

Important U.S. Federal Income Tax Information for Stockholders Concerning the Nuvectra Corporation Common Stock Distribution

March 18, 2016

Dear Stockholder,

On February 23, 2016, the Board of Directors of Greatbatch, Inc. (“Greatbatch”) declared a pro rata dividend to Greatbatch stockholders of record as of the close of business on March 7, 2016 (the “Record Date”) of 100% of the outstanding shares of Nuvectra Corporation (previously QiG Group, LLC) (“Nuvectra”) common stock, par value \$0.001 (“Nuvectra Common Stock”), payable on March 14, 2016 (the “Distribution Date”). On the Distribution Date, Greatbatch completed the spin-off of Nuvectra (the “Spin-off”) and each stockholder who held Greatbatch common stock as of the close of business on the Record Date and did not sell their shares of Greatbatch common stock prior to the Distribution Date received one (1) share of Nuvectra Common Stock for every three (3) shares of Greatbatch common stock owned as of the close of business on the Record Date.

This letter explains certain U.S. federal income tax consequences of the Spin-off and describes how to allocate your tax basis between your Greatbatch common stock and the Nuvectra Common Stock you received in the Spin-off.

Tax Treatment of the Spin-off. On March 14, 2016, Greatbatch received an opinion from its third party tax advisor concluding, based on representations of Greatbatch and Nuvectra with respect to (among other things) the activities of Greatbatch and Nuvectra following the completion of the Spin-off, that the Spin-off “should” qualify as a reorganization within the meaning of section 355 of the Internal Revenue Code of 1986, as amended (the “Code”). As a result, you will generally not recognize gain or loss for U.S. federal income tax purposes upon receipt of the Nuvectra Common Stock in the Spin-off. If, however, you receive cash in lieu of fractional shares of Nuvectra Common Stock you will recognize gain or loss as described below on those fractional shares.

Fractional Shares. No fractional shares of Nuvectra Common Stock were distributed in the Spin-off. Instead, all fractional shares of Nuvectra Common Stock were aggregated for all Greatbatch stockholders and sold in the public market. You will receive cash in lieu of fractional shares (*i.e.*, your pro rata portion of the proceeds associated with the sales of all fractional shares of Nuvectra Common Stock to which you were entitled). The taxable gain or loss that you recognize with respect to any cash you receive in lieu of fractional shares is equal to the difference between the amount of cash you receive and your tax basis (determined as described below) in such fractional shares of Nuvectra Common Stock.

Tax Basis. Your tax basis in the Greatbatch common stock you owned immediately before the Spin-off must be allocated between your Greatbatch common stock and the shares of Nuvectra Common Stock you received in the Spin-off (including any fractional share for which you received cash).

This allocation is based on the relative fair market values of your Greatbatch common stock and your Nuvectra Common Stock. Although U.S. federal income tax laws do not specify how to determine fair market value, one approach is to use the average of the high and low share prices quoted on the New York Stock Exchange with respect to the Greatbatch common stock and on the NASDAQ Global Market with respect to the Nuvectra Common Stock on March 14, 2016, the first day of “regular-way” trading for the Nuvectra Common Stock.

You should consult your tax advisor to determine the appropriate fair market values.

If you acquired your Greatbatch common stock at different times and at different prices, you will need to calculate a separate tax basis for each block of Greatbatch common stock you own and then allocate the basis in each block of stock separately to the Nuvecetra Common Stock you received in the Spin-off. Greatbatch suggests that you retain this letter to support your determination of your basis in your Greatbatch common stock and your Nuvecetra Common Stock.

Example: This example assumes you choose to use the average high-low trading price on March 14, 2016, as the method of determining the fair market values of the Greatbatch common stock and the Nuvecetra Common Stock. Using this method, after the Spin-off, the fair market value of a share of Greatbatch common stock was \$35.12 and the fair market value of a share of Nuvecetra Common Stock was \$9.48. Based on the one (1) to three (3) distribution ratio, this means that you would receive \$3.16 of Nuvecetra Common Stock for each share of Greatbatch common stock you own. See Exhibit 1 for additional information. Based on these relative fair market values, your basis in your Greatbatch common stock would be apportioned 91.745% to your Greatbatch stock and 8.255% to your Nuvecetra Common Stock. This calculation may be illustrated as follows:

- Assume you own a single block of 112 shares of Greatbatch common stock with a tax basis of \$30 per share (and a total tax basis of \$3,360).
- You are entitled to receive 37.3334 shares of Nuvecetra Common Stock in the Spin-off. Because no fractional shares are issued, you receive 37 shares of Nuvecetra Common Stock and cash in lieu of the 0.3334 fractional share of Nuvecetra Common Stock (the price of your fractional share will be provided by Computershare, N.A. as distribution agent for the Spin-off or your individual broker or financial institution, as may be applicable).
- Your total tax basis in your Greatbatch common stock is allocated \$3,082.63 to the Greatbatch common stock (91.745% of \$3,360), or \$27.52 per share (*i.e.*, \$3,082.63, divided by 112 shares), and \$277.37 to the Nuvecetra Common Stock (8.255% of \$3,360), or \$7.43 per share (*i.e.*, \$277.37, divided by 37.3334 shares).
- The basis allocated to the 0.3334 fractional share of Nuvecetra Common Stock for which you received cash is \$2.48 (0.3334 fractional share multiplied by \$7.43 of tax basis per share of Nuvecetra Common Stock). This would leave you with \$274.89 of tax basis in your remaining shares of Nuvecetra Common Stock (*i.e.*, \$277.37 minus \$2.48).

The above calculations are summarized as follows:

Shares	Number of Shares	Tax Basis Allocation (per share)	Tax Basis Allocation (total)
Greatbatch common stock	112	\$27.52	\$3,082.63
Nuvecetra Common Stock	37	\$7.43	\$274.89
Nuvecetra Common Stock (fractional share)	0.3334	\$7.43	\$2.48
Total Tax Basis			\$3,360.00

If you own Greatbatch common stock with a different basis for alternative minimum tax (“AMT”) purposes than your basis for regular federal income tax purposes, you will need to allocate your AMT basis between your Greatbatch common stock and your Nuvecetra Common Stock in the same manner as

described above.

U.S. Federal Income Tax Reporting Requirements. Any stockholder of Greatbatch that is a “significant distributee” is required to attach a statement describing the details of the Spin-off to its U.S. federal income tax return for the period that includes the Distribution Date. This would be the 2016 U.S. Federal income tax return for calendar year stockholders. You are a significant distributee if, immediately before the Spin-off, you owned (i) at least five percent (by vote or value) of the total outstanding stock of Greatbatch or (ii) securities in Greatbatch with a basis of \$1,000,000 or more. If a significant distributee is a “controlled foreign corporation” (within the meaning of section 957 of the Code), each “United States shareholder” (within the meaning of section 951(b) of the Code) with respect thereto must include this statement on or with its return. A sample statement is attached as Exhibit 2.

THE INFORMATION SET FORTH ABOVE AND IN THE ATTACHED EXHIBITS IS FOR GENERAL INFORMATION PURPOSES ONLY AND DOES NOT PURPORT TO ADDRESS ALL ASPECTS OF FEDERAL TAXATION THAT MAY BE RELEVANT TO PARTICULAR STOCKHOLDERS. THIS INFORMATION DOES NOT CONSTITUTE TAX ADVICE AND MAY NOT BE APPLICABLE TO STOCKHOLDERS WHO ARE NOT CITIZENS OR RESIDENTS OF THE UNITED STATES. NOR DOES IT ADDRESS TAX CONSEQUENCES THAT MAY VARY WITH YOUR INDIVIDUAL CIRCUMSTANCES. ACCORDINGLY, YOU ARE URGED TO CONSULT YOUR TAX ADVISORS TO DETERMINE THE APPLICATION OF THE INFORMATION SET FORTH ABOVE AND IN THE ATTACHED EXHIBITS TO YOUR INDIVIDUAL CIRCUMSTANCES AND THE PARTICULAR FEDERAL, FOREIGN, STATE AND LOCAL TAX CONSEQUENCES OF THE SPIN-OFF TO YOU.

**Determination of the Fair Market Values of
Greatbatch and Nuvectra after the Spin-off**

The Spin-off occurred on March 14, 2016. The first day of “regular-way” trading for the Nuvectra Common Stock was also March 14, 2016.

U.S. federal income tax law does not specifically identify how you should determine the fair market values of the Greatbatch common stock and the Nuvectra Common Stock after the Spin-off. One method of determining value is to use the average of the high and low trading prices of the Greatbatch common stock and the Nuvectra Common Stock on the first regular trading day for the Nuvectra Common Stock (March 14, 2016). The trading prices and basis allocation percentages using this method, which you and your tax advisor may find useful, are set forth in the following Table 1 and Table 2.

Table 1
Trading Price

Common Stock	Average High-Low Trading Price on March 14, 2016
Greatbatch (value per share)	\$35.12
Nuvectra (value per share)	\$9.48
Value of Nuvectra Common Stock received for each Greatbatch share of common stock owned.	\$3.16

Table 2
Basis Allocation Percentages

Common Stock	Average High-Low Trading Price Allocation Percentage
Greatbatch Value (a)	\$35.12
Value of Nuvectra Common Stock received for each Greatbatch share owned (b)	\$3.16
(a) + (b) = (c)	\$38.28
Greatbatch Allocation % (a)/(c)	91.745%
Nuvectra Allocation % (b)/(c)	8.255%

Information Statement to the Internal Revenue Service

STATEMENT PURSUANT TO §1.355-5(b) BY

_____, (EIN: _____),

A SIGNIFICANT DISTRIBUTE

1. On March 14, 2016, the undersigned, a stockholder owning shares of common stock of Greatbatch, Inc. as of the close of business on March 7, 2016, received a distribution of stock in Nuvector Corporation, a controlled corporation, pursuant to section 355 of the Internal Revenue Code of 1986, as amended.
2. The names, employer identification numbers, and addresses of the corporations involved are as follows:
 - a. Distributing corporation:

Greatbatch, Inc.
16-1531026
2595 Dallas Parkway, Suite 310
Frisco, TX 75034
 - b. Controlled corporation:

Nuvector Corporation
30-0513847
5830 Granite Parkway, Suite 1100
Plano, TX 75024
3. No stock or securities in Greatbatch, Inc. were transferred or surrendered by the undersigned in connection with the distribution. The aggregate fair market value, immediately before the distribution, of Nuvector Corporation stock received by the undersigned in the distribution was \$_____.
4. No stock (other than the common stock of Nuvector Corporation), securities or other property (including money) was received in the distribution, other than \$_____ received in lieu of fractional shares of Nuvector Corporation's common stock.

Stockholder's Signature

Spouse's Signature (if stock held jointly)

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Greatbatch, Inc.		2 Issuer's employer identification number (EIN) 16-1531026	
3 Name of contact for additional information Anthony Borowicz	4 Telephone No. of contact (716) 759-5809	5 Email address of contact tborowicz@greatbatch.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 2595 Dallas Parkway, Suite 310		7 City, town, or post office, state, and Zip code of contact Frisco, TX 75034	
8 Date of action March 14, 2016		9 Classification and description Common stock	
10 CUSIP number 39153L106	11 Serial number(s)	12 Ticker symbol GB	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ See attachment

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ See attachment

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ See attachment

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See attachment

Blank lined area for listing applicable Internal Revenue Code sections and subsections.

18 Can any resulting loss be recognized? ▶ See attachment

Blank lined area for providing information regarding loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See attachment

Blank lined area for providing other necessary information for the adjustment.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ Anthony Borowicz Date ▶ 3/18/2016

Print your name ▶ Anthony Borowicz Title ▶ Vice President, Business Development

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

Greatbatch, Inc.
Distribution of Nuvectra Corporation Common Stock
Attachment to Form 8937

Part II

Line 14. Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.

On February 23, 2016, the Board of Directors of Greatbatch, Inc. ("Greatbatch") declared a pro rata dividend to Greatbatch common stockholders of record as of the close of business on March 7, 2016 (the "Record Date") of 100% of the outstanding shares of Nuvectra Corporation (previously QiG Group, LLC) ("Nuvectra") common stock, par value \$0.001 per share, payable on March 14, 2016 (the "Distribution Date"). On the Distribution Date, Greatbatch completed the spin-off of Nuvectra (the "Spin-off") and each such shareholder who held Greatbatch common stock as of the close of business on the Record Date and did not sell their shares of Greatbatch common stock prior to the Distribution Date received one (1) share of Nuvectra common stock for every three (3) shares of Greatbatch common stock owned as of the close of business on the Record Date.

The information contained herein does not constitute tax advice and is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties under the Internal Revenue Code. In addition, this information does not purport to be complete or to describe the consequences that may apply to particular categories of Greatbatch stockholders.

Stockholders are urged to consult their own tax advisor regarding the particular consequences of the Spin-off, including the applicability and effect of all U.S. federal, state and local, and foreign tax laws.

Line 15. Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.

Greatbatch stockholders should allocate their aggregate tax basis in their Greatbatch common stock held immediately prior to the Distribution Date among the shares of Nuvectra common stock received in the Spin-off (including any fractional share of Nuvectra common stock for which cash was received) and the Greatbatch common stock in respect of which such Nuvectra common stock was received in proportion to their fair market values immediately after the Spin-off was completed.

Line 16. Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.

The U.S. federal income tax laws provide that the allocation of the aggregate tax basis discussed under Line 15 above shall be allocated based on the fair market value of the resulting Greatbatch common stock and Nuvectra shares of common stock received. However, the tax law does not provide any further guidance on the determination of fair market value. One method to determine the fair market value is to use the average of the high and low trading prices of the Greatbatch common stock and Nuvectra common stock. The average of the high and low trading prices of Greatbatch common stock, and of

Nuvectora common stock on March 14, 2016 (the first “regular-way” trading day for the Nuvectora common stock) was \$35.12 and \$9.48, respectively. Using this as the fair market value, and the distribution ratio of one (1) Nuvectora share of common stock received per three (3) Greatbatch shares of common stock held, the pre distribution tax basis in each Greatbatch share of common stock should be allocated 91.745% to that Greatbatch share of common stock and 8.255% to the Nuvectora share of common stock received with respect to that Greatbatch share of common stock.

Line 17. List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.

The applicable Internal Revenue Code sections upon which the tax treatment is based are sections 355, 354(a), 358(a)(1), 358(b), and 358(c).

Line 18. Can any resulting loss be recognized?

Greatbatch intends for the Spin-off to qualify as a “reorganization” under sections 355 of the Internal Revenue Code. Assuming that this characterization is respected, Greatbatch stockholders generally will not recognize any loss on the Spin-off for U.S. federal income tax purposes (except to the extent that a loss may be recognized with respect to any cash received in lieu of fractional shares of Nuvectora common stock).

Line 19. Provide any other information necessary to implement the adjustment, such as the reportable tax year.

The Spin-off occurred on March 14, 2016. As a result, the basis adjustments in the shares of Greatbatch common stock and Nuvectora common stock should be reported in the taxable year that includes this date. In the case of stockholders who are calendar year taxpayers, the Spin-off is reportable in the tax year ending December 31, 2016.