

ALIGN TECHNOLOGY INC  
Form DEF 14A  
April 06, 2017

SCHEDULE 14A INFORMATION  
PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES  
EXCHANGE ACT OF 1934

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 under §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.

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1) Title of each class of securities to which transaction applies:

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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To be held on Wednesday, May 17, 2017

10:00 a.m.

TO OUR STOCKHOLDERS:

The 2017 Annual Meeting of Stockholders of Align Technology, Inc. (“Align”) will be held on Wednesday, May 17, 2017, at 10:00 a.m. Pacific Daylight Time at Align’s corporate headquarters located at 2560 Orchard Parkway, San Jose, California 95131.

Details regarding admission to the meeting and the business to be conducted are more fully described in the accompanying Notice of Annual Meeting and Proxy Statement.

We are once again pleased to take advantage of the Securities and Exchange Commission rule allowing companies to furnish proxy materials to their stockholders over the Internet. We believe that this e-proxy process expedites stockholders' receipt of proxy materials, while lowering the costs of printing and distributing our proxy materials and reducing the environmental impact of our annual meeting. On or about April 6, 2017, we mailed to our beneficial stockholders a Notice containing instructions on how to access our Proxy Statement and Annual Report and how to vote online. All other stockholders will continue to receive a paper copy of the Proxy Statement, Proxy Card and Annual Report by mail. The Notice also contains instructions on how you can (i) receive a paper copy of the Proxy Statement, Proxy Card and Annual Report if you only received a Notice by mail or (ii) elect to receive your Proxy Statement and Annual Report over the Internet if you received them by mail this year.

Your vote is very important. Whether or not you plan to attend the Annual Meeting, we hope that you will vote as soon as possible. You may vote via the Internet or by telephone, or, if you received paper copies of the proxy materials by mail, you may also vote by mail by following the instructions on the proxy card. Voting over the Internet or by telephone or by written proxy will ensure your representation at the Annual Meeting regardless of whether you attend in person.

Thank you for your ongoing support of, and continued interest in, Align Technology, Inc.

Sincerely,

ALIGN TECHNOLOGY, INC.

Roger E. George

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

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ALIGN TECHNOLOGY, INC.

2560 Orchard Parkway  
San Jose, California 95131

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Time and Date 10:00 a.m., Pacific Daylight Time, on Wednesday, May 17, 2017

Place Corporate Headquarters, 2560 Orchard Parkway, San Jose, California 95131

- Items of Business
1.  
To elect the nine (9) directors named in this proxy statement
  2.  
To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accountants for the fiscal year ending December 31, 2017
  3.  
To conduct an advisory (non-binding) vote on executive compensation
  4.  
To conduct an advisory (non-binding) vote on the frequency with which stockholders will vote on a non-binding resolution to approve the compensation of our executive officers in future years
  5.  
To consider such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof

Adjournments and Postponements Any action on the items of business described above may be considered at the annual meeting at the time and on the date specified above or at any time and date to which the annual meeting may be properly adjourned or postponed.

Record Date Only stockholders who owned shares of our common stock at the close of business on March 22, 2017 are entitled to vote.

Meeting Admission 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. 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.

Voting Your vote is very important. Regardless of whether you plan to attend the Annual Meeting, we hope you will vote as soon as possible. You may vote your shares over the Internet or by telephone. If you received a paper copy of a proxy card by mail, you may submit your proxy for the annual meeting by completing, signing, dating and returning your proxy card in the pre-addressed envelope provided. For specific instructions on how to vote your shares, please refer to the section entitled General Information - How do I vote? in the proxy statement.

This notice of annual meeting and proxy statement and form of proxy are being distributed and made available on the Internet on or about April 6, 2017.

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to Be Held on May 17, 2017. The proxy statement and Align Technology, Inc.'s Annual Report on Form 10-K are available electronically at <http://www.viewproxy.com/aligntech/2017>.

## PROXY STATEMENT SUMMARY

This summary highlights selected information contained in this Proxy Statement. It does not contain all the information you should consider and as such we urge you to carefully read the Proxy Statement in its entirety prior to voting. For additional information, please review the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2016.

## MEETING AGENDA AND VOTING RECOMMENDATIONS

Item	Voting Standard	Vote Recommendation	Page Reference
1 - Annual Election of Directors	Majority of votes cast	FOR each nominee	5
2 - Ratification of Independent Registered Public Accounting Firm	Majority of votes cast	FOR	17
3 - Advisory Vote on Named Executive Officer Compensation	Majority of votes cast	FOR	20
4 - Advisory (non-binding) vote on the frequency with which stockholders will vote on a non-binding resolution to approve the compensation of our executive officers in future years	Majority of votes cast	EVERY YEAR	22

## DIRECTOR NOMINEES

You are being asked to vote on the election of these 9 directors. Each member of our Board of Directors is elected annually by majority voting. All directors other than Mr. Prescott and Mr. Hogan are independent.

Name	Age	Director Since	Primary Occupation	Independent?	Committee Memberships*		
Joseph M. Hogan	59	2015	President & CEO, Align Technology, Inc.	No			
Joseph Lacob	61	1997	Managing Partner & CEO of The Golden State Warriors	Yes		C	X
C. Raymond Larkin, Jr. (1)	68	2004	Principal of Group Outcome LLC	Yes		X	
George J. Morrow	65	2006	Retired, EVP of Worldwide Sales & Marketing, Amgen, Inc.	Yes		C	
Thomas M. Prescott	61	2002	Retired, President & CEO, Align Technology, Inc.	No			X
Andrea L. Saia	59	2013	Retired, Global Head of Vision Care, Novartis AG	Yes	X	X	X
Greg J. Santora	65	2003	Retired, CFO, Shopping.com	Yes	C	X	
Susan E. Siegel	56	2017	CEO, GE Ventures	Yes			
Warren S. Thaler	54	2004	President, Gund Investment Corporation	Yes	X	X	X

(1) Mr. Larkin is Chairman of the Board of Directors

\*AC = Audit; CC = Compensation; NCCG = Nominating and Corporate Governance; TC = Technology; X = Member; C = Chair

## CORPORATE GOVERNANCE HIGHLIGHTS

We recognize the importance of corporate governance as a component of providing long-term stockholder value. Since the last Annual Meeting of Stockholders, we have continued to review and update our corporate governance practices to ensure that our policies are aligned with stockholder interests and corporate governance best practices.

### INDEPENDENCE

§ 7 of 9 director nominees are independent

§ Independent Chairman of the Board has strong role with significant governance responsibilities

§ The Audit, Compensation and Nominating and Governance Committees are each comprised wholly of independent directors

§ Independent directors meet regularly in executive session without management present

### ACCOUNTABILITY

§ Annual election of directors

§ Majority voting in uncontested elections

§ Annual performance self-evaluations by Board and committees

### BEST PRACTICES

§ Double-trigger for all cash compensation arrangements in the event of a change of control for all executives

§ Stock ownership requirements for directors and executives that are reviewed annually. In 2016, we increased the ownership guidelines for each executive officer (other than the CEO who is at 5 times his salary) from 1.0 times his or her salary to 2.0 times his or her salary.

§ Insider Trading Policy prohibits officers, directors and employees from engaging in hedging transactions or pledging Align's securities as collateral for loans

### RISK OVERSIGHT

§ Board oversight of our overall risk management infrastructure

§ Committee oversight of certain risks related to each committee's area of responsibility



## FISCAL 2016 PERFORMANCE HIGHLIGHTS

Fiscal 2016 was a year of continued solid performance for Align as highlighted in the discussion below.

### Strong Revenue Growth and Record Net Revenues

2016 net revenues were \$1.1 billion, a 27.7% increase from 2015. This revenue growth reflects growth across all customer channels and geographies, as well as the expansion of our customer base and increased utilization of Invisalign clear aligners by existing doctors.

### Record Invisalign Case Shipments and Strong Growth Trend

In 2016, we shipped a record 708.5 thousand Invisalign cases, an increase of 21.5% compared to 2015. This growth rate reflects:

- 32.4% volume growth from International doctors driven by increased adoption and utilization of Invisalign clear aligners as well as expansion of our customer base

- 16.4% volume growth from North American doctors driven by continued adoption by orthodontists as seen in record utilization of Invisalign clear aligners; and solid growth from general practitioner dentists, especially with our non-comprehensive Invisalign Express products.

## Operating Margin

Full year operating income of \$248.9 million, or 23.1% of revenue.

\* Operating Margin for 2012 and 2013 is Non-GAAP. A reconciliation of GAAP to non-GAAP can be found in Appendix A to this Proxy Statement.

Our results reflect solid execution of our strategic growth drivers with product and technology innovation being the key. In 2016, we:

**Launched iTero Element 1.4 software and Invisalign Outcome Simulator 4.0 application:** We announced the iTero Element 1.4 new software upgrade which includes color scanning, restorative pre-treatment scanning and optimized orthodontic scanning. In addition, the iTero scanners include the enhanced Invisalign Outcome Simulator 4.0 application now with Invisalign 3D Progress Tracking and Patient Simulation Sharing.

**Launched Invisalign G7:** We announced Invisalign G7, a new set of features designed to deliver greater control of tooth movements and improved treatment outcomes. Invisalign G7 builds on earlier Invisalign G-series releases with new features to fine-tune certain tooth movements and deliver treatment outcome quality that Invisalign providers expect, particularly with teenage patients.

**Announced Weekly Aligner Wear Recommendation:** We announced one-week aligner wear recommendation for all Invisalign Full, Teen and Assist products instead of two-week aligner wear for each stage of Invisalign treatment.

**Continued Invisalign product innovation including "G-Series" features, SmartTrack aligner material, and clinically proven treatment predictability,** allowed the company to confidently recommend one-week wear.

**Launched ClinCheck Pro 5.0:** We announced ClinCheck Pro 5.0, the next generation Invisalign treatment software, with ability to view side-by-side treatment plans, a more realistic 3D visual model, and a new configurable toolbar for even greater flexibility.

**Extended Commercial Availability in India:** We announced commercial availability of the Invisalign system in India in February 2016. Align is offering a comprehensive range of products including Invisalign Full, Invisalign Teen, Invisalign Lite clear aligners, and Vivera Retainers. We began training doctors in Delhi, Mumbai, Pune, Chandigarh, Chennai, and expanded into Bangalore, Ahmedabad, Hyderabad, Calcutta, and Cochin over the year. We also launched a consumer marketing campaign.

**Implemented New Enterprise Resource Planning ("ERP") System:** We implemented a new ERP system in July, which provides a foundation that enables new capabilities, improves speed of execution, and will be used to improve our customers' experience.

## Stock Repurchased in 2016

We generated \$247.7 million of cash flow from operations in 2016 from which we repurchased 1.1 million shares, returning approximately \$96.2 million to our stockholders. This reduced our average diluted shares outstanding by 1.36%, which approximated our 2016 annual net burn rate of 0.8%.

FISCAL 2016 EXECUTIVE COMPENSATION HIGHLIGHTS

Our 2016 executive compensation program was designed after consideration of Align's outstanding 2015 business and financial performance. Our executive compensation program emphasizes performance-based pay with over 65% of annual target compensation for our named executive officers being paid through equity, providing direct alignment with returns to stockholders and incentives to drive long-term business success. The table below highlights the 2016 annual target compensation for our CEO, Joe Hogan, and the average other named executive officer (excluding our new CFO who joined Align in November 2016). It also shows the delivery of cash versus equity and the significant portion of compensation that is performance-based. See further explanation in the Executive Summary of the Compensation Discussion & Analysis on page 24 of the Proxy Statement.

COMPENSATION ELEMENT: DESCRIPTION:

Salary	Annual base pay (fixed)
Cash Incentive (Bonus)	Cash-based incentive compensation; annual performance-based bonus (variable)
Restricted Stock Units ("RSUs")	Equity whose value increases with stock price (variable)
Market Stock Units ("MSUs")	Performance-based equity using 3-year relative stock price (variable)
Other Compensation	Includes limited perquisites and other personal benefits

ALIGN TECHNOLOGY, INC.  
2560 Orchard Parkway  
San Jose, California 95131

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PROXY STATEMENT FOR THE  
2017 ANNUAL MEETING OF STOCKHOLDERS

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GENERAL INFORMATION

Q: Why am I receiving these materials?

Our Board of Directors (the "Board") is providing these materials to you in connection with its solicitation of proxies for use at Align's 2017 Annual Meeting of Stockholders, which will take place on Wednesday, May 17, 2017 at A: 10:00 a.m. local time, at our corporate headquarters located at 2560 Orchard Parkway, San Jose, California 95131 (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?

The proxy materials include our proxy statement for the Annual Meeting and our 2016 Annual Report on Form 10-K. If you received a paper copy of these materials by mail, the proxy materials also include a proxy card for the Annual Meeting. If you received a notice of the Internet availability of the proxy materials instead of a paper copy of the proxy materials, see "How do I vote?" below. The information in 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.

Q: Why did I receive a notice in the mail regarding the Internet availability of the proxy materials instead of a paper copy of the full set of proxy materials?

This year, we are once again pleased to be using the SEC rule that allows companies to furnish their proxy materials over the Internet. As a result, we are mailing to many of our stockholders a notice of the Internet availability of the proxy materials instead of a paper copy of the proxy materials. All stockholders receiving the notice will have the ability to access the proxy materials over the Internet and request a paper copy of the proxy materials by mail. Instructions on how to access the proxy materials over the Internet or to request a paper copy may be found in the notice of the Internet availability of the proxy materials. In addition, the notice contains instructions on how you may request to access proxy materials in printed form by mail or electronically on an ongoing basis.

Q: Why didn't I receive a notice in the mail about the Internet availability of the proxy materials?

A: We provide some of our stockholders with paper copies of the proxy materials instead of a notice of the Internet availability of the proxy material.

Q: Can I vote my shares by filling out and returning the Notice of Internet Availability of Proxy Materials?

A: No. The Notice only identifies the items to be voted on at the Annual Meeting. You cannot vote by marking the Notice and returning it. The Notice provides instructions on how to cast your vote.

Q: Who can vote at the Annual Meeting?

A: If you are a stockholder of record or a beneficial owner who owned our common stock at the close of business on March 22, 2017, the record date for the Annual Meeting, you are entitled to vote at the Annual Meeting. As of the

record date, 80,323,453 of our common stock were issued and outstanding and no shares of our preferred stock were issued and outstanding.

Q: What is the difference between holding shares directly or as a beneficial owner, in street name?

A: Most of our stockholders hold their shares as a beneficial owner through a brokerage firm, bank or other nominee. As summarized below, there are some differences between shares held of record and those owned beneficially.

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**Stockholder of Record:** If on March 22, 2017, the record date, your shares were registered directly in your name with our transfer agent, Computershare Limited, then you are considered the stockholder of record. As a stockholder of record, you may vote in person at the Annual Meeting or vote by proxy.

**Beneficial Owner:** If on March 22, 2017, the record date, your shares were held on your behalf in an account with a brokerage firm, bank or other nominee, you are considered the beneficial owner of those shares held in street name. If you are a beneficial owner, these proxy materials are being forwarded to you by the organization considered the stockholder of record of your shares. As a beneficial owner, you have the right to direct your nominee on how to vote the shares held in your account. Your nominee has enclosed or provided voting instructions for you to use in directing it on how to vote your shares. Please note that as a beneficial owner, you may not vote your shares in person at the Annual Meeting unless you request and obtain a valid proxy from the organization that holds your shares and is the stockholder of record, giving you the right to vote the shares at the Annual Meeting.

**Q:**How do I vote?

**A:** Voting by Mail. Stockholders who received a paper copy of a proxy card by mail may submit proxies by completing, signing and dating their proxy card and mailing it in the accompanying pre-addressed envelope. 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.

Voting via the Internet. Stockholders who received a notice of the Internet availability of the proxy materials by mail may submit proxies over the Internet by following the instructions on the Notice. Stockholders who received a paper copy of a proxy card by mail may submit proxies over the Internet by following the instructions on the proxy card. 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 number of banks and brokerage firms are participating in a program provided through Broadridge Investor Communication Solutions that offers the means to grant proxies to vote shares through the Internet. If your shares are held in an account with a broker or bank participating in the Broadridge Investor Communication Solutions program, you may grant a proxy to vote those shares via the Internet by contacting the website shown on the instruction form received from your broker or bank. Your vote must be received by 8:59 p.m. Pacific Time, on May 16, 2017.

Voting by Telephone. Stockholders of record may submit proxies by following the "Vote by Telephone" instructions on their proxy cards or on the notice of Internet availability, as applicable, until 8:59 p.m. Pacific Time, on May 16, 2017.

Voting in Person at the Annual Meeting. Shares held in your names as the stockholder of record may be voted in person at the Annual Meeting. If, however, you are the beneficial owner of shares held in street 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. Even if you plan to attend the Annual Meeting, we recommend that you also vote by proxy as described below so that your vote will be counted if you later decide not to attend the meeting.

**Q:**What if I don't give specific voting instructions?

**A:** In the election of directors, you may vote "FOR," "AGAINST" or "ABSTAIN." If you elect to "ABSTAIN" in the election of directors, the abstention will not impact the election of directors. In tabulating the voting results for the election of directors, only "FOR" and "AGAINST" votes are counted.

For the other items of business, you may vote "FOR", "AGAINST" or "ABSTAIN". For these other items of business, if you elect to abstain, the abstention will have the same effect as an "AGAINST" vote.

If you indicate your choice on your proxy on a particular matter to be acted upon, the shares will be voted as indicated.

If you are a stockholder of record and you return a signed proxy card but do not indicate how you wish to vote, the proxy holders will vote your shares in the manner recommended by the Board on all matters presented in this proxy statement and as the proxy holders may determine in their discretion with respect to any other matters properly presented for a vote at the Annual Meeting. If you do not return the proxy card, your shares will not be voted and will not be deemed present for the purpose of determining whether a quorum exists.

If you are a beneficial owner and the organization holding your account does not receive instructions from you as to how to vote those shares, under the rules of various national and regional securities exchanges, that organization may

exercise discretionary authority to vote on routine proposals (the ratification of the appointment of PricewaterhouseCoopers LLP as our independent public accountants) but may not vote on non-routine proposals (each of the other three proposals). We encourage you to provide instructions to your broker regarding the voting of your shares.

If you do not provide voting instructions to your broker and the broker has indicated that it does not have discretionary authority to vote on a particular proposal, your shares will be considered “broker non-votes” with regard to that matter. Broker non-votes will be considered as represented for purposes of determining a quorum but generally will not be considered as entitled to vote with respect to a particular proposal. Broker non-votes are not counted for purposes of determining the number of

votes cast with respect to a particular proposal. Thus, a broker non-vote will make a quorum more readily obtainable, but the broker non-vote will not otherwise affect the outcome of the vote on a proposal that requires the affirmative vote of a majority of the shares present and entitled to vote.

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 either:

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

• 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;

• provide written notice of the revocation to:

Corporate Secretary

Align Technology, Inc.

2560 Orchard Parkway

San Jose, California 95131

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: What are we voting on and what vote is required to approve each item?

A: The proposals that will be presented at the Annual meeting, our Board's voting recommendations and the vote required and the way the vote is calculated for the proposals is as follows:

PROPOSAL	Vote Required	Board's Voting Recommendation	Broker Discretionary Voting Allowed?
Proposal 1 — To Elect Nine (9) Director Nominees	A nominee must receive more "for" votes than "against" votes and the number of votes "for" must be the majority of the required quorum	FOR	NO
Proposal 2 — To Ratify the Appointment of PwC as the Company's Independent Registered Public Accounting Firm for Fiscal 2017	Majority of Shares Entitled to Vote and Present in Person or Represented by Proxy	FOR	YES
Proposal 3 — To Consider an Advisory Vote to Approve the Compensation of our Named Executive Officers	Majority of Shares Entitled to Vote and Present in Person or Represented by Proxy	FOR	NO
Proposal 4 — To Consider an Advisory Vote on the Frequency to Hold an Advisory Vote to Approve the Compensation of our Named Executive Officers	Majority of Shares Entitled to Vote and Present in Person or Represented by Proxy	EVERY YEAR	NO





We will also consider any other business that properly comes before the Annual Meeting. As of April 6, 2017, we are not aware of any other matters to be submitted for consideration at the Annual Meeting. If any other matters are properly brought before the meeting, the persons named in the proxy cards will vote the shares they represent using their best judgment.

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, 80,323,453 shares of common stock, representing the same number of votes, were outstanding. That means that we need the holders of at least 40,161,727 shares of common stock to be represented for us to have a quorum. Your 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 so are included for purposes of determining whether a quorum is present at the Annual Meeting.

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. 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 the Company will tabulate the proxies and act as inspector of the election.

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 Securities and Exchange Commission ("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., 2560 Orchard Parkway, San Jose, California 95131, Attn: Investor Relations or by sending an email to [investorinfo@aligntech.com](mailto:investorinfo@aligntech.com).

Q: Where can I find the voting results of the meeting?

A: The preliminary results will be announced at the Annual Meeting. The final results will be published in a Current Report on Form 8-K, which we will file with the SEC by May 23, 2017.

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., 2560 Orchard Parkway, San Jose, California 95131, 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:

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

Stockholder proposals may be included in our proxy statement for an annual meeting so long as they are provided to us on a timely basis and satisfy the other conditions set forth in SEC regulations under Rule 14a-8 regarding the inclusion of stockholder proposals in company-sponsored proxy materials. For a stockholder proposal to be considered for inclusion in our proxy statement for the annual meeting to be held in 2018, we must receive the A: proposal at our principal executive offices, addressed to the Corporate Secretary, no later than December 7, 2017. In addition, a stockholder proposal that is not intended for inclusion in our proxy statement under Rule 14a-8 may be brought before the 2018 annual meeting so long as we receive information and notice of the proposal in compliance with the requirements set forth in our Bylaws, addressed to the Corporate Secretary at our principal executive offices, not later than February 15, 2018 nor earlier than January 16, 2018.

PROPOSAL ONE  
ELECTION OF DIRECTORS

Nominees

Our Board is elected each year at the annual meeting of stockholders. As of the date of this proxy statement, Align's Bylaws fix the current number of directors at 9. On the recommendation of the Nominating and Governance Committee, the Board has nominated the 9 persons named below for election as directors this year, each to serve for a one-year term or until the director's successor is elected and qualified.

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 to fill the vacancy. As of the date of this Proxy Statement, our Board is not aware of any nominee who is unable or will decline to serve as a director.

Our Bylaws require that a director nominee will be elected only if he or she receives a majority of the votes cast with respect to his or her election in an uncontested election (that is, the number of shares voted "for" a director nominee must exceed the number of votes cast "against" that nominee). Each of our director nominees is currently serving on the Board. If a nominee who is currently serving as a director is not re-elected, Delaware law provides that the director would continue to serve on the Board as a "holdover director." Under our Bylaws and Corporate Governance Guidelines, each director submits an advance, contingent, irrevocable resignation that the Board may accept if stockholders do not re-elect the director. In that situation, our Nominating and Governance Committee would make a recommendation to the Board about whether to accept or reject the resignation, or whether to take other action. The Board would act on the Nominating and Governance Committee's recommendation, and publicly disclose its decision and the rationale behind it within 90 days from the date that the election results were certified.

You may either vote "For" or "Against" any nominee you specify. Unless marked otherwise, proxies returned to us will be voted for each of the nominees named below. If you hold your shares through a bank, a broker or other holder or record you must instruct your bank, broker or other holder of record to vote so that your vote can be counted on this Proposal 1.

OUR BOARD RECOMMENDS THAT YOU VOTE "FOR" ALL NOMINEES

Information Concerning the Nominees

Joseph M. Hogan  
Age: 59  
Director since 2015  
No Board committees

Mr. Hogan has served as our President and Chief Executive Officer and a member of our Board since June 2015. Prior to joining us, Mr. Hogan was Chief Executive Officer of ABB Ltd., a global power and automation technologies company based in Zurich, Switzerland, from 2008 to 2013. Prior to ABB, Mr. Hogan worked at General Electric Company (GE) in a variety of executive and management roles from 1985 to 2008, including eight years as Chief Executive Officer of GE Healthcare from 2000 to 2008. Mr. Hogan earned a MSBA from Robert Morris University and a B.S. in Business Administration from Geneva College.

Mr. Hogan is an accomplished chief executive with extensive experience in leading the strategic and operational aspects of large and complex, international organizations in the healthcare and technology industries. As the President and Chief Executive Officer of Align, Mr. Hogan is responsible for management's execution of operational objectives and serves as an integral connection between the Board of Directors and Align's management team, enabling alignment between the Board's strategic expectations and Align's current and future strategy and operations.

Joseph Lacob  
Age: 61  
Director since 1997  
Board committees:  
Nominating and Governance  
(Chair) and Technology

Mr. Lacob has served as a director of Align since August 1997 and has been a partner of Kleiner Perkins Caufield & Byers (KPCB), a venture capital firm, since May 1987. In 2011, Mr. Lacob acquired The Golden State Warriors of the National Basketball Association. He is currently the Managing Partner and CEO of the Warriors. Prior to joining KPCB in 1987, Mr. Lacob was an executive with Cetus Corporation (now Chiron), FHP International, a health maintenance organization, and the management consulting firm of Booz, Allen & Hamilton. He was previously on the board of directors of 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.

Mr. Lacob has demonstrated success in his business and leadership skills, serving as a partner of KPCB since 1987. In his role at KPCB, he has gained considerable technology, health care and life sciences industry experience. During his career at KPCB, Mr. Lacob has been closely involved with investments in over fifty life science companies, including the start-up or incubation of a dozen ventures, and with KPCB's medical technology practice, which includes over thirty therapeutic and diagnostic medical device companies. With this extensive business background, Mr. Lacob also brings considerable finance and investment experience that has proven to be valuable in addressing issues that arise at Align.

C. Raymond Larkin Jr.  
(Chairman of the Board)  
Age: 68  
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. He currently is a Principal of Group Outcome L.L.C., a merchant banking firm concentrating on medical technologies. From 2001 to 2007, he 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.

Mr. Larkin brings with him considerable business experience in the medical device industry serving as President and CEO of a large public company. In his role as President and CEO of Nellcor Puritan Bennett, Inc., Mr. Larkin took on significant management, strategic and operational responsibilities leading that business through significant growth, including numerous mergers & acquisitions. This operational experience has proven valuable in addressing issues that have arisen at Align. With his knowledge of the medical device and health care industry, Mr. Larkin provides valuable insight to our Board. Mr. Larkin's experience as a member of the board of directors of various public companies provides Mr. Larkin a deep understanding of the role of the board of directors and positions him well to serve as our Chairman.

George J. Morrow  
Age: 64  
Director since 2006  
Board committees:  
Compensation (Chair)

Mr. Morrow has served as a director of Align since February 2006. From February 2011 until January 2013, Mr. Morrow served as a consultant to Amgen Inc., a global biotechnology company. From 2003 until his retirement in February 2011, he was the Executive Vice President, Global Commercial Operations at Amgen Inc., 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. He is a member of the board of directors of Vical Incorporated, a company that researches and develops biopharmaceutical products, Otonomy, Inc., a clinical-stage biopharmaceutical company focused on the development and commercialization of innovative therapeutics for diseases and disorders of the inner and middle ear. He was on the board of Safeway Inc., a food and drug retailer from May 2013 until February 2015 and Human Genome Sciences, Inc., a biopharmaceutical discovery and development company, from March 2011 until its acquisition in August 2012 by GlaxoSmithKline plc. 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.

As a former executive vice president at Amgen and Glaxo, two large public companies, Mr. Morrow brings to our Board considerable business experience in the medical technology industry. As part of the executive leadership at Amgen, Mr. Morrow has recent front-line exposure to many of the issues facing public companies today, particularly on the operational, regulatory, financial and corporate governance fronts. Mr. Morrow's leadership skills and experience make him knowledgeable of the complex issues facing global companies today and give him an understanding of what makes businesses work effectively and efficiently. These skills and experience are extremely valuable to our Board and enable Mr. Morrow to be an effective Compensation Committee chairman.

Thomas M. Prescott  
 Age: 61  
 Director since 2002  
 Board committees:  
 Technology

Mr. Prescott served as our President and Chief Executive Officer from 2002 until his recent retirement in June 2015. 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 AG 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. Mr. Prescott has served as a member of the Board since joining the Company in 2002.

Mr. Prescott's 13 years of experience at our Company as our CEO gives him deep knowledge and understanding of Align and its business. Mr. Prescott's prior experience as CEO of another publicly traded medical device company demonstrates his leadership capability and business acumen. His experience with strategic and operational issues in the life sciences industry along with his service on the board of directors of other companies in this industry gives him insight into the issues facing this industry and brings valuable expertise to our Board and our Technology Committee.

Andrea L. Saia  
 Age: 59  
 Director since 2013  
 Board committees:  
 Audit, Compensation and Technology

Ms. Saia has served as a director of Align since July 2013. Ms. Saia was previously the Global Head of Vision Care in the Alcon division of Novartis AG, from 2011 until her retirement in 2012. Prior to this role, she served as President and Chief Executive Officer of CibaVision Corporation, a subsidiary of Novartis, from 2008 to 2011. From 2005 to 2007, she relocated to Switzerland and served as President of Europe, Middle East, and Africa operations, CibaVision's largest regional business unit. She initially joined CibaVision in 2002 as Global Head of Marketing and was promoted to President of the Global Lens Business the following year. Prior to Novartis, Ms. Saia was the Chief Marketing Officer for GCG Partners Inc. Ms. Saia also held senior management and marketing positions with global consumer products companies such as Procter & Gamble Co., Unilever, and Revlon, Inc. Ms. Saia earned an M.B.A. from J.L. Kellogg Graduate School of Business and a B.S. in Business Administration from Miami University. Ms. Saia also served on the board of directors of Coca-Cola Enterprises, Inc., the marketer, producer and distributor of Coca-Cola products in European markets from 2012 to 2016. Since July 2016, Ms. Saia has also served on the board of directors of LivaNova PLC, a global medical technology company.

Ms. Saia brings to the Board extensive global business experience, a broad understanding of the healthcare, medical device and consumer products industries, strong management skills and operational expertise through her positions at Novartis. In those positions, she dealt with a wide range of issues as they rebuilt and strengthened the innovation and operating functions, and delivered industry leading sales and profit growth. The Board believes that her extensive knowledge of healthcare, medical device and consumer products industries provides her with insights that are particularly helpful and valuable to our Board. In addition, Ms. Saia also serves on the board of directors of another publicly traded company, which gives her insight and perspective into current best practices at the board level and enables her to be an effective contributing member of our Board and our Audit Committee and a strong addition to the Compensation Committee and Technology Committee.

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 RetailMeNot, Inc., a digital coupon site, since May 2013. In addition, he served on the board of directors of Taleo Corporation, a provider of on-demand talent management solutions until its acquisition by Oracle Corporation in April 2012. Mr. Santora holds a B.S. in Accounting from the University of Illinois and an M.B.A. from San Jose University.

Mr. Santora is an experienced financial leader with over 35 years of finance and accounting experience gained through his education and work at a major accounting firm and his later positions as Chief Financial Officer of Intuit and Shopping.com. The compliance, financial reporting and audit expertise Mr. Santora gained in his senior finance and operations roles, including as chief financial officer, has proven valuable in addressing issues that have arisen at Align during Mr. Santora's tenure as Audit Committee chairman. Mr. Santora's service on the board of directors and audit committee of another publicly traded company, gives him insight and perspective into current best practices with respect to finance organizations and the audit committee function.

Greg J. Santora  
Age: 65  
Director since  
2003  
Board  
committees:  
Audit (Chair)  
and  
Compensation

Susan E. Siegel has been a member of our Board of Directors since 2017. Since 2012, she has been chief executive officer of GE Ventures, General Electric's growth and innovation business. Prior to joining GE, from May 2006 to May 2012, she was a General Partner at Mohr Davidow Ventures, where she led investments in personalized medicine, digital health, and life sciences. From April 1998 to April 2006, Ms. Siegel was at Affymetrix, Inc. where she served as President and as a member of the board of directors. Ms. Siegel holds a B.S. in Biology from the University of Puerto Rico and a M.S. in Biochemistry and Molecular Biology from Boston University Medical School.

We believe that Ms. Siegel possesses specific attributes that qualify her to serve as a member of our Board of Directors, including her experience of growing biotechnology companies for over 30 years by bringing key enabling technologies to the forefront of biomedical research and healthcare and for her pioneering leadership in personalized medicine.

Susan E. Siegel  
Age: 56  
Director since  
2017  
No Board  
committees

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. Since 1990, Mr. Thaler has served on the board of directors of several privately held companies owned by the Gund family. From 1990 to 2005, Mr. Thaler was on the board of directors 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.

Mr. Thaler's demonstrated executive level management skills make him an important advisor to our Board. His success in building businesses as well as his finance and investment experience gained at Gund and through his education makes Mr. Thaler well suited for our Audit Committee. Mr. Thaler's business background makes him a valuable component of a well rounded Board and a key member of the Board's audit, nominating and governance, and technology committees.

Warren S.  
Thaler  
Age: 54  
Director since  
2004  
Board  
committees:  
Audit,  
Nominating  
and  
Governance,  
and  
Technology

There are no family relationships between any director or any of Align's executive officers.





## CORPORATE GOVERNANCE

### Corporate Governance Policies and Practices

We are committed to implementing and following high standards of corporate governance, which we believe are important to the success of our business, creating stockholder value and maintaining our integrity in the marketplace. Align also maintains a corporate governance page on its website that includes additional related information, as well as our codes of conduct, principles of corporate governance, and the charters for each of the standing committees of the Board of Directors. The corporate governance page can be found by clicking on the "Corporate governance" link of the "Investors" section of our website at [www.aligntech.com](http://www.aligntech.com).

We continue to maintain a variety of policies and practices to foster and maintain responsible corporate governance, including the following:

**Anti-Hedging and Anti-Pledging Policy.** Our Insider Trading Policy prohibits executive officers, directors and employees from engaging in hedging transactions or pledging the Company's securities as collateral for loans.

**Eliminated "for cause" requirement for stockholder removal of a director.** At our Annual Meeting of Stockholders held in May 2016, our stockholders approved an amendment to our Certificate of Incorporation to eliminate the "for cause" requirement for stockholder removal of a director.

**Eliminated supermajority voting standard for the removal of directors by stockholders.** At our Annual Meeting of Stockholders held in May 2016, our stockholders approved an amendment to our Certificate of Incorporation to replace the supermajority voting requirement for the ability of stockholders to remove directors with a simple majority of votes cast.

**Declassified Board.** We have a declassified Board and our bylaws provide for one-year terms for our directors. All of our directors will stand for election to one-year terms at this Annual Meeting.

**Majority Voting for Election of Directors.** The Board of Directors has adopted majority voting for uncontested elections of directors. For this purpose, "a majority of votes cast" means that the number of votes cast "FOR" a director's election exceeds the number of votes cast "AGAINST" that director's election. In the case of a contested election (i.e., an election in which the number of candidates exceeds the number of directors to be elected), however, directors will be elected by plurality vote.

As a condition of nomination, all directors are required to submit to Align an irrevocable resignation that becomes effective if the nominee does not receive majority vote (in an uncontested election) and the Board of Directors accepts the resignation. If the director fails to receive the requisite votes, the Nominating and Governance Committee will promptly consider the resignation and recommend to the Board whether to accept or reject it, or whether other action should be taken.

**Corporate Governance Guidelines—**Our Board has set out 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>.

**Code of Ethics—**Our Board 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 Business Conduct and Ethics from Align Technology, Inc., 2560 Orchard Parkway, San Jose, California 95131, 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 SEC or the NASDAQ Stock Market LLC.

**Stock Ownership Guidelines.** To align the interests of Align's executive officers and members of our Board of Directors with those of Align's stockholders, and to illustrate and promote our commitment to sound corporate governance, we maintain stock ownership guidelines for our executive officers and non-employee directors as follows:



Position	Stock Ownership Requirements
CEO	5.0x annual base salary
Executive officers	2.0x annual base salary which we increased in 2016 from 1.0x annual base salary
Non-Employee Directors	Amount equal in market value to \$250,000

Each executive officer and non-employee director is subject to these guidelines, provided he or she has five years from the date such individual first becomes subject to the guidelines to attain the requisite stock ownership. Currently, each executive officer and non-employee director is in compliance with the stock ownership guidelines.

For purposes of this policy, “ownership” includes:

- shares of Align common stock held directly by the director or 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 or shares underlying unvested market stock units.

**Role of Board.** The Board has responsibility for reviewing our overall performance rather than day-to-day operations. The Board’s primary responsibility is to oversee the management of Align and, in so doing, serve the best interests of Align and its stockholders. The Board selects, evaluates and provides for the succession of executive officers and, subject to oversight by the Nominating and Governance Committee, the Board nominates for election at annual stockholder meetings individuals to serve as directors of Align and elects individuals to fill any vacancies on the Board. It reviews corporate objectives and strategies, and evaluates and approves significant policies and proposed major commitments of corporate resources. It participates in decisions that have a potential major economic impact on Align. Management keeps the directors informed of Company activity through regular written reports and presentations at Board and Committee meetings.

**Board Leadership Structure; Executive Sessions.** We currently separate the roles of chief executive officer (CEO) and Chairman of the Board in recognition of the differences between the two roles. The CEO is responsible for setting our strategic direction and the day-to-day leadership and performance of the Company, while the Chairman of the Board provides guidance to the CEO and, in consultation with the CEO and other members of our Board, sets the agenda for Board meetings and presides over meetings of the full Board. We believe that this separation of duties allows the CEO and Chairman to most efficiently use their time and to most effectively fulfill their respective responsibilities, which are critical to the future success of the Company. While our bylaws and corporate governance guidelines do not require that our Chairman and CEO positions be separate, the Board believes that having separate positions and having an independent outside director serve as chairman is the appropriate leadership structure for Align at this time. Our Corporate Governance Guidelines provide that the independent directors of the Board will meet in executive session at least twice a year. The Board of Directors held six meetings in 2016 and the independent directors met in executive sessions five