

PALO ALTO NETWORKS, INC. UK TAX STRATEGY POLICY

Introduction

In accordance with Paragraph 16(2), Schedule 19, Finance Act 2016, Palo Alto Networks, Inc. and its subsidiaries, affiliates and related entities ("Palo Alto Networks" or the "group") is publicizing its tax strategy to satisfy its statutory obligation for its UK companies and business operations.

Specifically, this policy describes:

1. Our approach to tax risk management and governance in relation to UK tax rules and regulations;
2. The attitude of the group towards tax planning (so far as it affects UK taxation);
3. The level of risk in relation to UK taxation that the group is prepared to accept; and
4. Our approach to working with Her Majesty's Revenue and Customs ("HMRC").

Palo Alto Networks is committed to protecting our digital way of life by helping tens of thousands of organizations worldwide detect and prevent cyber breaches.

1. Approach to Tax Risk Management and Governance

Our approach to UK tax risk management and governance is to comply with all relevant tax rules, regulations, reporting and disclosure requirements and to timely pay the correct amount of tax to all taxing authorities to which we have a tax obligation.

We are also guided by key policies to consistently comply with legal and regulatory requirements governing public statements and reports, meet our internal control requirements and support our business and commercial strategy. To this end and as part of our continuous tax reporting and compliance cycle, we actively seek to identify, evaluate and manage tax risks. We account for such risks in accordance with applicable accounting standards and have controls in place over our tax reporting processes.

Material risks potentially impacting the group are escalated to the appropriate level of review, including the head of tax, Chief Accounting Officer, Chief Financial Officer, and the Board of Directors and Audit Committee, where appropriate.

We undertake regular training and request external tax advice, where appropriate, or, as required, to ensure we identify and manage our ongoing tax obligations.

2. Attitude Towards Tax Planning

We recognize that we have a responsibility to pay the legally required amount of tax in each of the principal jurisdictions in which we operate. As such, our tax planning decisions are focused on supporting sound business objectives.

3. Acceptable Level of Tax Risk

Our goal is to fully meet our tax compliance requirements. We do not enter into aggressive tax planning arrangements or transactions that could be considered tax evasion. All material positions taken in tax returns are appropriately reviewed and documented, and we seek advice from external accounting or legal firms as part of this effort. We believe this results in relatively low overall UK tax risk. We aim to remain at a relatively low risk level on our corporate tax matters.

4. Approach to Working With HMRC

Our approach to working with HMRC is to build and maintain a professional and transparent relationship. We are committed to complete and accurate compliance in our tax returns and in our correspondence with HMRC. Our goal is to co-operate with HMRC and address issues that may arise in a timely and collaborative manner.