

**CHARTER OF THE
COMPENSATION AND ORGANIZATION COMMITTEE**

This Charter (the “Charter”) of the Compensation and Organization Committee (the “Committee”) of Nuvectra Corporation (the “Company”) was adopted on March 2, 2016.

I. PURPOSE

The purpose of the Committee is to carry out the responsibilities delegated to it by the Board relating to the review and determination of executive compensation and related matters, in compliance with applicable rules, regulations and guidelines promulgated by the NASDAQ Stock Market (“NASDAQ”), the Securities and Exchange Commission (the “SEC”) and other applicable 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 (i) 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; (ii) shall qualify as a “non-employee director” for the purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”); and (iii) shall qualify as an “outside director” for the purposes of Section 162(m) of the Internal Revenue Code, as amended (the “Code”).
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. The Committee may invite such members of management to its meetings as it deems appropriate. However, the Committee shall meet regularly without such members present. In all cases, the Chief Executive Officer (the "CEO") and any other such officers shall not be present during the portion of meetings in which their compensation or performance is discussed, determined, deliberated or voted upon.
 5. Consistent with all applicable laws, regulations and NASDAQ listing rules, the Committee may retain or obtain the advice of any independent counsel, experts, advisors or consultants (collectively "Advisors") that the Committee believes, in its sole discretion, to be desirable and appropriate to assist with the execution of its duties and responsibilities. Subject to any exceptions under NASDAQ listing rules or other applicable law, the Committee shall undertake an analysis of the independence of each Advisor by considering all relevant factors to such Advisor's independence from management, including the factors specified in the applicable requirements of the Exchange Act, Item 407(e)(3)(iv) of Regulation S-K and NASDAQ listing rules, with such analysis to occur prior to selecting or receiving advice from such Advisor and as appropriate thereafter. 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 Advisors or other 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 be directly responsible for retaining, overseeing and terminating any Advisor, including approving such Advisor's fees and other retention terms. The Committee shall not be required to implement or act consistently with the advice of its Advisor, and the authority granted in this Charter shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter.

6. 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, Section 162(m) of the Code and applicable laws, regulations and NASDAQ listing rules.

IV. DUTIES AND RESPONSIBILITIES

The Committee shall have the following authority and responsibilities:

1. To review and approve at least annually the corporate goals and objectives applicable to the compensation of the CEO, evaluate at least annually the CEO's performance in light of those goals and objectives and determine, or make a recommendation to the Board regarding, the CEO's compensation level based on this evaluation.
2. To determine, or make a recommendation to the Board regarding, the level of compensation for all other executive officers of the Company.
3. To review director compensation for service on the Board and Board committees at least annually and to recommend any changes related to this review to the Board.
4. To review on a periodic basis the operation of the Company's compensation program, including executive compensation arrangements. In discharging this responsibility, the Committee shall take into account factors it deems appropriate from time to time, including the Company's business strategy and risks to the Company and its business implied by the compensation program, and the results of any stockholder advisory votes with respect to the Company's compensation program, plans or arrangements.
5. To establish and periodically review the Company's compensation-related policies, including, without limitation, any policies with respect to management perquisites.
6. To review, approve or, when appropriate, recommend to the Board for approval, incentive compensation plans, welfare benefit plans, employee benefit plans and equity-based plans and, where appropriate or required, recommend for approval by the stockholders of the Company, which includes the ability to adopt, amend and terminate such plans. The Committee shall also have the authority to

- administer the Company's incentive compensation plans, welfare benefit plans, employee benefit plans and equity-based plans, including designating employees to whom the awards are to be granted, the amount of the award or equity to be granted and the terms and conditions applicable to each award or grant, subject to the provisions of each plan. With respect to any funded employee benefit plan covering employees of the Company subject to the fiduciary responsibility provisions of the Employee Retirement Income Security Act of 1974, the Committee shall have the authority to appoint and terminate the named fiduciary or named fiduciaries of such plan and shall monitor their performance, unless such fiduciaries are specified in the constituent plan documents.
7. To review, approve or, when appropriate, recommend to the Board for approval, any employment agreements and any severance arrangements or plans, including any benefits to be provided in connection with a change in control, for the CEO and other executive officers, which includes the ability to adopt, amend and terminate such agreements, arrangements or plans.
 8. To review and discuss with management the Company's Compensation Discussion and Analysis (the "CD&A") and any related executive compensation information, recommend that the CD&A and any related executive compensation information be included in the Company's Annual Report on Form 10-K and proxy statement and, if required by applicable law, produce the compensation committee report on executive officer compensation required to be included in the Company's proxy statement or Annual Report on Form 10-K.
 9. To determine stock ownership guidelines, if any, for directors and executive officers and monitor compliance with such guidelines.
 10. To review the Company's incentive compensation arrangements to determine whether they encourage excessive risk-taking, to review and discuss at least annually the relationship between risk management policies and practices and compensation, and to evaluate compensation policies and practices that could mitigate any such risk.
 11. To identify, develop and evaluate potential candidates for executive positions at the Company and consider issues relating to succession planning at the Company.
 12. To review and recommend to the Board for approval the frequency with which the Company will conduct Say on Pay Votes, if applicable, taking into account the results of the most recent stockholder advisory vote on frequency of Say on Pay Votes required by Section 14A of the Exchange Act, and review and approve the proposals regarding the Say on Pay Vote and the frequency of the Say on Pay Vote to be included in the Company's proxy statement.
 13. To perform an annual evaluation of the performance of the Committee and its members, including a review of the Committee's compliance with this Charter, 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.

14. To carry out any other duties that may be delegated to the Committee by the Board from time to time.