

CHARTER OF THE GOVERNANCE AND NOMINATION COMMITTEE

This Charter (the “Charter”) of the Company’s Governance and Nomination Committee (the “Committee”) was adopted on March 2, 2016. As used herein, the term “Company” shall refer to Nuvectra Corporation, a Delaware company. The term “Board” shall refer to the Board of Managers of Nuvectra Corporation.

I. PURPOSE

The purpose of the Committee is to carry out the responsibilities delegated to it by the Board relating to the Company’s director nomination processes and procedures, developing and maintaining the Company’s corporate governance policies and procedures and any other matters that relate to director nomination, selection, review or oversight of corporate governance of the Company in compliance with applicable rules, regulations and guidelines promulgated by the NASDAQ Stock Market (“NASDAQ”), the Securities and Exchange Commission (the “SEC”) and other law, as amended from time to time.

II. MEMBERS

1. The Committee shall consist of two (2) or more directors. Each member of the Committee shall be independent in accordance with NASDAQ listing rules, provided, however, for so long as the Company is permitted to avail itself of the “phase-in” exemption for newly public companies in accordance with the NASDAQ listing rules, one or more of the members may not be independent in accordance with the NASDAQ listing rules.
2. The members of the Committee shall be appointed by the Board. The Board shall designate a member of the Committee as the chairperson (the “Chair”). The members of the Committee shall be appointed for one-year terms and shall serve for such term or terms as the Board may determine or until earlier removal, resignation or death. Members may be removed from the Committee by the Board at any time with or without cause or prior notice. Any action duly taken by the Committee shall be valid and effective, whether or not the members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership provided herein.

III. MEETINGS AND PROCEDURES

1. The Chair (or in his or her absence, a member designated by the Chair) shall preside at each meeting of the Committee and set the agendas for Committee meetings. An agenda, together with materials relating to the subject matter of each meeting, shall be delivered to members of the Committee prior to each

- meeting. The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as these rules and procedures are not inconsistent with any provisions of the Company's by-laws or certificate of incorporation that are applicable to the Committee. The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice and quorum and voting requirements as are applicable to the Board.
2. In order to discharge the Committee's responsibilities, the Chair shall annually establish a meeting schedule to be approved by the Board; additional meetings may be scheduled by the Chair or the Chairman of the Board as required. The Committee shall report regularly to the Board regarding its actions and make recommendations to the Board as appropriate. The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.
 3. Minutes of meetings shall be prepared to document the Committee's discharge of its duties. Each set of minutes shall be circulated in draft form to all members of the Committee to ensure an accurate record and shall be approved at a subsequent meeting of the Committee.
 4. Consistent with all applicable laws, regulations and NASDAQ listing rules, the Committee may retain any independent counsel, experts, advisors or consultants that the Committee believes, in its sole discretion, to be desirable and appropriate. The Committee may also use the services of the Company's regular legal counsel or other advisors to the Company. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any such persons retained by the Committee and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. The Committee shall have the authority to retain and terminate any search firm used to identify director candidates, including the authority to approve such search firm's fees and retention terms.
 5. The Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation therewith, to a subcommittee consisting of one or more members of the Committee, to the extent consistent with the Company's certificate of incorporation, by-laws and applicable laws, regulations and NASDAQ listing rules.

IV. DUTIES AND RESPONSIBILITIES

The Committee shall have the following authority and responsibilities:

1. To determine the qualifications, qualities, skills and other expertise required to be a director of the Company and to develop, and recommend to the Board for its

approval, criteria to be considered in selecting nominees for director (the “Director Criteria”).

2. To identify and screen individuals qualified to become members of the Board, consistent with the Director Criteria. The Committee shall consider any director candidates recommended by the Company’s stockholders pursuant to the procedures described in the Company’s proxy statement, made in accordance with applicable laws, rules and regulations or the provisions of the Company’s certificate of incorporation and by-laws.
3. To make recommendations to the Board regarding the selection and approval of the nominees for director to be submitted to a stockholder vote at the annual meeting of stockholders.
4. If a vacancy on the Board or any Board committee occurs, to identify and make recommendations to the Board regarding the selection and approval of candidates to fill such vacancy through appointment by the Board.
5. To review the Board’s committee structure and composition and to make recommendations to the Board regarding the appointment of directors to serve as members of each committee and committee chair annually.
6. To develop a process for an annual evaluation of the Board and its committees, and to oversee the conduct of this annual evaluation and make appropriate recommendations to improve performance. The Committee shall consider the results of such evaluation when determining whether or not to recommend the nomination of a director for an additional term.
7. To develop and recommend to the Board for approval standards for determining whether a director has a relationship with the Company that would impair his or her independence.
8. To oversee the Company’s corporate governance framework, policies and procedures, including identifying and considering corporate governance best practices and reviewing and recommending to the Board changes regarding the Company’s corporate governance framework, policies or procedures.
9. To review, consider and report to the Board regarding any proposals received from stockholders regarding any corporate governance matters.
10. To interact with and provide advice and counsel to the Company’s Compliance Officer regarding any (a) possible material violation of the Company’s Compliance Program, and (b) anonymous report by any Company employees regarding possible material violations of the Company’s Compliance Program, except for possible violations related to accounting, internal accounting controls or auditing matters. The Audit Committee of the Company will oversee procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters

and the confidential, anonymous submission by Company employees relating to accounting, financial reporting or auditing matters.

11. To perform an annual evaluation of the performance of the Committee and its members and provide any written material with respect to such evaluation to the Board, as appropriate, including any recommendations for changes in procedures or policies governing the Committee.
12. To engage in succession planning with respect to the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and Chief Technology Officer. As part of the succession planning process, the Committee will determine the qualifications, qualities, skills and other expertise required to perform in each of these positions, taking into account the job responsibilities of each officer, and recommend to the Board, criteria to be considered in selecting candidates for succession to these positions (the “C-Level Officer Criteria”). The Committee will develop a process to identify, qualify and screen individuals who it regards as potential successors to the CEO, CFO, COO and CTO consistent with the C-Level Officer Criteria. This process will be in collaboration with the Compensation Committee, the Chairman of the Board, other Board members, the incumbent Chief Executive Officer, other incumbent C-Level officers, outside advisors and other constituencies, in each case as the circumstances may suggest or require. The Committee will develop both emergency and long-term Succession Plans to ensure that the Board is prepared to deal with the contingency of the death, incapacity, resignation or termination of the C-Level officers. The Committee will also assess the likelihood and timing of a change of any C-Level officer based on performance and the direction of the Company, performed in conjunction with the Board’s annual review of the Chief Executive Officer and the CEO’s annual review of other C-Level officers. In the event of an emergency, the Committee will ensure that it has considered and developed internal candidates for both the long-term and in the event of an immediate and unexpected vacancy. Succession planning will be a proactive, comprehensive and on-going process, and include, at a minimum, an annual comprehensive discussion of internal candidates and emergency plans.
13. To engage in succession planning with respect to the directors serving as members of the Board and its committees. The Committee will develop a process to identify, qualify and screen individuals who it regards as potential successors in the event of the death, incapacity, resignation or removal of a director, consistent with the Director Criteria, and will collaborate with the Chairman of the Board, other Board members, other Board committees, outside advisors and other constituencies, in each case as the circumstances may suggest or require.
14. To carry out any other duties that may be delegated to the Committee by the Board from time to time.