

ALIGN TECHNOLOGY INC  
Form DEF 14A  
April 22, 2009

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

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**ALIGN TECHNOLOGY, INC.**

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(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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-

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**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**To be held on Thursday, May 21, 2009**

**10:00 a.m.**

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TO OUR STOCKHOLDERS:

The 2009 Annual Meeting of Stockholders of Align Technology, Inc. ("Align") will be held on Thursday, May 21, 2009, at 10:00 a.m. Pacific Daylight Time at Align's corporate headquarters located at 881 Martin Avenue, Santa Clara, California 95050. At this year's Annual Meeting, the agenda includes the following items:

1. To elect seven (7) directors to serve until the next annual meeting of stockholders or until their respective successors have been duly elected and qualified;
2. To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accountants for the fiscal year ending December 31, 2009; and
3. To consider such other business as may properly come before the Annual Meeting of Stockholders.

Please refer to the proxy statement for detailed information on each of the proposals and the Annual Meeting. Only stockholders who owned shares of our common stock at the close of business on March 27, 2009 are entitled to attend and vote at the Annual Meeting and any postponements or adjournments of the meeting.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF  
PROXY MATERIALS FOR ALIGN'S ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON MAY 21, 2009**

**This proxy statement and Align's annual report on Form 10-K for the year ended December 31, 2008 are available at [www.aligntech.com](http://www.aligntech.com) by clicking on "Investor Relations" and then clicking on "Click here for 2009 Annual Meeting/Proxy Material".**

ALIGN TECHNOLOGY, INC.

Roger E. George

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*Vice President, Corporate and Legal Affairs,  
General Counsel and Corporate Secretary*

April 22, 2009

**Your vote is very important. Whether or not you plan to attend the Annual Meeting, we encourage you to read this proxy statement, please vote via the Internet, by telephone or by mailing a proxy card as soon as possible to ensure that your vote is recorded.**

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**ALIGN TECHNOLOGY, INC.**

881 Martin Avenue  
Santa Clara, California 95050

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**PROXY STATEMENT FOR THE  
2009 ANNUAL MEETING OF STOCKHOLDERS**

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**GENERAL INFORMATION**

**Q:** *Why am I receiving these materials?*

**A:** Our board of directors is providing these materials to you in connection with the solicitation of proxies for use at Align's 2009 Annual Meeting of stockholders, which will take place on Thursday, May 21, 2009 at 10:00 a.m. local time, at our corporate headquarters located at 881 Martin Avenue, Santa Clara, California 95050 (referred to in this proxy statement as the "Annual Meeting"). As a stockholder, you are invited to attend the Annual Meeting and are requested to vote on the items of business described in this proxy statement.

**Q:** *What information is contained in these materials?*

**A:** This proxy statement contains important information regarding our Annual Meeting. Specifically, it identifies the proposals on which you are being asked to vote, provides information you may find useful in determining how to vote and describes the voting procedures. Align's 2009 Annual Report on Form 10-K, proxy card and return envelope are also enclosed. These proxy materials are being mailed on or about April 22, 2009 to all of our stockholders as of the record date, which was set by our Board of Directors as March 27, 2009. **This proxy statement and Align's annual report to stockholders for the fiscal year ended December 31, 2008 are available at [www.aligntech.com](http://www.aligntech.com) by clicking on "Investor Relations" and then clicking on "Click here for 2009 Annual Meeting/Proxy Materials."**

**Q:** *What proposals will be voted on at the Annual Meeting?*

**A:** There are two proposals scheduled to be presented at the Annual Meeting, and upon which you are being asked to vote:

The election of seven (7) directors to serve until the next annual meeting of stockholders or until their respective successors have been duly elected and qualified; and

The ratification of the appointment of PricewaterhouseCoopers LLP as Align's independent registered public accountants for the fiscal year ending December 31, 2009.

These proposals are discussed in greater detail in the sections entitled "Proposal One" and "Proposal Two."

**Q:**

*Who is entitled to vote at the Annual Meeting?*

**A:**

Only stockholders of record who owned Align common stock at the close of business on March 27, 2009, the record date for the Annual Meeting, are entitled to receive notice of, and to participate in, the Annual Meeting. If you were a stockholder of record on that date, you will be entitled to vote all of the shares of Align common stock that you held on the record date at the Annual Meeting, or any postponements or adjournments of the Annual Meeting. As of the record date, 66,176,417 shares of our common stock were issued and outstanding and no shares of our preferred stock were issued and outstanding.

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**Q:**  
***Who can attend the Annual Meeting?***

**A:**  
All stockholders as of the record date, or their duly appointed proxies, may attend the Annual Meeting. Registration will begin at 9:30 a.m. and seating will begin thereafter. If you attend, please know that you may be asked to present valid picture identification, such as a driver's license or passport. Stockholders holding stock in brokerage accounts ("street name" holders) will need to bring a copy of a brokerage statement reflecting stock ownership as of the record date. Cameras, recording devices and other electronic devices will not be permitted at the Annual Meeting.

**Q:**  
***What are the voting rights of the holders of Align common stock?***

**A:**  
Each share of Align common stock you own as of the record date entitles you to one vote on each matter considered at the Annual Meeting.

**Q:**  
***How do I vote?***

**A:**  
If your shares are registered directly in your own name with Align's transfer agent, you are considered, with respect to those shares, the stockholder of record and you may vote by submitting a proxy in accordance with the instructions on the enclosed proxy card or by attending the Annual Meeting and voting in person. If you hold shares through a broker or other nominee, rather than directly in your own name, you are considered the "beneficial owner" of shares held in "street name" and you may vote by submitting voting instructions to your broker or other nominee in accordance with the voting instructions provided to you by your broker or other nominee or by obtaining a legal proxy from your broker or other nominee authorizing you to vote your shares. We have summarized below the different ways that you can vote. We encourage you to submit your vote via the Internet, by telephone or by mailing a proxy card even if you plan to attend the Annual Meeting to ensure that your shares will be voted even if you are ultimately unable to attend.

*Voting by Mail.* Stockholders of record may submit a proxy by completing, signing, dating and returning the enclosed proxy card. Proxy cards submitted by mail must be received prior to the closing of the polls at the Annual Meeting in order for the votes to be recorded. By submitting a proxy card, you are authorizing our President and Chief Executive Officer and our Vice President, Finance and Chief Financial Officer, who are named on the proxy card as "proxies and attorneys-in-fact," to vote your shares at the Annual Meeting in the manner you indicate.

*Voting via the Internet.* Stockholders of record with Internet access may submit proxies by following the "Vote by Internet" instructions on their proxy cards until 8:59 Pacific Time, on May 20, 2009. Most of Align's stockholders who hold shares beneficially in street name may vote by accessing the website specified in the voting instructions provided by their broker or other nominee. A large number of banks and brokerage firms are participating in Broadridge Financial Solutions, Inc.'s online program for electronic voting. This program provides eligible beneficial owners the opportunity to vote over the Internet or by telephone. Voting forms will provide instructions for beneficial owners whose bank or brokerage firm is participating in Broadridge's program.

*Voting by Telephone.* Stockholders of record may submit proxies by following the "Vote by Telephone" instructions on their proxy cards until 8:59 Pacific Time, on May 20, 2009. If you are a beneficial owner, please follow the voting instructions provided to you by your broker or other nominee with respect to telephone voting.

*Voting in Person at the Annual Meeting.* If you plan to attend the Annual Meeting and vote in person, we will provide you with a ballot at the Annual Meeting. If your shares are registered directly in your name, you are considered the stockholder of record and you have the right to vote in person at the Annual Meeting. If, however, you are the beneficial owner of shares held in street



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name, and if you wish to vote at the Annual Meeting, you will need to bring a legal proxy from your broker or other nominee authorizing you to vote your shares.

**Q:**  
***Can I change or revoke my vote?***

**A:**  
Subject to any rules your broker or other nominee may have, you may change your proxy instructions at any time before your proxy is voted at the Annual Meeting. If you are a stockholder of record, you may:

Sign and return another proxy bearing a later date prior to the time we take the vote at the Annual Meeting; or

Submit a timely and valid Internet or telephone vote on a later date but prior to the time we take the vote at the Annual Meeting; or

provide written notice of the revocation to:

Corporate Secretary  
Align Technology, Inc.  
881 Martin Avenue,  
Santa Clara, California  
95050

prior to the time we take the vote at the Annual Meeting; or

attend the Annual Meeting and vote in person. Your attendance at the Annual Meeting will not cause your previously granted proxy to be revoked unless you specifically so request.

If you are a beneficial owner of shares held in street name, you may either:

submit new voting instructions to your broker or other nominee; or

if you have obtained a legal proxy from your broker or other nominee giving you the right to vote your shares at the Annual Meeting, attend the Annual Meeting and vote in person.

**Q:**  
***How does the Board recommend that I vote my shares?***

**A:**  
Your shares will be voted in accordance with your instructions. If you submit a proxy via the Internet, by telephone or by mail but do not indicate your voting instructions, your shares will be voted in accordance with the recommendations of the Board of Directors. In summary, the Board recommends a vote:

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FOR the election of the nominees for director identified in Proposal One; and

FOR the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accountants for the fiscal year ending December 31, 2009.

With respect to any other matter that properly comes before the Annual Meeting, the proxyholders will vote as recommended by the Board of Directors or, if no recommendation is given, in their own discretion. At the date this proxy statement was printed, the Board of Directors had no knowledge of any business other than that described in this proxy statement that would be presented for consideration at the Annual Meeting.

**Q:**

*What constitutes a quorum?*

**A:**

A quorum, which is a majority of the outstanding shares of our common stock as of the record date, must be present or represented by proxy in order to hold the Annual Meeting and to conduct business. As of the record date, 66,176,417 shares of common stock, representing the same number of votes, were outstanding. Thus, the presence of the holders of common stock representing at least 33,088,209 shares of common stock is required to establish a quorum. Your

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shares will be counted as present at the Annual Meeting if you attend the Annual Meeting in person. Your shares will be considered present and represented by proxy if you submit a properly executed proxy card or vote via the Internet or by telephone. Under the General Corporation Law of the State of Delaware, abstentions and broker "non-votes" are counted as present and entitled to vote and are, therefore, included for purposes of determining whether a quorum is present at the Annual Meeting.

**Q:**

***What is a broker non-vote?***

**A:**

A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner. Broker non-votes will be counted towards the presence of a quorum but will not be counted towards the vote total for any proposal.

**Q:**

***What vote is required to approve each item?***

**A:**

The vote required and the way the vote is calculated for the proposals is as follows:

*Election of directors.* The seven (7) director nominees receiving the highest number of votes, in person or by proxy, will be elected as directors. You may vote either "for" or "withhold" your vote for the director nominees. If you vote "withhold" with respect to the election of one or more directors, your shares will not be voted with respect to the director or directors, although your shares will be counted for purposes of determining whether there is a quorum.

*Ratification of the appointment of PricewaterhouseCoopers LLP.* The ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accountants for the fiscal year ending December 31, 2009, requires the affirmative vote of a majority of the shares represented and voting at the Annual Meeting. Broker non-votes are not counted as votes cast. Thus, broker non-votes will not affect the outcome of this proposal, assuming that a quorum is obtained. Proxy cards marked "abstain", however, are considered votes cast and will have the effect of a "No" vote on Proposal Two.

**Q:**

***Who will bear the cost of soliciting votes for the Annual Meeting?***

**A:**

We will bear the entire cost of proxy solicitation, including the preparation, assembly, printing and mailing of proxy materials. The original solicitation of proxies by mail may be supplemented by solicitation by telephone and other means by directors, and employees of Align and by a third party proxy solicitation company. None of these officers, directors or employees will receive special compensation for such services. In addition, we may reimburse brokerage firms and other custodians for their reasonable out-of-pocket expenses for forwarding these proxy materials to you.

**Q:**

***Who will count the vote?***

**A:**

We expect a representative from Computershare will tabulate the proxies and act as inspector of the election.

**Q:**

***Is there any information that I should know regarding future annual meetings?***

**A:**

As a stockholder you may be entitled to present proposals for action at a future annual stockholder meeting.

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*Proposals intended to be included in the proxy statement.* Stockholder proposals that stockholders intend to present at Align's 2010 Annual Meeting of Stockholders and desire to have included in Align's proxy materials relating to such meeting must be received by Align no later than December 23, 2009, which is 120 calendar days prior to the anniversary of this year's proxy statement mailing date, and must be in compliance with applicable laws and regulations (including

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Rule 14a-8 of the Securities Exchange Act of 1934). If the date of the 2010 Annual Meeting of Stockholders is moved more than 30 days before or after the anniversary date of this year's Annual Meeting, the deadline for inclusion of a proposal in Align's proxy statement will instead be a reasonable time before Align begins to print and mail its proxy materials. Proposals should be addressed to:

Corporate Secretary  
Align Technology, Inc.  
881 Martin Avenue  
Santa Clara, California  
95050

*Proposals not intended to be included in the proxy statement.* If you wish to present a proposal at Align's 2010 Annual Meeting of Stockholders and the proposal is not intended to be included in Align's proxy statement, you must give Align advance notice of such proposal in accordance with Align's Bylaws. Pursuant to Align's Bylaws, in order for a stockholder proposal to be deemed properly presented, a stockholder must deliver notice of such proposal to Align's Corporate Secretary, at the address provided above, no earlier than the close of business on January 21, 2010 and no later than the close of business on February 20, 2010. However, if the date of the 2010 Annual Meeting of Stockholders is either more than 30 days before or more than 70 days after the anniversary date of this year's Annual Meeting, stockholders must give Align notice of any stockholder proposals no earlier than the close of business on the 120th day prior to the annual meeting and no later than the close of business on the later of: (i) the 90th day prior to the annual meeting or (ii) the close of business on the 10th day following the day on which Align first publicly announces the date of the annual meeting.

**Q:** *What if multiple stockholders share the same address?*

**A:** To reduce expenses, in some cases, we are delivering one set of voting materials to certain stockholders who share a single address, unless otherwise requested by one of the stockholders. A separate proxy card is included in the voting materials for each of these stockholders. If you have only received one set, you may request separate copies of the voting materials at no additional cost to you by calling us at (408) 470-1000 or by writing to us at Align Technology, Inc., 881 Martin Avenue, Santa Clara, California 94050, Attn: Investor Relations. You may also contact us by calling or writing if you would like to receive separate materials for future annual meetings.

**Q:** *What is the company's website address?*

**A:** Our website address is [www.aligntech.com](http://www.aligntech.com). We make this proxy statement, our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended available on our website in the Investor Relations section, as soon as reasonably practicable after electronically filing such material with the SEC.

This information is also available free of charge at [www.sec.gov](http://www.sec.gov), an Internet site maintained by the SEC that contains reports, proxy and information statements and other information regarding issuers that are filed electronically with the SEC. Stockholders may obtain free copies of the documents filed with the SEC by contacting our Investor Relations department at by sending a written request to Align Technology, Inc., 881 Martin Avenue, Santa Clara, California 95050, Attn: Investor Relations or by sending an email to [investorinfo@aligntech.com](mailto:investorinfo@aligntech.com).

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**PROPOSAL ONE**

**ELECTION OF DIRECTORS**

**Nominees**

The first proposal to be voted on at the meeting is the election of directors. The nominees for election at the Annual Meeting are: David E. Collins, Joseph Lacob, C. Raymond Larkin Jr., George J. Morrow, Thomas M. Prescott, Greg J. Santora and Warren S. Thaler. Upon the recommendation of the Nominating and Governance Committee, our Board of Directors has nominated these individuals for election to the Board of Directors. Each director is elected annually to serve until the next annual meeting or until his or her successor is duly elected and qualified or until his or her earlier resignation or removal.

Unless otherwise instructed, the proxyholders will vote the proxies received by them for election of these nominees. In the event any of the nominees is unable or declines to serve as a director at the time of the Annual Meeting, the proxies will be voted for any nominee who shall be designated by the then current Board of Directors to fill the vacancy. In the event that additional persons are nominated for election as directors, the proxyholders intend to vote all proxies received by them in such a manner as to assure the election of the nominees named above.

All of the nominees have served as directors since the last annual meeting of stockholders. Each of the nominees has consented to serve if elected.

**The Board of Directors recommends a vote "FOR" all nominees.**

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**Information Concerning the Nominees**

Please review the following information about the nominees.

<p><b>David E. Collins</b>                  Age: 74                  Director since 2003                  Board committees:                  Audit and Compensation</p>	<p>Mr. Collins has served as a director of Align since April 2003. From 1994 to April 2004, Mr. Collins served as an independent consultant. His most recent operational role was with Schering-Plough Corporation from 1989 to 1994. At Schering-Plough, he created and served as President of a new consumer products division known as HealthCare Products, as well as serving as a member of the Schering-Plough Operations Committee, that company's senior executive management group. Prior to Schering-Plough, Mr. Collins helped found New York-based venture capital firm Galen Partners. Mr. Collins also spent 26 years with Johnson &amp; Johnson and from 1962 to 1978 he served in a number of roles in the legal department at Johnson &amp; Johnson, including Corporate Secretary and General Counsel. In 1978, Mr. Collins transitioned into a series of executive management roles, including President of McNeil Laboratories, with responsibility for several Latin American subsidiaries, leadership of the worldwide consumer products business and oversight of corporate public relations, investor relations, strategic planning and the government legislative liaison office. In 1982, Mr. Collins became a member of the Johnson &amp; Johnson Executive Management Committee. Mr. Collins also served on the Board of Directors of Johnson &amp; Johnson and left in 1988 as Vice Chairman of the Board of Directors.</p>
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<p><b>Joseph Lacob</b>                  Age: 53                  Director since 1997                  Board committees:                  Nominating and Governance                  (Chair)</p>	<p>Mr. Lacob has served as a director of Align since August 1997 and has been a partner of Kleiner Perkins Caufield &amp; Byers (KPCB), a venture capital firm, since May 1987. Prior to that, Mr. Lacob was an executive with Cetus Corporation (now Chiron), FHP International, a health maintenance organization, and the management consulting firm of Booz, Allen &amp; Hamilton. He serves on the Board of Directors Orexigen Therapeutics, a biopharmaceutical company focused on the development of pharmaceutical product candidates for the treatment of obesity. Mr. Lacob received his B.S. in Biological Sciences from the University of California at Irvine, his Masters in Public Health from the University of California at Los Angeles and his M.B.A. from Stanford University.</p>
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**C. Raymond Larkin Jr.**  
 (Chairman of the Board)  
 Age: 60  
 Director since 2004  
 Board committees:  
 Nominating and Governance

Mr. Larkin has served as a director of Align since March 2004. In February 2006, Mr. Larkin was appointed as Chairman of the Board of Directors. He currently is a Principal of Group Outcome L.L.C., a merchant banking firm concentrating on medical technologies and since July 1, 2006 he has served as a part time Venture Partner at Cutlass Capital, a venture capital firm. Mr. Larkin was previously Chairman and Chief Executive Officer at Eunoe, Inc., a medical device company. From 1983 to March 1998, he held various executive positions with Nellcor Puritan Bennett, Inc., a medical instrumentation company, for which he served as President and Chief Executive Officer from 1989 until 1998. Mr. Larkin also held various positions of increasing responsibility at Bentley Laboratories/American Hospital Supply from 1976 to 1983. He serves on the Board of Directors of Heartware, Inc., a medical device company developing implant devices for the treatment of advanced heart failure. Mr. Larkin received his B.S. in Industrial Management from LaSalle University.

**George J. Morrow**  
 Age: 57  
 Director since 2006  
 Board committees:  
 Compensation (Chair)

Mr. Morrow has served as a director of Align since February 2006. He is currently the Executive Vice President, Global Commercial Operations at Amgen Inc., a global biotechnology company, where he also served as Executive Vice President of Worldwide Sales and Marketing between 2001 and 2003. From 1992 to 2001, Mr. Morrow held multiple leadership positions at GlaxoSmithKline Inc. and its subsidiaries, including President and Chief Executive Officer of Glaxo Wellcome Inc. Mr. Morrow holds a B.S. in Chemistry from Southampton College, Long Island University, an M.S. in Biochemistry from Bryn Mawr College and an M.B.A. from Duke University.

**Thomas M. Prescott**  
 Age: 53  
 Director since 2002  
 No Board committees

Mr. Prescott has served as our President and Chief Executive Officer and a member of the Board of Directors since March 2002. Prior to joining Align, Mr. Prescott was President and Chief Executive Officer of Cardiac Pathways, Inc. from May 1999 to August 2001 and a consultant for Boston Scientific Corporation from August 2001 to January 2002 after its acquisition of Cardiac Pathways in August 2001. Prior to Cardiac Pathways, Mr. Prescott held various sales, general management and executive roles at Nellcor Puritan Bennett, Inc. from April 1994 to May 1999, and various management positions at GE Medical Systems from October 1987 to April 1994. In addition, Mr. Prescott served in sales, marketing and management roles at Siemens from December 1980 to July 1986. He received his B.S. in Civil Engineering from Arizona State University and Masters in Management from Northwestern University.



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**Greg J. Santora**

Age: 57

Director since 2003

Board committees:

Audit (Chair)

Mr. Santora has served as a director of Align since July 2003. Mr. Santora served as Chief Financial Officer at Shopping.com, a provider of internet-based comparison shopping resources, from December 2003 until September 2005. From 1997 through 2002, he served as Senior Vice President and Chief Financial Officer for Intuit, Inc., a provider of small business and personal finance software. Prior to Intuit, Mr. Santora spent nearly 13 years at Apple Computer in various senior financial positions including Senior Finance Director of Apple Americas and Senior Director of Internal Consulting and Audit. Mr. Santora, who began his accounting career with Arthur Andersen L.L.P., has been a CPA since 1974. He serves on the Board of Directors of Taleo Corporation, a provider of on-demand talent management solutions. Mr. Santora holds a B.S. in Accounting from the University of Illinois and an M.B.A. from San Jose State University.

**Warren S. Thaler**

Age: 46

Director since 2004

Board committees:

Audit, Nominating and Governance

Mr. Thaler has served as a director of Align since June 2004. Since 2001, Mr. Thaler has been President of Gund Investment Corporation, an investment firm owned by Gordon Gund with holdings in real estate as well as public and private equity securities. From 1995 to 2001, Mr. Thaler was Vice President of Gund Investment Corporation. From 1990 to 2005, Mr. Thaler was on the boards of the Cleveland Cavaliers and Gund Arena Company and from 2001 to 2005 represented the Cleveland Cavaliers as its Alternate Governor at meetings of the National Basketball Association's Board of Governors. Mr. Thaler received his B.A. from Princeton University and his M.B.A. from Harvard University.

There are no family relationships between any director or executive officer.

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**CORPORATE GOVERNANCE**

**Corporate Governance Policies and Practices**

Align has instituted a variety of policies and practices to foster and maintain responsible corporate governance, including the following:

*Corporate Governance Guidelines* Our Board of Directors has set forth its corporate governance practices in the *Corporate Governance Guidelines of Align Technology, Inc.*, a copy of which is available on the Investor Relations section of our website located at <http://investor.aligntech.com>. Selected provisions of the guidelines are detailed below.

*Board Committee Charters* Each committee has adopted a written charter that establishes practices and procedures for such committee in accordance with applicable corporate governance rules and regulations. These charters are available on the Investor Relations section of our website located at <http://investor.aligntech.com>.

*Code of Ethics* Our Board of Directors has adopted a *Code of Business Conduct and Ethics* that is applicable to all directors, officers and employees of Align, including Align's principal executive officer, principal financial officer and controller. This Code is intended to deter wrongdoing and promote ethical conduct among our directors, executive officers and employees. The *Code of Business Conduct and Ethics* is available on the Investor Relations section of our website located at [investor.aligntech.com](http://investor.aligntech.com). Stockholders may request in writing free printed copies of our Code of Ethics from Align Technology, Inc., 881 Martin Avenue, Santa Clara, California 95050, Attn: Investor Relations or by sending an email to [investorinfo@aligntech.com](mailto:investorinfo@aligntech.com). We will post on our website at <http://investor.aligntech.com> any amendments to our Code of Business Conduct and Ethics, as well as any waivers to our Code of Business Conduct and Ethics that are required to be disclosed by the rules of the Securities and Exchange Commission or the NASDAQ Stock Market LLC.

*Stock Ownership Guidelines* The Compensation Committee recently adopted a policy concerning stock ownership guidelines for our executive officers and our non-employee directors. The principal object of the policy is to enhance the linkage between the interests of stockholders and executive management and directors through a minimum level of stock ownership.

*Director Guidelines.* The guidelines provide that each director should own shares of Align's common stock equal in market value to three times the cash portion of the Board's annual retainer. The guideline for the Chairman of the Board is equal to the amount calculated for each of the other non-executive members of the Board of Directors. (By way of example, assuming the cash portion of the Board's annual retainer is \$40,000, the target ownership level for a director would be \$120,000.) Directors are expected to attain the minimum level of target ownership within a period of five years from the effective date of the policy. Any new director will be expected to attain the minimum level of target ownership within a period of five years from the date he or she is first elected to the Board. All directors are in compliance with the policy.

*Executive Officer Guidelines.* The target ownership guideline set for each executive is based on that person's relative level of seniority and responsibility. For Mr. Prescott, the ratio is 1.5 times his annual base salary. For Mr. Arola, the ratio is .75 times his annual base salary. For each other executive officer, the ratio is .5 times such officer's annual base salary. Once established, an executive officer's target ownership guideline does not re-adjust automatically as a result of changes in his or her base salary or changes in the price of the company's stock. Executive officers are required to achieve the guideline within five years of becoming an executive officer, or, in the case of persons who were executive officers at the time the guidelines were adopted,

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within five years of the date of adoption of the guidelines. Currently, each executive officer is in compliance with the stock ownership guidelines.

For purposes of this policy, "ownership" includes:

shares of Align common stock held directly by an officer or in trust for the benefit of the director or officer or his or her family member living in the same household,

50% of the gain on vested in-the-money stock options, and

shares of underlying Align restricted stock units held directly by a director or officer, whether or not yet vested.

The term "ownership" does not include unvested options to purchase common stock.

**Nominations for Directors**

*Process for Identifying and Evaluating Nominees and Relevant Criteria.* The Nominating and Governance Committee considers candidates for Board membership suggested by Board members, management and stockholders of Align. The Nominating and Governance Committee has also retained from time to time a third-party executive search firm to identify independent director candidates. Where the Nominating and Governance Committee has either identified a prospective nominee or determines that an additional or replacement director is desirable, the Nominating and Governance Committee may take such measures that it considers appropriate in connection with its evaluation of a director candidate, including candidate interviews, inquiry of the person or persons making the recommendation or nomination, engagement of an outside search firm to gather additional information, or reliance on the knowledge of the members of the Nominating and Governance Committee, the Board or management. In its evaluation of director candidates, including the members of the Board of Directors eligible for reelection, the Nominating and Governance Committee considers a number of factors, including the following:

the current size and composition of the Board of Directors and the needs of the Board of Directors and the respective committees of the Board;

such factors as judgment, independence, character and integrity, age, area of expertise, diversity of experience, length of service, and potential conflicts of interest; and

the prospective nominee's ability to dedicate sufficient time, energy and attention to the performance of his or her duties, including the prospective nominee's service on other public company boards, as specifically set out in our *Corporate Governance Guidelines*.

The Nominating and Governance Committee has also specified the following minimum qualifications that it believes must be met by a nominee for a position on the Board:

the highest personal and professional ethics and integrity;

proven achievement and competence in the nominee's field and the ability to exercise sound business judgment;

skills that are complementary to those of the existing Board;

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the ability to assist and support management and make significant contributions to Align's success; and

an understanding of the fiduciary responsibilities that is required of a member of the Board and the commitment of time and energy necessary to diligently carry out those responsibilities.

After completing the evaluation and review, the Nominating and Governance Committee makes a recommendation to the full Board as to the persons who should be nominated to the Board, and the

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Board determines and approves the nominees after considering the recommendation and report of the Nominating and Governance Committee.

*Stockholder Recommendation of Nominees.* Under our Corporate Governance Guidelines, the Nominating and Governance Committee is required to consider recommendations for candidates to the Board of Directors from stockholders holding at least 1% of the total outstanding shares of Align common stock (stockholders must have held such common stock continuously for at least 12 months prior to the date of the submission of the recommendation). The Nominating and Governance Committee will consider persons recommended by Align's stockholders in the same manner as a nominee recommended by the Board of Directors, individual Board members or management.

A stockholder may also nominate a person directly for election to the Board of Directors at an annual meeting of our stockholders provided their proposal meets the requirements set forth in our Bylaws and the rules and regulations of the SEC related to stockholder proposals. The process for properly submitting a stockholder proposal, including a proposal to nominate a person for election to the Board of Directors at an annual meeting, is described above in the answer to the question "Is there any information that I should know regarding future annual meetings?"

**Director Independence**

In accordance with the Nasdaq listing standards, the Board undertook its annual review of the independence of its directors and considered whether any director had a material relationship with Align or its management that could compromise his ability to exercise independent judgment in carrying out his responsibilities. As a result of this review, the Board affirmatively determined that current Board members David E. Collins, Joseph Lacob, C. Raymond Larkin Jr., George J. Morrow, Greg J. Santora and Warren S. Thaler are "independent directors." In addition, the Board determined that H. Kent Bowen, who did not stand for reelection at the 2008 Annual Meeting of Stockholders, was an "independent director".

Mr. Thaler is the President of Gund Investment Corporation, an investment firm owned by Gordon Gund. As of March 31, 2009, Mr. Gund was the beneficial owner of approximately 12% of the shares of our outstanding common stock. After considering this information, the Board determined that Mr. Thaler's employment by Gund Investment Corporation does not constitute a material relationship that affects Mr. Thaler's independence.

**Board of Directors and Committee Meetings**

<b>Board Member</b>	<b>Board</b>	<b>Audit Committee</b>	<b>Compensation Committee(1)</b>	<b>Nominating and Governance Committee</b>
David E. Collins	ü	ü	ü	
Joseph Lacob	ü			ü*
C. Raymond Larkin Jr.	ü*			ü
George J. Morrow	ü		ü*	
Greg J. Santora	ü	ü*		
Warren S. Thaler	ü	ü		ü
Number of Meetings held in 2008	8	12	9	3

\*  
Chairman

(1) H. Kent Bowen who did not stand for reelection at the 2008 Annual Meeting was a member of the Compensation Committee in 2008 up until May 15, 2008, the date of the 2008 Annual Meeting.

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*Audit Committee.* The purpose of the Audit Committee is to, among other things, oversee and monitor our accounting and financial reporting processes, our financial statement audits, the qualifications, independence and performance of our independent auditors and our internal accounting and financial controls; to pre-approve audit and non-audit services; to provide oversight and monitor our Internal Audit Department; to review, approve and monitor our Code of Business Conduct and Ethics; and to establish procedures for receiving, retaining and treating complaints regarding accounting, internal accounting controls or auditing matters. None of the Audit Committee members are employees of Align, and our Board of Directors has determined that each member is independent within the meaning of the Nasdaq listing standards and the rules and regulations of the SEC. Our Board of Directors has determined that Mr. Santora is qualified as an "audit committee financial expert" within the meaning of the rules of the SEC and has confirmed that the other members of the Audit Committee are able to read and understand financial statements. The report of the Audit Committee for 2008 is included in this proxy statement. The Audit Committee has adopted a written charter approved by the Board of Directors, a copy of which is available on our website at <http://investor.aligntech.com>.

*Compensation Committee.* The Compensation Committee is responsible for Align's benefit plans, reviewing and administering all compensation arrangements for executive officers, and reviewing general compensation goals and guidelines for Align's employees and the criteria for which bonuses are to be determined. The Compensation Committee may form and delegate authority to subcommittees when appropriate, although no such delegation is currently in effect. None of the Compensation Committee members are employees of Align, and our Board of Directors has determined that each member is independent within the meaning of the Nasdaq listing standards. The report of the Compensation Committee for 2008 is included in this proxy statement. The Compensation Committee has adopted a written charter approved by the Board of Directors, a copy of which is available on our website at <http://investor.aligntech.com>.

*Nominating and Governance Committee.* The Nominating and Governance Committee is expected to identify, evaluate and recommend nominees to the Board of Directors as well as evaluate the composition, organization and governance of the Board of Directors and its committees and develop and recommend corporate governance principles and policies applicable to Align. The Nominating and Governance Committee also prepares and supervises the Board's annual review of director independence. None of the Nominating and Governance Committee members are employees of Align, and our Board of Directors has determined that each member is independent within the meaning of the Nasdaq listing standards. The Nominating and Governance Committee has adopted a written charter approved by the Board of Directors, a copy of which is available on our website at <http://investor.aligntech.com>.

*Meetings of the Board of Directors.* During 2008, each director attended at least 75% of the meetings of the Board and the committees on which he serves.

*Executive Sessions of Independent Directors.* The Board periodically holds meetings of only the independent directors without management present. Our Corporate Governance Guidelines provide that the independent directors of the Board will meet in executive session at least twice a year.

*Annual meeting attendance.* Align encourages all Board members to attend the annual stockholder meeting. Last year, five directors attended our annual meeting of stockholders.

**Compensation Committee Interlocks and Insider Participation**

No member of the Compensation Committee of the Board of Directors was at any time, since the formation of Align, an officer or employee of Align. No executive officer of Align serves as a member

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of the Board of Directors or Compensation Committee of any entity that has one or more executive officers serving on Align's Board of Directors or Compensation Committee.

**Stockholder Communications with Board of Directors**

Stockholders may communicate directly with the non-management directors of Align by sending an email to *board@aligntech.com*. Our General Counsel monitors these communications and ensures that appropriate summaries of all received messages are provided to the Board of Directors at its regularly scheduled meetings. In addition, the Chairman of the Nominating and Governance Committee has access to this email address and may monitor communications at his option. Where the nature of a communication warrants, our General Counsel may decide to obtain the more immediate attention of the appropriate committee of the Board of Directors or a non-management director, or Align's management or independent advisors, as our General Counsel considers appropriate. After reviewing stockholder messages, our Board of Directors will determine whether any response is necessary or warranted.

**Director Compensation**

*Cash Compensation.* Our standard cash compensation plan for non-employee directors was and currently is as follows: