REGISTRATION NO. 333-

FORM S-8
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

CRYOLIFE, INC.
(Exact name of registrant as specified in its charter)

Florida	59-2417093
(State or other jurisdiction of incorporation or organization	(I.R.S. Employer Identification No.)

1655 Roberts Boulevard, NW, Kennesaw, Georgia 30144
(Address of Principal Executive Offices) (Zip Code)

CryoLife, Inc. Directors Options
(Full title of the plan)

Steven G. Anderson, President, CEO and
Chairman of the Board of Directors
CryoLife, Inc.
1655 Roberts Boulevard, NW
Kennesaw Georgia 30144
(Name and address of agent for service)

(770) 419-3355
(Telephone number, including area code, of agent for service)

Copy to:
T. Clark Fitzgerald III, Esq.
Arnall Golden & Gregory, LLP
2800 One Atlantic Center
1201 West Peachtree Street
Atlanta, Georgia 30303-3450
(404) 873-8500

Calculation of Registration Fee

Title of securities to be registered	Amount to be registered	Proposed maximum offering price per share	Proposed maximum aggregate offering price	Amount of registration fee*
Common Stock, $1.00 par value	93,000 Shares	$15.282	$1,421,250	$431.00

<FN>

* Calculated pursuant to Rule 475(h) as follows: (a) with respect to 21,000 shares based upon the exercise price of $10.25 per share and (b) with respect to 72,000 shares based upon the exercise price of $16.75 per share.
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PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Certain Documents by Reference.

The following documents are incorporated by reference in the Registration Statement:

(a) The Registrant's Annual Report on Form 10-K filed with respect to the Registrant's fiscal year ended December 31, 1996.

(b) The Registrant's Quarterly Reports on Form 10-Q filed with respect to the Registrant's fiscal quarters ended March 31, 1997 and June 30, 1997.

(c) The Registrant's Current Report on Form 8-K filed with the

Securities and Exchange Commission on February 28, 1997.

(d) The Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 19, 1997, as amended by Registrant's Amendment to Current Report on Form 8-K/A filed with the Securities and Exchange Commission on May 15, 1997.

(e) The description of the Registrant's Common Stock contained in the Registrant's registration statement filed under Section 12 of the Securities Exchange Act of 1934, including any amendment or report filed for the purpose of updating such description.

(f) All documents subsequently filed by the Registrant pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, prior to the filing of a post-effective amendment to this registration statement which indicates that all of the shares of Common Stock offered have been sold or which deregisters all of such shares then remaining unsold, shall be deemed to be incorporated by reference in this registration statement and to be a part hereof from the date of filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this registration statement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this registration statement.

Item 4. Description of Securities

Not applicable.

Item 5. Interests of Named Experts and Counsel.

Not applicable.

Item 6. Indemnification of Directors and Officers.

The Registrant is a Florida corporation. The following summary is qualified in its entirety by reference to the complete text of the Florida Business Corporation Act (the "FBCA"), the Registrant's Restated Articles of Incorporation, and the Registrant's Bylaws.

Under Section 607.0850(1) of the FBCA, a corporation may indemnify any of its directors and officers against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding (including any appeal thereof) (i) if such person acted in good faith and in a manner he or she reasonably believed to be in, or not

opposed to, the best interests of the corporation, and (ii) with respect to any criminal action or proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful. In actions brought by or in the right of the corporation, however, Section 607.0850(2) provides that no indemnification shall be made in respect of any claim, issue or matter as to which the director or officer shall have been adjudged to be liable unless, and only to the extent that, the court in which such proceeding was brought, or any other court of competent jurisdiction, shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper. Article X of the Registrant's Restated Articles of Incorporation and Article VI of the Registrant's Bylaws require that, if in the judgment of the majority of the Board of Directors (excluding from such majority any director under consideration for indemnification) the criteria set forth under Section 607.0850 have been met, then the Registrant shall indemnify its directors and officers for certain liabilities incurred in the performance of their duties on behalf of the Registrant to the maximum extent allowed by Section 607.0850 of the FBCA (formerly Section 607.014 of the Florida General Corporation Act).

The Securities Purchase Agreement dated December 17, 1985 between the Registrant and certain shareholders of the Registrant provides that any investors exercising registration rights pursuant to such agreement must indemnify the officers and directors signing the registration statement against any liability arising from statements or omissions made in reliance upon information furnished by such investors to the Registrant for use in such registration statement.

The registration rights agreement dated August 22, 1991, among the Registrant, Galen Partners, L.P. ("Galen"), and Galen Partners International, L.P. ("Galen International") provides that if Galen or Galen International exercises its registration rights, then such prospective seller and any underwriter acting on its behalf shall have agreed to indemnify the Registrant and each officer and director signing such registration statement for any liability arising from any untrue statement or omission made in such registration statement in reliance upon written information provided to the Registrant for use in such registration statement. The registration rights agreement further specifies that the indemnification rights granted therein shall be inoperative if, in connection with an underwritten public offering, an underwriting agreement is executed containing provisions covering indemnification among the partners thereto.

The Agreement and Plan of Merger dated March 5, 1997, between Registrant and Ideas for Medicine, Inc. ("IFM") and certain stockholders of IFM provides that any investors exercising registration rights pursuant to such agreement must indemnify the officers and directors signing the registration statement against any liability arising from statements or omissions made in reliance upon information furnished by such investors to the Registrant for use in such registration statement.

The Registrant has purchased insurance to insure (i) the Registrant's directors and officers against damages from actions and claims incurred in the course of their duties, and (ii) the Registrant against expenses incurred in defending lawsuits arising from certain alleged acts of its directors and officers.

Item 7. Exemption from Registration Claimed.

Not applicable.

Item 8. Exhibits.

Exhibit No.	Exhibit
3.1	Restated Certificate of Incorporation of the Company, as amended, (Incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form S-1 (No. 33-56388.)
3.2	Amendment to Articles of Incorporation of the Company dated November 29, 1995. (Incorporated by reference to Exhibit 3.2 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1995.)

3.3	Amendment to the Company's Articles of Incorporation to increase the number of authorized shares of common stock from 20 million to 50 million shares and to delete the requirement that all preferred shares have one vote per share. (Incorporated by reference to Exhibit 3.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1996.)
3.4	ByLaws of the Company, as amended. (Incorporated by reference to Exhibit 3.2 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1995.)
4.1	Form of Certificate for the Company's Common Stock. (Incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-1 (No. 33-56388).)
5*	Opinion of Arnall Golden & Gregory, LLP regarding legality
23.1*	Consent of Arnall Golden & Gregory, LLP (included as part of Exhibit 5 hereto)

23.2*	Consent of Ernst & Young LLP
23.3*	Consent of KPMG Peat Marwick LLP
99.1*	Amended and Restated Non-Employees Directors Stock Option Plan
99.2*	Form of Director Option Agreement

* Filed herewith.

Item 9. Undertakings.

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

Provided, however, that paragraph (a)(1)(i) and (a)(1)(ii) shall not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(h) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the provisions described in Item 6, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or

proceedings) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Kennesaw, State of Georgia on June 16, 1997.

CRYOLIFE, INC.

By: /s/ Steven G. Anderson
Steven G. Anderson
President, Chief Executive Officer and
Chairman of the Board of Directors

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Steven G. Anderson, Ronald D. McCall and Edwin B. Cordell, Jr. and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place, and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

PRINCIPAL EXECUTIVE, FINANCIAL & ACCOUNTING OFFICERS AND DIRECTORS:

Name	Title	Date
/s/ Steven G. Anderson Steven G. Anderson	President, Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)	June 16, 1997
/s/ Edwin B. Cordell, Jr. Edwin B. Cordell, Jr.	Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	June 16, 1997
/s/ Ronald D. McCall Ronald D. McCall	Director	June 12, 1997
/s/ Benjamin H. Gray Benjamin H. Gray	Director	June 17, 1997
/s/ Ronald Charles Elkins, M.D.	Director	June 19, 1997

ARNALL GOLDEN & GREGORY, LLP
2800 ONE ATLANTIC CENTER
1201 WEST PEACHTREE STREET
ATLANTA, GA 30309-3450

WRITER'S DIRECT DIAL NUMBER
(404) 873-8500
WRITER'S DIRECT DIAL FACSIMILE
(404) 873-8501

August 20, 1997

CryoLife, Inc.
1655 Roberts Boulevard, N.W.
Kennesaw, Georgia 30144

Re: Registration Statement on Form S-8

Ladies and Gentlemen:

This opinion is rendered in connection with the proposed issue and sale by CryoLife, Inc., a Florida corporation (the "Company"), of up to 93,000 shares of the Company's Common Stock, $.01 par value (the "Shares"), pursuant to the Company's Directors Options ("Options") upon the terms and conditions set forth in the Registration Statement on Form S-8 (the "Registration Statement") filed by the Company with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Act"). We have acted as counsel for the Company in connection with the issuance and sale of the Shares by the Company.

In rendering the opinion contained herein, we have relied in part upon examination of the Company's corporate records, documents, certificates and other instruments and the examination of such questions of law as we have considered necessary or appropriate for the purpose of this opinion. Based upon the foregoing, and assuming that the purchase price of each of the Shares will exceed the par value thereof, we are of the opinion that the Shares have been duly and validly authorized and when sold in the manner contemplated by the Options, and upon receipt by the Company of payment therefor, and upon issuance pursuant to a current prospectus in conformity with the Act, they will be legally issued, fully paid and non-assessable.

We consent to the filing of this opinion as an exhibit to the Registration Statement. This consent is not to be construed as an admission that we are a party whose consent is required to be filed with the Registration Statement under the provisions of the Act.

Sincerely,

ARNALL GOLDEN & GREGORY, LLP
ARNALL GOLDEN & GREGORY, LLP

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Consent of Independent Auditors

We consent to the incorporation by reference in this Registration Statement (Form S-8) pertaining to the CryoLife, Inc. Directors Options of our reports (a) dated February 7, 1997, except for Note 13 as to which the date is March 5, 1997, with respect to the consolidated financial statements of CryoLife, Inc. incorporated by reference in its Annual Report (Form 10-K) and the related financial statement schedule included therein and (b) dated February 5, 1997, with respect to the financial statements of Ideas for Medicine, Inc. included in CryoLife, Inc.'s Form 8-K/A (Amendment No. 1) dated March 5, 1997 both for the year ended December 31, 1996 filed with the Securities and Exchange Commission.

/s/ ERNST & YOUNG LLP
ERNST & YOUNG LLP

Atlanta, Georgia
August 14, 1997

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ACCOUNTANTS' CONSENT

The Board of Directors
CryoLife, Inc.

We consent to the use of our report incorporated herein by reference.

/s/ KPMG PEAT MARWICK LLP
KPMG PEAT MARWICK LLP

Atlanta, Georgia
August 14, 1997
464781.1

CRYOLIFE, INC.

AMENDED AND RESTATED
NON-EMPLOYEE DIRECTORS
STOCK OPTION PLAN
MAY 15, 1997

CRYOLIFE, INC.
AMENDED AND RESTATED NON-EMPLOYEE DIRECTORS STOCK OPTION PLAN
As of May 15, 1997

This Amended and Restated Non-Employee Directors Stock Option Plan (the "Plan") is established to attract, retain and compensate for service as members of the Board of Directors highly qualified individuals who are not current employees of CryoLife, Inc. (the "Company") and to enable them to increase their ownership in the Company's Common Stock. This Plan will be beneficial to the Company and its stockholders since it will allow these directors to have a greater personal financial stake in the Company through the ownership of Common Stock of the Company, in addition to underscoring their common interest with stockholders in increasing the value of the Company over the longer term.

1. Eligibility. All members of the Company's Board of Directors who are not current employees of the Company or any of its subsidiaries ("Non-Employee Directors") are eligible to participate in this Plan.

2. Options. No stock options granted pursuant to this Plan ("Options") may be "incentive stock options" under Section 422 of the Internal Revenue Code of 1986, as amended.

3. Shares Available.

(a) Number of Shares Available. There are hereby reserved for issuance under this Plan 360,000 shares of Common Stock, $.01 par value per share, which may be authorized but unissued shares, treasury shares, or shares purchased on the open market or privately.

(b) Recapitalization Adjustment. In the event of a reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, rights offering, or any other change in the corporate structure or shares of the Company, adjustments in the number and kind of shares authorized by this Plan, and in the number and kind of shares covered by outstanding Options under this Plan, and in the option price thereof, shall be made if, and in the same manner as, such adjustments are made to options issued under any of the Company's plans then in effect pursuant to which incentive stock options may be granted.

4. Annual Grant of Stock Options. On the first business day (the

"Initial Award Date") following the Company's 1995 Annual Meeting of Stockholders (the "1995 Meeting"), each individual elected to serve as a Non-Employee Director shall automatically receive an Option to purchase (a) 25,000 Shares of Common Stock, if such individual has

previously served as a director of the Company for less than two years, or (b) 40,000 Shares of Common Stock, if such individual has previously served as a director of the Company for more than two years. For each year following the 1995 Meeting, on the first business day (a "Subsequent Award Date") following the Company's Annual Meeting of Stockholders, each individual elected, reelected or continuing as a Non-Employee Director shall automatically receive an Option to purchase 4,000 shares of Common Stock for each year prior to 1997, or 5,000 shares of Common Stock for each year beginning in 1997 (the "Annual Grant"); provided, however, if such director is an individual who has not previously served on the Board of Directors of the Company, such individual shall receive an Option to purchase 25,000 shares of Common Stock, in lieu of the Annual Grant, for such year. (The Initial Award Date and Subsequent Award Dates are referred to individually as an "Award Date.") Notwithstanding the foregoing, if, on an Award Date, the legal counsel of the Company determines, in his/her sole discretion, that the Company is in possession of material, undisclosed information about the Company, then that grant of Options to Non- Employee Directors shall be suspended until the second day after public dissemination of such information, and the price, exercisability dates and option period shall then be determined by reference to such later date. If Common Stock is not traded on the National Association of Securities Dealers Automatic Quotation System/ National Market System ("NASDAQ/NMS") on any date a grant would otherwise be awarded, then the grant shall be made the next day thereafter on which Common Stock is so traded. All Option grants pursuant to this Plan shall be evidenced by a written instrument consistent with the provisions hereof.

5. Option Price. The price of the Option shall be the last closing price of the Company's Common Stock on the NASDAQ/NMS prior to the grant of the Option.

6. Option Period. Subject to the limitations set forth in this Plan, an Option granted under the Plan shall vest and become exercisable in two equal, annual installments of 50% each on the first and second anniversary of the Option's Award Date. Subject to the limitations set forth in the Plan, the vested portion of an Option may be exercised at any time following the date on which it vests, provided that at the time of exercise all of the conditions set forth in the Plan have been met. Notwithstanding the foregoing, no Option may be exercised later than five years after the date of grant thereof. No portion of any Option may be exercised prior to one calendar year following the date of grant thereof.

7. Payment. The Option exercise price shall be paid in cash in U.S. dollars at the time the Option is exercised or in shares of Common Stock of the Company having an aggregate value equal to the Option exercise price (determined as of the first business day prior to the date of exercise, pursuant to the formula set forth in paragraph 5 above) or by a combination of cash and Common Stock. Option holders may elect to pay for the Option shares by delivery of vested Options with a value equal to the exercise price, such value to be equal to the difference between (i) the fair market value of the Common Stock (as

measured by the closing price on the NASDAQ/NMS) on the exercise date subject to the Option and (ii) the exercise price thereof.

8. Cessation of Service. Upon cessation of service as a Non-Employee Director (for reasons other than death), all Options, whether or not exercisable at the date of cessation of service, shall be forfeited by the grantee; provided, however, that if a grantee leaves the Board of Directors in "good standing" (for reasons other than death), such grantee's Options shall remain in effect, vest, become exercisable and expire as if the grantee had remained a Non-Employee Director of the Company. Whether or not a Non-Employee Director has left the Board in "good standing" shall be determined by the Company's Board of Directors, in its sole discretion; provided, however, that any Non-Employee Director who serves out his term but does not stand for reelection at the end thereof shall be deemed to have left the Board of Directors in "good standing."

9. Death. Upon the death of a Non-Employee Director, only those Options which were exercisable on the date of death shall be exercisable by his/her legal representatives or heirs. Such Options must be exercised within one year from date of death or they shall be automatically forfeited (but in no event may the Options be exercised beyond the last date which they could have been exercised had the Non-Employee Director not died).

10. Administration and Amendment of the Plan. This Plan shall be administered by the Board of Directors of the Company. This Plan may be terminated or amended by the Board of Directors as they deem advisable. However, amendments to this Plan shall not be made more frequently than every six months unless necessary to comply with the Internal Revenue Code of 1986, as amended, or with the Employee Retirement Income Security Act of 1974, as amended, or any successors thereto, or the regulations promulgated thereunder. No amendment may revoke or alter in a manner unfavorable to the grantees any Options then outstanding, nor may the Board amend this Plan without stockholder approval where the absence of such approval would cause the Plan to fail to comply with Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the "Act"), or any other requirement of applicable law or regulation. An Option may not be granted under this Plan after that date which is five years from the date of stockholder approval of this Plan, but Options granted prior to that date shall continue to become exercisable and may be exercised according to their terms.

11. Nontransferability. No Option granted under this Plan is transferable other than by will or the laws of descent and distribution. During the grantee's lifetime, an Option may be exercised only by the grantee or the grantee's guardian or legal representative.

12. Compliance with SEC Regulations. It is the Company's intent that this Plan comply in all respects with Rule 16b-3 under the Act and any regulations promulgated thereunder. If any provision of this Plan is at any time found not to be in compliance with the Rule, the provision shall be deemed null and void. All grants and exercises of Options

under this Plan shall be executed in accordance with the requirements of Section 16 of the Act, as amended, and any regulations promulgated thereunder.

13. Miscellaneous. Except as provided in this Plan, no Non-Employee Director shall have any claim or right to be granted an Option under this Plan. Neither this Plan nor any actions hereunder shall be construed as giving any director any right to be retained in the service of the Company.

14. Effective Date. This Plan shall be effective on March 27, 1995, subject to stockholder approval hereof being obtained at the Company's 1995 Annual Meeting of Stockholders; provided, however, that all Option grants, if any, made hereunder prior to this Plan having been approved by the Company's stockholders are hereby expressly made contingent upon obtaining such approval.

DIRECTORS STOCK OPTION AGREEMENT AND GRANT

THIS STOCK OPTION AGREEMENT (this "Agreement"), dated as of the 15th day of May, 1997, (the "Grant Date"), by, between and among CRYOLIFE, INC., a Florida Corporation (the "Corporation"), and RONALD D. McCALL, a member of the Board of Directors of the Corporation (a "Director") and an individual residing in Tampa, Florida (the "Optionee").

WITNESSETH:

WHEREAS, the Corporation wishes to grant to the Optionee an option (the "Option") to purchase the number of shares of Common Stock set forth in this Agreement and under the terms and conditions set forth herein including the provision that the Option is not an incentive stock option under Section 422 of the Internal Revenue Code of 1986, as amended ("Code");

NOW THEREFORE, in consideration of the foregoing, the mutual promises and covenants contained herein and the mutual benefit to be derived therefrom and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

1. Grant of Option: Subject to the terms and conditions set forth herein, the Corporation hereby grants to the Optionee the option to purchase, in the aggregate, up to 7,000 shares of the Common Stock (the "Shares") which shall consist of authorized and unissued shares of the Common Stock or, at the option of the Corporation, treasury shares of Common Stock. The Option shall be deemed granted by the Corporation to the Optionee as of the Grant Date.

2. Option Price: The price of the Option shall be the last closing price of the Corporation's Common Stock on the NASDAQ/NMS on the day of the grant of the Option. The Option exercise price is the sum of $10.25 per share (the "Option Exercise Price").

3. Option Period: Subject to the limitations set forth in this Agreement, the Option shall vest and become exercisable on November 17, 1997. Subject to the limitations set forth in this Agreement, the vested portion of an Option may be exercised at any time following the date on which it vests, provided that at the time of exercise all of the conditions set forth in this Agreement have been met. Notwithstanding the foregoing, no Option may be exercised later than five years after the date of grant thereof.

5. Termination of Option: Except as herein otherwise stated, the Option, to the extent not previously exercised, shall terminate upon the first to occur of the following events:

A. Cessation of Service: Upon cessation of service as a Director (for reasons other than death), all Options, whether or not exercisable at the date of cessation of service, shall be forfeited by the Optionee; provided, however, that if an Optionee leaves the Board of Directors in "good standing" (for reasons other than death), such Optionee's Options shall remain in effect, vest, become exercisable and expire as if the Optionee had remained a Director of the Company. Whether or not a Director has left the Board in "good standing" shall be determined by the Company's Board of Directors, in its sole discretion; provided, however, that any Director who serves out his term but does not stand for re-election at the end thereof shall be deemed to have left the Board of Directors in "good standing".

B. Death: Upon the death of a Director, only those Options which were exercisable on the date of death shall be exercisable by his/her legal representatives or heirs. Such Options must be exercised within one year from date of death or they shall be automatically forfeited (but in no event may the Options be exercised beyond the last date which they could have been exercised had the Director not died).

C. Other: Sixty (60) months following the Grant Date.

6. Delivery of Notice: The Optionee may exercise the Option only by delivering written notice to the Corporation of his intent to exercise the Option (the "Notice"). The Notice shall be delivered to the Corporation at its principal office at:

1655 Roberts Blvd., N.W.
Kennasaw, Georgia 30144

or such other address as may be designated by the Corporation. The Notice shall specify the number of Shares to be purchased in accordance with this Agreement and shall include payment in full of the Option Price.

7. Payment: The Option Exercise Price shall be paid in cash in U.S. Dollars at the time the Option is exercised or in shares of Common Stock of the Company having an aggregate value equal to the Option Exercise Price. If the Option Exercise Price is paid by transfer of shares of Common Stock of the Corporation then the value

of such shares will be determined by the last closing price of the Corporation's Common Stock on the NASDAQ/NMS prior to the exercise of the options. The Option Exercise Price may be paid by a combination of cash and Common Stock. The phrase "shares of stock of the Company", includes shares which the director is entitled to purchase by reason of a stock option grant, sometimes called "option shares".

8. Delivery of Shares to Optionee: Upon the Optionee's proper exercise of the Option, the Corporation shall deliver to the Optionee one or more certificates evidencing the number of Shares purchased pursuant to the exercise of the Option and such Shares shall be fully paid and nonassessable.

9. Non-Transferability: The Option shall not be transferable by the Optionee other than by Will or by the laws of descent and distribution and may be exercisable during the Optionee's lifetime only by him or his guardian or legal representative.

10. Optionee Not a Shareholder: The Optionee shall not be deemed, by reason of this option agreement, for any purposes to be a shareholder of the Corporation with respect to any of the shares of the capital stock of the Corporation or with respect to any of the Shares, except to the extent that the Option has been exercised, in whole or in part, and a stock certificate representing Shares has been issued to the Optionee. Notwithstanding this provision, it is understood and agreed that the Corporation and the Optionee shall make any required disclosure of the "beneficial ownership" of Shares which may be received upon a future exercise of the Option.

11. No Restrictions on the Corporation: The grant of the Option shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any or all adjustments, recapitalizations, reorganizations, or any other changes in the Corporation's capital structure or its business, or any merger or consolidation of the Corporation, or any issue of bonds, debentures, preferred or prior preference stock ahead of or affecting the Common Stock, or the rights thereof, or dissolution or liquidation of the Corporation, or any sale or transfer of all or any part of the assets or business of the Corporation, or any other corporate act or proceeding, whether of a similar character or otherwise.

12. Reclassification, Consolidation, or Merger: The number of Option Shares may be adjusted by the Board of Directors if certain events such as merger, reorganization, consolidation, recapitalization, stock dividends, stock splits, or other changes in the Company's corporate structure affecting its Common Stock occur. No adjustments or substitution provided for in this Subsection, however, shall require the Corporation in any Agreement to sell a fractional share, and the total substitution or adjustment herein is and shall be limited accordingly.

13. Optionee's Representations and Warranties: By execution of this

Agreement, Optionee represents and warrants to the Company as follows:

A. Investment Representations and Warranties: The Optionee warrants and represents to the Corporation that he is acquiring the Option and, upon exercise of the Option, in whole or in part, the Shares for his own account for investment purposes and not with a view to distribution, as defined in the Securities Act of 1933, as amended (the "Securities Act"), and the rules and regulations of the Securities and Exchange Commission promulgated thereunder. The Optionee further agrees that he will not sell, assign, transfer or pledge the Option or any of the Shares purchased by him pursuant to the exercise of the Option, unless and until either (i) a registration statement under the Securities Act covering the Shares becomes effective or (ii) the Corporation has received an opinion of counsel in form and substance satisfactory to the Corporation and its counsel that such sale, transfer, assignment or pledge may be accomplished without registration under the Securities Act.

B. Compliance with Withholding Rules: The Corporation shall have the right to adopt and apply rules governing the exercise of the Option and the issuance of Shares pursuant thereto which will ensure that the Corporation will be able to comply with the applicable provisions of any federal, state or local laws relating to the withholding of taxes.

C. No Tax Advice: The Optionee understands that neither the Corporation nor any of its affiliates, has given any advice regarding the federal income tax consequences of (i) the Agreement, or (ii) the grant of the Option, or (iii) the acquisition of the Shares upon exercise of the Option. The Optionee acknowledges that he has been encouraged to seek independent advice regarding the grant and the exercise of the Option herein.

14. Legends: The Corporation shall have the discretion to require that the certificates representing the Shares shall bear such legends as are necessary to ensure the enforceability of the conditions and limitations set forth herein.

15. Binding Effect: This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors-in-interest. All parties bound by this Agreement shall take any and all actions necessary or appropriate to effectuate the purposes and provisions hereof.

16. Definition of "Affiliate": The term "affiliate" whenever used in this Agreement, shall mean a person that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with the

Corporation.

17. Amendments and Waivers: Except as otherwise provided herein, no change or modification of this Agreement shall be valid unless the same is in writing and signed by all the parties hereto. No waiver of any provision of this Agreement shall be valid unless in writing and signed by the person against whom it is sought to be enforced. The failure of any party at any time to insist upon strict performance of any condition, promise, agreement or understanding set forth herein shall not be construed as a waiver or relinquishment of the right to insist upon strict performance of the same condition, promise, agreement or understanding at a future time.

18. Complete Agreement: Except as otherwise provided herein, this Agreement constitutes and sets forth all of the final and complete promises, agreements, conditions, understandings, warranties and representations among the parties hereto with respect to the Option and the Shares, and there are no promises, agreements, conditions, understandings, warranties or representations,

oral or written, express or implied, among them with respect to the matters set forth herein other than as set forth herein as it may be amended from time to time.

19. Extension of Time to Perform: Whenever the time for the performance of any action or condition contained in this Agreement falls on a Saturday, Sunday or legal holiday, such time shall be extended to the next business date.

20. Captions and Pronouns: The captions contained in this Agreement are for convenience of reference only and shall not in any way modify or limit the meaning or interpretation of this Agreement. All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine, or neuter, as the context or sense of this Agreement or any section, paragraph or clause herein may require, as if such words had been fully and properly written in the appropriate number and gender.

21. Governing Law: This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

22. Counterparts: Any number of counterparts of this Agreement may be signed and delivered, and each shall be considered an original and together they shall constitute one agreement.

23. Severability: This Agreement shall not be severable in any way, but if any provision should be held to be invalid, the invalidity shall not effect the validity of the remainder of this Agreement.

24. Restricted Securities: Optionee recognizes and understands that this option and the Option Shares have not been and may not be in the future registered under the Securities Act of 1933, as amended (the "Act"), the Georgia Securities Act of 1973, as amended (the "Georgia Act"), or any other state securities law. Any transfer of the option (if otherwise permitted hereunder, and once exercised, the Option Shares) will not be recognized by the Corporation unless such transfer is registered under the Act, the Georgia Act, and any other applicable state securities laws or effected pursuant to an exemption from such registration which may then be available. Any share certificates representing the Option Shares may be stamped with legends restricting transfer thereof in accordance with the Corporation's policy with respect to unregistered shares of its Common Stock issued as a result of exercise of options. The Corporation may make a notation in its stock transfer records of the aforementioned restrictions on transfers and legends. Optionee recognizes and understands that the Option Shares may be restricted securities within the meaning of Rule 144 promulgated under the Act; that the exemption from registration under Rule 144 may not be available under certain circumstances and that Optionee's opportunity to utilize such Rule 144 to sell the Option Shares may be limited or denied. The Corporation shall be under no obligation to maintain or promote a public trading market for the class of shares for which the option is granted or to make provision for adequate information concerning the Corporation to be available to the public as contemplated under Rule 144. The Corporation will be under no obligation to recognize any transfer or sale of any Option Shares unless the terms and conditions of Rule 144 are complied with by the Optionee. By acceptance hereof, Optionee agrees that no permitted disposition of this option or any Option Shares shall be made unless and until (i) there is then in effect a registration statement under the Act, the Georgia Act, and applicable state securities laws covering such proposed disposition and such disposition is made in accordance with such registration statement, or (ii) Optionee shall have notified the Corporation of a proposed disposition and shall have furnished to the Corporation a detailed statement of the circumstances surrounding such disposition, together with an opinion of counsel acceptable in form and substance to the Corporation that such disposition will not require registration of the shares so disposed under the Act, the Georgia Act, and any applicable state securities laws. The Corporation shall be under no obligation to permit such transfer or disposition on its stock transfer books unless counsel for the Corporation shall concur as to such matters.

25. APPLICABLE TAXES: No later than the date as of which an amount first becomes includable in the gross income of the Optionee for Federal income tax purposes with respect to the exercise of the Option, the Optionee shall pay to the Corporation, or make arrangements satisfactory to the Corporation regarding the payment of, any Federal, state, or local taxes of any kind required by law to be

withheld with respect to such amount. The obligations of the Corporation under this Agreement shall be conditional upon such payment or arrangements and the Corporation shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the Optionee.

IN WITNESS WHEREOF, the Corporation has caused this instrument to be executed by its duly authorized officers and the Optionee has executed this Agreement as of the date and year first above written.

(SEAL)

THE CORPORATION:

CRYOLIFE, INC.

BY STEVEN G. ANDERSON, PRESIDENT

Attest:

Secretary for Corporation

OPTIONEE:

RONALD D. McCALL
(Print name of Optionee)

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