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Notice of Exempt Solicitation Pursuant to Rule 14a-103

Name of Registrant: Palo Alto Networks, Inc. (PANW)

Title: Study of Broad-Based Employee Ownership Transaction (Proposal 6)

Meeting Date: December 8, 2026

Name of person relying on exemption: James McRitchie, PANW shareholder since 2022

Address of person relying on exemption: 9295 Yorkship Ct., Elk Grove, CA 95758

These written materials are submitted pursuant to Rule 14a-6(g)(1) promulgated under the Securities Exchange Act of 1934. James McRitchie does not beneficially own more than $5 million of the class of subject securities, and this notice of exempt solicitation is therefore being provided on a voluntary basis.

This is not a solicitation of authority to vote your proxy. Please DO NOT send me your proxy card; the shareholder is not able to vote your proxies, nor does this communication contemplate such an event.

The shareholder asks all shareholders to vote by following the procedural instructions provided in the proxy materials.

Vote FOR Proposal 6: Study of Broad-Based Employee Ownership Transaction

Palo Alto Networks has broad equity programs, an impressive record of innovation, and a workforce that already participates substantially in equity compensation. Those are strengths. Proposal 6 builds on them. It asks a single question the Board's opposition statement never answers: *could a substantial, broad-based, non-controlling employee ownership stake make PANW's success more durable, and at what cost?*

The opposition repeatedly treats a request to *study* an alternative as though shareholders were being asked to *approve* that alternative. That is the fundamental problem with its argument.

What Proposal 6 Asks, and What It Does Not

Proposal 6 asks the Board to prepare a report, at reasonable cost and omitting proprietary or privileged information, evaluating the feasibility, costs, and benefits of a potential transaction through which a broad-based employee ownership vehicle, such as an employee stock ownership plan (ESOP) or employee ownership trust (EOT), would acquire an ownership interest in Palo Alto Networks or a substantial business unit.[1]

[1] Palo Alto Networks, Inc., 2026 Proxy Statement (DEF 14A, filed Oct. 27, 2026), Proposal No. 6.

Shareholders are *not* being asked to approve an ESOP or an EOT, authorize new shares, spend a dollar on a transaction, give employees a Board seat, or surrender any Board authority. The proposal prescribes no structure, ownership percentage, financing method, timetable, or governance arrangement. It expressly contemplates a stake that is substantial but non-controlling, with safeguards against entrenchment. The Board retains full discretion over the scope of the review, its conclusions, and any subsequent action.

Why the Study Makes Sense for PANW

PANW competes at the frontier of cybersecurity and artificial intelligence, a market marked by rapid technological change and intense competition for specialized talent. Its value rests heavily on intangible assets: employee expertise, intellectual property, customer trust, and institutional knowledge. The CyberArk acquisition substantially expanded both the business and the workforce. Integration is not a one-quarter event. Retaining technical talent, preserving institutional knowledge, and building a shared culture take years.

PANW's own Form 10-K warns that *"if we are unable to attract, retain, and motivate our key technical, sales, and management personnel, our business could suffer,"* and describes intense competition for engineering talent, particularly in AI and machine learning. The Company is not failing at retention. The proposal is premised on PANW's strength. Sound governance is not limited to repairing problems after they become acute. Boards also ask whether competitive advantages can be made *more durable before they deteriorate.*

The evidence that broad-based ownership can do that is substantial. Blasi, Kruse, and Bernstein report that average productivity rose 4.4% after ESOP adoption, and that public companies with more than 5% employee ownership showed higher productivity growth and annual shareholder returns about two points higher.[2] Recent research using U.S. Census establishment-level data associates ESOP adoption with significantly higher labor productivity, with stronger effects where ownership stakes are larger and paired with broad-based group incentives.[3] Norges Bank Investment Management, one of the world's largest long-term investors, concludes that employee share ownership can create long-term value, that benefits are strongest when plans are broad-based, and that boards should oversee employee ownership as part of human-capital management, while also recognizing risks and the importance of plan design.[4]

None of this proves PANW should undertake a transaction. Company size, industry, design, workforce composition, and governance all matter. That is exactly why the Board should study it: *examine the benefits, examine the costs and risks, and determine whether the economics work for PANW.*

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[2] Blasi, Kruse and Bernstein, *In the Company of Owners* 156–57, 172–73 (2003).
[3] Kurtulus et al., *Employee Share Ownership, Management Practices, and Labor Productivity* (Rutgers, 2026), https://eohub.rutgers.edu/wp-content/uploads/2026/04/Rutgers_Productivity-Research-brief_2026.pdf
[4] Norges Bank Investment Management, *Why Employee Share Ownership Matters for Long-Term Value Creation*, Harvard Law School Forum on Corporate Governance (May 4, 2026), https://corpgov.law.harvard.edu/2026/05/04/why-employee-share-ownership-matters-for-long-term-value-creation/

Rebutting the Board's Opposition

1. Equity compensation is not the same as durable, broad-based ownership.

The Board's principal argument is that its 2021 Equity Incentive Plan and 2012 ESPP "already achieve the objectives of broad-based employee ownership." It reports that "nearly all" of its 21,921 employees were *eligible* for equity awards and that about 80% participated in the ESPP.[5]

Eligibility to receive an award is not the same as receiving one. Receiving an RSU is not the same as retaining the stock after it vests. Buying ESPP shares is not the same as accumulating a meaningful long-term position. The opposition does not tell shareholders:

- what percentage of employees actually received awards, or how awards are distributed across pay levels;
- the median employee's resulting ownership;
- what percentage of vested and ESPP shares employees retain, and for how long; or
- what percentage of PANW is beneficially owned by non-executive employees on a sustained basis.

Those questions mark the difference between *equity compensation*, an ordinary business matter, and *ownership architecture* involving an extraordinary transaction. Far from undermining the proposal, 80% ESPP participation shows strong employee interest in owning PANW. The logical next question is whether a more durable structure could capture additional retention, productivity, and alignment benefits.

2. "Market standard" does not mean optimal.

The Board calls RSUs, PSUs, and ESPPs "market-standard vehicles" and notes that the structures to be studied are "rare among public companies." But PANW is not a market-standard company. It routinely makes strategic decisions that would have looked unconventional before they worked. That a structure is uncommon is a reason for careful analysis, not a reason to refuse it.

3. The opposition assumes the conclusion the study is meant to test.

The Board asserts that its programs deliver the same benefits "without the complexity, cost, and risk" of an ownership transaction, that dilution "would far exceed any incremental benefit," and that it "does not believe any such extraordinary transaction would be advisable." Those are conclusions, not analysis shareholders can evaluate. How was incremental benefit estimated? Which structures and ownership levels were compared? Issuance, open-market purchases, a leveraged transaction, a subsidiary-level vehicle, an EOT? Were productivity and retention effects considered? Were existing equity-compensation costs part of the comparison? The opposition answers none of these questions. A claim that costs "would far exceed" benefits would be far more persuasive if accompanied by the very analysis Proposal 6 requests.

4. Cost, litigation, and dilution are design variables, and the proper subject of the study.

The Board cites fiduciary complexity, administrative cost, and litigation risk associated with plans that invest in employer securities. Those are legitimate issues. They are also squarely within the scope of a feasibility study. If a particular ESOP structure carries unacceptable risk,

[5] PANW Opposition Statement provided to the proponent (Sept. 24, 2026).

the Board should identify and reject it. But the proposal is intentionally broader, allowing consideration of an EOT, subsidiary-level structure, contribution, recapitalization, or other transaction. Risks attached to one structure do not establish that *every* feasible structure carries them. A serious report might conclude that Structure A carries unacceptable fiduciary risk, Structure B is too dilutive, Structure C too complex, but Structure D could achieve broader and more durable ownership at acceptable cost. Or it might conclude none works. Shareholders currently have no such analysis, only the Board's conclusion.

Dilution deserves the same treatment. Proposal 6 does not prescribe issuing new shares. Moreover, PANW already uses equity extensively: its 10-K reports $1.815 billion in share-based compensation expense for fiscal 2026 and roughly $3.3 billion of unrecognized compensation cost for unvested awards. In this same proxy, the Board asks shareholders (Proposal 4) to approve *additional* shares for the 2021 Plan. The question is not whether PANW should use equity. It already does. The question is whether some portion of the resources already devoted to employee equity could generate *greater long-term alignment per dollar of expense or dilution* under a different ownership structure. That is a capital allocation question worth studying.

5. Calling ownership "compensatory" strengthens the case for comparison.

The Board says any employee ownership arrangement "would in fact be compensatory and come at an additional cost." The proposal never suggests otherwise, which is why it requests analysis of *costs as well as benefits*. Identifying something as compensation does not make it uneconomic. PANW already spends heavily on equity because the Board believes the benefits justify the expense. The relevant question is comparative: *could a more durable form of ownership produce greater long-term benefits than some portion of current or future equity spending?* Norges Bank notes that employee ownership generally works best when it *complements*, rather than replaces, wages and benefits. The Board's either/or framing is not the only model.

6. The Compensation Committee's ordinary work is not the requested study, and the opposition contradicts itself.

The Board says its Compensation and People Committee already evaluates "the types of questions the proposal asks us to study." A committee reviewing annual and long-term incentive programs is not performing the same analysis as a Board examining a potential *capital and ownership transaction*, involving financing, dilution, tax, trust structure, governance rights, fiduciary arrangements, and interaction with the capital structure. The opposition itself proves the distinction by invoking "significant capital allocation," "financing costs," and litigation risk.

The Board then says the report would require "significant management time," outside advisors, and legal, financial, tax, and governance analyses. Both claims cannot carry the weight assigned to them. If PANW has already analyzed these alternatives, summarizing that work publicly should be easy. If it has not, its claim that existing review already covers the proposal's questions is overstated. Either way, shareholders face an information gap.

7. A strong track record is a reason for forward-looking analysis, not complacency.

The Board cites its record integrating acquisitions. Success is welcome. But the sensible question is not *has management done a good job?* It is *could a different ownership structure*

make that good performance even more durable? After CyberArk, with the Company's own filings flagging talent, culture, and integration as material risks, that question is timely.

8. The burden argument is overstated.

The proposal limits the request to a report at *reasonable cost*, excluding proprietary and privileged information. Nothing requires a months-long investment-banking process. The Board could begin with a scoped review using existing advisors and internal expertise. If plausible structures prove inferior, too dilutive, or legally problematic, the report can say so. A company able to acquire and integrate CyberArk and administer billions of dollars in equity compensation can surely evaluate a long-term ownership strategy without an intolerable diversion of resources.

The Opposition Makes the Case for the Proposal

The Board's statement identifies retention, motivation, alignment, dilution, financing, capital allocation, fiduciary obligations, administrative expense, litigation risk, compensation cost, tax, governance, integration, productivity, and innovation as considerations. Those are not reasons to avoid studying broad-based employee ownership. *Those considerations are the study.* The proposal does not prejudge how they should be balanced. The opposition does.

PANW's existing programs may ultimately prove superior. An ESOP may prove unsuitable; an EOT impractical. But those are *possible findings of the requested report, not reasons for refusing to undertake it.*

I urge all PANW shareholders, especially those who are employees, to vote FOR Proposal 6, Study of Broad-Based Employee Ownership Transaction.

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