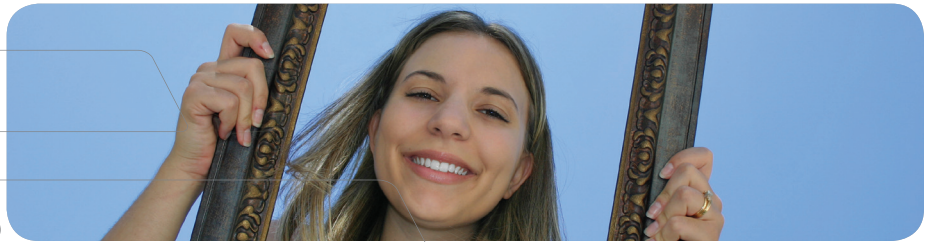


## Align Technology



“ With Compli, we now have the assurance that there is a comprehensive system in place that disseminates, tests, records and reports those policies and activities necessary to comply with various governance laws. ”

— Roger George, *General Counsel, Align Technology, Inc.*

Corporate attorneys across the United States are busily creating policies to meet the demands of new governance legislation. But an even greater challenge is in implementing the policies, communicating them to the workforce and effectively monitoring compliance to satisfy everyone from Boards of Directors and shareholders to regulators and courts.

### MORE GOVERNANCE BRINGS MORE WORK AND ACCOUNTABILITY

New laws, regulations and guidelines pertaining to corporate governance are dramatically increasing the workload of general counsel and corporate compliance officers in companies across the United States. Not only does the in-house counsel frequently carry the burden of creating governance, ethics and compliance policies, but often is held accountable for many aspects of implementation.

Leading the pack of regulatory actions affecting corporate governance is the Sarbanes-Oxley Act of 2002, generally regarded as the most important legislation affecting governance, financial disclosure and public accounting since the 1930s. It, and new standards imposed by the U.S. Securities and Exchange Commission, have resulted in unprecedented levels of required transparency and accountability for publicly held companies.

At Align Technology, a highly successful manufacturer of next-generation, aesthetic orthodontic products, General Counsel Roger George says of Sarbanes-Oxley: “Sarbanes-Oxley proposed a whole new set of reporting requirements and matters of internal governance diligence. As a result, the role of the general counsel has changed a great deal — there’s now 40 percent more work to do each year. For many companies, it was absolutely overwhelming, and the question on everyone’s mind was, ‘How am I going to do this?’”

### DESIGNED FOR GOVERNANCE

Align Technology — headquartered in Santa Clara, Calif., with 800 employees — was searching for a compliance management system in 2003. At that time, Atty. George had spent considerable time creating the company’s new Codes of Business Ethics as required by Sarbanes-Oxley, but needed a proven

### CHALLENGE

To implement a compliance management system to effectively disseminate the company’s new governance policies and programs, accurately monitor compliance and provide accurate reporting — all without unduly increasing the Legal team’s workload.

### SOLUTION

Compli Director®, the compliance management system enabling organizations to assess, mitigate and manage organizational risk. It monitors, tracks and reports on compliance levels related to corporate governance, employment practices, workers compensation, and several other areas of potential risk. The Compli solution effectively demonstrates compliance activity to insurers, regulators, shareholders and the public.

system to communicate, train, document and monitor implementation of the new governance pieces. Specifically, he had a series of codes of conduct and ethics, whistleblower guidelines, Board of Director charters, and conflict-of-interest policies to be rolled out.

“I don’t know how we would have done it without Compli,” Atty. George states. “Compli offered a fully comprehensive system for complying with the law to disseminate, test, record and report on our compliance effort.”

As a comprehensive, web-based compliance management solution, Compli Director® and Compli Advisor® together handle the full range of policies, training, certifications and reports companies require for maintaining compliance, and for dashboard and analysis reporting to mitigate risk. The Compli platform is designed from the ground up specifically to monitor, document and communicate governance concerns such as insider trading, whistleblower protection, and CEO/CFO attestation of internal controls. This helps companies like Align to manage, test and demonstrate internal controls as required by Sarbanes-Oxley and other governance regulations.

#### A COMPREHENSIVE SOLUTION

Align Technology had some important factors in its favor when confronting the new governance regulations, including a corporate culture predisposed to solid ethics and good communications. “We have a relatively small and well-integrated management team, which aids with effective communication,” Atty. George explains. “And because we are a growing public company, our board has always been interested in how we handle matters of disclosure. Sarbanes-Oxley essentially imposed a highly formal structure on what we were already doing.”

With the Compli solution, Atty. George has been able to automate the administrative and record-keeping piece of his compliance requirements. Further, he can demonstrate, with clear real-time statistics, the level of accountability and completion of required governance activities to his Board of Directors, insurance underwriters, regulators and shareholders.

#### REINFORCING THE CULTURE

Align’s general counsel George points out another important benefit of implementing the Compli solution. Align puts a high value on its culture of openness and empowerment of employees. While the rollout of new or updated governance and employment practices policies and regulations was mandated, the company wanted to avoid any hint of corporate heavy handedness, which can trigger a negative reaction from employees.

“Compli gave us the opportunity to do it right and involve employees in the process,” Atty. George says. “The employees love Compli because it’s web-based and they can engage it on their own terms, at their own pace.”

Compli Director matches compliance information with each employee’s profile so that pertinent information goes to the right people. Employees interact with the data in real time, while appropriate, aggregated data goes to group leaders, managers and executives so they can accurately track and assess compliance.

Prior to implementing Compli Director, Align’s employment-practices policies were disseminated to employees in regular Human Resources training sessions. “But that system, while it does the job, lacks a lot of the features we get with Compli,” Atty. George explains. “When you look at compliance from the

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standpoint of employment practices, Compli is a quantum leap over the old-fashioned way of doing things. In our case, the corporate governance part is just the icing on the cake. We did it to be proactive with our employees. We don’t keep them in the dark.”

The level of governance compliance monitoring and reporting available with Compli Director has been well received by Align Technology’s board of directors. “We’ve demonstrated to the board that we’re using a comprehensive system, and they love it,” Atty. George reports.

#### ABOUT ALIGN TECHNOLOGY, INC.

Align Technology, founded in 1997, is one of the largest manufacturers of mass customized products in the world. More than 200,000 patients have been treated with Align’s core product, the Invisalign® system. By employing 3-D computer simulations and thin, nearly invisible, removable orthodontic appliances, teeth are straightened without the use of metal or ceramic brackets and wires. Align has received two industry awards for its design and production of Invisalign: the Stereolithography Excellence Award in 2001, and the Medical Design Excellence Award in 2002.

#### CONTACT COMPLI TODAY

For more information, or for a demonstration of Compli’s compliance management solutions, please call 1.866.294.5545, or visit [www.compli.com](http://www.compli.com).