payment. This Agreement shall remain in effect from the Effective Date through and including the date upon which all Obligations (other than contingent indemnification obligations not then due) arising hereunder or under any other Loan Document shall have been paid and satisfied in full in cash and the Commitments have been terminated. No termination of this Agreement shall affect the rights and obligations of the parties hereto arising prior to such termination or in respect of any provision of this Agreement which survives such termination.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

PALO ALTO NETWORKS, INC.

By: _____

Name: _____

Title: _____

Signature Page in Credit Agreement
Palo Alto Networks, Inc.

WELLS FARGO BANK, N.A., as a
Lender and as Administrative Agent
By: _____

Name:

Title:

Signature Page in Credit Agreement
Palo Alto Networks, Inc.

[], as a Lender

By: _____

Name:

Title:

By: _____

Name:

Title:

Signature Page in Credit Agreement
Palo Alto Networks, Inc.

SCHEDULE 2.01

COMMITMENTS

LENDER

Wells Fargo Bank, National Association

Citibank, N.A.

Goldman Sachs Bank USA

HSBC Bank NA

JPMorgan Chase Bank, N.A.

Morgan Stanley Bank, N.A.

Royal Bank of Canada

AGGREGATE COMMITMENT

COMMITMENT

\$100,000,000

\$100,000,000

\$40,000,000

\$40,000,000

\$40,000,000

\$40,000,000

\$40,000,000

\$400,000,000

**CERTIFICATION PURSUANT TO SECTION 302(a)
OF THE SARBANES-OXLEY ACT OF 2002**

I, Nikesh Arora, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Palo Alto Networks, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ NIKESH ARORA

Nikesh Arora

Chief Executive Officer and Director

Date: February 14, 2025

**CERTIFICATION PURSUANT TO SECTION 302(a)
OF THE SARBANES-OXLEY ACT OF 2002**

I, Dipak Golechha, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Palo Alto Networks, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ DIPAK GOLECHHA

Dipak Golechha
Chief Financial Officer

Date: February 14, 2025

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Nikesh Arora, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Palo Alto Networks, Inc. for the quarterly period ended January 31, 2025, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Palo Alto Networks, Inc.

/s/ NIKESH ARORA

Nikesh Arora
Chief Executive Officer and Director

Date: February 14, 2025

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Dipak Golechha, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Palo Alto Networks, Inc. for the quarterly period ended January 31, 2025, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Palo Alto Networks, Inc.

/s/ DIPAK GOLECHHA

Dipak Golechha
Chief Financial Officer

Date: February 14, 2025