

**CHARTER
COMPENSATION COMMITTEE
CRYOLIFE, INC.**

STATEMENT OF POLICY

There shall be a committee of the Board of Directors to be known as the Compensation Committee. The Compensation Committee is a structure through which directors can effectively review and manage the officer and director compensation structure of the Corporation, administer stock incentive plans and review various Director and executive benefit plans. The Committee will consider the input of management when making its decisions and recommendations.

ORGANIZATION

The Compensation Committee shall consist of at least three members. The composition of the Compensation Committee shall at all times comply with New York Stock Exchange rules regarding independence. In addition, each member shall be a “non-employee” director within the meaning of the rules under the Securities Exchange Act of 1934, as amended, and an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended. The Compensation Committee shall establish the Corporation’s compensation policies applicable to the directors and executive officers and shall grant stock options and other awards under the Corporation’s stock and other incentive plans.

RESPONSIBILITIES

In carrying out its responsibilities, the Committee believes its policies and procedures should remain flexible, in order to best react to changing conditions and to ensure to the directors and shareholders that the Compensation practices of the Corporation are in accordance with all requirements and are of the highest quality. The Committee shall meet at least four times annually.

In carrying out these responsibilities, the Compensation Committee shall:

- Establish the factors and criteria, including corporate goals and objectives, upon which the compensation of the Chief Executive Officer of the Corporation shall be based and the relationship of all executive compensation to the performance of the Corporation.
- Evaluate the CEO’s performance in light of the goals and objectives set by the Committee and determine and approve the CEO’s compensation based on this evaluation. In determining the long-term incentive component of CEO compensation, the Committee will consider the Corporation’s performance and relative shareholder return, the value of similar incentive rewards to CEOs at comparable companies and the awards given to the Corporation’s CEO in past years.

- Obtain available information relating to types and levels of executive compensation of other similarly situated companies in the Corporation's industry.
- Review executive job performance in light of such policies and information, and determine the annual salary, bonus and other benefits of the other senior officers of the Corporation.
- Make recommendations to the full Board regarding the total amount and form of annual and other compensation to be paid to the directors of the Corporation.
- Evaluate the impact of "change of control" provisions in Director and executive benefit plans.
- Establish and review the Corporation's policies relating to management perquisites, if any.
- Issue an annual Compensation Committee report in connection with the annual proxy statement and in compliance with the applicable rules promulgated under the Securities Exchange Act of 1934, as amended.
- Have sole authority to retain, determine the terms of engagement and compensation of and terminate any consulting firm that will assist in the evaluation of compensation decisions, bearing in mind the Corporation's financial position and budget.
- Provide guidance and make recommendations to the Board on current and prospective director and employee (particularly executive) benefit plans, including incentive compensation and equity-based plans.
- Approve grants of stock options and other stock rights under the Corporation's stock and other incentive plans. Take such other actions as may be necessary to administer or otherwise carry out the intent and purpose of the Corporation's employee, director and executive benefit plans.
- Conduct an annual performance evaluation of the Compensation Committee and its members.
- Conduct, jointly with the Nominating and Corporate Governance Committee, an annual evaluation of the CEO's performance.
- Submit to the Board an annual budget of its expected expenditures.

PROCESS

- Committee members shall be appointed by the full Board and shall serve until the earlier of their resignation or removal by the Board.

- Committee meetings shall be led by a Chairman appointed by the Board. In the absence of the Chairman, at any meeting at which a quorum is present, a majority of the Committee members may elect an acting chairman of the meeting. The Committee shall have authority to delegate any decisions, other than decisions with respect to CEO compensation, to a subcommittee of the Committee, provided that a full report of any action taken is promptly made to the full Committee.
- The Committee shall submit the minutes of all meetings of the Committee to, and discuss the matters discussed at each Committee meeting with, the Board.