

Novanta Inc.
Corporate Governance Guidelines

I. Director Qualifications.

Criteria for Selecting Members of the Board of Directors.

The Board of Directors (the “Board”) of Novanta Inc. (the “Company”) will have a majority of directors who meet the criteria for independence as required by The NASDAQ Stock Market LLC (“NASDAQ”) and discussed below. The Nominating & Corporate Governance Committee is responsible for reviewing with the Board, on a periodic basis, the requisite skills and characteristics of new Board members as well as the composition and size of the Board as a whole. In assessing potential new directors, the Committee will consider, among other factors, the candidate’s qualification as independent, exhibited behavior that indicates he or she is committed to the highest ethical standards, experience at the policy-making level, ability to work constructively with the Chief Executive Officer and other members of the Board, capacity to evaluate strategy and reach sound conclusions, availability of time to do justice to duties as a director and willingness to devote the time required, and ability to take into account and balance the legitimate interests of all our shareholders and other stakeholders in reaching decisions.

Nominees for directorship will be selected by the Nominating & Corporate Governance Committee in accordance with the policies and principles in these Guidelines and that may be established by the Committee in accordance with its charter. The invitation to join the Board should be extended by the Board itself via the Chairman of the Board.

Size of Board of Directors.

The Company’s Articles of Continuation permit a Board of not more than fifteen directors and not less than five directors as determined by resolution of the Board. The Nominating & Corporate Governance Committee is charged with periodically assessing the size of the Board to determine if a different number would be more effective. In addition, the Board will consider adjusting the number of members in order to accommodate the availability of an outstanding candidate or to facilitate a change in Board membership.

Change in Principal Occupation or Business Association.

When a director’s principal occupation or business association changes substantially, the director shall volunteer to resign from the Board. The Nominating & Corporate Governance Committee will review whether the new occupation or business association of the director is consistent with the director’s continued membership on the Board and will recommend to the Board the acceptance or non-acceptance of the tendered resignation.

Retirement Policy.

The Company does not have an age-specific retirement policy for directors. The Board annually evaluates its performance through a self-evaluation. The evaluation identifies enhancements to director skill sets and ensures that board members are performing to

expectations. The Company feels that this process offers the opportunity to maintain an important experience base, rather than losing directors on age considerations alone.

II. Director Independence Requirement.

For a director to be deemed “independent” within the meaning of NASDAQ rules, the Board must affirmatively determine that the director has no relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company), which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The Board will consider a director’s relationship with the Company not merely from the standpoint of the director, but also from that of persons or organizations with which the director has an affiliation. Relationships that the Board will consider include, among others, commercial, industrial, banking, consulting, legal, accounting, charitable, and familial relationships. Ownership of a significant amount of the Company’s stock may or may not preclude the Board from finding that a director is independent. The Board will also consider whether the standards established by NASDAQ with respect to independence preclude a finding that a director is independent.

The Board will disclose its determination that a director is independent in the Company’s annual proxy statement. The Board may also adopt categorical standards to assist the Board in making determinations of director independence (“Standards”). If the Board adopts Standards, then the Board will disclose any such Standards and will make a general disclosure if a director meets such Standards. Also, if the Board adopts Standards, any determination of independence for a director who does not meet such Standards will be disclosed and specifically explained. All disclosures discussed in this paragraph will be made in the Company’s annual proxy statement and included on the Company’s website.

III. Director Responsibilities.

General Responsibilities.

Directors are responsible for overseeing the purposes, objectives, policies and plans of the Company that are formulated and carried out by the officers; for appointing the Board’s Chairman, the Chief Executive Officer (“CEO”), President and other corporate officers and for fixing their responsibilities; for authorizing the CEO and other officers to act for or on behalf of the Company in performing delegated responsibilities; and for oversight of the management and control of the Company’s businesses, its finances and its property. Directors are also responsible for determining whether to approve changes in the Articles of Incorporation and bylaws and submittals to shareholders for their approval or ratification, declare dividends, approve annual capital expenditure budgets, approve business combinations and subsidiary acquisitions, and approve changes in capital structure, including the issuance of stock and incurring long-term debt.

In discharging these obligations, directors are entitled to rely on the honesty and integrity of the Company’s senior executives and its outside advisors and auditors. The directors shall also be entitled to: (i) have the Company purchase reasonable directors’ and officers’ liability insurance on their behalf; (ii) the benefits of indemnification to the fullest extent permitted by

law and the Company's Articles, bylaws and any indemnification agreements; and (iii) exculpation as provided by state and provincial law and the Company's Articles.

Responsibilities Relating to Board of Directors Meetings.

Directors are expected to attend Board meetings and meetings of committees on which they serve and to spend the time necessary to properly discharge their responsibilities.

Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the directors far enough in advance of the meeting to allow adequate time for review, and directors are expected to thoroughly review these materials before the meeting.

The Chairman, in consultation with the CEO, will establish the agenda for each Board meeting upon review of the standard Board agenda. Each Board member is free to suggest the inclusion of items on the agenda, and to raise at any Board meeting subjects that are not on the agenda for that meeting.

Executive Sessions of Independent Directors.

In order to promote open discussion among the Company's independent directors, these directors will meet in executive session regularly and, in any event, at least twice annually. The Chairman of the Board, if independent, will preside at all executive sessions of the independent directors, and such director's name will be disclosed in the annual proxy statement.

IV. Board Committees.

The Board will have at all times an Audit Committee, a Compensation Committee, a Nominating & Corporate Governance Committee. Committee members will be appointed by the Board upon recommendation of the Nominating & Corporate Governance Committee with consideration of the desires of individual directors. Each member of the Audit Committee, the Compensation Committee and the Nominating & Corporate Governance Committee shall meet the standards established by NASDAQ with respect to independence.

Each standing committee will have its own charter. Each charter will (i) set forth the purpose, powers and responsibilities of the committee as well as qualifications for committee membership, procedures for committee meetings, and committee reporting to the Board; (ii) provide for necessary or required committee meetings, reports and the keeping of meeting minutes; and (iii) provide that each committee will annually evaluate its performance.

The Chairman of each committee will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The Chairman of each committee will develop the committee's agenda.

The Board and each committee have the power to hire independent legal, financial or other advisors as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance.

The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

V. Director Access to Officers, Employees and Others and Confidentiality.

Access to Officers and Employees.

Directors have full and free access to officers and employees of the Company. Any meetings or contacts that a director wishes to initiate may be arranged directly by the director or through the Secretary (if any) or the CEO. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and will, to the extent not inappropriate, copy the CEO on any written communications between a director and an officer or employee of the Company.

Access to Other Constituencies.

The Board believes that management speaks for the Company. In addition to management, the Chairman may, from time to time, meet or otherwise communicate with other constituencies that are involved with the Company. It is expected that the Chairman would do this with the knowledge of management, absent unusual circumstances. Other directors may from time to time, meet or otherwise communicate with various constituencies that are involved with the Company, but directors should do this only at the invitation of the Chairman or management.

Confidentiality

The proceedings and deliberations of the Board and its committees are confidential. Each director will maintain the confidentiality of information received in connection with his or her service as a director, except when disclosure is authorized by the Board or legally required.

VI. Director Compensation.

Only non-employee directors receive payment for serving on the Board. The Nominating & Corporate Governance Committee will periodically review and make recommendations to the Board with respect to the form and amount of non-management director compensation, giving due consideration to matters of director independence and any restrictions on compensation for committee members. Directors are reimbursed for travel expenses incurred in connection with their duties as directors.

VII. Director Orientation and Continuing Education.

As a general matter, all new directors are expected to participate in an orientation process led by management during the six months after their initial election or appointment as new directors. The process is designed to acquaint new directors with the Company's business and industries, and may include presentations or background materials on the Company's strategic plans, its financial matters, its principal officers, its compliance programs, and other key policies and practices. In addition, the orientation process may include visits to Company headquarters and, to the extent practical, certain of the Company's other significant facilities.

The Company recognizes the importance of continuing education for its directors and is committed to provide such education in order to improve both Board and committee performance. The Board acknowledges that director continuing education may be provided in a variety of different forms including: internal or external education programs, presentations or briefings on particular topics, educational materials, meetings with key management and visits to the Company's facilities. To that end, the Company will periodically make available to its directors continuing educational opportunities designed to assist them in performing their Board and committee functions. Attendance at external events that involve expenditure of Company funds will be subject to prior approval by the Chairman or Chief Executive Officer.

VIII. CEO Evaluation and Succession Planning.

The Compensation Committee conducts an annual review of the CEO's performance against the Company's goals and objectives and determines the compensation of the CEO based on its evaluation.

The Compensation Committee provides strategic guidance with respect to the Company's succession plans, monitors its progress and periodically reports to the Board on the Company's plans.

The Board currently has separate offices for the CEO and Chairman, but has no policy with respect to the separation of these offices. The Board believes that it is in the best interests of the Company for the Board to be free to determine its leadership structure based on the Company's particular circumstances at any given point in time.

IX. Annual Performance Evaluations.

In addition to the annual self-evaluations to be performed by each of the Audit Committee, the Compensation Committee and the Nominating & Corporate Governance Committee (and the discussions of these self-evaluations with the full Board), the Nominating & Corporate Governance Committee will annually oversee a review of the Board's performance, which shall include a self-evaluation by the Board, and will discuss the results of this review with the full Board following the end of each fiscal year.

X. Review of the Guidelines.

The Nominating & Corporate Governance Committee will review these Guidelines periodically and will recommend to the Board amendments to these Guidelines as it deems appropriate. A current version of these Guidelines will be included on the Company's website. In addition, the availability of these Guidelines will be stated in the Company's annual proxy statement.

:as amended and adopted by the Board (August 8, 2011)