

CRYOLIFE, INC.
CORPORATE GOVERNANCE GUIDELINES

Governance Principles

The following principles have been recommended by the Nominating and Corporate Governance Committee and approved by the Board of Directors. Along with the Corporation's charter and Bylaws and the charters and key practices of the Board's committees, these principles provide the framework for the governance of CryoLife. The Nominating and Corporate Governance Committee and the Board recognize that there is an ongoing and energetic debate about corporate governance, and will review these principles and other aspects of CryoLife governance annually or more often if deemed appropriate.

1. Functions of Board

The Board of Directors has a minimum of four scheduled meetings per year, at which it reviews and discusses reports by management on the performance of the Corporation, its plans and prospects, as well as important issues facing the Corporation. In addition to its general oversight of management, the Board also performs a number of specific functions, including:

- a. Selecting, evaluating and compensating the CEO and overseeing CEO succession planning;
- b. Providing counsel on the selection, evaluation, development and compensation of senior management, as needed;
- c. Reviewing and approving the Corporation's significant business and financial strategies – including acquisitions, dispositions, and licensing arrangements -- policies and long-term goals;
- d. Reviewing and evaluating the Corporation's results and performance;
- e. Reviewing the Corporation's annual operating budget and non-routine and unbudgeted, material (i.e., more than \$1 million) expenditures of capital, material transactions, and other material corporate actions;
- f. Reviewing, through the Audit Committee, the Corporation's financial controls and reporting systems and critical accounting policies and procedures;
- g. Assessing major risks facing the Corporation and reviewing options for their elimination, reduction or mitigation;
- h. Overseeing the Corporation's establishment of processes for maintaining and improving the integrity of the Corporation, the quality and soundness of the financial statements, the compliance with foreign, federal and state laws, and relationships with customers, suppliers and other stakeholders; and
- i. Identifying, through the Nominating and Corporate Governance Committee, candidates for election to the Board.

2. Director Qualifications

The Board shall have at least a majority of directors who, in the business judgment of the Board, meet the criteria for independence established by the New York Stock Exchange (NYSE) for continued listing and all other applicable legal requirements. The Board acknowledges, however, that directors who do not

meet the NYSE's independence standards may also make valuable contributions to the Board and to the Corporation by reason of their experience and wisdom.

In order for a director to be considered independent under the NYSE rules, the Board must determine that a director does not have any direct or indirect material relationship with CryoLife (either directly or as a partner, shareholder or officer of an organization that has a relationship with CryoLife). The Board has established the following guidelines to assist it in determining director independence in accordance with NYSE rules:

- a. A director will not be independent if: (i) either currently or within the preceding three years, the director is or was employed by CryoLife, (ii) either currently or within the preceding three years, an immediate family member of the director is or was employed by CryoLife as an executive officer, (iii) the director or an immediate family member of the director received more than \$120,000 in direct compensation over any 12-month period within the last three years from CryoLife, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service); (iv) the director is a current partner or employee of CryoLife's present internal or independent auditors or within the last three years was a partner or employee of a firm that was CryoLife's internal or external auditor and personally worked on CryoLife's audit within that time; (v) an immediate family member of the director is a current partner at CryoLife's present internal or independent auditors, or an immediate family member of the director is a current employee of CryoLife's present internal or independent auditors who personally works on CryoLife's audit, or within the last three years, an immediate family member of the director was a partner or employee of a firm that was CryoLife's internal or external auditor and personally worked on CryoLife's audit within that time; (vi) the director or an immediate family member of the director is, or was within the last three years, employed as an executive officer of another company where any of CryoLife's current executive officers serve or served, at the same time, on that company's compensation committee; or (vii) the director is a current executive officer or employee, or an immediate family member of the director is a current executive officer, of another company that makes payments to or receives payments from CryoLife, for property or services in an amount which, in any of the last three fiscal years, exceeded the greater of \$1 million or two percent of the other company's consolidated gross revenues. (Contributions to tax-exempt organizations shall not be considered payments for purposes of subparagraph (vii), provided, however, that CryoLife shall disclose in its annual proxy statement any such contributions made by it to any tax-exempt organization in which any independent director serves as an executive officer if, within the preceding three years, contributions in any single fiscal year from CryoLife to the organization exceeded the greater of \$1 million, or 2% of such tax-exempt organization's consolidated gross revenues. The Board of Directors will consider the materiality of any such relationship in evaluating the independence of any such director.)
- b. The following commercial or charitable relationships will not be considered to be material relationships that would impair a director's independence: (i) if a CryoLife director is a partner, executive officer, or controlling shareholder of another company or business that does business with CryoLife, and the annual amount paid to, or received from, CryoLife in the preceding calendar year, or expected to be paid or received in the current calendar year, is less than \$120,000 and is also less than fifteen percent of the annual revenues of such company or business in such years; (ii) if a CryoLife director provides professional services to CryoLife, such as legal, investment banking or consulting services, either individually or through a personal corporation, and the annual amount received from CryoLife in the preceding calendar year, or expected to be received in the current calendar year, is less than \$120,000 and is also less than fifteen percent of the gross annual income of such director in such years, (iii) if a CryoLife director is an executive officer of another company which is indebted to CryoLife, or to which CryoLife is indebted, and the total amount of either company's indebtedness to the other is less than five percent of the total consolidated assets of the company of which he or she serves as an executive officer; and (iv) if a CryoLife director serves as an officer, director or trustee of a

charitable organization, and CryoLife's discretionary charitable contributions to the organization are less than two percent of that organization's total annual charitable receipts. (Any matching of employee charitable contributions by CryoLife pursuant to an established CryoLife program will not be included in the amount of CryoLife's contributions for this purpose.) The Board will annually review all commercial and charitable relationships of directors.

- c. For all relationships that do not fall under a. and b. above, the determination of whether the relationship is material or not, and therefore whether the director is independent or not, shall be made by the Board.
- d. In addition to qualifying as "independent" within the meaning of NYSE rules, as noted in paragraph a. above, each member of the Compensation Committee must be a "non-employee director" within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and at least two members of the Compensation Committee must be "outside directors" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder. In determining the independence of any director who will serve on the Compensation Committee, the Board shall consider all factors specifically relevant to determining whether such director has a relationship with the Corporation that is material to the director's ability to be independent from management in connection with the duties of a Compensation Committee member, including, but not limited to (i) the source of compensation of such director, including any consulting, advisory, or other compensatory fee paid by the Corporation to the director, and (ii) whether such director is affiliated with the Corporation, a subsidiary of the Corporation, or an affiliate of a subsidiary of the Corporation.

The Nominating and Corporate Governance Committee is responsible for reviewing with the Board, on an annual basis, the requisite skills and characteristics Board members should possess, as well as the composition of the Board as a whole. This review will include assessment of the absence or presence of material relationships with the Corporation that might impact independence, as well as consideration of diversity, experience, age, skills, time available and the number of other boards the member sits on in the context of the needs of the Board and the Corporation, and such other criteria as the Committee shall determine to be relevant at the time. Nominees for directorships are recommended by the Nominating and Corporate Governance Committee to the Board in accordance with the foregoing and the policies and principles in its charter. In evaluating the suitability of individual Board members, the Board takes into account many factors, including general understanding of marketing, finance and other elements relevant to the success of a publicly traded medical device company in today's business environment, understanding of CryoLife's business on a technical level, and educational and professional background. The Board evaluates each individual in the context of the Board as a whole, with the objective of developing a group that can best enhance the success of the business and represent shareholder interests through the exercise of sound judgment using its diversity of experience in these various areas. In determining whether to recommend a director for re-election, the Nominating and Corporate Governance Committee also considers the director's past attendance at meetings and participation in and contributions to the activities of the Board. The invitation to join the Board should be extended jointly by the Chairman of the Board, the Chair of the Nominating and Corporate Governance Committee and the Presiding Director on behalf of the Board.

The Board believes that six to ten Board members are appropriate for the Corporation's present needs. Each director will stand for election or re-election to the Board annually.

The Board does not believe it should establish term limits because term limits result in the loss of the contribution of directors who have been able to develop, over a period of time, increasing insight into the Corporation and its operations. As an alternative to term limits, the Nominating and Corporate Governance Committee will review annually the appropriateness of each director's continuation on the Board. No director shall have tenure rights. Directors who materially change the principal occupation or business association they held when they were originally invited to join the Board will offer to voluntarily resign from the Board. The Board does not believe that the directors who retire or change from the

position they held when they came on the Board should necessarily leave the Board. The Board, through the Nominating and Corporate Governance Committee, will review the continued appropriateness of Board membership under the circumstances, and if it is determined that the director's continued Board membership is not appropriate, the director will tender a written letter of resignation to the Chairman of the Board and the Presiding Director.

The Nominating and Corporate Governance Committee and the full Board will take into account the nature of, and time involved in, a director's service on other boards in evaluating the suitability of individual directors and making recommendations to the Corporation's shareholders. Service on boards and/or committees of other for-profit organizations should be consistent with the Corporation's conflict of interest policies. The Board does not believe that its members should generally be prohibited from serving on boards and/or committees of other organizations. However, directors may serve on no more than two public company boards in addition to CryoLife's, and the Corporation's CEO must obtain prior written authorization from the Board to serve on the governing body of any organization.

3. Director Responsibilities

The property, affairs and business of the Corporation shall be managed by the Board of Directors. In fulfilling their responsibilities, directors must exercise their independent and informed business judgment to act in what they reasonably believe to be the best interests of the Corporation. In discharging that obligation, directors are entitled to rely on the honesty and integrity of the Corporation's senior executives and its outside advisors and auditors. The Corporation shall at all times maintain directors' and officers' liability insurance in such amounts and upon such terms as the Board deems appropriate and as is obtainable at reasonable cost.

Board decisions must be made on the basis of adequate information and after careful and deliberate consideration. Directors are expected to attend Board meetings and meetings of committees on which they serve, and to spend the time needed and to meet as frequently as necessary to properly discharge their responsibilities. Directors are also expected to attend the Annual Meeting of Shareholders. Information and data relevant to an understanding of the Corporation's business and the subjects to be presented at meetings of the Board and its committees will be distributed by the Corporation's Corporate Secretary in writing to the directors sufficiently in advance of any meeting. Sensitivity of the material or other circumstances may, from time to time, dictate that certain information is presented only at a meeting. Under normal circumstances, the directors are expected to thoroughly review all meeting materials in advance of a meeting.

The Presiding Director will prepare the agenda for each Board meeting, and in consultation with Committee Chairmen, each Committee meeting. Each Board member is free to (1) suggest the inclusion of items on the agendas and (2) raise at any such meeting subjects that are not on the agenda for that meeting. The Board will review the Corporation's long-term strategic plans at least annually and on a continuing basis as needed during the year.

The Presiding Director will coordinate the activities of the non-employee and independent directors, and will advise the Chairman if the Presiding Director is not also the Chairman. The Presiding Director will also undertake the following duties: determine appropriate schedules for Board meetings, seek to encourage that the non-employee and independent directors perform their duties responsibly while not interfering with the flow of the Corporation's operations; assess the quality, quantity, and timeliness of the flow of information from the Corporation's management that is necessary for the non-employee and independent directors to effectively and responsibly perform their duties, including requesting the inclusion of certain materials for the Board; direct the retention of consultants who report directly to the Board; oversee the Nominating and Corporate Governance Committee's activities respecting compliance with and implementation of the Corporation's corporate governance policies and monitor the Chairman of

the Nominating and Corporate Governance Committee's oversight of the process to recommend revisions to the Corporation's corporate governance policies; oversee the Regulatory Affairs and Quality Assurance Policy Committee's activities respecting compliance with and implementation of the Corporation's policies and procedures for the development and implementation of enhanced safety processes and procedures for new and existing products; coordinate and develop agendas for, and moderate, executive sessions of the Board's non-employee and independent directors; act as principal liaison between the non-employee and independent directors, on the one hand, and the Chief Executive Officer, on the other, on sensitive issues; evaluate, along with the members of the Compensation Committee and the Nominating and Corporate Governance Committee, the Chief Executive Officer's performance and meet with the Chief Executive Officer to discuss the Board's evaluation; oversee the recommendations of the membership of the various Board committees, as well as selection of the committee chairpersons by the Nominating and Corporate Governance Committee. The Presiding Director shall have the authority to retain such counsel or consultants as the Presiding Director deems necessary to perform his or her responsibilities. In addition, the independent members of the Board, as a group, shall have the authority to retain their own advisors to the extent they deem it appropriate, subject to the approval of the Presiding Director.

The non-employee directors will meet in executive session, without employee directors present, at least four times a year, or at each formal, in-person meeting of the Board, whichever is greater. The Presiding Director must be independent and will be chosen annually by a majority of the non-employee directors. The name of the Presiding Director will be disclosed in the annual proxy statement. In addition, the independent directors, if not all non-employee directors are independent, shall meet in executive session at least once each year.

4. Board Committees

The Board will have at all times an Audit Committee, a Compensation Committee, a Nominating and Corporate Governance Committee, and a Regulatory Affairs and Quality Assurance Policy Committee. All of the members of the Audit, Compensation and Nominating and Corporate Governance Committees shall be independent directors to the extent required under the listing standards of the New York Stock Exchange and SEC rules and will meet all other applicable legal requirements. Committee members will be appointed by the Board after taking into consideration the recommendations of the Nominating and Corporate Governance Committee. As every effort is made to match a particular director with a committee or committees that best suit that director's experience, the Board does not believe that rotation of members among committees should be mandated as a policy.

Each of the committees listed below will have its own charter that will be published on the Corporation's website and will be available to shareholders upon their request. The charters will set forth the purposes, goals and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board. The charters will also provide that each committee will annually evaluate its performance. Committee charters will be reviewed at least annually and updated to the extent necessary or desirable. Each committee will perform its duties as assigned by the Board of Directors in compliance with Corporation bylaws. These may be described briefly as follows:

- Audit Committee. The Audit Committee reviews the Corporation's internal accounting and audit processes and the work of the Corporation's independent and internal auditors. The committee has sole authority to appoint and terminate the Corporation's independent and internal auditors. The committee also oversees the Corporation's regulatory compliance.
- Compensation Committee. The Compensation Committee oversees the executive compensation structure of the Corporation, administers stock incentive plans and all other executive compensation plans and reviews and makes recommendations to the Board regarding the adoption and amendment of all executive benefit plans and all non-employee director

compensation. The committee shall have access to information and surveys as to market levels of compensation and, based on this and other relevant information and on evaluations, shall determine executive compensation levels. The Compensation Committee also is responsible, jointly with the Nominating and Corporate Governance Committee, for evaluating annually the performance of the CEO.

- Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee is responsible for recommending to the Board individuals to be nominated as directors and serve on Board committees. This committee also oversees the evaluation of executive management and the Board of Directors. This includes evaluation of new candidates as well as evaluation of current directors. Further, the committee is responsible for oversight of Corporate Governance issues and an annual evaluation, jointly with the Compensation Committee, of the performance of the CEO.
- Regulatory Affairs and Quality Assurance Policy Committee. The Regulatory Affairs and Quality Assurance Policy Committee is responsible for assisting the Audit Committee in overseeing the Corporation's regulatory affairs and quality assurance relating to new and existing products and services. This includes meeting with the Corporation's in-house quality auditors, regulatory affairs and quality assurance administrators; receiving updates concerning development and implementation of improved safety processes and procedures for new and existing products; and becoming apprised of and making recommendations to the Audit Committee concerning the Corporation's safety processes and procedures for new and existing products.

The Chairman of each committee, in consultation with the committee members, will determine the frequency of the committee meetings consistent with any requirements set forth in the committee's charter. Committee meetings are held in conjunction with regular Board meetings unless circumstances necessitate a special meeting. The Chairman of each committee will present a report of each committee meeting to the full Board, or in the case of the Regulatory Affairs and Quality Assurance Policy Committee, to the Audit Committee, or to the full Board if so requested by the Chairman of the Board, the Presiding Director or the Chairman of the Audit Committee. The Chairman of each committee will consult with the Presiding Director to develop the committee's agenda. The schedule for each committee will be furnished to all directors.

Each committee shall be authorized, on its own decision, to retain legal and/or other advisors of its choice, with such advisors reporting directly to the committee, pursuant to, and to the extent set forth in, its charter. The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

5. Director Access to Officers, Employees and Advisors

Directors shall have timely and complete access to any information in the Corporation's possession that they deem necessary to fulfill their responsibilities. Directors shall also have full and free access to officers and employees of the Corporation. Any meetings or contacts that a director wishes to initiate may be arranged through the CEO or the General Counsel or directly by the director. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Corporation and will, to the extent appropriate, copy the CEO and General Counsel on any written communications between a director and an officer or employee of the Corporation.

6. Non-Employee Director Compensation

The Compensation Committee will make recommendations to the Board of Directors with respect to the form, amount and terms of non-employee director and committee member compensation in accordance with the policies and principles set forth in CryoLife's guidelines, the listing standards of the New York

Stock Exchange and all other applicable legal requirements. In connection with such recommendations, the Committee may conduct an annual review of director compensation practices at other comparable companies and may engage consultants and advisors to assist it with such review. In discharging this duty, the Committee shall be guided by three goals: compensation should fairly pay non-employee directors for work required in a company of CryoLife's size and complexity; compensation should align directors' interests with the long-term interests of shareholders; and the structure of the compensation should be simple, transparent and easy for shareholders to understand. In making its determination, the Compensation Committee shall also consider (i) the impact on directors' independence of the amount, form and terms of director compensation, acknowledging that directors' independence can be impacted if fees and emoluments exceed what is customary and (ii) whether there is any indirect compensation payable to or benefit conferred or payable to the director by reason of any substantial charitable contributions by the Corporation to any charitable organization or private foundation with which the director is affiliated, pursuant to any consulting arrangement or otherwise. Non-employee directors who serve on the Audit Committee may not receive any compensation from the Corporation other than compensation received in their capacity as a non-employee director or committee member.

7. Director Orientation and Continuing Education

All new directors must participate in the Corporation's Orientation Program, which should be conducted within six months of the meeting at which new directors are elected. This orientation will include presentations by senior management to familiarize new directors with the Corporation's strategic plans; its significant financial, accounting and risk management issues; its compliance programs; its Code of Business Conduct and Ethics; its principal officers; and its internal and independent auditors.

The Corporation may develop continuing education programs sponsored by the Corporation throughout the year, including programs addressing legal, financial, regulatory and industry-specific topics. Directors are encouraged to attend one director education seminar annually. The Presiding Director shall annually attend an accredited director education program.

8. CEO Evaluation and Management Succession

The Compensation Committee and the Nominating and Corporate Governance Committee will jointly conduct an annual review of the CEO's performance. The Board of Directors will review the Committees' report in order to ensure that the CEO is providing effective leadership for the Corporation in the long and short-term.

The Nominating and Corporate Governance Committee will also make an annual report to the Board on succession planning. The entire Board will work with the Nominating and Corporate Governance Committee to evaluate the succession plan. At least annually, the CEO shall discuss his or her recommendations and evaluations with respect to the plan.

9. Annual Board Performance Evaluation

The Board of Directors will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Nominating and Corporate Governance Committee will receive comments from all directors and report annually to the Board with an assessment of the Board's performance. This assessment will be discussed with the full Board at that time. The assessment will focus on the Board's contribution to the Corporation and specifically focus on areas in which the Board or management believes that the Board could improve.

10. External Communications

The Board believes that management speaks and acts for the Corporation. Individual Board members may have occasion to meet or otherwise communicate with various constituencies of the Corporation. It is expected that Board members will do this only with management's knowledge and approval, and that they will promptly advise the CEO of the nature and content of any such communication, subject to the protections afforded employees who raise complaints or concerns.

11. Stock Ownership Requirements

It is clearly in the interest of the Corporation that the Corporation's directors and executive officers shall beneficially own shares of common stock of the Corporation. Accordingly, the Board has established the following requirements:

- a. All non-employee directors should continuously own a minimum of 30,000 shares once they have achieved five years of Board service.
- b. Effective February 18, 2015 (February 18, 2017 for the Vice President—Research and Development and February 18, 2018 for the Vice President, U.S. Sales and Marketing and Senior Vice President, International Sales and Marketing), the following executive officers should continuously own the lesser of the Required Shares or a number of shares having the Required Value, as indicated below:

Executive	Required Shares¹	Required Value¹
Chief Executive Officer	420,000	\$2,100,000
Chief Financial Officer	100,000	\$500,000
General Counsel	58,000	\$290,000
Vice President—Research and Development	40,000	\$200,000
Vice President—Regulatory Affairs and Quality Assurance	54,000	\$270,000
Vice-President—Clinical Research	53,000	\$265,000
Vice-President - U.S. Sales and Marketing	50,000	\$250,000
Senior Vice- President — International Sales and Marketing	50,000	\$250,000

¹ Policy requires the lesser of the "Required Shares" or the "Required Value."

- c. In addition, each such executive officer who has not yet acquired ownership of the number of shares specified above must retain at least 50% of the net number of shares acquired upon the exercise of any employee stock option or the vesting of any performance shares, restricted stock or restricted stock units (the net number of shares acquired shall be the number of shares remaining after shares are tendered, sold or netted to pay any applicable exercise price and withholding taxes).
- d. There may be instances where abiding by these stock ownership guidelines places an undue hardship on a director or executive officer, although it is anticipated that such instances will be

rare. In such a case, the Chairman of the Nominating and Corporate Governance Committee will make the final decision as to developing an alternative to these stock ownership guidelines for such a director or executive officer that reflects the intent of these stock ownership guidelines and the individual's personal circumstances.

For purposes of this section 11, the shares counted towards satisfying an officers' or directors' ownership requirement shall include shares owned directly or indirectly through a stock purchase plan sponsored by the Corporation, by such person's spouse, in a revocable trust of which such person or such person's spouse is the trustee, as well as any other shares related to or underlying vested or unvested restricted stock, restricted stock units or performance stock units (at actual, earned levels and only if and to the extent that any applicable performance criteria have been satisfied) held by such person but shall not include shares held through any other form of indirect beneficial ownership or shares underlying unexercised options.

The foregoing considerations of share ownership are, and all future considerations of share ownership shall be, designed to align the interests of the Board and executives with those of the shareholders, taking into account that share ownership requirements must ensure that Board members and executives have a sufficient stake in the Corporation to share in the financial fortunes of shareholders while also considering the appropriate financial planning and needs of individual directors and executives.

12. Insider Trading Compliance

The Corporation will have a trading compliance officer who will be a director or an officer at the level of senior vice president or above or the General Counsel and who will be appointed by the Board. The trading compliance officer will be responsible, with Board involvement, for developing, presenting to the Board for approval, monitoring and updating a comprehensive trading compliance program designed to monitor and promote compliance with the Corporation's Policy on Trading in Company Securities, with the Board remaining responsible for direct oversight of the trading compliance program and the trading compliance officer. The trading compliance officer will be directly accessible to each non-employee member of the Board, including being available to meet outside the presence of any other member of management. At least once yearly, the trading compliance officer will provide non-employee directors with a report outside the presence of any other member of management.

13. Disclosure of These Guidelines

It shall be the responsibility of the Corporate Secretary of the Corporation to ensure that the current version of these guidelines is posted on the Corporation's website at <http://www.cryolife.com>. The Corporation's shareholders shall be apprised of the availability of these Guidelines on the Corporation's website. Any shareholder of the Corporation may obtain a copy of the Guidelines upon request to the Corporation's Investor Relations group.

14. Code of Business Conduct and Ethics

The Corporation will at all times maintain a Code of Business Conduct and Ethics for its employees, officers and directors, including its Chief Executive Officer, principal financial officer and principal accounting officer or controller. The Board expects directors, as well as the Corporation's officers and employees, to act ethically at all times and to adhere to the Corporation's Code of Business Conduct and Ethics.

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