



Court Grants Preliminary Approval of Settlement to Resolve All Outstanding Shareholder Derivative Litigation Involving Align

October 1, 2024

TEMPE, Ariz.--(BUSINESS WIRE)--Oct. 1, 2024-- Align Technology, Inc. ("Align") (Nasdaq: ALGN) a leading global medical device company that designs, manufactures, and sells the Invisalign® System of clear aligners, iTero™ intraoral scanners, and exocad™ CAD/CAM software for digital orthodontics and restorative dentistry, today announced that the U.S. District Court for the Northern District of California has granted preliminary approval of a settlement to resolve shareholder derivative litigation that has been pending since 2019. Under the terms of the settlement, plaintiffs will dismiss the lawsuits and release their claims. Align and the defendants deny any wrongdoing and are not making any monetary payments, other than a potential award of \$575,000 in attorney's fees to plaintiffs' counsel, covered by insurance. A notice approved by the court regarding the settlement is attached.

About Align Technology, Inc.

Align Technology designs and manufactures the Invisalign® System, the most advanced clear aligner system in the world, iTero™ intraoral scanners and services, and exocad™ CAD/CAM software. These technology building blocks enable enhanced digital orthodontic and restorative workflows to improve patient outcomes and practice efficiencies for over 266 thousand doctor customers and is key to accessing Align's 600 million consumer market opportunity worldwide. Align has helped doctors treat over 18.2 million patients with the Invisalign system and is driving the evolution in digital dentistry through the Align Digital Platform, our integrated suite of unique, proprietary technologies and services delivered as a seamless, end-to-end solution for patients and consumers, orthodontists and GP dentists, and lab/partners. Visit www.aligntech.com for more information.

For additional information about the Invisalign system or to find an Invisalign doctor in your area, please visit www.invisalign.com. For additional information about the iTero digital scanning system, please visit www.itero.com. For additional information about exocad dental CAD/CAM offerings and a list of exocad reseller partners, please visit www.exocad.com.

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

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IN RE ALIGN TECHNOLOGY, INC. DERIVATIVE LITIGATION) Lead Case No.: 5:19-cv-00202-LHK
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This Document Relates to:))

ALL ACTIONS.))
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**SUMMARY NOTICE OF PENDENCY AND PROPOSED
SETTLEMENT OF DERIVATIVE ACTIONS AND FINAL APPROVAL HEARING**

TO: ALL PERSONS AND ENTITIES WHO HELD ALIGN TECHNOLOGY, INC. COMMON STOCK AS OF JANUARY 12, 2024

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. This Notice relates to a proposed settlement ("Settlement") of the following actions: *Tran v. Hogan, et al.*, Case No. 5:19-cv-00202-LHK (N.D. Cal.), *Dooley v. Hogan, et al.*, Case No. 5:19-cv-00525-LHK (N.D. Cal.), *Nguyen v. Hogan, et al.*, Case No. 5:19-cv-00543-LHK (N.D. Cal.), together consolidated as *In re Align Technology, Inc. Derivative Litigation*, Case No. 5:19-cv-00202-LHK (N.D. Cal.) (together the "Federal Derivative Action"), the derivative action, *Abbas v. Hogan, et al.*, Case No. 19-CV-346429 (Santa Clara Cnty. Super. Ct.), and the books and records action, *McCall v. Align Technology, Inc.*, Case No. 19-CV-360501 (Santa Clara Cnty. Super. Ct.) (together the "State Court Actions"). If the Court approves the proposed Settlement, you, Align, and all Current Align Stockholders will be forever barred from contesting the fairness, adequacy, and reasonableness of the proposed Settlement and from pursuing the Released Plaintiffs' Claims.

All capitalized terms in this Summary Notice that are not otherwise defined herein have the same meanings provided in the Stipulation and Agreement of Settlement and Release entered into on January 12, 2024 ("Stipulation"), by and among (1) Michelle Tran, Jill Dooley, Christopher Nguyen, Jessica McCall, and Muhammad Abbas ("Plaintiffs"); (2) Joseph M. Hogan, John F. Morici, Kevin J. Dallas, Joseph Lacob, Charles Raymond Larkin, Jr., George J. Morrow, Thomas M. Prescott, Andrea L. Saia, Greg J. Santora, Susan E. Siegel, Warren S. Thaler, Roger E. George, and Raphael S. Pascaud (the "Individual Defendants"); and (3) Align Technology, Inc. ("Nominal Defendant," "Align," or the "Company" and, together with the Individual Defendants, "Defendants"). Plaintiffs and Defendants are collectively referred to as the "Settling Parties."

THIS SUMMARY NOTICE PROVIDES ONLY A SUMMARY OF THE MATERIALS TERMS OF THE SETTLEMENT AND RELEASES. For the Full terms and conditions of the Settlement, please review the Stipulation, which, together with its exhibits and the complete Notice, is available on Align's investor relations website at <https://investor.aligntech.com/derivativesettlement>, by accessing the Court docket in this case, for a fee, through the

Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>, or by visiting the Office of the Clerk of the Court for the United States District Court for the Northern District of California, San Jose Courthouse, Courtroom 5 – 4th Floor, 280 South 1st Street, San Jose, CA 95113, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays. Because the Settlement involves the resolution of derivative actions, which were brought on behalf of and for the benefit of the Company, and not individual or class actions on behalf of Align stockholders, the benefits from the Settlement will go to Align. Individual Align stockholders will not receive any direct payment from the Settlement. **ACCORDINGLY, THERE IS NO PROOF OF CLAIM FORM FOR STOCKHOLDERS TO SUBMIT IN CONNECTION WITH THIS SETTLEMENT. STOCKHOLDERS ARE NOT REQUIRED TO TAKE ANY ACTION IN RESPONSE TO THIS SUMMARY NOTICE.**

This Summary Notice describes the legal rights you may have in the Federal Derivative Action and State Court Actions and pursuant to the Stipulation and what steps you may take, but are not required to take, in relation to the Settlement.

In consideration of the Settlement and the releases provided therein, and subject to the terms and conditions of the Stipulation, the Settling Parties have agreed to the following Settlement Consideration for Align:

The Company will adopt and maintain the following reforms, which shall remain in effect for at least three (3) years after the Court's final approval of the Settlement, including but not limited to the following: (i) the Company will formalize its management-level Disclosure Committee by adopting a management-level Disclosure Committee Charter; (ii) the Disclosure Committee will now be comprised of the Chief Financial Officer, Chief Legal Officer, the EVP Global Human Resources and the head of Investor Relations; (iii) the Company increased the number of directors on the Audit Committee by adding an independent director who has expertise in cybersecurity; (iv) the Company will partner with a well-regarded university, such as Yale University or Harvard University, or outside counsel of its choosing for regular Board trainings conducted at least annually; (v) the Company enhanced its disclosures in its Form 10-K filings concerning human capital; (vi) the Company amended its Audit Committee Charter to include new obligations; (vii) the Compensation Committee will continue to review and make recommendations to the Board periodically regarding the stock ownership guidelines applicable to the Executives and the Board; (viii) the Compensation Committee will continue to periodically review the human capital management strategies, programs and policies; (ix) the Compensation Committee will continue to periodically review and report to the Board on non-CEO Executive development and succession planning; (x) the Company amended its Corporate Governance Guidelines to include that in the Nominating and Governance Committee's annual review of the skills and characteristics required of members of the Board, the Committee shall also consider gender and ethnic diversity and Compensation and Human Capital Committee will report to the Board on the succession planning for executive officers below the level of the CEO; (xi) After adoption of its Global Speak Up Policy, Align increased the frequency and circumstances under which conduct that may be inconsistent with Align's Global Code of Conduct is brought to the attention of the Board; (xii) the Company made certain membership changes to its Executive Management Committee; (xiii) the Company appointed a Global Compliance & Ethics Officer, a Vice President of Global Antitrust & Competition, and a Chief Legal Regulatory Officer; (xiv) the Company launched a new Global Code of Conduct, including a revised Free and Fair Competition section; (xv) the Company made certain changes to its annual proxy statement, including the use of a board diversity matrix; (xvi) the Company expanded training regarding Regulation FD and insider trading, expanded notifications it provides regarding the trading window, and adopted additional controls to refine access to material nonpublic information; and (xvii) the former President and Chief Executive Officer, Thomas M. Prescott, retired from the Board effective May 19, 2021, increasing the percentage of independent directors from 81% to 90%.

Subject to approval of the Court, Plaintiffs' Counsel will seek a Fee and Expense Award not to exceed \$575,000.

Defendants shall cause their insurers to pay the full amount of any Fee and Expense Award awarded by the Court.

Plaintiffs' Counsel also may apply to the Court for a service award of up to \$2,000 for each of the five Plaintiffs, only to be paid upon Court approval, and to be paid from Plaintiffs' Counsel's Fee and Expense Award.

Align stockholders are not personally liable for any such fees or expenses.

Upon the Effective Date, the Plaintiffs and all Current Align Stockholders will release the Released Defendant Persons from the Released Plaintiffs' Claims. Upon the Effective Date, Align will further release the Individual Defendants and their Related Persons from the Released Plaintiffs' Claims.

Current Align Stockholders do not need to attend the Final Approval Hearing. The Court will consider any submission made in accordance with the provisions below even if a Current Align Stockholder does not attend the Final Approval Hearing.

The Court has scheduled a Final Approval Hearing, to be held on February 4, 2025, at 2:00 p.m., either in person at the United States District Court for the Northern District of California, San Jose Courthouse, Courtroom 5 – 4th Floor, 280 South 1st Street, San Jose, CA 95113, or by telephone or video conference (in the discretion of the Court), to consider whether the Judgment, substantially in the form of Exhibit E to the Stipulation, should be entered: (i) approving the terms of the Settlement as fair, reasonable, and adequate; (ii) releasing all Released Claims against the Released Persons fully and finally, including dismissing with prejudice the Federal Derivative Action pursuant to the terms of the Stipulation; and (iii) approving the amount of attorneys' fees and expenses and of any service awards to the five Plaintiffs. The Court reserves the right to approve the Settlement, Plaintiffs' Counsels' request for a Fee and Expense award, and/or any other matter related to the Settlement at or after the Final Approval Hearing without further notice to Current Align Stockholders.

Any Current Align Stockholder may object to the proposed Settlement or Plaintiffs' Counsels' request for a Fee and Expense Award. You can ask the Court to deny approval by filing an objection. You cannot ask the Court to order a different settlement. The Court can only approve or reject the Settlement. If the Court denies approval of the Settlement, there will be no settlement, and the Federal Derivative Action and State Court Actions will continue. If this what you want to happen, then you must object.

PLEASE NOTE: The date and time of the Final Approval Hearing may change without further written notice to Current Align Stockholders. The Court may decide to conduct the Final Approval Hearing by video or telephonic conference, or otherwise allow Current Align Stockholders to appear at the Final Approval Hearing by video or telephone, without further written notice. **In order to determine whether the date and time of the Final Approval Hearing have changed, or whether Current Align Stockholders must or may participate by telephone or video, it is important that you monitor the Court's docket before making any plans to attend the Final Approval Hearing. Any updates regarding the Final Approval Hearing, including any changes to the date or time of the Final Approval Hearing or updates regarding in-person or remote appearances at the Final Approval Hearing, will be posted to that docket and on Align's investor relations website where the complete Notice and Stipulation and exhibits thereto are published at <https://investor.aligntech.com/derivativesettlement>. If the Court requires or allows Current Align Stockholders to participate in the Final Approval Hearing by telephone or video conference, the information for accessing the telephone or video conference will be posted to the Court's docket and on Align's investor relations website where the Notice and**

Stipulation and exhibits thereto are published at <https://investor.aligntech.com/derivativesettlement>.

Any objection to the proposed settlement must be in writing. If you file a timely written objection, you may, but are not required to, appear at the Final Approval Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for hiring and paying that attorney. All written objections and supporting papers must (a) clearly identify the case name and number (*In re Align Technology, Inc. Derivative Litigation*, Case No. 5:19-cv-00202-LHK (N.D. Cal.)), (b) be submitted to the Court either by filing them electronically or in person at any location of the United States District Court for the Northern District of California or by mailing them to the Class Action Clerk, United States District Court for the Northern District of California, San Jose Courthouse, Courtroom 5 – 4th Floor, 280 South 1st Street, San Jose, CA 95113, and (c) be filed or **postmarked on or before December 24, 2024**.

Any Current Align Stockholder who continues to hold the stock as of the date of the Final Approval Hearing may appear at the Final Approval Hearing to show cause why the proposed Settlement should not be approved; why the Judgment should not be entered thereon; or why any application for a Fee and Expense Award should not be granted; *provided, however*, that no such Person shall be heard unless such person has filed with the Clerk of the United States District Court for the Northern District of California, San Jose Courthouse, Courtroom 5 – 4th Floor, 280 South 1st Street, San Jose, CA 95113, as indicated above, a written and signed notice of objection that includes: (i) the objector's name, address, and telephone number (and, if represented, that of his, her, or its counsel), (ii) a representation as to whether the objector intends to appear at the Final Approval Hearing; (iii) proof that the objector owned shares of Align common stock as of January 12, 2024, and continues to hold common stock in Align; (iv) a statement of the objections to any matters before the Court, the grounds for the objections or the reasons for the objector's desiring to appear and be heard, as well as all documents or writings the objector desires the Court to consider, including any legal and evidentiary support; and (v) if the objector has indicated that he, she or it intends to appear at the Final Approval Hearing, the identities of any witnesses the objector may call to testify and any exhibits the objector intends to introduce into evidence at the Final Approval Hearing. Such persons may be heard orally at the discretion of the Court. Any such objection must be filed with the Court and received by the below-noted counsel by no later than December 24, 2024.

If you have any questions regarding this Summary Notice, the Federal Derivative Action and State Court Actions, or the Settlement, you may contact Plaintiffs' Counsel:

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