



Audit Committee Charter

CHARTER FOR THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF ALIGN TECHNOLOGY, INC.

(revised February 2014)

PURPOSE:

The purpose of the Audit Committee of the Board of Directors of Align Technology, Inc. (the "**Company**") shall be to:

- Oversee the accounting and financial reporting processes of the Company and audits of the financial statements of the Company;
- Assist the Board in oversight and monitoring of (i) the integrity of the Company's financial statements, (ii) the Company's compliance with legal and regulatory requirements, (iii) the independent auditor's qualifications, independence and performance, and (iv) the Company's internal accounting and financial controls, including its internal audit department;
- Prepare the report that the rules of the Securities and Exchange Commission (the "SEC") require be included in the Company's annual proxy statement;
- Provide the Company's Board with the results of its monitoring and recommendations derived therefrom; and
- Provide to the Board such additional information and materials as it may deem necessary to make the Board aware of significant financial matters that require the attention of the Board.

In addition, the Audit Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board of Directors may from time to time prescribe.

COMPOSITION:

- *Membership.* The Audit Committee members will be appointed by, and will serve at the discretion of, the Board of Directors. The Audit Committee will consist of at least three members of the Board of Directors.
- *Independence.* Each member will be an independent director, as defined in (i) NASDAQ Rule 5605 and (ii) the rules of the SEC and the final determination of independence shall be made by the Board.
- *Financial Literacy.* Each member will be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement.
- *Audit Committee Financial Expert.* At least one member will have past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background, including a current or past position as a principal financial officer or other senior officer with financial oversight responsibilities.
- *Financial Statement Preparation Prohibited.* No member may have participated in the preparation of the financial statements of the Company or of any of the Company's current subsidiaries at any time during the past three years.

RESPONSIBILITIES:

The responsibilities of the Audit Committee shall include:

Financial Reporting Process

- *Reviewing Financial Statements and Internal Controls.* Reviewing on a continuing basis the adequacy and effectiveness of the Company's system of internal controls and disclosure controls and procedures, including meeting periodically with the Company's management and the independent auditors to review the adequacy and effectiveness of such controls and to review before release the disclosure regarding such system of controls required under SEC rules to be contained in the Company's periodic filings and the attestations or reports by the independent auditors relating to such disclosure.

Independent Auditors and their Services

- *Overall Authority.* The Audit Committee shall have the sole authority and direct responsibility for appointing, compensating, retaining, terminating, evaluating and overseeing the work of the independent auditors (including resolving disagreements between management and the independent auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditors report directly to the Audit Committee.
- *Terms of Audit and Non-Audit Services.* Reviewing and providing guidance with respect to the external audit and the Company's relationship with its independent auditors by reviewing the independent auditors' proposed audit scope, approach and independence. The Audit Committee shall be responsible for pre-approving (which may be pursuant to preapproval policies and procedures) all audit, review, attest and permissible non-audit services provided to the Company by the independent auditors (or subsequently approving non-audit services in those circumstances where a subsequent approval is necessary and permissible). In addition, the Audit Committee will consider whether the auditor's provision of non-audit services is compatible with the auditor's independence.
- *Auditor Independence.* Obtaining on a periodic basis a statement from the independent auditors regarding relationships and services with the Company which may impact independence and presenting this statement to the Board of Directors, and to the extent there are relationships, monitoring and investigating them.

Annual Financial Reporting

- *Discuss Financial Statements and Internal Control Reports.* Meet to review and discuss with appropriate members of management and the Company's independent auditors:
 - *the audited financial statements and audit findings, including any significant adjustments, management judgments and accounting estimates;*
 - *related accounting and auditing principles, policies and practices;*
 - *management's assessment of internal controls over financial reporting to be included in the Company's annual report on Form 10-K (and when these reports are required under SEC rules); and*
 - *reviewing reports submitted to the audit committee by the independent auditors in accordance with the applicable SEC requirements.*
- *SAS 61 Review.* Discuss with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61, including such matters as:
 - *the quality and acceptability of the accounting principles applied in the financial statements;*
 - *management judgments and accounting estimates;*
 - *significant new accounting policies;*
 - *issues raised by "management" or "internal control" letter from the auditors, problems or difficulties encountered in the audit and management's response to such problems or difficulties, significant disagreements with management and any other matters significant to the audit.*
- *Annual PCAOB Report and Review.* At least annually, obtain and review the report by the independent auditor's describing:
 - *the independent auditor's internal quality-control procedures;*
 - *any material issues raised by the most recent internal quality-control review or peer review, or by any inquiry or investigation by governmental or professional authorities within the preceding five years with respect to independent audits carried out by the independent auditor, and any steps taken to deal with such issues; and*
 - *all relationships between the independent auditor and the Company addressing the matters set forth in Public Company Accounting Oversight Board ("PCAOB") Rule 3526.*
- *MD&A.* Reviewing and discussing with management and the independent auditors the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the reports and certifications regarding internal controls over financial reporting and disclosure controls, prior to filing the Company's Annual Report on Form 10-K with the SEC.
- *Audit Committee Report and recommendation to file audited financial statements.* Recommend to the Board whether the Company's annual report on Form 10-K to be filed with the SEC should include the audited financial statements and timely prepare the audit committee report and other information required to be included in the Company's annual meeting proxy statement.
- *General Disclosures.* Overseeing compliance with the requirements of the SEC for disclosure of auditor's services and audit committee members, member qualifications and activities;

Quarterly Financial Reporting

As often and to the extent the Committee deems necessary or appropriate, but at least quarterly in connection with the review of each fiscal quarter's financial statements, the Committee will:

- *Quarterly Review.* Directing the Company's independent auditors to review before filing with the SEC the Company's interim financial statements included in Quarterly Reports on Form 10-Q, using professional standards and procedures for conducting such reviews.
- *Discussion of significant matters with management.* Meet to review and discuss with Company management and, if appropriate, the independent auditors, significant matters relating to:
 - *The quality and acceptability of the accounting principles applied in the financial statement;*
 - *New or changed accounting policies, and significant estimates, judgments, uncertainties or unusual transactions;*

and

- *The selection and effects of critical accounting policies and estimates applied by the Company.*
- *Earnings Release and Guidance. Reviewing before release the unaudited quarterly operating results in the Company's quarterly earnings release, with particular attention to financial information and earnings guidance provided to analysts.*
- *MD&A. Reviewing and discussing with management and the independent auditors the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the reports and certifications regarding internal controls over financial reporting and disclosure controls, prior to filing the Company's Quarterly Report on Form 10-Q with the SEC.*

Internal Audit

- *IA Plans. Reviewing annually the Company's Internal Audit Department, including the proposed audit plans for the coming year, budget, staffing and assessing the Company's Internal Audit Department, including its independence from management.*
- *IA Selection. Reviewing and advising on the selection and removal of the internal audit director.*
- *IA Charter. Annually review and recommend changes (if any) to the internal audit charter.*
- *IA Reports. Reviewing significant reports prepared by the Internal Audit Department.*
- *IA Meetings. As necessary, and at least once a year, meeting with the Company's Internal Audit Department, without members of management present, to discuss any matters that the Committee deems necessary or advisable in connection with fulfilling its responsibilities.*

Ethical Compliance, Legal Compliance, Risk Oversight and Other Responsibilities

- *Code of Conduct. Reviewing, approving and monitoring the Company's Code of Business Conduct and Ethics with respect to the business conduct, ethics and related party transactions (the "Code of Conduct"):*
 - *Periodically review the Code of Conduct applicable to the Company's directors, executive officers and employees; and*
 - *Review all requests for waivers of the Code of Conduct involving directors and executive officers.*
- *Complaints and Anonymous Submissions. Establishing procedures for receiving, retaining and treating complaints received by the Company regarding accounting, internal accounting controls or auditing matters and procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.*
- *FCPA. Reviewing management's monitoring of compliance with the Company's standards of business conduct and with the Foreign Corrupt Practices Act.*
- *Risk Management Policies. Overseeing and reviewing at least annually the Company's anti-fraud program and risk management policies, including its investment policies.*
- *Significant Deficiencies, Material Weakness and Fraud. Receive and review any disclosure from the Company's CEO and CFO made in connection with the certification of the Company's quarterly and annual reports filed with the SEC of:*
 - *Significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial data; and*
 - *As necessary, reviewing the details of any fraud, whether or not material, that involves management or other employees who have a significant role in internal controls, including any items brought to the attention of the Committee by the Company's whistle-blower program.*
- *Legal Matters. Reviewing, in conjunction with counsel, any legal matters that could have a significant impact on the Company's financial statements.*
- *Benefit Plans. Reviewing the Company's compliance with employee benefit plans.*
- *Information Technology Systems. Overseeing and reviewing the Company's policies regarding information technology and management information systems.*
- *Special Investigations. If necessary, instituting special investigations with full access to all books, records, facilities and personnel of the Company.*
- *Related Party Transactions. Reviewing and approving in advance any proposed related party transactions, defined as those transactions required to be disclosed under Items 404(a) and 404(b) of Regulation S-K.*
- *Annual Review of this Charter and Performance Assessment. Annually reviewing its own charter, structure, processes and membership requirements.*
- *Proxy Statement Report. Providing a report in the Company's proxy statement in accordance with the rules and regulations of the SEC.*
- *Post-Audit Review. Conducting a post-audit review of the financial statements and audit findings, including any significant suggestions for improvements provided to management by the independent auditors*

MEETINGS:

The Audit Committee will meet at least four times each year. The Audit Committee may establish its own schedule, which it will provide to the Board of Directors in advance.

The Audit Committee will meet separately with the Chief Executive Officer and separately with the Chief Financial Officer of the

Company at such times as are appropriate to review the financial affairs of the Company. The Audit Committee will meet separately with the independent auditors of the Company, at such times as it deems appropriate, but not less than quarterly, to fulfill the responsibilities of the Audit Committee under this charter. In addition, the Audit Committee shall meet in executive session of the Audit Committee absent members of management at least two times per year.

MINUTES:

The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board of Directors.

REPORTS:

In addition to preparing the report in the Company's proxy statement in accordance with the rules and regulations of the SEC, the Audit Committee will summarize its examinations and recommendations to the Board of Directors as may be appropriate, consistent with the Committee's charter.

COMPENSATION:

Members of the Audit Committee shall receive such fees, if any, for their service as Audit Committee members as may be determined by the Board of Directors in its sole discretion. Such fees may include retainers or per meeting fees. Fees may be paid in such form of consideration as is determined by the Board of Directors.

Members of the Audit Committee may not receive any compensation from the Company except the fees that they receive for service as a member of the Board of Directors or any committee thereof.

RETENTION OF ADVISORS:

The Audit Committee has the power to retain independent counsel or other experts and advisors, and the Company will provide the Audit Committee with sufficient funding, as the Audit Committee determines, for this purpose and the power to use such funding to compensate its counsel, experts and advisors.

DELEGATION OF AUTHORITY:

The Audit Committee may delegate to one or more designated members of the Audit Committee the authority to pre-approve audit and permissible non-audit services, provided such pre-approval decision is presented to the full Audit Committee at its scheduled meetings.