
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): July 30, 2007

CRYOLIFE, INC.

(Exact name of registrant as specified in its charter)

Florida
(State or Other Jurisdiction
of Incorporation)

1-13165
(Commission File Number)

59-2417093
(IRS Employer
Identification No.)

1655 Roberts Boulevard, N.W., Kennesaw, Georgia 30144
(Address of principal executive office) (zip code)

Registrant's telephone number, including area code: (770) 419-3355

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Section 3 – Securities and Trading Markets

Item 3.03 Material Modification to Rights of Security Holders.

Please see the disclosure set forth under Item 5.03, which is incorporated by reference into this Item 3.03.

Section 5 – Corporate Governance and Management

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) Effective July 30, 2007, CryoLife ("CryoLife" or the "Company") and Steven G. Anderson entered into an amended and restated employment agreement (the "Agreement") for Mr. Anderson to continue to serve as the Company's President, Chief Executive Officer and Chairman of the Board of Directors, a copy of which is attached hereto as Exhibit 10.1 and incorporated herein by reference. Set forth below is a summary of the material provisions of the Agreement:

- The term of the revised Agreement will run through December 31, 2010. The Agreement will not automatically renew.
- Mr. Anderson's annual base salary will remain at \$600,000 through December 31, 2007; however, the Agreement provides that, for each year thereafter, Mr. Anderson's base salary will be increased by a minimum amount based on the increase in the cost of living index. In no event may Mr. Anderson's base salary be reduced below its then current level except in the event of a general salary reduction, and then only to the extent that the base salaries of all executive officers are reduced.
- For each year in which the Agreement is in effect, Mr. Anderson will be entitled to participate in an annual bonus program on terms and in amounts no less favorable to him than those currently contained in the Company's executive incentive plan and the 2007 bonus program for Mr. Anderson approved thereunder, with such modifications as may be reasonably imposed for all executive officers and approved by at least 2/3's of the Company's independent directors; provided, that if the Company's chief financial officer advises the Committee that it would materially negatively impact the Company to pay all or a portion of the bonus in cash, the Committee may choose to pay the bonus in Company stock, but only to the extent that such action is taken with respect to all executive officers of Company.
- The revised Agreement provides for an amendment to Mr. Anderson's 2007 bonus program under the executive incentive plan to remove any discretion of the Committee to materially change the terms of the bonus program or to reduce or otherwise refuse to pay any portion of the bonus earned thereunder, subject to the ability of the Committee to pay the bonus in stock, on the terms discussed above.
- The revised Agreement provides that Mr. Anderson will be reimbursed up to a maximum of \$10,000 for his expenses in connection with negotiating the Agreement.

- The size of Mr. Anderson's severance payment has been reduced from two times salary and bonus (currently approximately \$2.4 million) to \$1,985,000. In addition to Mr. Anderson's ability to receive the severance payment as a result of termination of his employment by the Company without cause, by him for good reason or as a result of his disability or retirement, as provided in the previous agreement, the revised Agreement now provides that Mr. Anderson will be entitled to the severance payment upon termination of his employment as a result of non-renewal of the Agreement when it expires at the end of 2010. Mr. Anderson retains the other components of his severance package, including medical benefits for himself and his wife, tax gross up payments in certain circumstances and payment for accrued, unused vacation.
- The revised Agreement provides that Mr. Anderson is entitled to payment of all expenses, including legal expenses, incurred by him in the event that there is a dispute between him and the Company regarding the terms of the Agreement, but only in the event that he prevails in a law suit or the Company agrees to pay any disputed amounts to him. The prior agreement provided for payment of Mr. Anderson's expenses regardless of the outcome of the dispute.
- Mr. Anderson continues to be entitled to receive a retention payment in the event of a change in control of the Company, equal to one times his current salary and bonus.
- As soon as practicable following November 3, 2009, the Company has agreed to amend Mr. Anderson's Agreement, as well as the Company's Bylaws, to remove the three times salary and bonus cap on severance, separation and/or similar payments. The Company has performed a quantitative analysis of the potential impact of this provision and has determined that its future removal is appropriate given the reduced severance payment to which Mr. Anderson has agreed. This cap will remain in place until the 2009 amendment.

The revised Agreement also contains provisions clarifying the calculation of Mr. Anderson's retention payment, as well as a new change in control definition that more closely tracks Section 409(a) of the Internal Revenue Code of 1986, as amended. Mr. Anderson continues to be bound by post-termination provisions regarding non-competition and non-solicitation of employees, and a provision regarding non-solicitation of customers has been added.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

Amendment to the Articles of Incorporation

On August 1, 2007, the "Company filed the Articles of Amendment (the "Articles of Amendment") to its Articles of Incorporation with the Secretary of State of Florida, a copy of which is filed herewith as Exhibit 3.1, whereby subsection (d) of Article V of the Articles of Incorporation is deleted in its entirety. Subsection (d) of Article V of the Articles of Incorporation contained the designation, terms and conditions of the Company's 6% convertible preferred stock (the "Convertible Preferred Stock").

Further, the Board determined that the 460,000 shares of the Company's previously issued, but converted, Convertible Preferred Stock be designated as authorized, but unissued, shares of preferred stock, the rights and preferences of which have not been designated. The Company had previously announced on a Current Report on Form 8-K filed on June 7, 2007, that the remaining outstanding shares of its Convertible Preferred Stock would be converted by the Company into the Company's common stock on and effective as of June 25, 2007.

Amendment to the Bylaws

On July 30, 2007, the Board of Directors of CryoLife amended and restated the Bylaws of the Company. Set forth below is a summary of the material amendments:

- Article I of the former bylaws stated that the principle office of the Company was in Tampa, Florida. This provision has been removed;
- Article VII, Sections 1, 3 and 4 regarding share certificates were amended to reflect changes in NYSE listing standards, which will require that CryoLife stock be eligible to participate in a direct participation system sponsored by a securities depository beginning January 1, 2008; and
- Article XIV of the former bylaws regarding the reimbursement of disallowed expenses was removed.

This summary does not purport to be complete, and is qualified in its entirety by reference to the full text of the amended and restated Bylaws of the Company, which are attached as Exhibit 3.4 to this Current Report on Form 8-K and are incorporated herein.

The amendments became effective immediately upon their adoption by the Board of Directors.

Item 5.05 Amendments to the Registrant's Code of Ethics, or Waiver of a Provision of the Code of Ethics

On July 30, 2007, the Board of Directors the Company amended the Company's Code of Business Conduct and Ethics (the "Code") applicable to directors, officers and employees of the Company, including the company's chief executive officer, chief financial officer, chief accounting officer and controller. The material amendments are summarized below:

- Language discussing the removal of directors for code violations was deleted; and
- A prohibition on employees, officers and directors competing with CryoLife was added.

The foregoing is only a summary of the amendments to the Code, and is qualified by reference to the Code, as amended. The Code, as amended (which is attached as Exhibit 14.1 to this Current Report on Form 8-K and incorporated by reference herein) may be found on our internet website at <http://www.cryolife.com/investornew.htm>.

Section 9 – Financial Statements and Exhibits

Item 9.01(c) Exhibits.

(a) Financial Statements.
Not applicable.

(b) Pro Forma Financial Information.
Not applicable.

(c) Shell Company Transactions.
Not applicable.

(d) Exhibits.

| Exhibit Number | Description |
|----------------|--|
| 3.1 | Articles of Amendment to the Articles of Incorporation of CryoLife, Inc. |
| 3.4 | By-Laws of CryoLife, Inc. as Amended and Restated July 30, 2007. |
| 10.1 | Employment Agreement dated as of July 30, 2007 with Steven G. Anderson. |
| 14.1 | Code of Business Conduct and Ethics. |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, CryoLife, Inc. has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CRYOLIFE, INC.

Date: August 1, 2007

By: /s/ D. A. Lee

Name: D. Ashley Lee

Title: Executive Vice President, Chief Operating Officer and Chief Financial Officer

**ARTICLES OF AMENDMENT TO THE
ARTICLES OF INCORPORATION
OF
CRYOLIFE, INC**

To: Department of State
Tallahassee, Florida 32304

Pursuant to the provisions of Sections 607.1002 and 607.1006 of the Florida Business Corporation Act (the "Act"), the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation:

1. The name of the corporation is CRYOLIFE, INC.
2. The following amendment of the Articles of Incorporation (the "Amendment") was adopted by the Board of Directors of the Corporation in the manner prescribed by the Act, Sections 607.1002 and 607.1006:

Article V of the Articles of Incorporation is amended by deleting therefrom subsection (d) in its entirety.

3. This amendment was adopted by the Board of Directors on July 30, 2007 without shareholder action, as permitted by Section 607.1002 of the Act. Shareholder action with respect to the amendment was not required.
4. This amendment does not provide for an exchange, reclassification, or cancellation of issued shares.

IN WITNESS WHEREOF, the foregoing Articles of Amendment are executed by Steven G. Anderson and attested by Suzanne K. Gabbert on July 30, 2007.

/s/ Steven G. Anderson
Steven G. Anderson, President and
Chief Executive Officer, CryoLife, Inc.

Attested by:

/s/ Suzanne K. Gabbert
Suzanne K. Gabbert,
Secretary, CryoLife, Inc.

**BYLAWS
OF
CRYOLIFE, INC.**

ARTICLE I

Offices

The corporation may have offices at such places both within and without the State of Florida as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE II

Shareholders

Section 1. Annual Meeting. The annual meeting of the shareholders shall be held within the seven (7) month period beginning with the first day of the last month of the fiscal year of the corporation for the purpose of electing Directors and for the transaction of such other business as may come before the meeting, the actual day thereof to be set forth in the Notice of Meeting or in the Call and Waiver of Notice of Meeting. If the election of Directors shall not be held at any such annual meeting of the shareholders or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the shareholders as soon thereafter as may be convenient.

Section 2. Special Meetings. Special meetings of the shareholders for any purposes, unless otherwise prescribed by law or by the Articles of Incorporation, may be called by the President or Secretary at the request in writing of the majority of the Board of Directors then in office. Special meetings of the shareholders may also be called by shareholders in the manner provided in the Company's Articles of Incorporation. Such request shall state the purpose or purposes of the meeting. Business transacted at a special meeting of the shareholders shall be limited to the purposes stated in the notice thereof.

Section 3. Place of Meeting. The Board of Directors may designate any place, whether within or without the State of Florida unless otherwise prescribed by law or by the Articles of Incorporation, as the place of meeting for any annual meeting or for any special meeting of the shareholders. In the absence of any such designation, the meeting shall be held at an office of the company or at any place near an office of the company. A waiver of notice signed by all shareholders entitled to vote at a meeting may designate any place, either within or without the State of Florida unless otherwise prescribed by law or by the Articles of Incorporation, as the place for the holding of such meeting. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be at any office of the corporation.

Section 4. Notice of Meeting. Written or printed notice stating the place, day and hour of the meeting, and in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally or by first-class mail, by or at the direction of the President or the Secretary, or the officer or persons that called the meeting, to each shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the shareholder at his address as it appears on the stock transfer books of the corporation, with postage thereon prepaid.

Section 5. Waiver of Notice of Meeting. When shareholders who hold four-fifths (4/5) of the voting stock having the right and entitled to vote at any meeting, shall be present at such meeting, however called or notified, and shall sign a written consent thereto on the record of the meeting, the acts of such meeting shall be as valid as if legally called and notified.

Section 6. Voting Lists. The officer or agent having charge of the stock transfer books for shares of the corporation shall make, at least ten (10) days before each meeting of shareholders, a complete list of the shareholders entitled to vote at such meeting, or any adjournment thereof, arranged in alphabetical order, with the address and the number and class and series of shares held by each, which list, for a period of ten (10) days prior to such meeting, shall be kept on file at the principal office of the corporation and shall be subject to inspection by any shareholder during the whole time of the meeting. The original stock transfer book shall be prima facie evidence as to who are the shareholders entitled to examine such list or transfer books or to vote at any meeting of the shareholders.

Section 7. Quorum. A majority of the outstanding shares of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders, unless otherwise provided in the Articles of Incorporation, but in no event shall a quorum consist of less than one-third (1/3) of the shares entitled to vote at the meeting. If less than a majority of the outstanding shares are represented at a meeting, a majority of the shares so represented may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. The shareholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding quorum.

Section 8. Voting of Shares. Each shareholder entitled to vote shall at every meeting of the shareholders be entitled to one vote in person for each share of voting stock held by him. Such right to vote shall be subject to the right of the Board of Directors to close the transfer books or to fix a record date for voting shareholders as hereinafter provided, and if such Directors shall not have exercised such right, no share of stock shall be voted on at any election for Directors which shall have been transferred on the books of the corporation within twenty (20) days next preceding such election. No shareholder shall enter into a voting trust agreement or any other type agreement vesting another person with the authority to exercise the voting power of any or all of his stock.

Section 9. Proxies. At all meetings of shareholders, a shareholder may vote by proxy, executed in writing by the shareholder or by his duly authorized attorney-in-fact; but no proxy shall be valid after eleven (11) months from its date, unless the proxy provides for a longer period. Such proxies shall be filed with the Secretary of the corporation before or at the time of the meeting.

ARTICLE III

Board of Directors

Section 1. General Powers. The business and affairs of the corporation shall be managed by its Board of Directors.

Section 2. Number, Tenure and Qualifications. The number of Directors of the corporation shall be not less than one (1) nor more the fifteen (15), the number of the same shall be fixed by the Board of Directors at any regular or special meeting. Each Director shall hold office until the next annual meeting of shareholders and until his successor has been qualified, unless sooner removed by the shareholders at any general or special meeting. None of the Directors need be residents of the State of Florida.

Section 3. Annual Meeting. After each annual meeting of shareholders, the Board of Directors shall hold its annual meeting at the same place as and immediately following such annual meeting of shareholders for the purpose of the election of officers and the transaction of such other business as may come before the meeting; and, if a majority of the Directors be present at such place and time, no prior notice of such meeting shall be required to be given to the Directors. The place and time of such meeting may also be fixed by written consent of the Directors.

Section 4. Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall be determined from time to time by the Board of Directors.

Section 5. Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board, if there be one, or the President or any two (2) Directors. The persons authorized to call special meetings of the Board of Directors may fix the place for holding any special meetings of the Board of Directors called by them.

Section 6. Notice. Notice of any special meeting shall be given at least three (3) days prior thereto by written notice delivered personally or mailed to each Director at his business address, or by telegram. If mailed, such notice shall be deemed to be delivered when deposited in United States mail so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any Director may waive notice of such meeting, either before, at or after such meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 7. Quorum. A majority of the Directors shall constitute a quorum, but a smaller number may adjourn from time to time, without further notice, until a quorum is secured.

Section 8. Manner of Acting. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 9. Vacancies. Any vacancy occurring in the Board of Directors, including any vacancy created by reason of an increase in the number of directors, may be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 10. Compensation. The compensation of non-employee Directors for their services as a Director may be fixed by resolution of the Board of Directors, or by a duly authorized committee of the Board of Directors. Unless otherwise determined by the Board of Directors or such committee, Directors shall be paid their expenses of attendance at each meeting of the Board of Directors or committee thereof. No payment received by a Director for services as a Director shall preclude a Director from serving the corporation in any other capacity.

Section 11. Presumption of Assent. A director of the corporation who is present at a meeting of its Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken, unless he votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest.

Section 12. Informal Action by Board. Any action required or permitted to be taken by any provisions of law, of the Articles of Incorporation or of these Bylaws at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if, prior to such action, a written consent thereto is signed by all members of the Board or of such committee, as the case may be, setting forth the actions of the Board or of the committee.

Section 13. Telephonic Meetings. Members of the Board of Directors or an executive committee shall be deemed present at a meeting of such board or committee if a conference telephone, or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time, is used.

Section 14. Removal. Any director may be removed, with or without cause, by the shareholders at any general or special meeting of the shareholders whenever, in the judgment of the shareholders, the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person removed. This Bylaw shall not be subject to change by the Board of Directors.

ARTICLE IV

Officers

Section 1. Number and Qualification. The officers of the corporation shall be a Chairman of the Board, a Chief Executive Officer, a President, a Chief Operating Officer, a Chief Financial Officer and a Secretary, each of whom shall be elected by the Board of Directors. The Board of Directors may also elect one or more Executive Vice Presidents, Senior Vice Presidents, Vice Presidents, one or more Assistant Secretaries and Assistant Treasurers and such other officers as the Board of Directors shall deem appropriate. Two (2) or more offices may be held by the same person.

Section 2. Election and Term of Office. The officers of the corporation shall be elected annually by the Board of Directors at its first meeting after each annual meeting of the shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. Each officer shall hold office until his successor shall have been duly elected and shall have qualified, or until his death, or until he shall resign or shall have been removed in the manner hereinafter provided.

Section 3. Removal. Any officer elected or appointed by the Board of Directors may be removed by the board of Directors whenever in its judgment the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. Duties of Officers. The Chairman of the Board of the corporation, or the Presiding Director if there shall not be a Chairman of the Board, shall preside at all meetings of the Board of Directors and of the shareholders which he shall attend. The Chairman or the President shall be the chief executive officer of the corporation, as specified by the Board of Directors. Subject to the foregoing, the officers of the corporation shall have such powers and duties as usually pertain to their respective offices and such additional powers and duties specifically conferred by law, by the Articles of Incorporation, by these Bylaws, or as may be assigned to them from time to time by the Board of Directors.

Section 6. Executive Compensation. The salaries and other compensation of the officers shall be fixed from time to time by the Board of Directors, and no officer shall be prevented from receiving such salary or compensation by reason of the fact that he is also a Director of the corporation.

Section 7. Delegation of Duties. In the absence of or disability of any officer of the corporation or for any other reason deemed sufficient by the Board of Directors, the Board may delegate his powers or duties to any other officer or to any other Director for the time being.

Section 8. Limitation on Executive Compensation. The corporation shall not award bonuses to officers, directors and/or other employees to avoid or satisfy margin calls. Severance, separation and/or similar payments made to the Chief Executive Officer, as well as all other officers at the Vice President level or higher, shall be limited to the equivalent of such officer's total salary for the three calendar years immediately preceding the year in which such payment is determined, including bonuses and guaranteed benefits.

ARTICLE V

Executive and Other Committees

Section 1. Creation of Committees. The Board of Directors may, by resolution passed by a majority of the whole Board, designate an Executive Committee and one or more other committees, each to consist of one (1) or more of the Directors of the corporation.

Section 2. Executive Committees. The Executive committee, if there shall be one, shall consult with and advise the officers of the corporation in the management of its business and shall have and may exercise, to the extent provided in the resolution of the Board of Directors creating such Executive Committee, such powers of the Board of Directors as can be lawfully delegated by the Board.

Section 3. Other Committees. Such other committees shall have such functions and may exercise the powers of the Board of Directors as can be lawfully delegated and to the extent provided in the resolution or resolutions creating such committee or committees.

Section 4. Meetings of Committees. Regular meetings of the Executive Committee and other committees may be held without notice at such time and at such place as shall from time to time be determined by the Executive Committee or such other committees, and special meetings of the Executive Committee or such other committees may be called by any member thereof upon two (2) days notice to each of the other members of such committee, or on such shorter notice as may be agreed to in writing by each of the other members of such committee, given either personally or in the manner provided in Section 6 of Article III of these Bylaws (pertaining to notice for Directors' meetings).

Section 5. Vacancies on Committees. Vacancies on the Executive Committee or on such other committees may be filled by the Board of Directors then in office at any regular or special meeting.

Section 6. Quorum of Committees. At all meetings of the Executive Committee or such other committees, a majority of the committee's members then in office shall constitute a quorum for the transaction of business.

Section 7. Manner of Acting of Committee. The acts of a majority of the members of the Executive Committee, or such other committees, present at any meeting at which there is a quorum, shall be the act of such committee.

Section 8. Minutes of Committees. The Executive Committee, if there shall be one, and such other committees shall keep regular minutes of their proceedings and report the same to the Board of Directors when required.

Section 9. Compensation. Members of the Executive Committee and such other committees may be paid compensation in accordance with the provisions of Section 10 of Article III (pertaining to compensation of Directors).

ARTICLE VI

Indemnification of Director and Officers

If in the judgment of a majority of the entire Board of Directors (excluding from such majority any director under consideration for indemnification), the criteria set forth in Section 607.014(1) or (2) of the Florida General Corporation Act have been met, then the Company shall indemnify any officer or director, or former officer or director, his personal representatives, devisees or heirs, in the manner and to the extent contemplated by Section 607.014.

ARTICLE VII

Stock

Section 1. Certificates for Shares; Uncertificated Shares. Shares of stock in the corporation may be represented by certificates or may be issued in uncertificated form in accordance with the Florida Business Corporation Act, as amended. The issuance of shares in uncertificated form shall not affect shares already represented by a certificate until the certificate is surrendered to the corporation. Every holder of stock in the corporation represented by certificates shall be entitled to have a certificate, signed by a President or a Vice President and the Secretary or an Assistant Secretary, exhibiting the holder's name and certifying the number of shares represented. The certificates shall be numbered and entered in the books of the corporation as they are issued.

Section 2. Transfer of Shares. Transfers of shares of the corporation shall be made upon its books by the holder of the share in person or by his lawfully constituted representative, upon surrender of the certificate of stock for cancellation. The person in whose name shares stand on the books of the corporation shall be deemed by the corporation to be the owner thereof for all purposes and the corporation shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person whether or not it shall have express or other notice thereof, save as expressly provided by the laws of the State of Florida.

Section 3. Facsimile Signature. Where a certificate is issued and is manually signed on behalf of a transfer agent or a registrar other than the corporation itself or an employee of the corporation, the signature of any such President, Vice President, Secretary or Assistant Secretary may be a facsimile. In case any officer or officers who have signed, or whose facsimile signature or signatures have been used, shall cease to be such officer or officers of the corporation, such certificate or certificates may nevertheless be adopted by the corporation and be issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures have been used thereon had not ceased to be such officer or officers of the corporation.

Section 4. Lost Certificate. The Board of Directors may direct a new certificate or certificates or uncertificated shares to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost or destroyed, upon the making of an affidavit of that fact by the person claiming their certificate of stock to be lost or destroyed. When authorizing such issue of new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require and/or to give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost or destroyed.

ARTICLE VIII

Record Date

The Board of Directors is authorized, from time to time, to fix in advance a date, not more than sixty (60) nor less than ten (10) days before the date of any meeting of shareholders, or not more than sixty (60) days prior to the date for the payment of any dividend or the date for the allotment of rights, or the date when any change or conversion or exchange of stock shall go into effect, or a date in connection with the obtaining of the consent of shareholders for any purpose, as a record date for the determination of the shareholders entitled to notice of and to vote at any such meeting and any adjournment thereof, or entitled to receive payment of any such dividend or to any such allotment, or to exercise the rights in respect of any such change, conversion or exchange of stock; or to give such consent, as the case may be; and, in such case, such shareholders and only such shareholders as shall be shareholders of record on the date so fixed shall be entitled to such notice of, and to vote at such meeting and any adjournment thereof, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights or to give such consent, as the case may be, notwithstanding any transfer of any stock on the books of the corporation after any such record date fixed as aforesaid.

ARTICLE IX

Dividends

The Board of Directors may from time to time declare, and the corporation may pay, dividends on its outstanding shares of capital stock in the manner upon the terms and conditions provided by the Articles of Incorporation and Bylaws. Dividends may be paid in cash, in property, or in shares of stock, subject to the provisions of the Articles of Incorporation and Bylaws.

ARTICLE X

Fiscal Year

The fiscal year of the corporation shall be the twelve (12) month period selected by the Board of Directors as the taxable year of the corporation for federal income tax purposes

ARTICLE XI

Seal

The corporate seal shall bear the name of the corporation, which shall be between two concentric circles, and in the inside of the inner circle shall be the calendar year of incorporation, an impression of said seal appearing in the margin hereof.

ARTICLE XII

Stock in Other Corporations

Shares of stock in other corporations held by this corporation shall be voted by such officer or officers of this corporation as the Board of Directors shall from time to time designate for the purpose or by a proxy thereunto duly authorized by said Board.

ARTICLE XIII

Amendments

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the Board of Directors; provided that any Bylaw or amendment thereto as adopted by the Board of Directors may be altered, amended or repealed by vote of the shareholders entitled to vote thereon, or a new Bylaw in lieu thereof may be adopted by the shareholders. No Bylaw which has been altered, amended or adopted by such a vote of the shareholders may be altered, amended or repealed by a vote of the Directors until two (2) years shall have expired since such action by vote of such shareholders.

ARTICLE XIV

Advance Notice of Shareholder Nominations and Proposals

Section 1 Nominations and Proposal Requirements. Nominations of persons for election to the Board of Directors and proposals of business to be transacted by the shareholders may be made at an annual meeting of shareholders (a) pursuant to the Corporation's notice with respect to such meeting, (b) by or at the direction of the Board of Directors, or (c) by any shareholder of record of the Corporation who (1) was a shareholder of record at the time of the giving of the notice provided for in the following paragraph, (2) is entitled to vote at the meeting and (3) has complied with the notice procedures set forth in this Article.

For nominations or other business to be properly brought before an annual meeting by a shareholder pursuant to clause (c) of the foregoing paragraph, (1) the shareholder must have given timely notice thereof in writing to the Secretary of the Corporation, (2) such business must be a proper matter for shareholder action under the Florida Business Corporation Code, (3) if the shareholder, or the beneficial owner on whose behalf any such proposal or nomination is made, has provided the Corporation with a Solicitation Notice, as that term is defined in this paragraph, such shareholder or beneficial owner must, (i) in the case of a proposal, have delivered a proxy statement and form of proxy to holders of at least the percentage of the Corporation's voting shares required under applicable law to carry any such proposal, or, (ii) in the case of a nomination or nominations, have delivered a proxy statement and form of proxy to holders of a percentage of the Corporation's voting shares reasonably believed by such shareholder or beneficial holder to be sufficient to elect the nominee or nominees proposed to be nominated by such shareholder, and must, in either case, have included in the materials accompanying such notice to the Corporation, the Solicitation Notice and any proxy statement and form of proxy utilized or to be utilized by such person, and (4) if no Solicitation Notice relating thereto has been timely provided pursuant to this Article, the shareholder or beneficial owner proposing such business or nomination must not have solicited, and must represent that he, she or it will not solicit, a number of proxies sufficient to have required the delivery of such a Solicitation Notice under this Article. To be timely, a shareholder's notice and the required accompanying materials shall be delivered to the Secretary at the principal executive offices of the Corporation not less than ninety (90) nor more than one hundred eighty (180) days prior to the first anniversary (the "Anniversary") of the date on which the Corporation first mailed its proxy materials for the preceding year's annual meeting of shareholders; provided, however, that if the date of the annual meeting is advanced more than thirty (30) days prior to or delayed by more than thirty (30) days after the anniversary of the preceding year's annual meeting, notice by the shareholder to be timely must be so delivered not later than the close of business on the later of (i) the 90th day prior to such annual meeting or (ii) the 10th day following the day on which public announcement of the date of such meeting is first made. Such shareholder's notice shall set forth (a) as to each person whom the shareholder proposes to nominate for election or reelection as a director all information relating to such person as would be required to be disclosed in solicitations of proxies for the election of such nominees as directors pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and shall contain such person's written consent to serve as a director if elected; (b) as to any other business that the shareholder proposes to bring before the meeting, a brief description of such business, the reasons for conducting such business at the meeting and any material interest in such business of such shareholder and the beneficial owner, if any, on whose behalf the proposal is made; (c) as to the shareholder giving the notice and the beneficial owner, if any, on whose behalf the nominations or proposal is made (i) the name and address of such shareholder, and of such beneficial owner, as they appear on the Corporation's books, (ii) the class and number of shares of the Corporation that are owned beneficially and of record by such shareholder and such beneficial owner, and (iii) whether such shareholder or beneficial owner has delivered or intends to deliver a proxy statement and form of proxy to holders of, in the case of a proposal, at least the percentage of the Corporation's voting shares required under applicable law to carry the proposal or, in the case of a nomination or nominations, a sufficient number of holders of the Corporation's voting shares to elect such nominee or nominees (the notice described in this sentence, a "Solicitation Notice").

Section 2. Increase in Number of Directors. Notwithstanding anything in the second sentence of the second paragraph of Section 1 of this Article XIV to the contrary, in the event that the number of directors to be elected to the Board is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board made by the Corporation at least fifty-five (55) days prior to the Anniversary, a shareholder's notice required by this Article shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the Corporation.

Section 3. Compliance with Procedures. Only persons nominated in accordance with the procedures set forth in this Article XIV shall be eligible to serve as directors and only such business shall be conducted at an annual meeting of shareholders as shall have been brought before the meeting in accordance with the procedures set forth in this Article. The chairman of the meeting shall have the power and the duty to determine whether a nomination or any business proposed to be brought before the meeting has been made in accordance with the procedures set forth in these Bylaws and, if any proposed nomination or business is not in compliance with these Bylaws, to declare that such defective proposed business or nomination shall not be presented for shareholder action at the meeting and shall be disregarded.

Section 4. Nominations at Special Meetings. Nominations of persons for election to the Board of Directors may be made at a special meeting of shareholders at which directors are to be elected pursuant to the Corporation's notice of meeting (a) by or at the direction of the Board or (b) by any shareholder of record of the Corporation who is a shareholder of record at the time of giving of notice provided for in this paragraph, who shall be entitled to vote at the meeting and who complies with the notice procedures set forth in this Article XIV. Nominations by shareholders of persons for election to the Board may be made at such a special meeting of shareholders if the shareholder's notice required by the second paragraph of this Article XIV shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the later of 90th day prior to such special meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board to be elected at such meeting.

Section 5. General. For purposes of this Article, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or a comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

Notwithstanding the foregoing provisions of this Article XIV, a shareholder must also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to matters set forth in this Article XIV. Nothing in this Article XIV shall be deemed to affect any rights of shareholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

ARTICLE XV Control Share Acquisition

In accordance with Section 607.0902(5) of the Florida Business Corporation Act, section 607.0902 of the Florida Business Corporation Act shall not apply to control-share acquisitions of shares of the capital stock of the corporation.

**AMENDED AND RESTATED
EMPLOYMENT AGREEMENT**

This Amended and Restated Employment Agreement ("the Agreement") dated as of the 30th day of July, 2007 (the "Effective Date"), is by and between CRYOLIFE, INC., a Florida corporation ("CryoLife") and STEVEN G. ANDERSON (the "Employee").

WITNESSETH:

WHEREAS, the Board of Directors of CryoLife (the "Board"), has determined that it is in the best interests of CryoLife and its shareholders to enter into this Amended and Restated Employment Agreement in order to assure the Employee of CryoLife's commitment and, in so doing, to motivate the Employee to continue in Employee's dedicated service to CryoLife even in circumstances such as a possible future threat or occurrence of a Change of Control (defined below) of CryoLife;

WHEREAS, in order to accomplish these objectives, the Board has caused CryoLife to enter into this Agreement; and

WHEREAS, Employee has determined that it is in the best interests of Employee to enter into this Agreement;

NOW, THEREFORE, in consideration of the premises, the promises hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by both parties, it is hereby agreed as follows:

1. EMPLOYMENT.

(a) CryoLife hereby employs Employee in the capacity of President, Chief Executive Officer and Chairman of the Board and Employee hereby accepts such employment.

(b) CryoLife agrees to continue the Employee in its employ, and the Employee hereby agrees to remain in the employ of CryoLife subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on December 31, 2010 (the "EmploymentPeriod").

2. EMPLOYMENT DUTIES.

(a) Employee shall have such duties as are customarily performed and exercised by the President, Chief Executive Officer and Chairman of the Board of a public company, subject to the supervision of the Board, together with such additional duties as are reasonably assigned by the Board. During the Employment Period, (A) the Employee's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 120-day period immediately preceding the Effective Date, and (B) the Employee's services shall be performed at the location where the Employee was employed immediately preceding the Effective Date.

(b) During the Employment Period, and excluding any periods of vacation and sick leave to which the Employee is entitled, the Employee agrees to devote reasonable attention and time to the business and affairs of CryoLife and, to the extent necessary to discharge the responsibilities assigned to the Employee hereunder, to use the Employee's reasonable best efforts to perform faithfully and efficiently such responsibilities.

(c) During the Employment Period, the Employee will not, without the prior written consent of CryoLife, directly or indirectly other than in the performance of the duties hereunder, render services of a business, professional or commercial nature to any other person or firm, whether for compensation or otherwise, except with respect to any noncompetitive family businesses of the Employee for which the rendering of such services will not have an adverse effect upon Employee's performance of his duties and obligations hereunder.

3. COMPENSATION, BENEFITS AND BUSINESS EXPENSES.

(a) For all services which Employee renders to CryoLife or any of its subsidiaries or affiliates during the term hereof, CryoLife agrees to pay the Employee the salary and bonus compensation as set by the Compensation Committee of the Board of Directors, subject to the following:

(i) Base Salary. Employee's annual base salary for the year ending December 31, 2007 shall be \$600,000. The Employee's base salary shall be reviewed annually by the Compensation Committee during the first quarter of each calendar year, beginning with the year ending December 31, 2008, and the base salary for each such year shall be determined by the Compensation Committee, which may authorize an increase in the Employee's base salary for such year; provided, however, that Employee's base salary shall be increased, at a minimum, by an amount equal to the cumulative cost-of-living percentage increment during the prior calendar year, if any, applied to the Employee's base salary, as such increment is reported in the "Consumer Price Index, Atlanta, Georgia, All Items," published by the U.S. Department of Labor. In no event may Employee's base salary be reduced below its then current level at any time during the Employment Period other than pursuant to a general wage reduction, in which event Employee's base salary may only be reduced to the same extent and up to the same percentage amount as the base salaries of all executive officers are reduced.

(ii) Bonus. Employee shall be entitled to participate in an annual bonus program which shall provide for the payment of an annual bonus to Employee on terms and in amounts no less favorable to Employee than those currently contained in the Company's Executive Incentive Plan and the 2007 bonus program for Employee approved thereunder, as amended below, with such modifications thereto as shall be reasonably imposed for all executive officers with the approval of at least 2/3's of the Company's independent directors; provided, however, that, upon the certification of the Company's Chief Financial Officer (the "CFO") that payment of cash bonuses would materially negatively impact the Company's cash position, liquidity or operations, Employee's bonus may be paid all or a portion in Company stock, but only to the extent that all bonuses to executive officers are similarly paid. Employee's 2007 bonus program under the Executive Incentive Plan is hereby amended to remove any discretion of the Compensation Committee to materially change the terms of the bonus program or to reduce or otherwise refuse to pay any portion of the bonus earned thereunder, subject to the ability of the Compensation Committee, upon the certification of the CFO that payment of cash bonuses would materially negatively impact the Company's cash position, liquidity or operations, to pay all or a portion of the 2007 bonus in Company stock, but only to the extent that all bonuses to executive officers are similarly paid.

(b) CryoLife shall pay all reasonable expenses incurred by the Employee directly related to performance of his responsibilities and duties for CryoLife hereunder. Employee shall submit to CryoLife statements that justify in reasonable detail all reasonable expenses so incurred. Subject to such audits as CryoLife may deem necessary, CryoLife shall reimburse Employee the full amount of any such expenses advanced by Employee. Reimbursable expenses shall also include, with a value of up to 10% of Employee's base salary, monthly car payments and auto expenses and dues and business related expenses at the Georgian Club, Buckhead Club, Marietta Country Club and Delta Crown Room. The Employee shall also be promptly reimbursed up to a maximum of \$10,000 for any and all expenses (including, without limitation, legal fees) incurred by him in connection with the negotiation, documentation and implementation of this Agreement.

(c) Employee shall participate in the standard Company vacation plan, Company medical plan, Company life insurance program, and contributory 401K plan, as well as in all other standard employee benefit plans; provided, however, that vacations not taken shall be cumulative and carried over to a subsequent year. Upon employment termination, Employee shall be paid at a rate per day equal to Employee's base salary then in effect divided by 260 for all accumulated vacation days not taken. Such amount shall be deemed a payment obligation accruing through the Date of Termination for purposes of Section 6 of this Agreement.

4. CHANGE OF CONTROL.

(a) In consideration and recognition of the Employee's continued employment and his contribution to protecting and enhancing shareholder value in any future sale of CryoLife that may occur and to provide incentive to Employee as a senior executive to remain with the Company through any future sale or merger of the Company, CryoLife agrees to pay to Employee a retention payment in addition to other compensation due pursuant to this Agreement equal to one times the aggregate of Employee's annual salary and bonus compensation for the year in which a Change of Control occurs (the "Retention Payment"). The Retention Payment shall be in addition to sums otherwise payable pursuant to Section 3 and shall be earned and become due upon the happening of a Change of Control (as defined below) provided Employee remains employed by the Company at such time or, if no longer then employed by the Company, Employee's employment was terminated by the Company without Cause within 12 months prior to the Change of Control. If the Change of Control occurs before the awarding of bonuses in the year in which the Change of Control occurs, or if it occurs during a year in which Employee is not employed by the Company, the bonus compensation component of the Retention Payment shall be computed based on the prior year's bonus. If the Change of Control occurs during a year in which Employee is not employed by the Company, the salary compensation component of the Retention Payment shall be computed based on the prior year's salary. Bonus compensation shall include cash bonus payments and the value of any non-cash bonuses, such as options or restricted stock. Any such options will be valued pursuant to the Black Scholes valuation method as of the grant date, using the same assumptions used by CryoLife in computing the FAS 123R charge for the options, and any shares of restricted stock will be valued at the closing price of the CryoLife Common Stock on The New York Stock Exchange on the date of issuance. The Company's annual option and restricted stock grants shall not be deemed to be bonus compensation unless they are specifically designated as such by the CryoLife Compensation Committee. For the sake of clarification, all cash paid and any shares issued in payment of all or a portion of the bonus pursuant to the Company's Executive Incentive Plan shall be bonus compensation for purposes of this Agreement for the year in which paid or issued. The Retention Payment shall be paid within three months after the occurrence of a Change of Control.

For the purposes of this Agreement, the term “Change of Control” shall mean a change in the ownership or effective control of, or in the ownership of a substantial portion of the assets of, Cryolife, to the extent consistent with Section 409A of the Code and any regulatory or other interpretive authority promulgated thereunder, as described in paragraphs (i) through (iii) below.

(i) Change in Ownership of Cryolife. A change in the ownership of Cryolife shall occur on the date that any one person, or more than one person acting as a group (within the meaning of paragraph (i)(D)), other than a group of which Employee is a member, acquires ownership of Cryolife stock that, together with Cryolife stock held by such person or group, constitutes more than 50% of the total voting power of the stock of Cryolife.

(A) If any one person or more than one person acting as a group (within the meaning of paragraph (i)(D)), other than a group of which Employee is a member, is considered to own more than 50% of the total voting power of the stock of Cryolife, the acquisition of additional Cryolife stock by such person or persons shall not be considered to cause a change in the ownership of Cryolife or to cause a change in the effective control of the Cryolife (within the meaning of paragraph (ii) below).

(B) An increase in the percentage of Cryolife stock owned by any one person, or persons acting as a group (within the meaning of paragraph (i)(D)), as a result of a transaction in which Cryolife acquires its stock in exchange for property, shall be treated as an acquisition of stock for purposes of this paragraph (i).

(C) The provisions of this paragraph (i) shall apply only to the transfer or issuance of Cryolife stock if such stock remains outstanding after such transfer or issuance.

(D) For purposes of this paragraph (i), persons shall be considered to be acting as a group if they are owners of an entity that enters into a merger, consolidation, purchase, or acquisition of stock, or similar business transaction with Cryolife. If a person, including an entity, owns stock in Cryolife and another entity with which Cryolife enters into a merger, consolidation, purchase, or acquisition of stock, or similar business transaction, such shareholder shall be considered to be acting as a group with the other shareholders in a corporation only to the extent of the ownership in that corporation prior to the transaction giving rise to the change and not with respect to the ownership interest in the other entity. Persons shall not be considered to be acting as a group solely because they purchase or own stock of Cryolife at the same time or as a result of the same public offering of Cryolife’s stock.

(ii) Change in Effective Control of Cryolife.

(A) A change in the effective control of Cryolife shall occur on the date that either of (1) or (2) below occurs:

(1) Any one person, or more than one person acting as a group (within the meaning of paragraph (ii)(D)), acquires (or has acquired during the 12 month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of Cryolife possessing 35% or more of the total voting power of the stock of Cryolife; or

(2) A majority of members of the Cryolife Board of Directors are replaced during any 12 month period by Directors whose appointment or election is not endorsed by a majority of the Board of Directors prior to the date of the appointment or election.

(B) A change in effective control of Cryolife also may occur with respect to any transaction in which either of Cryolife or the other entity involved in a transaction experiences a Change of Control event described in paragraphs (i) or (iii).

(C) If any one person, or more than one person acting as a group (within the meaning of paragraph (ii)(D)), is considered to effectively control Cryolife (within the meaning of this paragraph (ii)), the acquisition of additional control of Cryolife by the same person or persons shall not be considered to cause a change in the effective control of Cryolife (or to cause a change in the ownership of Cryolife within the meaning of paragraph (i)).

(D) For purposes of this paragraph (ii), persons shall be considered to be acting as a group if they are owners of an entity that enters into a merger, consolidation, purchase, or acquisition of stock, or similar business transaction with Cryolife. If a person, including an entity, owns stock in Cryolife and another entity with which Cryolife enters into a merger, consolidation, purchase, or acquisition of stock, or similar business transaction, such shareholder shall be considered to be acting as a group with the other shareholders in a corporation only with respect to the ownership in that corporation prior to the transaction giving rise to the change and not with respect to the ownership interest in the other entity. Persons shall not be considered to be acting as a group solely because they purchase or own stock of Cryolife at the same time, or as a result of the same public offering of Cryolife's stock.

(iii) Change in Ownership of a Substantial Portion of Cryolife's Assets. A change in the ownership of a substantial portion of Cryolife's assets shall occur on the date that any one person, or more than one person acting as a group (within the meaning of paragraph (iii)(C)), other than a group of which Employee is a member, acquires (or has acquired during the 12 month period ending on the date of the most recent acquisition by such person or persons) assets from Cryolife that have a total gross fair market value (within the meaning of paragraph (iii)(B)) equal to or more than 40% of the total gross fair market value of all of the assets of Cryolife immediately prior to such acquisition or acquisitions.

(A) A transfer of Cryolife's assets shall not be treated as a change in the ownership of such assets if the assets are transferred to one or more of the following:

- (1) A shareholder of Cryolife (immediately before the asset transfer) in exchange for or with respect to Cryolife stock;
- (2) An entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by Cryolife;
- (3) A person, or more than one person acting as a group (within the meaning of paragraph (iii)(C)) that owns, directly or indirectly, 50% or more of the total value or voting power of all of the outstanding stock of Cryolife; or
- (4) An entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a person described in paragraph (iii)(A)(3).

For purposes of this paragraph (iii)(A), and except as otherwise provided, a person's status is determined immediately after the transfer of assets.

(B) For purposes of this paragraph (iii), gross fair market value means the value of all Cryolife assets, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

(C) For purposes of this paragraph (iii), persons shall be considered to be acting as a group if they are owners of an entity that enters into a merger, consolidation, purchase, or acquisition of assets, or similar business transaction with Cryolife. If a person, including an entity shareholder, owns stock in Cryolife and another entity with which Cryolife enters into a merger, consolidation, purchase, or acquisition of stock, or similar business transaction, such shareholder shall be considered to be acting as a group with the other shareholders in a corporation only to the extent of the ownership in that corporation prior to the transaction giving rise to the change and not with respect to the ownership interest in the other corporation. Persons shall not be considered to be acting as a group solely because they purchase or own stock of Cryolife at the same time, or as a result of the same public offering of Cryolife's stock.

5. **TERMINATION OF EMPLOYMENT.**

(a) Disability or Death. If CryoLife determines in good faith that the Disability of the Employee has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give to the Employee written notice in accordance with Section 12(b) of this Agreement of its intention to terminate the Employee's employment. In such event, the Employee's employment with CryoLife shall terminate effective on the 30th day after receipt of such notice by the Employee (the "Disability Effective Date"), provided that, within the 30 days after such receipt, the Employee shall not have returned to full-time performance of the Employee's duties. For purposes of this Agreement, "Disability" shall mean the absence of the Employee from the Employee's duties with CryoLife on a full-time basis for 180 consecutive days as a result of incapacity due to mental or physical illness or determination by a physician selected by CryoLife or its insurers and acceptable to the Employee or the Employee's legal representative that the Employee is unable to perform the essential functions of his position as a result of incapacity due to mental or physical illness. The Employee's employment shall terminate automatically upon the Employee's death during the Employment Period.

(b) Cause. CryoLife may terminate the Employee's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean:

- (i) the willful and continued failure of the Employee to perform substantially the Employee's duties with CryoLife (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to Employee by the Board of CryoLife which specifically identifies the manner in which CryoLife believes that the Employee has not substantially performed the Employee's duties, or
- (ii) the willful engaging by the Employee in illegal conduct or gross misconduct which is materially and demonstrably injurious to CryoLife.

For purposes of this provision, no act, or failure to act, on the part of the Employee shall be considered "willful" unless it is done, or omitted to be done, by the Employee in bad faith or without reasonable belief that the Employee's action or omission was in the best interests of CryoLife. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or based upon the advice of counsel for CryoLife shall be conclusively presumed to be done, or omitted to be done, by the Employee in good faith and in the best interests of CryoLife.

(c) Good Reason. The Employee's employment may be terminated by the Employee for Good Reason. For purposes of this Agreement, "Good Reason" shall mean:

- (i) the assignment to the Employee of any duties inconsistent in any respect with the Employee's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 2(a) of this Agreement, or any other action by CryoLife which results in a diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by CryoLife promptly after receipt of notice thereof given by the Employee;

(ii) any failure by CryoLife to comply with any of the provisions of Section 3(a) or 3(b) of this Agreement, other than an isolated, insubstantial or inadvertent failure not occurring in bad faith and which is remedied by CryoLife promptly after receipt of notice thereof given by the Employee;

(iii) any threatened termination by CryoLife of the Employee's employment other than for Cause, Death or Disability; or

(iv) any failure by CryoLife to comply with and satisfy Section 11(c) of this Agreement.

For purposes of this Section 5(c), any good faith determination of "Good Reason" made by the Employee shall be conclusive. Anything in this Agreement to the contrary notwithstanding, a termination by the Employee for any reason at least 90 but not more than 120 days following consummation of a Change of Control or during the 30 day period immediately following the first anniversary of a Change of Control shall be deemed to be a termination for Good Reason for all purposes of this Agreement.

(d) Retirement. The Employee may voluntarily terminate his employment at any time by reason of Retirement. For purposes of this Agreement, "Retirement" shall mean the cessation by Employee of all full-time employment of any kind.

(e) Notice of Termination. Any termination by CryoLife, or by the Employee for Good Reason or Retirement, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 12(b) of this Agreement.

For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Employee's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is to be later than the date of receipt of such notice, specifies the termination date (which date shall not, except in the case of Retirement, be more than 30 days after the giving of such notice). The failure by the Employee or CryoLife to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Employee or CryoLife, respectively, hereunder or preclude the Employee or CryoLife, respectively, from asserting such fact or circumstance in enforcing the Employee's or CryoLife's rights hereunder.

(f) Date of Termination. "Date of Termination" means: (i) if the Employee's employment is terminated by CryoLife for Cause, or by the Employee for Good Reason or Retirement, the date of receipt of the Notice of Termination, or any later date specified therein, as the case may be, (ii) if the Employee's employment is terminated by CryoLife other than for Cause or Disability, the date on which the Employee receives Notice of Termination, and (iii) if the Employee's employment is terminated by reason of death or by CryoLife for Disability, the date of death of the Employee or the Disability Effective Date, as the case may be. Notwithstanding the foregoing, the Date of Termination may, except in the case of Retirement, be accelerated by the party who receives Notice of Termination by providing to the other party written notice of acceleration, including the accelerated Date of Termination, within 30 days of receipt of the Notice of Termination.

(g) Non-Compete Commitment. During the term of this Agreement and for a period of two years after any termination of this Agreement, the Employee agrees not to accept any position as chief executive officer, president or chief operating officer with, or provide comparable level executive consultation to, any competitors of CryoLife in the cardiac or vascular tissue processing business or biological glue or protein hydrogel product business within the United States or the European Union. Payments of amounts owing under any Severance Payment (defined in Section 6(d)) obligation, shall be conditioned upon Employee's continued compliance with this non-compete commitment.

(h) Agreement Not to Solicit. During the term of this Agreement and for a period of two years after any termination of this Agreement, the Employee agrees he will not, without the prior written consent of the Company, either directly or indirectly, on his own behalf or in the service or on behalf of others, solicit or attempt to solicit, divert or hire away any person employed by the Company or any customer of the Company.

6. OBLIGATIONS OF CRYOLIFE UPON TERMINATION.

(a) Expiration of Term; Good Reason; Other Than for Cause, Death or Disability. If the Employee's employment is terminated by reason of expiration of the Employment Period or if during the Employment Period, (i) CryoLife shall terminate the Employee's employment other than for Cause or Death, or (ii) the Employee shall terminate employment for Good Reason or Retirement, then CryoLife shall pay to Employee the Severance Payment (defined below) and shall, subject to the limitations set forth in (e) below, continue to provide major medical insurance benefits comparable to those described in the schedules attached to this Agreement (collectively, "Major Medical Benefits") for Employee and Employee's wife, Ann B. Anderson, for the duration of their lives. Such payment shall be in addition to sums due to Employee through the Date of Termination and shall be subject to normal withholding requirements of CryoLife.

(b) Death. If the Employee's employment is terminated by reason of the Employee's death during the Employment Period, this Agreement shall terminate without further obligation to the Employee's legal representatives under this Agreement, other than for (i) payment of obligations occurring through the Date of Termination and (ii) for CryoLife's agreement to continue the Major Medical Benefits for Employee's wife, Ann B. Anderson, for the duration of her life.

(c) Cause. If the Employee's employment shall be terminated by CryoLife for Cause, this Agreement shall terminate without further obligations to the Employee other than for payment obligations accruing through the Date of Termination.

(d) Severance Payment. The "Severance Payment" shall be \$1,985,000. The Severance Payment shall be payable in cash by the Company in 24 equal monthly installments over the two year period following the Date of Termination (the "Severance Period"), with the first payment commencing on the date thirty (30) days after Employee's Date of Termination; provided, however, that, to the extent required under Section 409A of the Code to avoid the imposition of additional tax to Employee under that Section, any payment of the Severance Payment shall commence on the six-month anniversary of Employee's separation from service with the Company, or on the date of Employee's death if Employee should die prior to such six-month anniversary (such payment date being referred to herein as the "Initial Payment Date"), with the first payment to be equal to the sum of those payments that would have been made prior to the Initial Payment Date but for the delay, and the remainder to be paid in equal monthly installments over the remainder of the Severance Period; provided further, that to the extent permitted under Section 409A of the Code without the imposition of additional tax to Employee under that Section, the Severance Payment shall be paid (i) in an immediate lump-sum in the event the Employee's separation from service occurs on or after a Change of Control or (ii) in an immediate lump sum at the time of a Change of Control (less amounts previously paid to Employee) in the event the separation from service occurs within six months prior to a Change of Control. Payment of any Severance Payment will be subject to normal withholding.

(e) Limitations on Major Medical Benefits. The Company's obligation to provide Major Medical Benefits to Employee and Ann B. Anderson, or either of them, after employment termination shall not oblige the Company to expend more than the Maximum Annual Premium Amount in any calendar year as determined by CryoLife. For purposes of this Agreement, Maximum Annual Premium Amount shall mean the sum of \$25,000 increased by the Consumer Price Index using September 1, 2005 as the base date. If all of the Major Medical Benefits cannot be provided for the Maximum Annual Premium Amount, the Company shall utilize the Maximum Annual Premium Amount to obtain such major medical insurance coverage as can reasonably be obtained. When Employee or Employee's wife, Ann B. Anderson, qualifies for Medicare, Medicaid or other governmentally provided major medical benefit (collectively, "Government Benefits") of the sorts otherwise included within Major Medical Benefits, the provision of benefits under the Major Medical Benefits may be conditioned on Employee or Employee's wife, Ann B. Anderson, as the case may be, looking first to Government Benefits for coverage before drawing on the Major Medical Benefits.

7. NON-EXCLUSIVITY OF RIGHTS.

Nothing in this Agreement shall prevent or limit the Employee's continuing or future participation in any plan, program, policy or practice provided by CryoLife or any of its affiliated companies and for which the Employee may qualify, nor, except as specifically set forth herein, shall anything herein limit or otherwise affect such rights as the Employee may have under any contract or agreement with CryoLife or any of its affiliated companies. Amounts which are vested benefits or which the Employee is otherwise entitled to receive under any plan, practice or program of or any contract or agreement with CryoLife or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

8. FULL SETTLEMENT.

In no event shall the Employee be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Employee under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Employee obtains other employment. CryoLife agrees to pay as incurred, to the full extent permitted by law, all legal fees and expenses which the Employee may reasonably incur as a result of any contest by CryoLife or Employee with respect to liability under or the interpretation of the validity or enforceability of, any provision of this Agreement, but only in the event and to the extent that (i) the Employee receives a final, non-appealable judgment in his favor in any such action or receives a final judgment in his favor that has not been appealed by the Company within 30 days of the date of the judgment; or (ii) the parties agree to dismiss any such action upon CryoLife's payment of the sums allegedly due the Employee or performance of the covenants by CryoLife allegedly breached by it.

9. LIMITATION OR EXPANSION OF BENEFITS.

(a) In the event it shall be determined that any benefit, payment or distribution by CryoLife to or for the benefit of the Employee (whether payable or distributable pursuant to the terms of this Agreement or otherwise) would, if paid, be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"; such excise tax, the "Excise Tax"), then CryoLife shall pay to Employee an additional amount of cash (a "Gross-Up Payment") equal to the amount necessary to cause the amount of the aggregate after-tax compensation and benefits received by the Employee hereunder (after payment of the excise tax under Section 4999 of the Code with respect to any excess parachute payment, and any state and federal income and employment taxes with respect to the Gross-Up Payment) to equal the aggregate after-tax compensation and benefits the Employee would have received if Sections 280G and 4999 of the Code had not been enacted. A nationally recognized public accounting firm selected by CryoLife shall initially determine, at CryoLife's expense, whether an "excess parachute payment" will be made to Employee, and if so, the amount of the Gross-Up Payment. In the event of a subsequent claim by the Internal Revenue Service that, if successful, would result in Employee's liability for an Excise Tax under Section 4999 of the Code in excess of the amount covered by any previous Gross-Up Payment, the Employee shall promptly notify CryoLife in writing of such claim. If CryoLife elects to contest such claim, it shall so notify the Employee and shall bear and pay directly or indirectly all costs and expenses of contesting the claim (including additional interest and penalties incurred in connection with such action), and shall indemnify and hold Employee harmless, on an after-tax basis, for any excise, income, or employment tax, including interest and penalties with respect thereto, imposed as a result of CryoLife's payment of costs of the contest. Employee shall cooperate fully with CryoLife in the defense of any such IRS claim. If, as a result of CryoLife's action with respect to a claim, Employee receives a refund of any amount paid by CryoLife with respect to such claim, Employee shall promptly pay such refund to CryoLife. In the event the IRS claim is finally determined to result in the imposition of additional excise tax under Section 280G of the Code on Employee, CryoLife shall make an additional Gross-Up Payment with respect to any such additional excise tax.

(b) Anything in this Agreement to the contrary notwithstanding, aggregate severance, separation and/or similar payments made to Employee pursuant to this Agreement and otherwise shall be limited to the equivalent of Employee's salary paid during the three completed fiscal years ended prior to the Date of Termination, including bonuses and guaranteed benefits paid during those years. If necessary, any Gross-Up Payment will be reduced in order to comply with this provision; provided, however, that the Company agrees that it shall not deem any Retention Payment hereunder to be a "severance, separation and/or similar payment" for purposes of this Section 9(b) and Article IV, Section 8 of the Company's Bylaws. In consideration of this agreement, Employee agrees to indemnify the Company and the Board for any and all costs and expenses, including reasonable legal expenses, they may reasonably incur as a direct result of such agreement. As soon as practicable following November 3, 2009, the Company agrees to amend this Agreement to remove this Section 9(b) and to amend its Bylaws to remove the second sentence of Article IV, Section 8 thereof.

10. **CONFIDENTIAL INFORMATION.**

The Employee and CryoLife are parties to one or more separate agreements respecting confidential information, trade secrets, inventions and non-competition (collectively, the "IP Agreements"). The parties agree that the IP Agreements shall not be superseded or terminated by this Agreement and shall survive any termination of this Agreement.

11. **SUCCESSORS.**

(a) This Agreement is personal to the Employee and without the prior written consent of CryoLife shall not be assignable by the Employee otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Employee's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon CryoLife and its successors and assigns.

(c) CryoLife will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of CryoLife to assume expressly and agree to perform this Agreement in the same manner and to the same extent that CryoLife would be required to perform it if no such succession had taken place. As used in this Agreement, "CryoLife" shall mean CryoLife as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

12. **MISCELLANEOUS.**

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Georgia, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force and effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, in either case, accompanied by a facsimile copy, addressed as follows:

If to the Employee:

Steven G. Anderson
5040 Northside Drive
Atlanta, Georgia 30327
Facsimile: (770) 590-3754

With a copy to:

Steven E. Fox
Rogers & Hardin LLP
2700 International Tower
229 Peachtree Street, N.E.
Atlanta, Georgia 30303-1601
Facsimile: (404) 525-2224

If to CryoLife:

CryoLife, Inc.
1655 Roberts Boulevard, N.W.,
Kennesaw, Georgia 30144
Attention: Chief Financial Officer
Facsimile: (770) 590-3754

With a copy to:

B. Joseph Alley, Jr.
Amall Golden Gregory LLP
171 17th St. N.W., Suite 2100
Atlanta, Georgia 30363
Facsimile: (404) 873-8689

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) CryoLife may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) This Agreement embodies the entire agreement between the parties with respect to the subject matter addressed herein. From and after the Effective Date, this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof including the Employment Agreement between the parties dated September 5, 2005, which shall be null and void and of no further force or effect. In the event of any conflict between this Agreement and any benefits provision of CryoLife's Employee Handbook, the provisions of this Agreement shall prevail.

(f) The provisions of this Agreement are intended to satisfy the applicable requirements of Section 409A of the Code and shall be performed and interpreted consistent with such intent. If any provision of this Agreement does not satisfy such requirements or could otherwise cause Employee to be subject to the interest and penalties under Section 409A of the Code, Employee and the Company agree to negotiate in good faith an appropriate modification to maintain, to the maximum extent practicable, the original intent of the applicable provision without violating the requirements of Section 409A of the Code (or causing the imposition of additional tax to Employee under Section 409A of the Code).

IN WITNESS WHEREOF, the Employee has hereunder set the Employee's hand and, pursuant to the authorization from its Compensation Committee and Board, CryoLife has caused this Agreement to be executed in its name on its behalf, all as of the day and year first above written.

/s/ Steven G. Anderson
STEVEN G. ANDERSON

CRYOLIFE, INC.

By: /s/ Ronald C. Elkins, M.D.
Ronald C. Elkins, M.D.
Director and Chairman,
Compensation Committee

CODE OF BUSINESS CONDUCT AND ETHICS
As Amended and Restated, July 30, 2007

Dear CryoLife Employees, Officers and Directors,

CryoLife, Inc. was founded with a commitment to the highest ethical standards of business conduct and fair dealing in the Company's relations with all employees, customers, suppliers and shareholders.

This Code of Business Conduct and Ethics clarifies our standards of conduct in potentially sensitive situations; it makes clear that CryoLife, Inc. expects all employees, officers and directors to understand and appreciate the ethical considerations of their decisions; and it reaffirms our long-standing commitment to a culture of corporate and individual accountability and responsibility for the highest ethical and business practices.

We encourage you to carefully read this Code of Business Conduct and Ethics, discuss any questions that you may have with your immediate supervisor and retain it for future use.

Very truly yours,

Steven G. Anderson
Chairman of the Board, President,
and Chief Executive Officer

Introduction

The Board of Directors of CryoLife, Inc. has adopted this Code of Business Conduct and Ethics to clarify the standards under which CryoLife and its Board of Directors operate and the principles under which the Board and all CryoLife officers and employees carry out their duties. CryoLife, Inc. and its subsidiaries and divisions are referred to collectively in this Code as "CryoLife." The Board of Directors may revise this Code from time to time and will make publicly available any changes as they are adopted. A copy of the Code, as amended, shall be posted on the CryoLife, Inc. website. Nothing in the Code is intended or will be considered (i) to amend the Restated Certificate of Incorporation or Bylaws of CryoLife, (ii) to change the legal duties imposed upon employees, officers or directors under Florida, federal and other applicable statutes, rules and regulations or (iii) to change any rights of the employees, officers or directors to indemnification under Florida and other applicable law or CryoLife's Restated Certificate of Incorporation or Bylaws or otherwise. References herein to federal, state, local or other applicable laws refer to the laws of the United States and all other applicable jurisdictions.

Preamble

This Code applies to all employees, officers and directors of CryoLife, Inc. It is important to the success of the Code that each employee, officer and director of CryoLife understands that:

- He or she is personally responsible for his or her own conduct in complying with this Code and for promptly reporting known or suspected violations to the individual designated for this purpose.
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- No one has the authority or right to order, direct, request or even attempt to influence someone else to violate this Code or the law. Thus, no one will be excused for violating this Code or the law at the direction or request of someone else.
- Any attempt by any employee, officer or director to have another employee, officer or director violate this Code, whether successful or not, shall be a violation of this Code and may be a violation of law.
- Any retaliation or threat to retaliate against an employee, officer or director for refusing to violate this Code or for reporting in good faith a violation or a suspected violation of this Code shall be a violation of this Code and may be a violation of law.
- Every suspected violation of this Code by an employee, officer or director will be investigated and every actual violation by any employee or officer will constitute grounds for dismissal of such employee or officer.

1. Overall Standard

The highest legal, moral and ethical standards of honesty, integrity and fairness are to be practiced in the conduct of CryoLife's affairs. All employees, officers and directors of CryoLife must always act in full compliance with all applicable United States and foreign, federal, state, local and other laws, ordinances and regulations and with this Code. Failure to do so or to report promptly apparent violations of law or this Code may result in removal, dismissal, or other appropriate disciplinary action.

2. Equal Opportunity

It is the policy of CryoLife to provide recruitment, hiring, training, promotion and other conditions of employment without regard to race, color, age, gender, sexual preference, religion, disability, national origin or veteran status, and to otherwise comply with all applicable anti-discrimination laws. It is the policy of CryoLife to provide and maintain a working environment free of harassment, intimidation or exploitation of any nature, including sexual and racial harassment. CryoLife expects its employees, officers and directors to treat all CryoLife employees with respect and dignity and to fully support CryoLife's objectives of providing equal opportunity employment and maintaining a workplace free of harassment.

3. Conflicts of Interest

No employee, officer or director of CryoLife may engage in any activity that would conflict with or be contrary to the best interests of CryoLife. A "conflict of interest" occurs when an individual's private interest interferes in any way - or even appears to interfere - with the interests of CryoLife. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her work objectively and effectively. Conflicts of interest also arise when an employee, officer or director, or a member of his or her family, receives improper personal benefits as a result of his or her position with CryoLife. Loans to, or guarantees of obligations of, such persons are of special concern. CryoLife shall not make a loan to or guarantee any obligation of any executive officer or director, other than as allowed by applicable law. In addition, no employee, officer or director of CryoLife may participate in the management, revenues or equity ownership of any competing business. Furthermore, no officer of CryoLife may participate in the management, revenues or equity ownership of any CryoLife customer, supplier or consultant, and such participation by all other employees is discouraged. Any employee participating in the management, revenues or equity ownership of any customer, supplier or consultant shall disclose in writing the nature and extent of such participation to the Chief Executive Officer or his designee. Any director participating in the management, revenues or equity ownership of any customer, supplier or consultant shall disclose in writing the nature and extent of such participation to the Board's Chairman. An investment in the equity or debt of less than 3% of the relevant class of securities in a publicly held competing business, customer, supplier or consultant will not be deemed to be a violation of this policy, but must nonetheless be reported as specified above.

4. Payment of Gratuities

In all dealings with suppliers, customers, governmental officials and employees of CryoLife, no director, employee or officer shall offer to give any payment or other significant thing of value that has as its purpose, or potential purpose, or may appear to have as its purpose, improperly influencing the business relationships between CryoLife and such persons or entities. This paragraph shall not, however, prohibit a CryoLife employee from giving a reasonable and customary holiday gift to a CryoLife customer or supplier.

5. Receipt of Payments or Gifts

No employee or officer and no director (in connection with his or her efforts or role as a director of CryoLife) may receive payments or gifts in exchange for business opportunities with or otherwise from customers, vendors, suppliers or employees of CryoLife. This applies to anyone with whom CryoLife has an existing or prospective relationship known to such employee, officer or director. In our continuing effort to maintain high ethical standards and to avoid appearances of impropriety, it is required that all employees, officers and directors and members of their immediate families decline any such payment or gift, except to the extent specifically permitted below.

The only exception to the foregoing is that a gift can be accepted if such gift can be consumed or fully utilized within a 24-hour period, AND the gift is promptly disclosed, in the case of an employee to an officer with responsibility for his or her department, in the case of a director, to the Board's Chairman, and in the case of the Chairman of the Board, to the Chairman of the Audit Committee.

6. Corporate Opportunities

Employees, officers and directors must advance the legitimate interests of CryoLife when the opportunity to do so arises. Employees, officers and directors, for their own accounts or the account of another, may not (i) pursue an opportunity discovered through the use of CryoLife property, information or position or (ii) use CryoLife's property, information or position for personal gain or (iii) compete with CryoLife.

7. Political Contributions

Corporate political contributions to any candidate for United States federal office or to any party or campaign in connection with any election for United States federal office are prohibited. Corporate political contributions to any other political candidate, party or campaign are generally discouraged and are prohibited where such contributions are unlawful. Furthermore, any payments to any foreign officials, political candidates or political parties outside the United States are prohibited without the advance written approval of CryoLife, Inc.'s Chief Executive Officer.

8. Competition and Fair Dealing

CryoLife seeks to outperform its competition fairly and honestly. We seek competitive advantages through superior performance, never through unethical or illegal business practices. Stealing proprietary information, possessing trade secret information that was wrongfully obtained, or inducing such disclosures by past or present employees of other companies is prohibited. Each employee, officer and director should endeavor to respect the rights of and deal fairly with CryoLife's customers, suppliers, competitors and employees. No employee, officer or director should take improper advantage of anyone through manipulation, concealment, abuse of proprietary information, misrepresentation of material facts, or any other intentional improper practice.

9. Protection and Proper Use of CryoLife's Assets

All employees, officers and directors must endeavor to protect CryoLife's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on CryoLife's profitability. Any suspected incident of fraud or theft must be immediately reported for investigation. All CryoLife assets should be used for legitimate business purposes.

The obligation of employees, officers and directors to protect CryoLife's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, salary information, any financial data and reports that have not been publicly disclosed and any other information not generally made available without restriction to third parties. Unauthorized use or distribution of this information violates this Code and may be illegal.

10. Financial Records, SEC Filings and Public Communications

The Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer and Controller of CryoLife, Inc., and all other persons performing similar functions for CryoLife, Inc., shall be responsible for taking such actions and instituting such policies and procedures as they believe will most efficiently and effectively help to ensure full, fair, accurate, timely and understandable disclosure in all reports and other documents that CryoLife files with or submits to the Securities and Exchange Commission and other applicable regulatory authorities and in all other public communications made by CryoLife.

11. Contractual Commitments

It is of utmost importance to the integrity and reputation of CryoLife that CryoLife honors and fully complies with all contractual commitments.

12. Antitrust Law Compliance

All employees, officers and directors of CryoLife must comply in all respects with all applicable United States and foreign federal and state antitrust and other comparable laws. To that end, no CryoLife employee, officer or director may under any circumstances or in any context enter into any understanding or agreement (whether expressed or implied, formal or informal, written or oral) with a competitor or potential competitor, limiting or restricting in any way the actions of either party, including the offers of either party to any third party, as to prices, costs, profits, products, services, terms or conditions of sale, market share, decisions to quote or not to quote, customer or supplier classification or selection, sales territories or distribution methods.

13. Legal Compliance

Employees, officers and directors must always act in full and timely compliance with all applicable federal, state, local and other laws, ordinances and regulations, the rules and regulations of the Securities and Exchange Commission and the New York Stock Exchange and with this Code. Applicable federal, state, local and other laws and regulatory agency rules with which compliance is required include, without limitation, statutes, court and agency rulings and Securities and Exchange Commission and New York Stock Exchange rules concerning:

- prohibitions on trading in securities of CryoLife while aware of material, nonpublic information, as discussed in greater detail in CryoLife's Policy on Trading in Company Securities, which is incorporated by reference herein; and
- reporting of directors' and Section 16 reporting officers' ownership of CryoLife equity securities and changes therein.

14. Confidentiality

Employees, officers and directors must not disclose any confidential information of CryoLife until such time as the information has been publicly disclosed by CryoLife, except that disclosure may be made to professional advisors (such as CryoLife's counsel and auditors) where such disclosure is in furtherance of an employee's, officer's or director's duty as a CryoLife employee, officer or director. Absent unusual circumstances and subject always to the employee's, officer's or director's responsibilities under applicable law, employees, officers, and directors should refer media inquiries to the Chief Executive Officer or his or her designee.

15. Ethics Compliance Officer

The Chairman of the Board of Directors of CryoLife, Inc. will designate a Compliance Officer. The Compliance Officer will be responsible for investigating and reporting to the Nominating and Corporate Governance Committee and the Audit Committee all reports of Code violations and for assuring the confidentiality thereof, subject to disclosure obligations to the U.S. Government, any foreign government or state, local or other applicable law enforcement authorities. The Compliance Officer is responsible for the maintenance of the Code and for the administration of the training and compliance programs to insure compliance with the Code at the corporate level and will from time to time issue instructions and procedures relating to the Code.

16. Compliance and Training Program

The Compliance Officer shall be responsible for developing and implementing a compliance and training program to assist employees in becoming aware of and complying with the Code and other legal obligations imposed by law or regulation. Such programs will be under procedures established by the Compliance Officer, which procedures shall provide at least the following elements:

- Initial distribution of the Code to all employees, officers and directors and subsequent distribution of the Code when modifications and/or updates have been made to the Code. (A written acknowledgment will be obtained from all employees, officers and directors indicating that they have received, read, understood and agreed to comply with the Code.)
- Training for all new employees, officers and directors at the time of their hiring and all existing employees, officers and directors on at least an annual basis concerning the Code.
- A mechanism (for example, a hot-line) to report actual or reasonably suspected violations of the Code or any applicable laws or regulations.
- Maintenance of a register of all training satisfactorily completed by each employee.
- Internal operations review programs to determine compliance with the Code on a periodic or other appropriate basis.

17. Reporting Violations of the Code

It is the obligation of every employee, officer and director to report promptly any actual or reasonably suspected violations of the Code in the manner established by CryoLife's Compliance Officer, the Nominating and Corporate Governance Committee, or by the CryoLife Board of Directors (including anonymous "hot-line" reports). All reports will be kept confidential and will be promptly investigated, and appropriate corrective or disciplinary action will be taken, including dismissal and notification of regulatory authorities when appropriate. No such report shall result in negative consequences to any individual who in good faith reports a violation of this Code, and it shall be a violation of this Code for any director, officer or employee to take retaliatory action as a result of any such report.

18. Waivers of the Code

Any waiver of this Code may be made only by the Board and will be promptly disclosed as and to the extent required by law or the rules of any stock exchange on which the Company's securities are listed.

Conclusion

The central purpose of this Code is to serve as an ongoing reminder of CryoLife, Inc.'s policy of conducting its business in a legal and proper manner. This includes not only complying with all applicable laws but also treating CryoLife's customers, suppliers and employees with dignity and respect.

If you or your co-workers have an ethics question, talk to your supervisor, a member of the Human Resources department, the Compliance Officer or to senior management. If the ethics issue has not been addressed to your satisfaction, then contact our compliance service, "Listen Up" at 1-877-776-8700 or via the internet at www.ListenUpReports.com.

