

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

**CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported) December 14, 2007

ALIGN TECHNOLOGY, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

0-32259

(Commission File Number)

94-3267295

(IRS Employer Identification No.)

881 Martin Avenue, Santa Clara, California

(Address of Principal Executive Offices)

95050

(Zip Code)

(408) 470-1000

(Registrant's Telephone Number, Including Area Code)

Not applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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ITEM 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

(c)

Retirement Agreement with Eldon M. Bullington

As previously disclosed in a Form 8-K filed by Align Technology, Inc. (“Align”) on October 24, 2007 (the “**Prior Form 8-K**”), Eldon M. Bullington announced his retirement as Vice President, Finance and Chief Financial Officer, effective December 14, 2007. In connection with Mr. Bullington’s retirement, Mr. Bullington and Align entered into a retirement agreement dated December 14, 2007. Pursuant to the Retirement Agreement, Align agreed to pay Mr. Bullington his 2007 fiscal year incentive award.

A copy of the retirement agreement is attached hereto as Exhibit 10.1 and is incorporated herein by this reference.

Executive Employment Agreement with Kenneth B. Arola

As previously disclosed in the Prior Form 8-K, Kenneth B. Arola, 51, was appointed as Align’s Vice President, Finance and Chief Financial Officer, effective upon Mr. Bullington’s retirement on December 14, 2007. Mr. Arola has served as Align’s vice president of finance and corporate controller since 2005. Previously, he served for 14 years as Adaptec, Inc.’s vice president of finance. There are no family relationships between Mr. Arola and any of Align’s directors or executive officers.

On the date of his appointment, Mr. Arola and Align entered into an executive employment agreement (the “**Employment Agreement**”). The Employment Agreement provides for a base salary of \$275,000 per year and a target bonus of 60% of his base salary. The target bonus is contingent upon the attainment by Mr. Arola of specified performance objectives and his being employed by the Company at the time the bonus is paid. If, during the term of his employment, and not in connection with a Change of Control (as defined in the Employment Agreement), the Company terminates Mr. Arola’s employment without Cause (as defined in the Employment Agreement) or Mr. Arola resigns for Good Reason (as defined in the Employment Agreement), then (X) Mr. Arola shall immediately vest in an additional number of shares under all outstanding options as if he had performed additional 12 months of service and (Y) Mr. Arola will be entitled to (i) the then current year’s target bonus, prorated for the number of days Mr. Arola has been employed during the year, (ii) one year’s base salary and (ii) the greater of the then current year’s target bonus or the actual prior year’s bonus. In the event of a Change of Control, (i) Mr. Arola will immediately vest in options representing an additional 12 months of service and (ii) if within 12 months of a Change of Control either (a) Mr. Arola’s employment is terminated without Cause or (b) Mr. Arola resigns for Good Reason, Mr. Arola will immediately vest in all outstanding options and be entitled to (x) the then current year’s target bonus prorated for the number of days Mr. Arola has been employed during the year, (y) one year’s base salary and (z) the greater of the then current year’s target bonus or the actual prior year’s bonus.

A copy of the Employment Agreement is attached hereto as Exhibit 10.2 and is incorporated herein by this reference.

ITEM 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

At a meeting held on December 14, 2007, Align’s Board of Directors approved and adopted an amendment to Article VII, Section 1 and Section 4 of Align’s Amended and Restated Bylaws. In compliance with NASDAQ’s requirement that all listed securities be eligible to participate in the Direct Registration System no later than January 1, 2008, the Amendment allows for the issuance, recordation and transfer of Align’s securities by electronic (book-entry) form rather than hold physical stock certificates. The Amendment took effect upon adoption by the Board.

The foregoing description of the Amendment is qualified in its entirety by reference to the full text of the Amendment, a copy of which is attached hereto as Exhibit 3.1 and incorporated herein by this reference.

ITEM 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit No.	Description
3.1	Amendment to Amended and Restated Bylaws of Align Technology, Inc.
10.1	Retirement Agreement between Eldon M. Bullington and Align Technology, Inc., dated December 14, 2007
10.2	Executive Employment Agreement between Kenneth B. Arola and Align Technology, Inc., dated December 14, 2007

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: December 18, 2007

ALIGN TECHNOLOGY, INC.

By: /s/ Thomas M. Prescott

Thomas M. Prescott
President and Chief Executive Officer

INDEX TO EXHIBITS

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**AMENDMENT TO AMENDED AND RESTATED BYLAWS
OF ALIGN TECHNOLOGY, INC.**

That Article VII, Section 1 of the Company's Bylaws is amended and restated to read as follows in its entirety:

Section 1. The shares of the Corporation shall be represented by certificates, provided that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of the Corporation's stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Every holder of stock of the Corporation represented by certificates shall be entitled to have a certificate signed by, or in the name of the Corporation by the Chairman or vice-chairperson of the Board of Directors, or the President or vice-president and by the Secretary or an assistant secretary of the Corporation representing the number of shares registered in certificate form. Any or all of the signatures on the certificate may be by a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue. The Corporation shall not have power to issue a certificate in bearer form.

If the Corporation shall be authorized to issue more than one class of stock or more than one series of any class, and such stock is represented by a certificate, the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualification, limitations or restrictions or such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate which the Corporation shall issues to represent such class or series of stock, provided that, except as otherwise provided in Section 202 of the General Corporation Law of Delaware, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate which the Corporation issues to represent such class or series of stock, a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. If the stock is not represented by a certificate, then within a reasonable time after the issuance or transfer of uncertificated stock, the corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to this Section 1 or a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

Article VII, Section 4 of the Company's Bylaws is amended and restated to read as follows in its entirety:

Section 4. Transfers. Stock of the Corporation shall be transferable in the manner prescribed by law and in these Bylaws. Transfers of stock shall be made on the books of the Corporation only by the record holder of such stock or by his or her attorney lawfully constituted in writing and, if such stock is certificated, upon the surrender of the certificate therefor, which shall be canceled before a new certificate shall be issued.

RETIREMENT & GENERAL RELEASE AGREEMENT

This Retirement and General Release Agreement (“Agreement”) is made by and between Eldon M. Bullington (“Bullington”) and Align Technology, Inc. (“Align”). Bullington and Align will hereinafter be referred to as the “Parties.”

RECITALS

WHEREAS, Bullington previously notified Align of his intention to retire on December 14, 2007 (the “Retirement Date”); and

WHEREAS, Align and Bullington (the “Parties”) have agreed on terms and conditions governing Bullington’s retirement.

NOW, THEREFORE, for and in consideration of the promises and undertakings described below, the Parties agree as follows:

AGREEMENTS**A. ALIGN.**

1. **Separation from Service.** Bullington shall continue to serve as Vice President, Finance and Chief Financial Officer of Align until December 14, 2007. Bullington’s separation from employment with Align will be effective at the close of business on December 14, 2007 (the “Retirement Date”). On the Retirement Date, Bullington shall cease performing services for Align, and after that date shall not be allowed to act on Align’s behalf.
2. **Incentive Compensation Payments.** On the Retirement Date, Bullington shall be entitled to the payment of \$177,216 (the “Target Bonus Amount”). This amount shall be paid to Bullington within ten days of either the Retirement Date or the date of execution of this agreement, whichever is later. In addition, to the extent the Compensation Committee of Align’s Board of Directors approves a performance modifier related to its executive officer incentive awards of greater than one (1), Align agrees to multiply the Target Bonus Amount by the applicable performance modifier and remit to Bullington any amount greater than the Target Bonus Amount by check made payable to Eldon Bullington and delivered to Bullington’s home address no later than January 31, 2008 (the “Additional Bonus Amount”). Each of the Target Bonus Amount and the Additional Bonus Amount shall be paid less applicable deductions and withholdings.

B. BULLINGTON.

1. **General Release.** In consideration of the bonus payout described above, Bullington hereby fully and forever releases, waives, discharges and promises not to sue or otherwise institute or cause to be instituted any legal or administrative proceedings against Align or any of its current and former officers, directors, attorneys, shareholders, predecessor, successor, affiliated or related companies, agents, employees and assignees thereof (collectively, the “Company”), with respect to any and all liabilities, claims, demands, contracts, debts, obligations and causes of action of any nature, kind, and description, whether in law, equity or otherwise, whether or not now known or ascertained, which currently do or may exist, including without limitation any matter, cause or claim arising from or relating in any way to Bullington’s employment with Align or the termination therefrom, including, but not limited to any claims for unpaid wages, severance, benefits, penalties, breach of contract, breach of the covenant of good faith and fair dealing, infliction of emotional distress, misrepresentation, claims under Title VII of the Civil Rights Act, under the Age Discrimination in Employment Act, under the California Fair Employment and Housing Act, under the California Labor Code, under the Employment Retirement Income and Security Act and under any other statutory or common law claims relating to employment or the termination thereof, *except* any claims Bullington may have, which, as a matter of law, are not subject to waiver, such as:

- a. unemployment insurance benefits pursuant to the terms of applicable law;
- b. workers' compensation insurance benefits pursuant to Division 4 of the California Labor Code, under the terms of any workers' compensation insurance policy or fund of Align;
- c. continued participation in certain of Align's group benefit plans on a temporary basis pursuant to the federal law known as COBRA;
- d. rights or claims under the Age Discrimination in Employment Act ("ADEA") that may arise after the date this Agreement is signed;
- e. the right to file an administrative charge with the Equal Employment Opportunity Commission, the Department of Fair Employment & Housing, the National Labor Relations Board and any other governmental entity to which waiver of the right to file an administrative claim is unlawful;
- f. claims for indemnification under California Labor Code section 2802, including, but not limited to, any claims for indemnification as a result of any lawsuits or other actions brought against Bullington and/or the Company arising out of Bullington's duties as CFO, to the extent that and limited to such claims that are based actions that were within the course and scope of Bullington's prior employment with the Company, including without limitation any litigation filed by Michael Swartzburg.

With regard to Section B.1.e., Bullington understands and agrees that, in the event he files an administrative charge, he shall not seek, be entitled to, or accept any financial remuneration of any type as a result of the charge. With regard to Section B.1.f., Bullington acknowledges that he is presently unaware of any claims for indemnification that have not already been submitted to the Company.

2. Waiver - Civil Code Section 1542. Bullington understands and agrees that Section B.1., above, applies to claims, known and presently unknown by Bullington; and that this means that if, hereafter, Bullington discovers facts different from or in addition to those which Bullington now knows or believes to be true, that the releases, waivers, discharge and promise not to sue or otherwise institute legal action shall be and remain effective in all respects notwithstanding such different or additional facts or the discovery of such fact. Accordingly, Bullington hereby agrees that he fully and forever waives any and all rights and benefits conferred upon him by the provisions of Section 1542 of the Civil Code of the State of California which states as follows (parentheticals added):

A general release does not extend to claims which the creditor [*i.e.*, Bullington] does not know or suspect to exist in his favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor [*i.e.*, the Company].

3. No Other Pending Claims. Bullington hereby represents and warrants that he has neither filed nor served any claim, demand, suit or legal proceeding against the Company.
4. No Prior Assignments. Bullington hereby represents and warrants that he has not assigned or transferred, or purported to assign or transfer, to any third person or entity any claim, right, liability, demand, obligation, expense, action or causes of action being waived or released pursuant to this Agreement.
5. Material Inducements. Bullington hereby agrees and acknowledges that the releases, waivers and promises contained in this Agreement, including the promises of confidentiality and non-disclosure, are material inducements for the consideration described in Section A., above.
6. Agreement Inures to Align. Bullington hereby agrees and understands that this Agreement shall bind him, and his heirs, executors, administrators and agents thereof and that it inures to the benefit of Align and its current and former officers, directors, attorneys, shareholders, predecessors, successors, affiliated or related companies, agents, employees and assignees thereof.
7. Proprietary Information. Bullington hereby acknowledges and agrees that (a) he is bound by, and has continuing obligations under, the Proprietary Information and Inventions Agreement ("PIIA") signed by him on October 1, 2002 and the Amended and Restated Employment Agreement by and between Bullington and Align dated April 5, 2007; (b) he has returned to Align all items of property paid for and/or provided by Align for his use during employment with Align including, but not limited to, any laptops, computer and office equipment, software programs, cell phones, pagers, access cards and keys, credit and calling cards; and (c) he has returned to Align all documents (electronic and paper) created and received by him during his employment with Align, and he has not retained any such documents, except he may keep his personal copies of (i) documents evidencing his hire, compensation, benefits and termination (including this Agreement); (ii) any materials distributed generally to stockholders of the Company, and (iii) his copy of the PIIA. The PIIA is incorporated herein by this reference.

C. ALIGN AND BULLINGTON.

1. Attorneys Fees and Expenses. Each party to this Agreement shall bear their own respective attorneys' fees and expenses related to the negotiation of this Agreement, and each agrees to hold the other harmless from the payment of all such attorneys' fees and expenses.
2. No Admission. Nothing contained in this Agreement shall constitute, be construed or be treated as an admission of liability or wrongdoing by Bullington, by Align, or by any current or former employee, officer or director of Align.
3. Governing Law. California law shall govern the construction, interpretation and enforcement of this Agreement.
4. Severability. If any provision or portion thereof, of this Agreement shall for any reason be held to be invalid or unenforceable or to be contrary to public policy or any law, then the remainder of the Agreement shall not be affected thereby.
5. Arbitration of Disputes Arising from Agreement. Any and all disputes that arise out or relate to this Agreement or any of the subjects hereof shall be resolved through final and binding arbitration. Binding arbitration will be conducted in Santa Clara County in accordance with California Code of Civil Procedure section 1282, *et seq.*, and the rules and regulations of the American Arbitration Association then in effect for resolution of commercial disputes. Each of the Parties understands and agrees that arbitration shall be instead of any civil litigation, each waives its right to a jury trial, and each understands and agrees that the arbitrator's decision shall be final and binding to the fullest extent permitted by law and enforceable by any court having jurisdiction thereof. Each of the Parties will bear their own respective attorneys' fees and will equally share the cost of arbitration, although the arbitrator may award the prevailing party his/its reasonable attorneys' fees and costs of arbitration except that such fees and costs may not be recovered by Align that result from Align's defense against any claim by Bullington challenging the waiver, release and discharge of rights under the Age Discrimination in Employment Act.

6. Counterpart Signatures. Bullington and Align hereby acknowledge that this Agreement may be executed in counterpart originals with like effect as if executed in a single original document.

7. Time to Consider; Revocation Period; Effective Date. Bullington understands and agrees that he may have up to a full twenty-one (21) days after receipt of this Agreement within which he may review, consider, and decide whether or not to sign this Agreement, and, if Bullington has not taken that full time period, that he expressly waives the remaining time period and will not assert the invalidity of this Agreement or any portion thereof on this basis. Bullington further acknowledges and is hereby advised that he should discuss the terms of this Agreement with an attorney of his choosing at his sole expense. Bullington also understands that, for the period of seven (7) days after the date he signs this Agreement, he may revoke the release of his claims under the Age Discrimination in Employment Act (“ADEA”). Bullington understands that if he wishes to revoke his release of claims under the ADEA, he must deliver written notice of revocation, no later than the seventh day after he signs this Agreement, to:

Align Technology, Inc.
Attn.: Human Resources
881 Martin Ave.
Santa Clara, CA 95050
Facsimile: (408) 470-1024

Bullington further understands that the Effective Date of this General Release will be the eighth day after both of the Parties have signed it and it has been delivered to Align.

8. Results of Negotiation; Knowing and Voluntary Execution. The Parties hereby acknowledge that this Agreement is the result of negotiation between them, that each were represented by an attorney of their own choosing in deciding whether or not to sign this Agreement and that each has read and understands the foregoing Agreement and that each affixes their respective signature to this Agreement knowingly, voluntarily and without coercion.

9. Entire Agreement; Modification. The Parties hereby acknowledge and agree that except for any pre-existing stock, stock option and/or purchase agreement(s) between Bullington and Align, and any amendments and waivers thereto, no promises or representations were or are made which do not appear written in this Agreement. The Parties agree that this Agreement contains the entire agreement by Bullington and Align, and that neither is relying on any representation or promise that does not appear in this Agreement. The Parties further agree that the benefits provided in this Agreement fully satisfy any obligations Align may have to provide any severance or other benefits to Bullington under that certain Employment Agreement by and between Bullington and Align dated October 1, 2002, including, but not limited to, the terms of the Amended and Restated Employment Agreement dated April 5, 2007. This Agreement may be changed only by another written agreement signed by Bullington and the Chief Executive Officer of Align.

10. Enforcement Costs. If an action is brought by either party for breach of any provision of this Agreement, the non-breaching party shall be entitled to recover all reasonable attorneys’ fees and costs in defending or bringing such an action.

ELDON M. BULLINGTON

Date: December 14, 2007

/s/ Eldon M. Bullington

ALIGN TECHNOLOGY, INC.

Date: December 14, 2007

/s/ Thomas M. Prescott

By: Thomas M. Prescott
Title: President and CEO

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT is entered into on December 14, 2007 by and between KENNETH B. AROLA (the “**Executive**”) and Align Technology, Inc., a Delaware corporation (the “**Company**”).

1. Duties and Scope of Employment.

(a) Position. For the term of the Executive’s employment under this Agreement (“**Employment**”), the Company agrees to employ the Executive in the position of Vice President, Finance and Chief Financial Officer. The Executive shall report to the Chief Executive Officer (the “**CEO**”). The Executive accepts such employment and agrees to discharge all of the duties normally associated with said position, and to faithfully and to the best of Executive’s abilities perform such other services consistent with Executive’s position as Vice President, Finance and Chief Financial Officer as may from time to time be assigned to Executive by the CEO.

(b) Obligations to the Company. During the term of the Executive’s Employment, the Executive shall devote Executive’s full business efforts and time to the Company. The Executive agrees not to actively engage in any other employment, occupation or consulting activity for any direct or indirect remuneration without the prior approval of the CEO, provided, however, that the Executive may, without the approval of the CEO, serve in any capacity with any civic, educational or charitable organization. The Executive may own, as a passive investor, no more than one percent (1%) of any class of the outstanding securities of any publicly traded corporation.

(c) No Conflicting Obligations. The Executive represents and warrants to the Company that Executive is under no obligations or commitments, whether contractual or otherwise, that are inconsistent with Executive’s obligations under this Agreement. The Executive represents and warrants that the Executive will not use or disclose, in connection with the Executive’s employment by the Company, any trade secrets or other proprietary information or intellectual property in which the Executive or any other person has any right, title or interest and that the Executive’s employment by the Company as contemplated by this Agreement will not infringe or violate the rights of any other person or entity. The Executive represents and warrants to the Company that the Executive has returned all property and confidential information belonging to any prior employers.

(d) Commencement Date. The Executive commenced full-time employment in the position set forth in Section 1 (a) above, effective December 14, 2007.

2. Cash and Incentive Compensation.

(a) Salary. The Company shall pay the Executive as compensation for the Executive’s services a base salary at a gross annual rate of \$275,000 payable in accordance with the Company’s standard payroll schedule. The compensation specified in this Subsection (a), together with any adjustments by the Company from time to time, is referred to in this Agreement as “Base Salary.”

(b) Target Bonus. The Executive shall be eligible to participate in an annual bonus program that will provide the Executive with an opportunity to earn a potential annual bonus equal to 60% of the Executive's Base Salary. The amount of the bonus shall be based upon the performance of the Executive, as set by the individual performance objectives described in this Subsection, and the Company in each calendar year, and shall be paid by no later than January 31 of the following year, contingent on the Executive remaining employed by the Company as of such date. The Executive's individual performance objectives and those of the Company's shall be set by the CEO after consultation with the Executive by no later than March 31, of each calendar year. Any bonus awarded or paid to the Executive will be subject to the discretion of the Board.

(c) Incentive Awards. The Executive shall be eligible for an annual incentive stock option grant and/or restricted stock unit award subject to the approval of the Board in all respects, including the terms described herein. The per share exercise price of the option will be equal to the per share fair market value of the common stock on the date of grant, as determined by the Board of Directors. The term of such option shall be ten (10) years, subject to earlier expiration in the event of the termination of the Executive's Employment. The Executive shall vest in accordance with the vesting provisions approved by the Compensation Committee of the Board of Directors, which vesting is currently 25% of the option shares after the first twelve (12) months of continuous service and shall vest in the remaining option shares in equal monthly installments over the next three (3) years of continuous service. Each restricted stock unit award currently vests 25% on the one year anniversary of the date of grant with 25% vesting yearly thereafter. The grant of each such option and/or restricted stock unit shall be subject to the other terms and conditions set forth in the Company's 2005 Incentive Plan and in the Company's standard form of stock option agreement and restricted stock unit agreement, as applicable.

3. Vacation and Executive Benefits. During the term of the Executive's Employment, the Executive shall be eligible to accrue 17 days vacation per year on a pro-rata basis throughout the year, in accordance with the Company's standard policy for senior management, including provisions with respect to maximum accrual, as it may be amended from time to time. During the term of the Executive's Employment, the Executive shall be eligible to participate in any employee benefit plans maintained by the Company for senior management, subject in each case to the generally applicable terms and conditions of the plan in question and to the determinations of any person or committee administering such plan, and to the right of the Company to make changes in such plans from time to time.

4. Business Expenses. During the term of the Executive's Employment, the Executive shall be authorized to incur necessary and reasonable travel, entertainment and other business expenses in connection with her duties hereunder. The Company shall reimburse the Executive for such expenses upon presentation of an itemized account and appropriate supporting documentation, all in accordance with the Company's generally applicable policies.

5. Term of Employment.

(a) Basic Rule. The Company agrees to continue the Executive's Employment, and the Executive agrees to remain in Employment with the Company, from the commencement date set forth in Section 1(d) until the date when the Executive's Employment terminates pursuant to Subsection (b) below. The Executive's Employment with the Company shall be "at will," and either the Executive or the Company may terminate the Executive's Employment at any time, for any reason, with or without Cause. Any contrary representations, which may have been made to the Executive shall be superseded by this Agreement. This Agreement shall constitute the full and complete agreement between the Executive and the Company on the "at will" nature of the Executive's Employment, which may only be changed in an express written agreement signed by the Executive and a duly authorized officer of the Company.

(b) Termination. The Company may terminate the Executive's Employment at any time and for any reason (or no reason), and with or without Cause, by giving the Executive notice in writing. The Executive may terminate the Executive's Employment by giving the Company fourteen (14) days advance notice in writing. The Executive's Employment shall terminate automatically in the event of Executive's death or Permanent Disability. For purposes of this Agreement, "Permanent Disability" shall mean that the Executive has become so physically or mentally disabled as to be incapable of satisfactorily performing the essential functions of Executive's position and duties under this Agreement for a period of one hundred eighty (180) consecutive calendar days.

(c) Rights Upon Termination. Except as expressly provided in Section 6, upon the termination of the Executive's Employment pursuant to this Section 5, the Executive shall only be entitled to the compensation, benefits and reimbursements described in Sections 2, 3 and 4 for the period preceding the effective date of the termination. The payments under this Agreement shall fully discharge all responsibilities of the Company to the Executive.

(d) Termination of Agreement. The termination of this Agreement shall not limit or otherwise affect any of the Executive's obligations under Section 7.

6. Termination Benefits.

(a) General Release Agreement. Any other provision of this Agreement notwithstanding, Subsections (b), (c) or (d) below shall not apply unless the Executive (i) has, within the time prescribed by the Company, executed a General Release Agreement in a form prescribed by the Company by which the Executive waives and releases with irrevocable effect all known and unknown claims that the Executive may then have against the Company or persons affiliated with the Company which are waivable under applicable law, and (ii) pursuant to such General Release Agreement has agreed not to prosecute any legal action or other proceeding based upon any of such claims: to the full extent permissible under applicable law, and (iii) pursuant to such General Release Agreement has acknowledged Executive's continuing obligations under this Agreement and the Proprietary Information and Inventions Agreement referenced below.

(b) Termination without Cause. If, during the term of this Agreement, and not in connection with a Change of Control as addressed in Subsection (c) below, the Company terminates Executive's Employment without Cause or the Executive resigns for Good Reason, then:

(i) as of the date of termination of Employment, Executive shall immediately conditionally vest in an additional number of shares under all outstanding options and restricted stock units as if the Executive had performed twelve (12) additional months of service, subject to Executive's execution of the General Release Agreement described above with irrevocable effect and suspension of exercise rights with respect to such conditionally vested shares until such execution;

(ii) the Company shall pay the Executive, in a lump sum upon the effectiveness of the General Release to be executed by Executive in accordance with Section 6(a) above, an amount equal to: (x) the then current year's Target Bonus prorated for the number of days of Executive is employed in said year; (y) one year's Base Salary; and (z) the greater of the then current year's Target Bonus or the actual prior year's bonus. The Executive's Base Salary shall be paid at the rate in effect at the time of the termination of Employment.

employed by the Company: (c) Upon a Change of Control. In the event of the occurrence of a Change in Control while the Executive is

(i) the Executive shall immediately vest in an additional number of shares under all outstanding options and restricted stock units as if the Executive had performed twelve (12) additional months of service; and

(ii) if within twelve (12) months following the occurrence of the Change of Control, one of the following events occurs:

(A) the Executive's employment is terminated by the Company without Cause; or

(B) the Executive resigns for Good Reason

then the Executive shall immediately conditionally vest as to all shares under all outstanding options and restricted stock units, subject to Executive's execution of the General Release Agreement described above with irrevocable effect and suspension of exercise rights with respect to such conditionally vested shares until such execution, and the Company shall pay the Executive, in a lump sum, an amount equal to: (i) the then current year's Target Bonus prorated for the number of days of Executive is employed in said year; (ii) one year's Base Salary; and (iii) the greater of the then current year's Target Bonus or the actual prior year's bonus. The Executive's Base Salary shall be paid at the rate in effect at the time of the termination of Employment.

(d) Health Insurance. If Subsection (b) or (c) above applies, and if the Executive elects to continue the Executive's health insurance coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") following the termination of Employment, then the Company shall pay the Executive's monthly premium under COBRA for COBRA coverage for the Executive until the earliest of (i) 12 months following the termination of the Executive's Employment, or (ii) the date upon which the Executive commences employment with an entity other than the Company.

(e) Definition of "Cause." For all purposes under this Agreement, "Cause" shall mean any of the following:

(i) Unauthorized use or disclosure of the confidential information or trade secrets of the Company;

(ii) Any breach of this Agreement or the Employee Proprietary Information and Inventions Agreement between the Executive and the Company;

(iii) Conviction of, or a plea of "guilty" or "no contest" to, a felony under the laws of the United States or any state thereof;

(iv) Misappropriation of the assets of the Company or any act of fraud or embezzlement by Executive, or any act of dishonesty by Executive in connection with the performance of her duties for the Company that adversely affects the business or affairs of the Company;

(v) Intentional misconduct; or

(vi) the Executive's failure to satisfactorily perform the Executive's duties after having received written notice of such failure and at least thirty (30) days to cure such failure.

The foregoing shall not be deemed an exclusive list of all acts or omissions that the Company may consider as grounds for the termination of the Executive's Employment.

(f) Definition of "Good Reason." For all purposes under this Agreement, subject to the notice and cure period described below, the Executive's resignation for "Good Reason" shall mean the Executive's resignation upon written notice to the Company delivered within ninety (90) days after the occurrence of any one or more of the following events and with an effective date within such ninety- (90-) day period:

(i) The Executive's position, authority or responsibilities being significantly reduced;

(ii) The Executive being asked to relocate the Executive's principal place of employment such that the Executive's commuting distance from the Executive's residence prior to such relocation is increased by over thirty-five (35) miles;

(iii) The Executive's annual Base Salary or bonus being materially reduced; or

(iv) The Executive's benefits being materially reduced.

The Executive shall provide written notice to the Company at least thirty (30) days prior to the effective date of Executive's resignation, identifying the event or events Executive claims constitute Good Reason and describing in reasonable detail the fact supporting the claim. The Company shall have at least thirty (30) days to take action to remedy the condition claimed by the Executive as Good Reason, but shall have no obligation to take such action. In the event the Company remedies the condition then Good Reason shall be deemed not to exist. At the expiration of the remedial period and prior to the effective date of Executive's resignation, Executive shall provide written notice to the Company, stating whether Executive (A) withdraws Executive's resignation based on the Company's remedy of the condition, (B) chooses to resign anyway notwithstanding such remedy, or (C) claims the condition has not been remedied and chooses to resign based on a claim of Good Reason. In the absence of such notice, Executive's resignation shall become effective and Executive shall be deemed to have resigned without Good Reason.

(g) Definition of "Change of Control." For all purposes under this Agreement, "Change of Control" shall mean any of the following:

(i) a sale of all or substantially all of the assets of the Company;

(ii) the acquisition of more than fifty percent (50%) of the common stock of the Company (with all classes or series thereof treated as a single class) by any person or group of persons;

(iii) a reorganization of the Company wherein the holders of common stock of the Company receive stock in another company (other than a subsidiary of the Company), a merger of the Company with another company wherein there is a fifty percent (50%) or greater change in the ownership of the common stock of the Company as a result of such merger, or any other transaction in which the Company (other than as the parent corporation) is consolidated for federal income tax purposes or is eligible to be consolidated for federal income tax purposes with another corporation; or

(iv) in the event that the common stock is traded on an established securities market, a public announcement that any person has acquired or has the right to acquire beneficial ownership of more than fifty percent (50%) of the then-outstanding common stock and for this purpose the terms "person" and "beneficial ownership" shall have the meanings provided in Section 13(d) of the Securities and Exchange Act of 1934 or related rules promulgated by the Securities and Exchange Commission, or the commencement of or public announcement of an intention to make a tender offer or exchange offer for more than fifty percent (50%) of the then outstanding Common Stock.

(h) Section 409A. Notwithstanding anything to the contrary in this Agreement, any cash severance payments otherwise due to Executive pursuant to this Section 6 or otherwise on or within the six-month period following Executive's termination will accrue during such six-month period and will become payable in a lump sum payment on the date six (6) months and one (1) day following the date of Executive's termination, provided, that such cash severance payments will be paid earlier, at the times and on the terms set forth in the applicable provisions of this Section 6, if the Company reasonably determines that the imposition of additional tax under Section 409A of the Internal Revenue Code of 1986, as amended ("**Code Section 409A**"), will not apply to an earlier payment of such cash severance payments. In addition, this Agreement will be deemed amended to the extent necessary to avoid imposition of any additional tax or income recognition prior to actual payment to Executive under Code Section 409A and any temporary, proposed or final Treasury Regulations and guidance promulgated thereunder and the parties agree to cooperate with each other and to take reasonably necessary steps in this regard.

7. Non-Solicitation and Non-Disclosure.

(a) Non-Solicitation. During the period commencing on the date of this Agreement and continuing until the first anniversary of the date when the Executive's Employment terminated for any reason, the Executive shall not directly or indirectly, personally or through others, solicit or attempt to solicit (on the Executive's own behalf or on behalf of any other person or entity) the employment of any employee of the Company or any of the Company's affiliates.

(b) Proprietary Information. As a condition of employment, the Executive has previously entered into a Proprietary Information and Inventions Agreement with the Company, which is incorporated herein by reference.

8. Successors.

(a) Company's Successors. This Agreement shall be binding upon any successor (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets. For all purposes under this Agreement, the term "Company" shall include any successor to the Company's business and/or assets which becomes bound by this Agreement.

(b) Executive's Successors. This Agreement and all rights of the Executive hereunder shall inure to the benefit of, and be enforceable by, the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

9. Miscellaneous Provisions.

(a) Notice. Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by overnight courier, U.S. registered or certified mail, return receipt requested and postage prepaid. In the case of the Executive, mailed notices shall be addressed to the Executive at the home address which the Executive most recently communicated to the Company in writing. In the case of the Company, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of its Secretary.

(b) Modifications and Waivers. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by the Executive and by an authorized officer of the Company (other than the Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) Whole Agreement. No other agreements, representations or understandings (whether oral or written) which are not expressly set forth in this Agreement have been made or entered into by either party with respect to the subject matter of this Agreement. This Agreement and the Proprietary Information and Inventions Agreement contain the entire understanding of the parties with respect to the subject matter hereof.

(d) Withholding Taxes. All payments made under this Agreement shall be subject to reduction to reflect taxes or other charges required to be withheld by law.

(e) Choice of Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of California without applications of its provisions with respect to choice of law, except for the Arbitration provision in paragraph 11, below, which is governed by the Federal Arbitration Act, 9 U.S.C. § 1 *et seq.*

(f) Severability. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.

(g) Arbitration. Each party agrees that any and all disputes which arise out of or relate to the Executive's employment, the termination of the Executive's employment, or the terms of this Agreement shall be resolved through final and binding arbitration. Such arbitration shall be in lieu of any trial before a judge and/or jury, and the Executive and Company expressly waive all rights to have such disputes resolved via trial before a judge and/or jury. Such disputes shall include, without limitation, claims for breach of contract or of the covenant of good faith and fair dealing, claims of discrimination, claims under any federal, state or local law or regulation now in existence or hereinafter enacted and as amended from time to time concerning in any way the subject of the Executive's employment with the Company or its termination. Nothing in this Agreement shall prohibit any party from seeking provisional remedies in court in aid of arbitration including temporary restraining orders, preliminary injunctions and other provisional remedies pursuant to California Code of Civil Procedure section 1281.8 (or any successor statutes) and/or applicable federal law. Likewise, nothing in this Agreement shall be interpreted as restricting or prohibiting Employee from filing a charge or complaint with a federal, state, or local governmental or administrative agency charged with investigating and/or prosecuting charges or complaints under any applicable federal, state or municipal law or regulation. Claims or disputes arising under any law that permits resort to an administrative or governmental agency notwithstanding an agreement to arbitrate those claims may be brought before that agency as permitted by applicable law, including, without limitation, claims or charges brought before the National Labor Relations Board, the U.S. Equal Employment Opportunity Commission, the United States Department of Labor, the California Workers' Compensation Appeals Board, and the California Employment Development Department. Nothing in this Agreement shall be deemed to preclude a party from bringing an administrative claim before any agency in order to fulfill the party's obligation to exhaust administrative remedies before making a claim in arbitration

This arbitration section of the Agreement shall be exclusively governed by and construed and enforced pursuant to the substantive and procedural provisions of the Federal Arbitration Act, 9 U.S.C. § 1 (“FAA”), and not individual state substantive and procedural laws regarding enforcement of arbitration agreements. A neutral arbitrator shall be selected by mutual agreement of the parties from the then-available arbitrators associated with ADR Services, Judicate West, ARC or such other arbitration service that the parties may mutually agree upon. If, for any reason, the parties are unable to mutually agree upon the selection of an arbitrator, either party may apply to a court of competent jurisdiction for appointment of a neutral arbitrator. The court shall then appoint a retired judge to serve as the arbitrator, who shall act under this Policy with the same force and effect as if the parties had selected the arbitrator by mutual agreement. The arbitrator shall allow the parties to take discovery and bring motions as authorized by the forum state's procedural rules, or any other discovery required by applicable law in arbitration proceedings, including, but not limited to, discovery available under the applicable state and/or federal arbitration statutes. Also, to the extent that anything in this arbitration section conflicts with any arbitration procedures required by applicable law, the arbitration procedures required by applicable law shall govern.

Arbitration will be conducted in Santa Clara County, California or, if the Executive does not reside within 100 miles of Santa Clara County at the time the dispute arises, then the arbitration may take place in the largest metropolitan area within 50 miles of the Executive's place of residence when the dispute arises.

During the course of the arbitration, the Executive and the Company will each bear equally the arbitrator's fee and any other type of expense or cost of arbitration, unless applicable law requires otherwise, and each shall bear their own respective attorneys' fees incurred in connection with the arbitration. The arbitrator will not have authority to award attorneys' fees unless a statute or contract at issue in the dispute authorizes the award of attorneys' fees to the prevailing party. In such case, the arbitrator shall have the authority to make an award of attorneys' fees as required or permitted by the applicable statute or contract. If there is a dispute as to whether the Executive or the Company is the prevailing party in the arbitration, the arbitrator will decide this issue.

The arbitrator shall issue a written award that sets forth the essential findings of fact and conclusions of law on which the award is based. The arbitrator shall have the authority to award any relief authorized by law in connection with the asserted claims or disputes. The arbitrator's award shall be subject to correction, confirmation, or vacation, as provided by applicable law setting forth the standard of judicial review of arbitration awards. Judgment upon the arbitrator's award may be entered in any court having jurisdiction thereof.

(h) No Assignment. This Agreement and all rights and obligations of the Executive hereunder are personal to the Executive and may not be transferred or assigned by the Executive at any time. The Company may assign its rights under this Agreement to any entity that assumes the Company's obligations hereunder in connection with any sale or transfer of all or a substantial portion of the Company's assets to such entity.

(i) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

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IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year first above written.

/s/ Kenneth B. Arola

KENNETH B. AROLA

ALIGN TECHNOLOGY, INC.

/s/ Thomas M. Prescott

By: Thomas M. Prescott

Title: President and CEO
