CRYOLIFE INC
Form DEF 14A
April 03, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant [X]

Filed by a party other than the Registrant [ ]

Check the appropriate box:

[ ] Preliminary Proxy Statement
[ ] **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
[X] Definitive Proxy Statement
[ ] Definitive Additional Materials
[ ] Soliciting Material Pursuant to §240.14a-12

CRYOLIFE, INC.

(Name of Registrant as Specified in Its Charter)

Payment of Filing Fee (Check the appropriate box):

[X] No fee required.

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(1) Title of each class of securities to which transaction applies:

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(4) Proposed maximum aggregate value of transaction:

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[ ] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

1655 ROBERTS BOULEVARD, NW
KENNESAW, GEORGIA 30144

NOTICE OF ANNUAL MEETING
AND
PROXY STATEMENT

April 3, 2018

To Our Stockholders:

On behalf of the Board of Directors, we invite you to attend the Annual Meeting of Stockholders of CryoLife, Inc. to be held at CryoLife, Inc.'s Corporate Headquarters, 1655 Roberts Boulevard, NW, Kennesaw, Georgia 30144, on May 23, 2018 at 9:00 a.m., EDT.

Please review this Notice of Annual Meeting and Proxy Statement, which describes the formal business to be transacted and procedures for voting on matters to be considered at the Annual Meeting.

It is important that your shares be represented at the Annual Meeting. Whether or not you plan to attend, we request that you follow the instructions provided on the notice you received by mail and further described herein to review the Proxy Statement and vote your shares via internet, telephone, or mail. You may, of course, choose to attend the Annual Meeting and vote in person.

If you plan to attend the Annual Meeting, are a stockholder of record and received our notice by mail, please bring a form of identification to the Annual Meeting. If your shares are not registered in your own name but rather are held in street name and you would like to attend the Annual Meeting, please ask the broker, trust, bank or other nominee that holds the shares to provide you with evidence of your share ownership, and bring it along with your identification to the Annual Meeting.

However you choose to participate, we encourage you to review this Proxy Statement and vote your shares.

Sincerely,

J. PATRICK MACKIN
Chairman, President and Chief Executive Officer

1655 ROBERTS BOULEVARD, NW
KENNESAW, GEORGIA 30144

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO THE STOCKHOLDERS OF CRYOLIFE, INC.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of CRYOLIFE, INC. (the "Annual Meeting") will be held at CryoLife, Inc.'s Corporate Headquarters, 1655 Roberts Boulevard, NW, Kennesaw, Georgia 30144, on May 23, 2018 at 9:00 a.m., EDT, for the following purposes:

1. To elect as directors the eight nominees named in the attached Proxy Statement to serve until the next Annual Meeting of Stockholders or until their successors are duly qualified or until their earlier death, resignation, or removal.
2. To approve, by non-binding vote, the compensation paid to CryoLife's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion.
3. To approve the addition of 1.9 million shares to the CryoLife, Inc. Equity and Cash Incentive Plan.
4. To ratify the approval of Ernst & Young LLP as the independent registered public accounting firm for the Company for the fiscal year ending December 31, 2018.
5. To transact such other business as may be properly brought before the Annual Meeting or any adjournments thereof.

Only record holders of CryoLife's common stock at the close of business on March 14, 2018, will be eligible to vote at the Annual Meeting. Your attendance at the Annual Meeting is very much desired. However, if there is any chance you may not be able to attend the Annual Meeting, please follow the instructions on the notice you received by mail to execute your vote by internet, telephone, or mail.

Important notice regarding the availability of proxy materials for the Annual Meeting of Stockholders to be held on May 23, 2018. Pursuant to rules promulgated by the Securities and Exchange Commission, we have elected to provide access to our proxy materials both by notifying you of the availability of our proxy materials, including the Proxy Statement and our 2018 Annual Report to Stockholders, on the internet at http://www.astproxyportal.com/ast/01609 and providing the means whereby you can request a paper copy of proxy materials be sent via U.S. mail.

By Order of the Board of Directors:

JEAN F. HOLLOWAY
Corporate Secretary

Date: April 3, 2018

An electronic copy of CryoLife's 2018 Annual Report to Stockholders, which includes CryoLife's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, containing financial statements, is available via the proxy information website provided on your proxy notice.

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CRYOLIFE, INC. | 2018 Proxy Statement

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KENNESAW, GEORGIA 30144

PROXY STATEMENT
FOR ANNUAL MEETING OF STOCKHOLDERS

This Proxy Statement is furnished to our stockholders as of the close of business on March 14, 2018, the record date, for the solicitation of proxies by the Board of Directors of CryoLife, Inc. (“CryoLife,” the “Company,” “we,” “our” or “us”) fo CryoLife’s Annual Meeting of Stockholders to be held on May 23, 2018, at 9:00 a.m., EDT. The Annual Meeting will be held in the auditorium at the CryoLife Corporate Headquarters, 1655 Roberts Boulevard, NW, Kennesaw, Georgia 30144. The voting of shares will not affect a stockholder’s right to attend the Annual Meeting. A paper proxy that is signed may be changed by sending in a timely, but later dated, signed proxy. Any stockholder sending in or completing a proxy may also revoke it at any time before it is exercised by giving timely notice to Jean F. Holloway, General Counsel and Corporate Secretary, CryoLife, Inc., 1655 Roberts Boulevard, NW, Kennesaw, Georgia 30144, (770) 419-3355. We are first making our proxy materials available to stockholders beginning on April 3, 2018.

QUESTIONS AND ANSWERS REGARDING THIS SOLICITATION AND VOTING AT THE ANNUAL MEETING

Why am I receiving this Proxy Statement?	You are receiving this Proxy Statement from us because you were a stockholder of record at the close of business on the record date of March 14, 2018. As a stockholder of record, you are invited to attend our Annual Meeting and are entitled to vote on the items of business described in this Proxy Statement. This Proxy Statement contains important information about the Annual Meeting and the items of business to be transacted at such Annual Meeting. You are strongly encouraged to read this Proxy Statement, which includes information that you may find useful in determining how to vote. At the close of business on the record date, CryoLife had outstanding a total of 36,631,148 shares of common stock, excluding a total of 1,484,017 shares of treasury stock held by CryoLife, which are not entitled to vote. Each outstanding share of common stock will be entitled to one vote, non-cumulative, at the Annual Meeting.
Who is entitled to attend and vote at the Annual Meeting?	Only holders of record of shares of our common stock at the close of business on March 14, 2018 are entitled to notice of, to attend and to vote at the Annual Meeting and to notice of any adjournments or postponements of such Annual Meeting.

How many shares must be present or represented to conduct business at the Annual Meeting (that is, what constitutes a quorum)?

The presence at the Annual Meeting, in person or represented by proxy, of at least a majority of the shares outstanding and entitled to vote at the Annual Meeting, will constitute a quorum for the transaction of business. Shares represented at the Annual Meeting in person or by proxy are counted for quorum purposes, even if they are not voted on one or more matters. Abstentions from voting and broker non-votes, as defined below, will be counted for the purpose of determining the presence or absence of a quorum for the transaction of business. The Secretary or Assistant Secretary of CryoLife, in consultation with the inspector of election, who will be an employee of CryoLife's transfer agent, shall determine the eligibility of persons present at the Annual Meeting to vote and whether the name signed on each proxy card corresponds to the name of a stockholder of CryoLife. The Secretary or Assistant Secretary, based on such consultation, shall also determine whether or not a quorum exists at the Annual Meeting.

What items of business will be voted on at the Annual Meeting?

The items of business to be voted on at the Annual Meeting are as follows:

1. To elect as directors the eight nominees named in the attached Proxy Statement to serve until the next Annual Meeting of Stockholders or until their successors are duly qualified or until their earlier death, resignation, or removal.

2. To approve, by non-binding vote, the compensation paid to CryoLife's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion.

3. To approve the addition of 1.9 million shares to the CryoLife, Inc. Equity and Cash Incentive Plan.

4. To ratify the approval of Ernst & Young LLP as the independent registered public accounting firm for the Company for the fiscal year ending December 31, 2018.

5. To transact such other business as may be properly brought before the Annual Meeting or any adjournments thereof.

What happens if additional matters are presented at the Annual Meeting?

Other than the matters set forth in items 1 – 4 above, management is not aware of any other matters that may come before the Annual Meeting. If any other matter or matters are properly brought before the Annual Meeting, the person(s) named as your proxyholder(s) on the enclosed proxy card will have discretionary authority to vote the shares represented by the effective proxies as they deem advisable.

How does the Board of Directors recommend that I vote?	Our Board of Directors recommends that you vote your shares **FOR** the election of each of the director nominees identified in this Proxy Statement, **FOR** the approval, on an advisory basis, of the compensation of our named executive officers, **FOR** the approval of the addition of 1.9 million shares to the CryoLife, Inc. Equity and Cash Incentive Plan, and **FOR** the ratification of the approval of Ernst & Young LLP as the independent registered public accounting firm for the Company for the fiscal year ending December 31, 2018.

What shares can I vote at the Annual Meeting?

You may vote all of the shares you owned as of March 14, 2018, the record date, including shares held directly in your name as the *stockholder of record* and all shares held for you as the beneficial owner through a broker, trustee, or other nominee such as a bank.

What is the difference between holding shares as a stockholder of record and as a beneficial owner?

Most of our stockholders hold their shares through a broker or other nominee rather than directly in their own name. As summarized below, there are some distinctions between common stock held of record and those owned beneficially.

Stockholders of Record. If your shares are registered directly in your name with our transfer agent, you are considered, with respect to those shares, the *stockholder of record*, and these proxy materials are being sent directly to you by us. As the *stockholder of record*, you have the right to vote in person at the Annual Meeting or direct the proxyholder how to vote your shares on your behalf at the Annual Meeting.

Beneficial Owner. If your shares are held in a brokerage account or by another nominee, you are considered the *beneficial owner* of shares held in *street name*. As the beneficial owner, you have the right to direct your broker, trustee, or nominee to vote your shares as you instruct. The broker, trustee, or other nominee may either vote in person at the Annual Meeting or grant a proxy and direct the proxyholder to vote your shares at the Annual Meeting as you have instructed. If you hold shares through a broker, trustee, or nominee you may also vote in person at the Annual Meeting, but only after you obtain a "legal proxy" from the broker, trustee, or nominee that holds your shares, giving you the right to vote your shares at the Annual Meeting.

How can I vote my shares without attending the Annual Meeting?

Whether you hold shares directly as the stockholder of record or as a beneficial owner, you may vote in advance of the Annual Meeting by:

Voting by Mail. You may vote by filling out and returning your proxy card (if you are a stockholder of record), or by filling out and retuning to your broker, trustee, or other nominee your voting instruction card (if you are a beneficial owner).

Voting by Internet. If you are a stockholder of record, you may vote in advance of the Annual Meeting by following the instructions provided on your proxy card. Most brokers, trustees, and similar nominees also provide beneficial owners with the option to vote by Internet, although practices may vary. If you are a beneficial owner, you must follow the instructions provided to you by your broker, trustee, or other nominee on your voting instruction card.

Voting by Telephone. If you are a stockholder of record, you may vote in advance of the Annual Meeting by telephone by following the instructions provided on the proxy card. Most brokers, trustees, and similar nominees also provide beneficial owners with the option to vote by telephone, although practices may vary. If you are a beneficial owner, you must follow the instructions provided to you by your broker, trustee, or other nominee on your voting instruction card.

Whether you hold shares directly as the stockholder of record or as a beneficial owner, you may direct how your shares are voted without attending the Annual Meeting. If you provide specific instructions with regard to items of business to be voted on at the Annual Meeting, your shares will be voted as you instruct on those items. Proxies properly submitted to us that are signed but do not contain voting instructions and are not revoked prior to the Annual Meeting will be voted **FOR** the election of each of the director nominees identified in this Proxy Statement, **FOR** the approval, on an advisory basis, of the compensation of our named executive officers, **FOR** the approval of the addition of 1.9 million shares to the CryoLife, Inc. Equity and Cash Incentive Plan, and **FOR** the ratification of Ernst & Young LLP as the independent registered public accounting firm for the Company for the fiscal year ending December 31, 2018.

How can I vote my shares in person at the Annual Meeting?

After providing proof of identification, shares held in your name as the stockholder of record may be voted in person at the Annual Meeting. Shares held beneficially in street name may be voted in person only if you obtain a “legal proxy” from the broker, trustee, or nominee that holds your shares giving you the right to vote the shares at the Annual Meeting. You should be prepared to present photo identification for admittance. Please also note that if you are not a stockholder of record but hold shares through a broker, trustee, or nominee you will need to provide proof of beneficial ownership as of the record date, such as your most recent brokerage account statement, a copy of the voting instruction card provided by your broker, trustee, or nominee or other similar evidence of ownership. Check-in will begin at 8:30 a.m., EDT. The Annual Meeting will begin promptly at 9:00 a.m., EDT. ***Even if you plan to attend the Annual Meeting, we recommend that you also vote via internet or telephone in advance to ensure that your vote will be counted if you decide later not to attend the Annual Meeting.***

Can I change my vote or revoke my proxy?

If you are the stockholder of record, and you have submitted a vote via the internet, telephone, or by mail, you may revoke your vote by submitting a timely later-dated vote via the same process. Note, internet and telephone voting is available only until 11:59 p.m., EDT, the day before the Annual Meeting. You may also revoke your vote by providing written notice of revocation to our Corporate Secretary, Jean F. Holloway, or by attending the Annual Meeting and voting in person. Attendance at the Annual Meeting will not cause your previously granted paper proxy to be revoked unless you specifically so request. If you are a beneficial owner, you may revoke your vote by submitting a later-dated vote via the internet or by telephone (if those options are available to you), or you may revoke your vote by submitting a new voting instruction card to your broker, trustee, or nominee, or, if you have obtained a “legal proxy” from your broker, trustee, or nominee giving you the right to vote your shares, by attending the Annual Meeting and voting in person.

What do I need to attend the Annual Meeting?

Attendance at the Annual Meeting will be limited to our stockholders as of March 14, 2018, the record date, their authorized proxy holders and guests of CryoLife. If you are a stockholder of record and plan to attend the Annual Meeting, please bring a form of identification with you to the Annual Meeting. If you are a beneficial owner and you plan to attend the Annual Meeting, please be sure to bring proof of ownership, such as a bank or brokerage account statement, as well as a form of identification with you to the Annual Meeting.

Is my vote confidential?

Electronic votes, Proxy cards, voting instructions, ballots, and voting tabulations that identify individual stockholders are not secret; however, all such materials will be handled in a manner intended to reasonably protect your voting privacy. Your vote will not be disclosed, except as required by law and except as required to our transfer agent to allow for the tabulation of votes and certification of the vote and to facilitate a successful proxy solicitation.

How are votes counted and what vote is required to approve each item?

Each outstanding share of common stock entitles the holder thereof to one vote on each matter considered at the Annual Meeting. Stockholders are not entitled to cumulate their votes in the election of directors or with respect to any other matter submitted to a vote of the stockholders pursuant to this Proxy Statement.

Nominees for election as directors will be elected by a plurality of the votes cast by the holders of shares entitled to vote in the election. Since there are eight directorships to be filled, this means that the eight individuals receiving the most votes will be elected. Abstentions and broker non-votes will therefore not be relevant to the outcome. A broker non-vote occurs when a broker holding shares for a beneficial owner does not vote on a particular proposal because the broker does not have discretionary voting authority and has not received voting instructions from the beneficial owner.

The advisory votes cast for the approval of the compensation paid to CryoLife’s named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables, and narrative discussion, must exceed the votes cast against the approval of such compensation in order for it to be approved. Accordingly, abstentions and broker non-votes will not be relevant to the outcome.

The proposal to add 1.9 million shares to the CryoLife, Inc. Equity and Cash Incentive Plan will pass if the majority of shares present in person or by proxy vote are cast to approve the proposal. Abstentions will count as votes cast against the proposal. Broker non-votes will not be relevant to the outcome. Please note that brokers holding shares for a beneficial owner that have not received voting instructions with respect to the approval of the proposal to add 1.9 million shares to the CryoLife, Inc. Equity and Cash Incentive Plan will not have discretionary voting authority with respect to this matter; therefore, if you are a beneficial owner and you do not provide your broker with instructions, a broker non-vote will result.

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The votes cast for the ratification of the approval of the appointment of Ernst & Young LLP as CryoLife's independent registered accounting firm must exceed the votes cast against the ratification in order for it to be approved. Accordingly, abstentions and broker non-votes will not be relevant to the outcome. Please note that brokers holding shares for a beneficial owner that have not received voting instructions with respect to the ratification of the approval of the appointment of Ernst & Young LLP will have discretionary voting authority with respect to this matter.

There are no rights of appraisal or similar dissenters' rights with respect to any matter to be acted upon pursuant to this Proxy Statement.

What happens if the Annual Meeting is adjourned?

Assuming the presence of a quorum, if our Annual Meeting is adjourned to another time and place, no additional notice will be given of the adjourned meeting if the time and place of the adjourned meeting is announced at the Annual Meeting, unless the adjournment is for more than 120 days, in which case a new record date must be fixed and notice distributed of the adjourned meeting. At the adjourned meeting, we may transact any items of business that might have been transacted at the Annual Meeting.

What should I do in the event that I receive more than one set of proxy materials?

You may receive more than one notice mailing or, if you hold your shares in more than one brokerage account, you may receive a separate voting instruction card for each brokerage account in which you hold shares. Please execute votes for each communication to ensure that all your shares are voted.

Who is soliciting my vote and who will bear the costs of this solicitation?

The Proxy Statement is being solicited on behalf of our Board of Directors. We will bear the entire cost of solicitation of proxies, including preparation, assembly, printing, and delivery of this Proxy Statement, via electronic means or paper means upon stockholder request. In addition, our non-employee directors, officers, employees, and agents may also solicit proxies in person, by telephone, by electronic mail, or by other means of communication. We will not pay any additional compensation to our non-employee directors, officers, or other employees for soliciting proxies.

Where can I find the voting results of the Annual Meeting?

We intend to announce preliminary voting results at the Annual Meeting and publish the final voting results in a Current Report on Form 8-K filed within four business days after the Annual Meeting.

What is the deadline for submitting proposals for consideration at next year's Annual Meeting of Stockholders or to nominate individuals to serve as directors?

Appropriate proposals of stockholders intended to be presented at CryoLife's 2019 Annual Meeting of Stockholders pursuant to Rule 14a-8 promulgated under the Securities Exchange Act of 1934 (the "Exchange Act") must be received by CryoLife by December 4, 2018, for inclusion in its Proxy Statement and form of proxy relating to that meeting. Stockholder proposals must comply with the requirements of Rule 14a-8 of the Exchange Act and any other applicable rules established by the Securities and Exchange Commission. Proposals of stockholders intended to be presented at the Annual Meeting of Stockholders to be held in 2019 without inclusion of such proposals in our Proxy Statement relating to such annual meeting must be received not later than the close of business on the 60th day and not earlier than the close of business in the 120th day prior to the first anniversary of the preceding year's annual meeting.

Therefore, for the 2019 Annual Meeting of Stockholders, all stockholder proposals submitted outside of the stockholder proposal rules promulgated pursuant to Rule 14a-8 under the Exchange Act, including nominations for individuals to serve as non-employee directors, must be received by CryoLife by no later than March 24, 2019, but no earlier than January 23, 2019, in order to be considered timely. If such stockholder proposals are not timely received, proxy holders will have discretionary voting authority with regard to any such stockholder proposals that may come before the 2019 Annual Meeting of Stockholders. If the month and day of the next annual meeting is advanced or delayed by more than 30 calendar days from the month and day of the annual meeting to which this Proxy Statement relates, CryoLife shall, in a timely manner, inform its stockholders of the change, and the date by which proposals of stockholders must be received.

PROPOSAL ONE – ELECTION OF DIRECTORS

Directors of CryoLife elected at the Annual Meeting to be held on May 23, 2018, will hold office until the next annual meeting, until their successors are duly qualified or until their earlier death, resignation, or removal.

Director Nominees

Each of the nominees is currently a director of CryoLife. Should any nominee for the office of director become unable to accept nomination or election, it is the intention of the persons named on the proxy card, unless otherwise specifically instructed in the Proxy Statement, to vote for the election of such other person as the Board of Directors may recommend.

The following table sets forth the name and age of each nominee, the period during which each such person has served as a director of CryoLife, the number of shares of CryoLife's common stock beneficially owned, either directly or indirectly, by such person, and the percentage of outstanding shares of CryoLife's common stock such ownership represented at the close of business on March 14, 2018, according to information received by CryoLife. None of the shares of stock noted below are subject to a pledge or similar arrangement. Except for J. Patrick Mackin, our President, Chief Executive Officer, and Chairman of the Board, none of the nominees holds any other position or office with CryoLife.

Name of Nominee	Director Since	Age	Shares of CryoLife Stock Beneficially Owned[(1)] (#)	Percentage of Outstanding Shares of CryoLife Stock[(7)](%)
Thomas F. Ackerman	2003	63	99,349[(2)]	*
Daniel J. Bevevino	2003	58	99,349[(2)]	*
James W. Bullock	2016	61	8,266[(2)]	*
Jeffrey H. Burbank	2017	55	3,526[(3)]	*
J. Patrick Mackin	2014	51	916,071[(4)]	2.5
Ronald D. McCall	1984	81	162,511[(5)]	*
Harvey Morgan	2008	76	86,599[(6)]	*
Jon W. Salveson	2012	53	79,349[(2)]	*

* Ownership represents less than 1% of the outstanding shares of CryoLife common stock.
(1) Except as otherwise noted, the nature of the beneficial ownership for all shares is sole voting and investment power.
(2) Includes 5,263 shares of unvested restricted stock.
(3) Includes 3,526 shares on unvested restricted stock.

(4) Amount includes 594,100 shares subject to options that are either presently exercisable or will become exercisable within 60 days after March 14, 2018. This amount also includes 103,757 shares of unvested restricted stock subject to forfeiture which Mr. Mackin holds as of March 14, 2018. This amount does not include 29,124 shares earned under 2016 and 2017 performance stock unit awards that had not vested as of March 14, 2018, and that will not vest within 60 days thereafter, or performance stock units granted in March 2018 (30,162 shares at target performance).

(5) Includes 16,000 shares of common stock held by Ms. Marilyn B. McCall, Mr. McCall's spouse, and 5,263 shares of unvested restricted stock.

(6) Includes 40,667 shares held by Ms. Suzanne B. Morgan, Mr. Morgan's spouse, and 5,263 shares of unvested restricted stock.

(7) 36,631,148 outstanding shares of CryoLife common stock as of the proxy record date.

Director Nominee Qualifications and Biographical Information

Thomas F. Ackerman has served as a director of CryoLife since December 2003. Until early 2016, Mr. Ackerman served as a Senior Financial Advisor of Charles River Laboratories International, Inc. (NYSE: CRL)("Charles River Laboratories"), a position he held since August 2015. Until February 2017, Mr. Ackerman served as a consultant to Charles River Laboratories. Charles River Laboratories is a leading global provider of solutions that accelerate the early-stage drug discovery and development process, with a focus on in vivo biology, including research models and services required to enable in vivo drug discovery and development. From 2005 to 2015, he served as Executive Vice President and Chief Financial Officer, from 1999 to 2005, he served as Senior Vice President and Chief Financial Officer, and from 1996 to 1999, he served as Vice President and Chief Financial Officer of Charles River Laboratories, where he was employed since 1988. Mr. Ackerman is a director of the University of Massachusetts Amherst Foundation and serves on the audit committee of Olin College of Engineering. Mr. Ackerman received a B.S. in Accounting from the University of Massachusetts and became a Certified Public Accountant in 1979 (his license is currently inactive).

The Board of Directors has determined that Mr. Ackerman should serve as a director of CryoLife because of his expertise in accounting and financial reporting, particularly in the biotechnology industry.

Daniel J. Bevevino has served as a director of CryoLife since December 2003. From 1996 until March 2008, Mr. Bevevino served as the Vice President and Chief Financial Officer of Respironics, Inc., a company that develops, manufactures and markets medical devices used primarily for the treatment of patients suffering from sleep and respiratory disorders, where he was employed since 1988. In March 2008, Respironics was acquired by Royal Philips Electronics (NYSE: PHG), whose businesses include a variety of medical solutions including medical diagnostic imaging and patient monitoring systems, as well as businesses focused on energy efficient lighting and consumer products. From March 2008 to December 31, 2009, Mr. Bevevino was employed by Philips as the Head of Post-Merger Integration – Respironics, as well as in various operating capacities, to help facilitate the integration of the combined companies. He is currently an independent consultant providing interim chief financial officer services in the life sciences industry, and he currently serves as a director of one of the private companies for which he provides services. He began his career as a Certified Public Accountant with Ernst & Young (his license is currently inactive). Mr. Bevevino received a B.S. in Business Administration from Duquesne University and an MBA from the University of Notre Dame.

The Board of Directors has determined that Mr. Bevevino should serve as a director of CryoLife because of his expertise in accounting and financial reporting, particularly in the medical device industry.

James W. Bullock has served as a director of CryoLife since October 2016. Until January 2018, Mr. Bullock served as the President and Chief Executive Officer of Zyga Technology, Inc. (“Zyga Technology”), a privately-held medical device company focused on products that treat conditions of the lumbar spine. In January 2018, RTI Surgical, Inc. (NASDAQ: RTIX) announced the acquisition of Zyga Technology. Mr. Bullock also serves as the Executive-in-Residence for Split Rock Partners LLC, a venture capital firm that invests in the medical device space focusing on therapeutic devices. He has held both positions since 2011. Prior to that, he served for six years as President and Chief Executive Officer of Atritech, Inc. Atritech was a privately-held cardiovascular manufacturing company that was acquired by Boston Scientific (NYSE: BSX). Prior to that, he served for nine years as President and Chief Executive Officer and was a member of the board of directors of Endocardial Solutions, Inc., (NASDAQ: ECSI), a cardiac-focused medical device company that was acquired by St. Jude Medical, which was acquired by Abbott Laboratories (NYSE: ABT). He also served in that position at Stuart Medical, Inc., and began his career working in a variety of sales leadership positions at Stackhouse, Inc., Baxter Healthcare, Inc. (NYSE: BAX), and American Hospital Supply Corporation. In addition to his service on the board of Endocardial Solutions, Inc., Mr. Bullock has also served on the boards of directors of seven private companies. Currently, in addition to CryoLife’s Board of Directors, Mr. Bullock also serves as Chairman of the Board of directors of Stimdia, a privately-held start-up subsidiary of Andarta Medical, Inc. that is conducting research for the development of medical devices for use in the critical care treatment of ventilator induced diaphragmatic dysfunction. Mr. Bullock received a B.S. in Public

Administration from the University of Arizona.

The Board of Directors has determined that Mr. Bullock should serve as a director of CryoLife because of his business acumen and substantial worldwide experience in the medical device industry, particularly in the area of company growth.

Jeffrey H. Burbank, has served as a director of CryoLife since October 2017. Mr. Burbank is the Chief Executive Officer and a member of the board of directors of NxStage Medical, Inc. (NASDAQ: NXTM)(“NxStage Medical”), a leading medical technology company, positions he has held since he founded NxStage Medical in 1998. In August 2017, Fresenius Medical Care (NYSE: FMS), the world’s largest provider of products and services for individuals with renal diseases, announced that it had reached an agreement to acquire NxStage Medical. Mr. Burbank remains as NxStage’s CEO until the acquisition is completed. Mr. Burbank has over 30 years of in-depth management experience with companies developing, marketing and manufacturing products for end-stage renal disease patients. Prior to founding NxStage Medical, Mr. Burbank was a co-founder of Vasca, Inc., a company that provided innovate implantable access devices, where he was the President and Chief Executive Officer, as well as Chairman of the Board. During his career he has been an inventor on over 50 U.S. patents for medical devices. Mr. Burbank received a B.S. in Industrial Engineering from Lehigh University.

The Board of Directors has determined that Mr. Burbank should serve as a director of CryoLife because of his business acumen and substantial worldwide experience in the medical device industry.

J. Patrick Mackin assumed the position of President and Chief Executive Officer of CryoLife in September 2014. He was appointed to the CryoLife Board of Directors in October 2014, and he was appointed Chairman of the Board of Directors in April 2015. Mr. Mackin has more than 20 years of experience in the medical device industry. Prior to joining CryoLife, Mr. Mackin served as President of Cardiac Rhythm Disease Management, the then largest operating division of Medtronic, Inc. (NYSE: MDT), from August 2007 to August 2014. At Medtronic, he previously held the positions of Vice President, Vascular, Western Europe and Vice President and General Manager, Endovascular Business Unit. Prior to joining Medtronic in 2002, Mr. Mackin worked for six years at Genzyme, Inc. serving as Senior Vice President and General Manager for the Cardiovascular Surgery Business Unit and as Director of Sales, Surgical Products division. Before joining Genzyme, Mr. Mackin spent four years at Deknatel/Snowden-Pencer, Inc. in various roles and three years as a First Lieutenant in the U.S. Army. Mr. Mackin has served as a director of Opsens, Inc. (TSXV: OPS and OTCQX: OPSSF), a fiber optic sensors manufacturer, since 2016. Mr. Mackin received an MBA from the Kellogg Graduate School of Management at Northwestern University and is a graduate of the U.S. Military Academy at West Point.

The Board of Directors has determined that Mr. Mackin should serve as a director of CryoLife because of his business acumen and substantial worldwide experience in the medical device industry. In addition, the Board of Directors believes that it is appropriate and useful to have the President and Chief Executive Officer of CryoLife serve as a member of the Board of Directors.

Ronald D. McCall, has served as a director of CryoLife since January 1984. From 1985 to the present, Mr. McCall has been the owner of the law firm Ronald D. McCall, P.A., based in Tampa, Florida. Mr. McCall was admitted to the practice of law in Florida in 1961. Mr. McCall received a B.A. and a J.D. from the University of Florida.

The Board of Directors has determined that Mr. McCall should serve as a director of CryoLife because of his legal training and experience. Also, the Board of Directors believes that his long-standing involvement with CryoLife provides him with a unique perspective on current issues facing the Company.

Harvey Morgan has served as a director of CryoLife since May 2008. Mr. Morgan has more than 40 years of investment banking experience, with significant expertise in strategic advisory services, mergers and acquisitions, private placements and underwritings. He served as a Managing Director of the investment banking firm Bentley Associates, L.P. from 2004 to December 31, 2012, and from 2001 to 2004 he was a Principal of Shattuck Hammond Partners, an independent investment banking and financial advisory firm. Mr. Morgan also served on the Board of Directors of Family Dollar Stores, Inc. (NYSE: FDO), a leading operator of discount variety stores, which was acquired by Dollar Tree Inc. (NASDAQ: DLTR) in 2014, and Cybex International, Inc. (NASDAQ: CYBI), a leading manufacturer of premium exercise equipment. Mr. Morgan received his undergraduate degree from the University of North Carolina at Chapel Hill and an MBA from the Harvard Business School.

The Board of Directors has determined that Mr. Morgan should serve as a director of CryoLife because of his past business experience, particularly with respect to investment banking and capital markets.

Jon W. Salveson has served as a director of CryoLife since May 2012. Mr. Salveson is the Vice Chairman, Investment Banking and Chairman of the Healthcare Investment Banking Group at Piper Jaffray Companies (NYSE: PJC)("Piper Jaffray"), a U.S. investment bank and asset management firm. He joined Piper Jaffray in 1993 as an associate, was elected Managing Director in 1999, and was named the Group Head of Piper Jaffray's international healthcare investment banking group in 2001. Mr. Salveson was appointed Global Head of Investment Banking and a member of the Executive Committee of Piper Jaffray in 2004, and has served in his present position as Vice Chairman, Investment Banking since July 2010. Mr. Salveson also serves on the Board of Directors of CHF Solutions, Inc. (NASDAQ: CHFS), an early-stage medical device company. Mr. Salveson received his undergraduate degree from St. Olaf College in 1987 and an M.M.M. in finance from the Kellogg Graduate School of Management at Northwestern University.

The Board of Directors has determined that Mr. Salveson should serve as a director of CryoLife because of his considerable experience in investment banking in the healthcare industry and his ability to advise CryoLife respect to transactions.

As previously disclosed, Dr. Ronald C. Elkins, a director of CryoLife since 1994, notified CryoLife on January 26, 2018, of his decision not to stand for re-election as a director at the 2018 Annual Meeting of Stockholders. Dr. Elkins's decision not to stand for re-election was not due to any disagreement with management on any matter relating to CryoLife's operations, policies, or practices.

Required Vote

Nominees for election as directors will be elected by a plurality of the votes cast by the holders of shares entitled to vote in the election. Since there are eight directorships to be filled, this means that the eight individuals receiving the most votes will be elected. Accordingly, abstentions and broker non-votes will not be relevant to the outcome.

The Board of Directors' Recommendation

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR EACH OF THE EIGHT NOMINEES FOR DIRECTOR LISTED IN THIS PROPOSAL ONE.

CORPORATE GOVERNANCE AND BOARD OF DIRECTORS MATTERS

Our Board of Directors believes that the purpose of corporate governance is to serve the interests of the Company and its stockholders in a manner that is consistent with its fiduciary duties and the Company’s mission and core values. The Board of Directors has adopted and adheres to corporate governance practices that the Board of Directors and senior management believe promote this purpose, are sound, and represent best practices. The Board of Directors reviews these practices on an ongoing basis and revises them as appropriate.

Director Independence

In connection with its annual review in March 2018, and based on the information available to it, the Board of Directors determined that none of Messrs. Ackerman, Bevevino, Bullock, Burbank, McCall, Morgan, or Salveson, or Dr. Elkins (who is not standing for re-election) has or had a material relationship with CryoLife, and that each qualified as independent directors under the NYSE’s Listing Standards.

In addition to qualifying as “independent” within the meaning of Section 303A.02 of the NYSE Listing Company Standards, each member of the Compensation Committee must be a “non-employee director” within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and at least two members of the Compensation Committee must be “outside directors” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder. In determining the independence of any director who will serve on the Compensation Committee, the Board of Directors will consider all factors relevant to determining whether such director has a relationship with us that is material to the director’s ability to be independent from management in connection with the duties of a Compensation Committee member, including, but not limited to (i) the source of compensation of such director, including any consulting, advisory, or other compensatory fee paid by us to the director and (ii) whether such director is affiliated with us, one of our subsidiaries, or an affiliate of one of our subsidiaries.

In addition to qualifying as “independent” within the meaning of Section 303.A02 of the NYSE Listing Standards, each member of the Audit Committee also meets the criteria of Section 303.A06 and Rule 10A-3 promulgated under the Exchange Act.

Until February 2017, Mr. Ackerman served as a Consultant to Charles River Laboratories. Prior to that date, Mr. Ackerman held various positions at Charles River Laboratories, including most recently, as Senior Financial Advisor. CryoLife has made purchases from Charles River Laboratories relating to supplies, including supplies for certain of its clinical trials, in each of the last several years and anticipates doing so in the current year. CryoLife’s purchases from Charles River Laboratories were made on an arm’s-length basis. The amount of these purchases falls within the categorical standards for commercial relationships that are deemed not material and would not impair a director’s independence. The Board of Directors understood that Mr. Ackerman's compensation from Charles River Laboratories was in no way impacted by the size or amount of the business transacted between the two companies. The Board of Directors determined that Mr. Ackerman's relationship with Charles River Laboratories is not a material relationship that could impair his independence as a director as of CryoLife.

Dr. Elkins, who is retiring and will not be standing for re-election, is a former Chief of the Section of Thoracic and Cardiovascular Surgery, University of Oklahoma Health Sciences Center (the "Center") and is a Professor Emeritus of the Center. In 2017, the Center paid CryoLife for tissue preservation services and products provided by CryoLife. Dr. Elkins's son, Charles Craig Elkins, M.D., is a cardiac surgeon who has implanted CryoLife preserved cardiac tissues at Integris Baptist Medical Center in Oklahoma City. Integris Baptist Medical Center, along with Integris SW Medical Center, paid CryoLife for products and tissue preservation services in 2017, and we expect this relationship to continue. The Board of Directors considered these relationships and determined that they are not material relationships that could impair Dr. Elkins's independence.

Mr. Salveson is the Vice Chairman, Investment Banking and Chairman of the Healthcare Investment Banking Group at Piper Jaffray. CryoLife has previously used Piper Jaffray in connection with certain transactions, and may do so in the future; however, Mr. Salveson does not personally work for Piper Jaffray on any transactions with CryoLife. On January 20, 2016, CryoLife acquired On-X Life Technologies, Inc. ("On-X"), for approximately $130,000,000.00. Piper Jaffray represented On-X as its investment banker in that acquisition, for which On-X owed Piper Jaffray $3,045,701.00 in fees upon the close of the acquisition. CryoLife paid these fees owed by On-X to Piper Jaffray on behalf of On-X out of the proceeds of the acquisition. Mr. Salveson did not personally work on this transaction on behalf of Piper Jaffray, and there is no ongoing relationship with Piper Jaffray related to the On-X engagement. After reviewing these relationships, the Board of Directors determined that they are not material relationships that could impair Mr. Salveson's independence.

The Board of Directors' Right to Retain Advisors

The Board of Directors has authorized committees of the Board of Directors to retain their own advisors, such as auditors, compensation consultants, search firms, legal counsel, and others, to the extent the committees deem it appropriate.

The Board of Directors' Leadership Structure

The President and Chief Executive Officer of CryoLife serves as the Chairman of the Board of Directors. The Board of Directors believes that this structure promotes fluid communication and coordination between the Board of Directors and management. Also, the Board of Directors believes that Mr. Mackin is well-suited to fill his management and Board of Directors roles and that the Board of Directors benefits from his serving in these dual roles.

In order to foster the Board of Directors' independence from management, the leadership structure of the Board of Directors also includes a Presiding Director, a position held by an independent director. Mr. McCall assumed the role of Presiding Director in December 2005. The Presiding Director has frequent contact with Mr. Mackin and other members of management on a broad range of matters and has additional corporate governance responsibilities for the Board of Directors. Mr. McCall also serves as liaison between Mr. Mackin and the independent directors, approves meeting agendas and schedules to insure that there is sufficient time for discussion of all agenda items, approves information sent to the Board, has the authority to call meetings of the independent directors, and can, if requested by major stockholders, consult with them directly.

The Board of Directors' Role in Risk Oversight

The Board of Directors has an active role, as a whole and also at the committee level, in overseeing the management of our risks. Management is primarily responsible for risk management, and management reports directly to the committees and the Board of Directors with respect to risk management. The Board of Directors is responsible for general oversight of risks and regular review of information regarding our risks, including credit risks, liquidity risks, and operational risks. In its risk oversight role, the Board of Directors reviews periodically the Company's strategic plan, as well as an assessment of potential material risks facing the Company. While the Board of Directors has the ultimate oversight responsibility for the risk management process, various committees of the Board of Directors also have responsibility for risk management.

In particular, the Compensation Committee is responsible for ensuring that our officer compensation policies and practices do not incent excessive or inappropriate risk-taking by employees or non-employee directors. The Audit

Committee is primarily responsible for coordination with our independent registered public accounting firm, oversight of our internal controls, operation of our internal audit, and various financial and compliance functions. The Corporate Governance Committee monitors risk by ensuring that proper corporate governance standards are maintained and that the Board of Directors is comprised of qualified directors. The Compliance Committee is primarily responsible for oversight of our healthcare compliance function, including our compliance with quality systems, and regulatory assurance laws and regulations, as well as our compliance with other healthcare compliance laws and regulations. Together with the Audit Committee, it assists in oversight of our compliance with certain laws and regulations such as the Foreign Corrupt Practices Act and such policies as our Code of Conduct.

Board of Directors and Committee Meetings, Annual Meeting of Stockholders and Attendance

During 2017, each director attended, either in person or by telephone, at least 75% of the meetings of the Board of Directors and the committees of the Board of Directors on which he served. In general, members of the Board of Directors become members of committees following the Annual Meeting of Stockholders.

The Board of Directors held fourteen meetings during 2017. All of the then-current members of the Board of Directors attended the 2017 Annual Meeting of Stockholders, which attendance is strongly encouraged, but not required.

Standing Committees of the Board of Directors; Committee Assignments

During 2017, the Board of Directors had four standing committees: the Audit Committee, the Compensation Committee, the Corporate Governance Committee, and the Compliance Committee. In 2017, the Audit Committee met eight times, the Compensation Committee met twelve times, the Corporate Governance Committee met seven times, the Compliance Committee met four times, the Compensation Committee and the Corporate Governance Committee met jointly one time, and the Audit Committee and the Compliance Committee met jointly one time. These committees are described below, and the following table lists the members of each of the standing committees as of the date of this Proxy Statement:

Director	**Audit Committee**	**Compensation Committee**	**Corporate Governance Committee**	**Compliance Committee**
J. Patrick Mackin, Chairman, President, and Chief Executive Officer				
Thomas F. Ackerman	√	√		
Daniel J. Bevevino	√	Chair		
James W. Bullock			√	√
Jeffrey H. Burbank			√	
Ronald C. Elkins, M.D.		√		√
Ronald D. McCall, Presiding Director		√	Chair	
Harvey Morgan	Chair			√
Jon W. Salveson			√	Chair

Audit Committee — The Audit Committee operates under a written charter that sets out the committee's functions and responsibilities. The Audit Committee currently consists of three non-employee directors: Mr. Morgan, Chair, Mr. Ackerman and Mr. Bevevino, each of whom served on the Audit Committee for all of 2017. Each of the members of the Audit Committee meets the requirements of independence of Section 303A.02 of the current NYSE Listing Standards and also meets the criteria of Section 303A.06, as set forth in Rule 10A-3 promulgated under the Exchange Act, regarding listing standards related to audit committees. No member of the Audit Committee serves on the audit committee of more than three public companies. In addition, the Board of Directors has determined that all of the current members of the Audit Committee satisfy the definition of an "audit committee financial expert," as promulgated by the Securities and Exchange Commission (the "SEC").

The Audit Committee charter gives the Audit Committee the authority and responsibility for the appointment, retention, compensation, and oversight of CryoLife's independent registered public accounting firm, including pre-approval of all audit and non-audit services to be performed by CryoLife's independent registered public accounting firm. The Audit Committee also oversees and must review and approve all significant related party transactions. See *Policies and Procedures for Review, Approval or Ratification of Transactions with Related Parties beginning on page 17; see also the Report of the Audit Committee* on page 21.

The Audit Committee reviews the general scope of CryoLife's annual audit and the nature of services to be performed for CryoLife in connection with it, acting as liaison between the Board of Directors and the independent registered public accounting firm. The Audit Committee also reviews various Company policies, including those relating to accounting practices and internal control systems of CryoLife. In addition, the Audit Committee is responsible for reviewing and monitoring the performance of CryoLife's independent registered public accounting firm, for engaging or discharging CryoLife's independent registered public accounting firm, and for assisting the Board of Directors in its oversight of risk management and legal and financial regulatory requirements.

Compensation Committee — The Compensation Committee operates under a written charter that sets out the committee's functions and responsibilities. The Compensation Committee currently consists of four non-employee directors: Mr. Bevevino, Chair, Mr. Ackerman, Dr. Elkins and Mr. McCall, each of whom served on the Compensation Committee for all of 2017. Each member of the Compensation Committee meets the independence requirements of Sections 303A.02(a)(i) and (ii) of the current NYSE Listing Standards, is a non-employee director within the meaning of Rule 16b-3 under the Exchange Act and is a disinterested director within the meaning of Section 162(m) of the Internal Revenue Code of 1986. Pursuant to the Compensation Committee charter, the Compensation Committee is responsible for reviewing with the Company CEO, the performance of officers and setting the annual compensation for all officers, including the salary and the compensation package of officers. The Compensation Committee also manages the issuance of stock options, restricted stock awards, restricted stock units, performance stock units, and other stock rights and cash incentives under CryoLife's stock and incentive plans. In conjunction with the Corporate Governance Committee and Board of Directors, the Compensation Committee approves severance arrangements for the CEO and other officers. The Compensation Committee reviews and approves the performance metrics upon which a portion of the compensation of CryoLife's CEO and other officers is based, and together with the Corporate Governance Committee, reviews the CEO’s objectives, performance, and recommends changes thereto. See *Compensation Discussion and Analysis* on page 23 for information concerning the Compensation Committee’s role, processes, and activities in overseeing executive compensation.

Pursuant to its charter, the Compensation Committee has the authority to delegate any of its decisions to a sub-committee of the Compensation Committee consisting of two committee members, provided that a full report of any action taken is promptly made to the full Compensation Committee.

The Compensation Committee has the power to retain, determine the terms of engagement and compensation of, and terminate any consulting firm that may assist it in its decisions.

Corporate Governance Committee — CryoLife’s Corporate Governance Committee operates under a written charter that sets out the committee’s functions and responsibilities. The Corporate Governance Committee currently consists of four non-employee directors: Mr. McCall, Chair, Mr. Bullock, Mr. Burbank and Mr. Salveson. Messrs. McCall and Salveson served on the Corporate Governance Committee for all of 2017. Mr. Bullock was appointed to the Committee in February 2017 and Mr. Burbank was appointed to the Committee in October 2017. Each of these individuals meets the requirements of independence of Section 303A.02 of the current NYSE Listing Standards. The Corporate Governance Committee recommends potential candidates for the Board of Directors and oversees the annual self-evaluations of the Board of Directors and its committees. The Corporate Governance Committee is also responsible for overseeing succession planning for the Board and officers, including the CEO. Each year the Corporate Governance Committee, together with the Compensation Committee, evaluates the performance of CryoLife’s CEO and recommends his compensation. The Corporate Governance Committee also recommends to the Board of Directors how the other committees of the Board of Directors should be structured and which non-employee directors should be members of those committees. The Corporate Governance Committee also reviews and makes recommendations to the Board of Directors regarding the development of and compliance with the Company’s corporate governance guidelines and other governance policies, procedures, and practices.

Compliance Committee — CryoLife’s Compliance Committee operates under a written charter that sets out the committee’s functions and responsibilities. The Compliance Committee currently consists of four non-employee directors: Mr. Salveson, Chair, Mr. Bullock, Dr. Elkins and Mr. Morgan. Messrs. Salveson and Morgan and Dr. Elkins each served on the Compliance Committee for all of 2017. Mr. Bullock was appointed to the committee in October 2017. Each of these individuals meets the requirements of independence of Section 303A.02 of the current NYSE Listing Standards. The charter of the Compliance Committee requires that a majority of its members be independent. Among other things, the Compliance Committee assists the Company in its oversight of CryoLife’s compliance with healthcare laws and regulations, including regulations and laws related to regulatory affairs and quality assurance, and general healthcare compliance such as the Anti-Kickback Statute. The Compliance Committee also receives summaries of periodic reports from the Company’s quality auditors and provides input into certain internal regulatory affairs and quality assurance and healthcare compliance policies. Finally, pursuant to its charter, the Compliance Committee, jointly with the Audit Committee, assists in the oversight of compliance with certain policies and procedures such as the Company’s Code of Conduct and our policy with respect to the Foreign Corrupt Practices Act.

Procedures for Stockholders Who Wish to Submit Recommendations to the Board of Directors

Stockholders may recommend potential candidates for director to the Corporate Governance Committee. The policy of the Corporate Governance Committee is to give the same consideration to nominees recommended by stockholders that it gives to individuals whose names are submitted by management or non-employee directors, provided such recommendations from stockholders are made in accordance with procedures described in this Proxy Statement under the FAQ ***"What is the deadline for submitting proposals for consideration at next year's Annual Meeting of Stockholders or to nominate individuals to serve as directors?"*** When considering a potential candidate, the Corporate Governance Committee considers, among other things, demonstrated character, judgment, relevant business, functional, and industry experience, degree of intellectual and business acumen, and, when contemplating overall board diversity, ethnic background and gender. The Corporate Governance Committee does not have a formal policy with respect to diversity; however, the Board of Directors and the Corporate Governance Committee believe that it is important that the members of the Board of Directors represent diverse viewpoints. The Corporate Governance Committee's process for identifying and evaluating nominees typically involves a series of internal discussions, review of information concerning candidates, and interviews of selected candidates. From time to time, we have also engaged one or more executive search consulting firms to assist in the identification and recruitment of potential director candidates.

The Corporate Governance Committee has not received any recommended director nominees for election at the 2018 Annual Meeting from any CryoLife stockholder or group of stockholders beneficially owning in excess of 5% of CryoLife's outstanding common stock. Stockholders may communicate with the Corporate Governance Committee or the Board of Directors by following the procedures set forth below at *Communication with the Board of Directors and its Committees* on page 18.

The current policy of the Board of Directors requires each director to offer to voluntarily resign upon a change in such director's principal employment or line of business. The Corporate Governance Committee will then review whether such director continues to meet the needs of the Board of Directors and whether to make a recommendation to the Board of Directors that it should accept the director's offer to tender his or her resignation.

Current policy of the Board of Directors also limits the number of other public company boards on which CryoLife's directors may serve. Non-employee directors may serve on no more than three public company boards in addition to service on the Company's Board of Directors, and the CEO's service on the governing body of any organization is restricted in his employment agreement with the Company and is subject to prior approval by the Board of Directors.

Code of Conduct

CryoLife has established a Code of Conduct that clarifies the Company's standards of conduct in potentially sensitive situations; makes clear that CryoLife expects all employees, officers, and non-employee directors to abide by applicable legal and regulatory requirements and to understand and appreciate the ethical considerations of their decisions; and reaffirms the Company's long-standing commitment to a culture of corporate and individual accountability and responsibility for the highest ethical and business practices.

In addition to the Code of Conduct, the Company's Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, Controller, Assistant Controller, and all other senior financial officers are also subject to the Company's Code of Ethics for Senior Financial Officers. In the event that CryoLife amends or waives any of the provisions of the Code of Conduct or Code of Ethics for Senior Financial Officers applicable to its Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, Controller, or Assistant Controller, the Company will disclose that information on the Company's website at http://phx.corporate-ir.net/phoenix.zhtml?c=80253&p=irol-govConduct.

Policies and Procedures for Review, Approval or Ratification of Transactions with Related Parties

The Board of Directors has adopted policies and procedures for review, approval, or ratification of transactions with related parties.

Types of Transactions Covered

It is our policy to enter into or ratify related party transactions only when the Board of Directors, acting through the Audit Committee or as otherwise described herein, determines that the related party transaction in question is in, or is not inconsistent with, the best interests of CryoLife and its stockholders. We follow the policies and procedures below for any transaction in which we are, or are to be, a participant and the annual amount involved exceeds $50,000 and in which any related party, as defined below, had, has, or will have a direct or indirect interest. Pursuant to the policy, compensatory arrangements with an officer or non-employee director that are approved or ratified by the Compensation Committee or compensation received under our employee benefit plans that are available to all employees do not require additional Audit Committee approval.

The Company subjects the following related parties to these policies: non-employee directors (and nominees); executive officers; beneficial owners of more than 5% of our stock; any immediate family members of these persons; and, any entity in which any of these persons is employed, or is a general partner or principal, or has a similar position, or in which the person has a 10% or greater beneficial ownership interest.

Standards Applied and Persons Responsible for Approving Related Party Transactions

The Corporate Secretary is responsible for submitting to the Audit Committee for its advance review and approval any related party transaction, other than on-going transactions, into which we propose to enter. If the Corporate Secretary determines that it is not practicable or desirable to wait until the next regularly scheduled Audit Committee meeting, she will submit the related party transaction for approval or ratification to the Chair of the Audit Committee, who possesses delegated authority to act between Audit Committee meetings. The Chair will report any action he has taken under this delegated authority to the Audit Committee at its next regularly scheduled meeting and seek ratification of such approval. If any related party transaction inadvertently occurs before the Audit Committee has approved it, the Corporate Secretary will submit the transaction to the Audit Committee for ratification as soon as reasonably practicable. If the Audit Committee does not ratify the transaction, the Audit Committee will direct management as to what action it proposes management take regarding the transaction.

When considering a related party transaction, the Audit Committee will examine all factors it deems relevant. The Audit Committee, or the Chair, will approve only those transactions that they have determined in good faith are in, or are not inconsistent with, the best interests of CryoLife and its stockholders.

The Corporate Secretary may delegate her duties under the policy to another officer of CryoLife if she gives notice of the delegation to the Audit Committee at a regularly scheduled Audit Committee meeting.

Review of Ongoing Transactions

At a meeting of the Audit Committee in the first quarter of each fiscal year, the Audit Committee reviews all related party transactions that are ongoing and have a remaining term of more than six months or remaining amounts payable to or receivable from CryoLife of more than $50,000 annually. Based on all relevant facts and circumstances, the Audit Committee will determine whether it is, or is not inconsistent with, the best interests of CryoLife and its stockholders to continue, modify, or terminate the on-going related party transaction. Review of 2017 ongoing related party transactions is located at *Director Independence* beginning on page 13.

Compensation Committee Interlocks and Insider Participation

None of our executive officers currently serve, or served during fiscal 2017, as a member of the compensation committee of any other company that has or had an executive officer serving as a member of our Board of Directors. None of our executive officers currently serve, or served during fiscal 2017, as a member of the board of directors of any other company that has or had an executive officer serving as a member of our Compensation Committee.

Communication with the Board of Directors and Its Committees

Interested parties may communicate with the Board of Directors, the Presiding Director, the non-employee directors as a group, committee chairs, committees, and individual directors by directing communications to the Corporate Secretary, who will forward them as appropriate, unless they clearly constitute unsolicited general advertising or inappropriate material. Please send all communications in care of Jean F. Holloway, General Counsel and Corporate Secretary, CryoLife, Inc., 1655 Roberts Boulevard, NW, Kennesaw, Georgia 30144.

Availability of Corporate Governance Documents

You may view current copies of the charters of the Audit, Compensation, Corporate Governance, and Compliance Committees, as well as the Company's Corporate Governance Guidelines and Code of Conduct, on the CryoLife website at *http://investors.cryolife.com/corporate-governance/governance-highlights*.

Notwithstanding anything to the contrary set forth in any of CryoLife's filings under the Securities Act of 1933, as amended, or the Exchange Act that might incorporate other CryoLife filings, including this Proxy Statement, in whole or in part, neither of the following Reports of the Audit Committee and the Compensation Committee shall be incorporated by reference into any such filings.

DIRECTOR COMPENSATION

Elements of Non-Employee Director Compensation

Annual Retainer and Committee Chair Fees

Each of the non-employee directors of CryoLife receives an annual cash retainer for service on the Board of Directors, service on committees of the Board of Directors, service as the Chair of the committees of the Board of Directors, and service as Presiding Director, as applicable and as noted in the table below. CryoLife pays all cash retainers on a prorated monthly basis. Currently, the Presiding Director is also the Chair of the Corporate Governance Committee, and he does not receive any additional compensation for his position as Chair of that committee.

2017 Board of Director Retainers	
Annual Board Service	$40,000
Presiding Director(1)	$25,000

Committee	**Committee Chair Retainer**(2)	**Committee Membership Retainer**
Audit	$15,000	$7,500
Compensation	$10,000	$5,000
Corporate Governance	$7,500	$3,750
Compliance	$7,500	$3,750

(1) In addition to annual board service retainer.
(2) Includes committee membership retainer.

Restricted Stock Grants

A portion of the non-employee directors' annual compensation is issued as restricted stock. The shares of restricted stock are issued each year generally following the annual meeting of stockholders. With respect to 2017 grants, the Compensation and Corporate Governance Committees recommended, and the Board of Directors approved, a grant value of $100,000 per non-employee director and in May 2017, the Company granted 5,263 shares of restricted stock to each of the non-employee directors, which will vest on May 17, 2018. In November 2017, Mr. Burbank was granted 3,526 shares of restricted stock, pro-rated for his service from October 2017 to May 2018, which will vest on November 2, 2018. The size and terms of the grants are subject to annual re-evaluation by the Compensation Committee. All equity grants to non-employee directors in 2017 were made pursuant to the CryoLife, Inc. Equity and Cash Incentive Plan (the "ECIP"). The non-employee director will forfeit any unvested portion of the award if he ceases to serve as a director other than for certain reasons described within the ECIP.

Fiscal 2017 Director Compensation

The following table provides compensation information for the one-year period ended December 31, 2017, for each person who was a member of our Board of Directors in 2017, other than J. Patrick Mackin:

Name	Fees Earned or Paid in Cash[(1)] ($)	Stock Awards[(2)] ($)	Total ($)
(a)	(b)	(c)	(d)
Thomas F. Ackerman	52,500	96,050	148,550
James S. Benson[(3)]	21,354	0	21,354
Daniel J. Bevevino	52,500	96,050	148,550
James W. Bullock	45,312	96,050	141,362
Jeffrey H. Burbank	10,937	67,347	78,284
Ronald C. Elkins, M.D.	53,750	96,050	149,800
Ronald D. McCall	65,000	96,050	161,050
Harvey Morgan	58,750	96,050	154,800
Jon W. Salveson	50,312	96,050	146,362

(1) Amounts shown include annual board service retainer, committee Chair and committee membership retainers, and, for Mr. McCall, a Presiding Director retainer, earned by our non-employee directors during 2017.

(2) The amount shown represents the aggregate grant date fair value of the 5,263 restricted shares granted to each of the non-employee directors, as calculated in accordance with FASB ASC Topic 718. We issued the awards on May 17, 2017, and we valued them at $18.25 per share, which was the closing price on the grant date. Mr. Burbank was issued 3,526 shares on November 2, 2017, valued at $19.10 per share, which was the closing price on the grant date. See Notes 1 and 17 of the Notes to Consolidated Financial Statements filed with CryoLife's Annual Report on Form 10-K for the year ended December 31, 2017 for assumptions we used in valuing restricted stock awards. The restricted stock represented here vests on May 17, 2018, and for Mr. Burbank, November 2, 2018; accordingly, these shares remained subject to vesting restrictions as of December 31, 2017.

(3) Mr. Benson retired from the CryoLife, Inc. Board of Directors in May 2017 and did not sit for re-election at the 2017 Annual Meeting.

J. Patrick Mackin, Chairman, President, and Chief Executive Officer received no compensation in 2017 for his services as a director of the Company. His compensation as an executive officer of the Company is detailed in the *Summary Compensation Table* on page 38.

Director Stock Ownership Requirements

In November 2015, the Corporate Governance Committee approved a change to the non-employee director stock ownership requirements to five times the then current annual board service retainer for non-employee directors. All non-employee directors currently satisfy this standard, except Messrs. Bullock and Burbank, who only became directors in October 2016 and October 2017, respectively. The Compensation and Corporate Governance Committees evaluates stock ownership requirements for non-employee directors on an annual basis.

REPORT OF THE AUDIT COMMITTEE

The Board of Directors maintains an Audit Committee of three non-employee directors. The Board of Directors and the Audit Committee believe that the Audit Committee's current member composition satisfies the rules of the NYSE that govern audit committee composition, including the requirement that all audit committee members be "Independent Directors" as that term is defined by Sections 303A.02 and 303A.06 of the NYSE Listing Standards and Rule 10A-3 promulgated under the Securities Exchange Act of 1934.

The Audit Committee oversees CryoLife's financial processes on behalf of the Board of Directors. Management has the primary responsibility for the financial statements and the reporting process, including the systems of internal controls. In fulfilling its oversight responsibilities, the Audit Committee reviewed the audited financial statements included in CryoLife's Annual Report on Form 10-K for fiscal 2017 with management, including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements. The Board of Directors and the Audit Committee have adopted a written Audit Committee Charter. Since the first quarter of 2004, CryoLife has retained a separate accounting firm to provide internal audit services. The internal audit function reports directly to the Audit Committee and, for administrative purposes, to the Chief Financial Officer.

During the course of fiscal 2017, management completed the documentation, testing, and evaluation of CryoLife's system of internal control over financial reporting in response to the requirements set forth in Section 404 of the Sarbanes-Oxley Act of 2002 and related regulations. The Audit Committee was kept informed of the progress of the evaluation and provided oversight and advice to management during the process. In connection with this oversight, the Audit Committee received periodic updates provided by management and Ernst & Young LLP, CryoLife's independent registered public accounting firm, at each regularly scheduled Audit Committee meeting. The Audit Committee also reviewed the report of management on internal control over financial reporting contained in CryoLife's Annual Report on Form 10-K for fiscal 2017, as well as Ernst & Young LLP's Reports of Independent Registered Public Accounting Firm included in CryoLife's Annual Report on Form 10-K for fiscal 2017 related to its audit of (i) CryoLife's consolidated financial statements and (ii) the effectiveness of CryoLife's internal controls over financial reporting. The Audit Committee continues to oversee CryoLife's efforts related to CryoLife's internal controls over financial reporting and management's preparations for the evaluation thereof for fiscal 2018.

The Audit Committee reviewed with Ernst & Young LLP, which is responsible for expressing an opinion on the conformity of those audited financial statements with generally accepted accounting principles, their judgments as to the quality, not just the acceptability, of CryoLife's accounting principles and such other matters as are required to be discussed with the Audit Committee under generally accepted auditing standards. Ernst & Young LLP also provided to the Audit Committee the written disclosures and the letter required by the applicable requirements of the Public Company Accounting Oversight Board regarding Ernst & Young LLP's communications with the Audit Committee concerning independence. The Audit Committee discussed with Ernst & Young LLP that firm's independence from management and CryoLife.

The Audit Committee discussed with Ernst & Young LLP the overall scope and plans for its audit. The Audit Committee met with Ernst & Young LLP, with and without management present, to discuss the results of its examination, its evaluation of CryoLife's internal controls, and the overall quality of CryoLife's financial reporting.

In reliance on the reviews and discussions referred to above, the Audit Committee members did not become aware of any material misstatement in the audited financial statements and recommended to the Board of Directors that the audited financial statements be included in CryoLife's Annual Report on Form 10-K for the year ended December 31, 2017 for filing with the Securities and Exchange Commission. The Audit Committee has approved Ernst & Young LLP as CryoLife's independent registered public accounting firm for fiscal 2018.

Audit Committee

HARVEY MORGAN, CHAIR
THOMAS F. ACKERMAN
DANIEL J. BEVEVINO

This foregoing audit committee report is not "soliciting material," is not deemed "filed" with the SEC, and shall not be deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing of ours under the Securities Act of 1933, as amended, or under the Exchange Act, except to the extent we specifically incorporate this report by reference.

PROPOSAL TWO – ADVISORY VOTE ON EXECUTIVE COMPENSATION

CryoLife seeks a non-binding vote from its stockholders to approve the compensation paid to our named executive officers, as disclosed in this Proxy Statement pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion. This vote is commonly referred to as a "Say on Pay" vote because it gives stockholders a direct opportunity to express their approval or disapproval to the Company regarding its pay practices.

As discussed in detail in the Compensation Discussion and Analysis that follows, our executive compensation programs are designed to attract, retain, and motivate highly talented individuals who are committed to CryoLife's vision and strategy. We strive to link officers' pay to their performance and their advancement of CryoLife's overall performance and business strategies, while also aligning the executives' interests with those of stockholders and encouraging high-performing executives to remain with CryoLife over the course of their careers. We believe that the amount of compensation for our current named executive officers reflects extensive management experience, continued high performance, and exceptional service to CryoLife and our stockholders.

We invite you to consider the details of our executive compensation program as disclosed more fully throughout this Proxy Statement. Regardless of the outcome of this "Say on Pay" vote, CryoLife welcomes input from its stockholders regarding executive compensation and other matters related to the Company's success generally. We believe in a corporate governance structure that is responsive to stockholder concerns and we view this vote as a meaningful opportunity to gauge stockholder approval of our executive compensation policies. Given the information provided in this Proxy Statement, the Board of Directors asks you to approve the following advisory resolution:

"Resolved, that CryoLife's stockholders approve, on an advisory basis, the compensation paid to CryoLife's named executive officers, as disclosed in this Proxy Statement."

Required Vote

The votes cast for this proposal must exceed the votes cast against it in order for it to be approved. Accordingly, abstentions and broker non-votes will not be relevant to the outcome. As previously disclosed and approved by the stockholders, the Board of Directors currently submits a say on pay proposal annually. The annual frequency of this disclosure and approval was the subject of a vote of the stockholders at the Company's 2017 Annual Meeting, and was supported by more than 77% of the stockholder votes.

The Board of Directors' Recommendation

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE APPROVAL OF THE COMPENSATION PAID TO CRYOLIFE'S NAMED EXECUTIVE OFFICERS.

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis describes the principles, objectives, and features of our executive compensation program as applied to our chief executive officer and the other executive officers included in the Summary Compensation Table of this Proxy Statement (collectively, our "named executive officers"). For 2017, our named executive officers were:

J. Patrick Mackin	President, Chief Executive Officer, and Chairman of the Board of Directors
D. Ashley Lee	Executive Vice President, Chief Operating Officer, and Chief Financial Officer
Jean F. Holloway	Senior Vice President, General Counsel, Corporate Secretary, and Chief Compliance Officer
William R. Matthews	Senior Vice President, Operations, Quality, and Regulatory
John E. Davis	Senior Vice President, Global Sales and Marketing

Mr. Matthews retired effective February 28, 2018, but due to SEC reporting requirements he is still deemed to be a named executive officer with respect to the 2017 fiscal year.

EXECUTIVE SUMMARY

The Compensation Committee, referred to hereafter as the "Committee," generally considers and approves executive compensation each year at a meeting held in the first quarter of the fiscal year. These compensation decisions take into account a variety of information and analyses, including prior-year Company and individual executive performance, current-year performance expectations, any changes in roles and responsibilities, and competitive market data provided by the Committee's independent compensation consultant and by management.

2016 Say on Pay Vote and 2017 Program Decisions

At CryoLife's Annual Meeting of stockholders on May 18, 2016, over 84% of the stockholder votes cast were in favor of our named executive officers' 2015 compensation. This advisory vote indicated strong stockholder support for the executive compensation program.

The Committee considered these 2016 advisory vote results as it evaluated its compensation policies and made compensation decisions subsequent to the 2016 Annual Meeting. Based in part on this consideration, together with the individual executive's and the Company's actual and expected performance, as well as competitive market data provided by the Committee's independent compensation consultant and by management, and after also considering recommendations from its independent compensation consultant and from management, the Committee decided not to make significant changes to the executive compensation programs for 2017. The Committee also worked within the parameters of the ECIP when making compensation decisions in February 2017. The following is a summary of the Committee's significant decisions regarding named executive officer compensation for 2017:

- Named executive officers received 2017 base salary increases from 3% to 5%, based on considerations such as personal performance, Company performance, and market positioning;

- The total value of officers' long-term incentive award levels and the types of equity vehicles (stock options, restricted stock awards, and performance stock units) remained similar to those utilized in 2016, and value was allocated equally among the equity vehicles based on estimated grant date fair value;

- The performance stock unit awards' design metrics remained the same as in 2016 – 80% based on target adjusted EBITDA, 10% based on target adjusted inventory levels, and 10% based on target accounts receivable – days sales outstanding ("DSO"); and,

- The bonus awards' design metrics also remained the same as in 2016 – 40% based on target revenue, 40% based on target adjusted income, and 20% based on individual executive performance.

Pay-for-Performance Alignment

The Committee believes it has developed a compensation program that ensures that the interests of the Company's executives are aligned with those of its stockholders by rewarding corporate and individual performance at levels necessary to attain established business and individual performance goals. The key pay-for-performance aspects of the executive compensation program are described below:

- 50% or more of each named executive officer's target total direct compensation is in the form of variable pay opportunities tied to individual and/or Company performance and/or to stockholder value creation;

- Targets for short-term incentive opportunities are set at challenging levels designed to encourage business growth;

- Short-term incentive opportunities are tied significantly to revenue and adjusted net income performance, as defined below, both of which emphasize factors over which management is expected to have control and which are intended to incentivize management to achieve Company performance that will further our strategic business plan and ultimately deliver value to our stockholders;

- Long-term incentive opportunities are equity-based and include stock options, which only provide value to executives if the stock price increases beyond the grant date price, and performance stock units, which are earned if specified results for adjusted EBITDA, target adjusted inventory levels, and target accounts receivable – DSO, as defined below, are attained;

- Named executive officers are subject to minimum stock ownership requirements to ensure a strong alignment between executives and stockholders and to encourage a long-term view of performance; and,

- We maintain a clawback policy, described further below, to ensure that executive officers do not unjustly benefit from significant mistakes or misstatements within our financial statements.

As described in this Proxy Statement, in 2017 the executive compensation program effectively delivered pay-for-performance, as follows:

- Our 2017 revenue and adjusted net income results were 99.4% and 98.2%, respectively, of target performance, which resulted in annual bonus payouts of 95.4% and 95.2%, respectively, of target award levels under those components of the bonus program; and

Our 2017 adjusted EBITDA performance payout was at 100% of target payout, our adjusted inventory level performance payout was at 100% of target payout and our accounts receivable – DSO were not within the target range and payout was at 0% of target payout. This resulted in performance stock units being fixed at approximately 90% of the target award level.

Throughout this Proxy Statement, we refer to revenue, adjusted net income, adjusted EBITDA, adjusted inventory, and accounts receivable – DSO. These are non-GAAP financial measures that reflect adjustments to similar measures reported under U.S. GAAP. Appendix A to this Proxy Statement provides certain required information regarding these non-GAAP measures, a reconciliation to our audited U.S. GAAP financial statement measures for 2017, as presented in our 2017 Form 10-K filed on March 9, 2018.

ROLES AND RESPONSIBILTIES

Compensation Committee

The Committee determines and approves the compensation of CryoLife's officers, including the named executive officers. The Committee is supported by the CEO, executive management, and an independent compensation consultant, who attends Committee meetings when invited and provides input and information as requested by the Committee. The Committee regularly meets in executive session without the CEO or any members of management present. Except as otherwise noted, all 2017 compensation decisions were recommended by management or the independent compensation consultant and approved by the Committee. Our CEO does not make recommendations to the Compensation or Corporate Governance Committees or participate in Compensation or Corporate Governance Committee or Board meetings regarding his own compensation, except to discuss with those Committees or the Board his annual performance review.

Independent Compensation Consultant

The Committee has the authority to engage independent consultants, including independent compensation consultants, to assist with its responsibilities. With respect to general executive compensation decisions made during fiscal 2017 the Committee retained Willis Towers Watson & Co. ("Willis Towers Watson") as its primary independent compensation consultant for general executive compensation matters. The independent compensation consultant reports directly to the Committee, is directed by the Committee, and provides no other services to CryoLife. The independent compensation consultant generally performs an annual review of officer and non-employee director compensation, analyzes the relationship between officer, including our CEO, pay and Company performance, compares officer and director compensation against such compensation provided by appropriate comparator companies and industry standards, informs the Committee of emerging practices and trends, assists with special projects at the request of the Committee, and attends Committee meetings when invited. In February 2017, the Committee assessed the independence of Willis Towers Watson pursuant to applicable SEC and NYSE rules and concluded that Willis Tower Watson's work for the Committee did not raise any conflict of interest concerns.

COMPENSATION PHILOSOPHY AND OBJECTIVES

The Committee's compensation philosophy is to provide competitive salaries to officers and link the officers' incentive compensation to the achievement of annual and long-term performance goals related to both personal and Company performance without encouraging excessive or inappropriate risk taking. Each primary component of compensation is intended to accomplish a specific objective, as summarized in the following chart:

Compensation Component	Primary Purpose	Form	Performance Linkage
Base Salary	Provide sufficiently competitive pay to attract and retain experienced and successful executives	Cash	Salary adjustments are based partially on individual executive performance and partially on other factors such as competitive market positioning and internal pay equity; in addition, Company performance may impact the decision of whether or not any salary adjustments should be made.
Short-Term Incentive	Encourage and reward individual contributions and aggregate Company results with respect to meeting and exceeding short-term financial and operating goals and incentivize executives to meet or exceed individual	Cash	Short-term incentive payouts are 100% performance-based, with 40% tied to revenue, 40% tied to adjusted net income and 20% tied to individual executive performance.

	performance standards		
Long-Term Incentive	Encourage and reward long-term stockholder value creation, create and sustain a retention incentive, and facilitate long-term stock ownership among our executive team to further align executive and stockholder interests	Performance Stock Units Stock Options Restricted Stock Awards	Performance stock units are not earned unless specific levels of Company performance are achieved during the relevant performance period; stock options deliver *realizable value* to executives only if the stock price increases beyond the grant date stock price; the *realizable value* of restricted stock awards is linked to CryoLife's stock price after the grant date.

COMPENSATION MIX

The Committee approves the primary components of the executive compensation program and generally intends for it to provide more variable pay opportunities than fixed pay opportunities and to provide more long-term incentive opportunities than short-term incentive opportunities. These objectives result in a pay program that aligns pay and performance. The following chart summarizes the target pay mix for the named executive officers for fiscal 2017:

Compensation Component	**Mackin**	**Lee**	**Holloway**	**Matthews**	**Davis**
Salary($)	640,000	402,771	329,784	348,141	321,360
Short-Term Incentive (Target)($)	544,000	241,663	148,403	156,663	160,680
Long-Term Incentive (Grant Date Fair Value)($)(1)	1,537,411	450,329	372,411	310,343	356,891
Target Total Direct Compensation($)	2,721,411	1,094,763	850,598	815,147	838,931
% Fixed(2)	23.5	36.8	38.8	42.7	38.3
% Variable(3)	76.5	63.2	61.2	57.3	61.7
% Short-Term Compensation(4)	43.5	58.9	56.2	61.9	57.5
% Long-Term Compensation(5)	56.5	41.1	43.8	38.1	42.5

(1) Long-term Incentive (Grant Date Fair Value) is based on a grant date closing share price of $16.30 for both restricted stock and performance stock units.
(2) Salary as a percentage of Target Total Direct Compensation.
(3) Short-Term Incentive plus Long-Term Incentive as a percentage of Target Total Direct Compensation.
(4) Salary plus Short-Term Incentive as a percentage of Target Total Direct Compensation.
(5) Long-Term Incentive as a percentage of Target Total Direct Compensation.

MARKET ANALYSIS

As part of its decision-making process, the Committee requests and reviews relevant and credible market data regarding executive compensation levels, Company performance, and the relative relationship between executive pay and Company performance. However, the Committee views this data as one of many inputs in its decision-making process, which also includes other assessments of the Company’s performance, assessments of each executive’s performance, significant changes in roles and responsibilities, internal pay equity among executives, and retention considerations.

Each year, the Committee reviews and considers an officer compensation study prepared by its independent compensation consultant, additional compensation survey data provided by management, and internal equity information. The executive compensation study is generally completed in the fourth quarter of the year and is used to inform the Committee's decisions regarding the subsequent year's compensation. Accordingly, the relevant study and market information reviewed by the Committee with regard to 2017 officer compensation was prepared in October 2016 and presented to the Committee in the fourth quarter of 2016. We refer to this study as the "2016 Study." As in prior years, the 2016 Study assessed both the competitiveness of pay levels and the alignment of pay with Company performance.

The Company's 2017 compensation peer group, which is described in more detail below, had median revenues, based on the latest figures available at the time the 2016 Study was prepared, of $179 million and median market capitalization as of September 30, 2016, of $645 million. In addition to using officer pay information as disclosed by companies in the compensation peer group, the 2016 Study used survey data drawn from four compensation surveys of U.S. companies, including biotech and healthcare companies, with targeted revenues of $200 million, in order to approximate the Company's estimated revenue for 2017. With respect to all named executive officers included in the 2016 Study, the data in the study was an even blend of the 2017 peer group and the survey information. In each case, Willis Towers Watson trended the compensation data forward to January 1, 2017 by a factor of 3.0%. We refer to the blended 2017 peer group and survey compensation data for all named executive officers as the "2017 Peer Group Information."

The following peer companies were used for the 2016 Study:

Peer Company	**FYE Revenue[1] ($)**
AngioDynamics Inc.	354
Nxstage Medical, Inc.	336
RTI Surgical Inc.	282
Heartware International Inc.[2]	277
The Spectranetics Corporation	246
Exactech Inc.	242
Quidel Corp.	196
BioTelemetry, Inc.	179
Cardiovascular Systems Inc.	178
Endologix Inc.	154
Vascular Solutions Inc.	147
AtriCure Inc.	130
Cutera, Inc.	95
Anika Therapeutics Inc.	93
Derma Sciences Inc.	84
STAAR Surgical Company	77
Median	*179*
CryoLife Estimated 2017 Revenues	200

(1) Latest FYE revenue, in millions, at the time the peer group was developed.
(2) Heartware International Inc. was acquired by Medtronic on August 23, 2016.

The Committee believed that the pay practices of these companies provided a useful reference point for pay and performance comparisons at CryoLife, especially considering CryoLife's anticipated growth.

The following survey sources were used in the 2016 Study:

Willis Towers Watson CDB General Industry Executive Compensation Database;

Willis Towers Watson CSR Top Management Compensation Survey;

Mercer General Industry Executive Compensation Study; and,

Radford Global Life Sciences Survey.

Both the peer companies and survey sources were recommended by Willis Towers Watson, the Committee’s independent compensation consultant at that time, and approved by the Committee. In approving the peer group, the Committee considered the fact that each company is (or was at the time) publicly-traded, operates in a similar industry, is similar in size, scope, and complexity and is representative of our pool for executive talent. The Committee also concluded that each one was within a reasonable range of CryoLife’s historical, current, and projected revenues. Nonetheless, the Committee reviews and considers changes to the peer group and survey sources in connection with each year’s study. This is done to ensure that the peer group and survey sources continue to reflect the most appropriate reference points for CryoLife.

2017 COMPENSATION COMPONENTS

The primary components of CryoLife's executive compensation program are base salary, short-term incentives, and long-term incentives. CryoLife also provides executives with tax-deferred savings opportunities, participation in Company-wide benefits programs, and limited perquisites.

2017 Base Salary

The Committee generally reviews base salary levels each February as part of its overall review and approval of the executive compensation program. Based on its review in late 2016 and early 2017, the Committee determined it appropriate to increase executive officers' base salaries, on average, by 3.5% above 2016 levels.

Comparison of 2017 and 2016 Base Salaries

Executive	2017 ($)	2016 ($)	Increase (%)
Mackin	640,000	620,000	3.2
Lee	402,771	387,280	4.0
Holloway	329,784	314,080	5.0
Matthews	348,141	338,000	3.0
Davis	321,360	309,000	4.0

Analysis

The 2016 Study of peer group base salaries found our executive officer salaries to be within a competitive range of 94-112% of the median of their peer group. Based on input from management and in consultation with Willis Towers Watson, the Committee approved merit increases for 2017 for all officers, ranging from 2% to 5%, with named executive officer raises ranging from 3% to 5%. In approving salary increases to named executive officers, the Committee considered current market positioning, both individual and Company performance during 2016, and the Company's overall salary increase budget for employees.

2017 Short-Term Incentives

The Committee approved the 2017 short-term incentive program (the "2017 Bonus Plan") in February 2017. The 2017 Bonus Plan provides for the same performance measures (adjusted for projected changes in 2017 levels of revenue and adjusted net income), same design and same target incentive opportunity as the 2016 program, except for the CEO, whose target incentive opportunity increased from 75% of his base salary to 85% of his base salary.

In March 2017, the Committee approved a plan that we refer to as our "Umbrella Plan" for the primary purpose of ensuring tax deductible treatment for the Company for awards made to certain key executives, including each of our named executive officers, under the 2017 Bonus Plan. The 2017 Bonus Plan operated within the Umbrella Plan so that certain compensation to our named executive officers and other participants in our Umbrella Plan could qualify as "performance-based compensation" and therefore be tax deductible under Section 162(m) of the Internal Revenue Code ("Section 162(m)").

The Umbrella Plan established a threshold performance requirement that the Company must have met in order for the participants to earn a bonus under the 2017 Bonus Plan. For fiscal year 2017, the Company needed to achieve adjusted net income of at least $23,136,500 in order for awards to be made to officers named in the Umbrella Plan. If this threshold performance requirement was met, each named officer was eligible under the plan to receive up to 200% of his or her base salary as cash incentive for fiscal year 2017 performance (including but not limited to the cash bonus granted under the 2017 Bonus Plan). No cash compensation is actually earned under the Umbrella Plan – rather it is a cap applied to all non-base salary cash compensation granted to an officer named in the Umbrella Plan for work during the named fiscal year. While the Committee has discretion to award a cash incentive of less than 200% of base salary to officers named in the Umbrella Plan, it may not grant more and still receive the tax treatment secured by the Umbrella Plan. Accordingly, after the end of fiscal year 2017, the Committee could adjust any amounts earned under the 2017 Bonus Plan downward should they result in the officer exceeding the 200% of base salary cap established in the Umbrella Plan, in an effort to make the entire amount paid to such officer under the 2017 Bonus Plan performance-based compensation properly deductible under Section 162(m).

Analysis

The chart below shows the performance metrics set for the 2017 Bonus Plan:

2017 Performance Goals

Performance Measure	**Weight (%)**	**Threshold ($)**	**Target ($)**	**Benchmark ($)**
Revenue	40	180,221,000	189,706,000	199,191,000
Adjusted Net Income	40	39,332,000	46,273,000	53,214,000
Individual Performance	20	—	—	—

See Appendix A to this Proxy Statement for further details regarding the revenue and adjusted net income performance measure and the reconciliation of that measure to net income as reported for purposes of U.S. GAAP.

Upon review and consideration, the Committee believed that the performance measures of revenue and adjusted net income used in the 2017 short-term incentive program would motivate management to achieve increases in 2017 revenues, net income, and operating cash flow goals, as well as to drive personal performance and provide appropriate incentives to satisfy employee retention goals. As a result, the Committee approved the revenue and adjusted net income measures (as adjusted for 2017 forecast results) that it used with respect to 2016 for use in the 2017 Bonus Plan.

The Committee believed that 2017 revenue and adjusted net income threshold and target performance levels were challenging, but expected them to be achieved. The 2017 revenue and adjusted net income targets are within the range of 2017 product and service revenue guidance previously publicly announced by CryoLife.

For 2017, the performance measures and weights for the short-term incentive program remained the same as in 2016, with a 100% payout for performance at target levels and the following additional primary features:

Revenues:

- o Under Threshold – less than 95% of target performance (0% payout)
- o Threshold – 95% of target performance (60% payout)
- o Benchmark – 105% of target performance (140% payout)
- o Over Benchmark – prorated consistent with above payouts

Adjusted net income:

- o Under Threshold – less than 85% of target performance (0% payout)
- o Threshold – 85% of target performance (60% payout)
- o Benchmark – 115% of target performance (140% payout)
- o Over Benchmark – prorated consistent with above payouts

Individual performance component comprises 20% of the total award opportunity; 0-200% of target payout earned based on performance rating and particular performance factors, with 200% being the maximum that can be earned for this metric.

The performance ranges are generally narrow relative to the payout ranges in order to focus executives on achieving business performance goals in a manner consistent with business plans and communicated guidance.

Analysis – Program Design

In arriving at its decision to approve the 2017 short-term incentive program design, measures, and goals, the Committee took into consideration the following factors and analyses:

A general satisfaction with the core plan design and its pay-for-performance orientation;
A belief that revenue and adjusted net income are key to incentivizing management to achieve Company performance that will further the Company's strategic business plan and ultimately deliver value to stockholders, without encouraging excessive risk taking;
The plan's similarity to the short-term incentive plan designs of peer companies;
CryoLife's 2016 performance, and whether any changes to performance metrics were required to achieve the 2017 goals; and,
Recent historical payout levels that the Committee believed indicated that performance goals over the last few years had been set at reasonably challenging, but attainable levels.

The Committee sets short-term incentive opportunities, in conjunction with a review of base salaries, as part of executives' overall "target total cash compensation." The Committee decided to carry forward for 2017 the design of the 2016 short-term incentive program, as it believed that the performance measures of revenue and adjusted net income used in the 2016 program would continue to motivate management to achieve improvements in those metrics. The Committee also believed that these goals would drive the personal performance of the named executive officers and provide appropriate incentives to satisfy employee retention goals.

With respect to adjusted net income and revenue, the Committee chose to exclude certain items over which it believed that management has insufficient control or could distort underlying operating performance of the Company. For example, a number of adjustments were made for business development activities and for the impact of the massive hurricanes that struck Texas and Florida and had a significant and direct impact on non-deferrable sales in those areas.

The Committee discussed management's recommended 2017 performance targets and payout opportunities with its independent compensation consultant and with management and determined that the recommended program design, targets, and payout opportunities were consistent with its desire to ensure that no short-term incentives would be paid unless challenging performance was achieved and then only at levels commensurate with such performance. The Committee believed that the 2017 short-term incentive program target percentages provided each officer with an appropriate incentive potential given his or her position with and importance to CryoLife, and that they were appropriately sized based on the 2017 Peer Group Information and the internal pay equity information reviewed by the Committee.

Analysis – Plan Payout

The 2017 short-term incentive payouts in early 2018 through the 2017 Bonus Plan were based on actual financial performance results of CryoLife relative to the pre-determined goals and on the individual performance results of each executive officer with respect to the individual performance component. Individual performance bonuses for each named executive officer (other than that for the CEO) were based on reviews conducted by the CEO of individual performance relative to individual goals. Mr. Mackin's 2017 individual performance bonus reflected a joint review of his 2017 performance by the Compensation Committee and Corporate Governance Committee. Having certified the other performance metrics, and considered Mr. Mackin's individual performance, the Committees approved his bonus payout at the amount below.

The following tables show the performance results for 2017 and the actual amount of short-term incentive paid to each named executive officer:

2017 Annual Incentive Program (Cash Bonus)

Actual vs. Target Performance

Performance Measure	Weight (%)	Actual Performance ($)	Target Performance ($)	Performance % of Target (%)	Payout % of Target (%)
Revenue	40	188,624,000	189,706,000	99.4	95.4
Adjusted Net Income	40	45,446,000	46,273,000	98.2	95.2
		1 – 5 performance ratings			
Individual Performance	20	0% - 200% of target payout based on			
		individual performance of officer			

2017 Annual Incentive Program (Cash Bonus)
Actual[1] vs. Target Payout

Executive	Actual Payout ($)	Target Payout ($)	Payout % of Target (%)
Mackin	523,703	544,000	96.3
Lee	256,812	241,663	106.3
Holloway	172,546	148,403	116.3
Matthews	150,818	156,663	96.3
Davis	154,685	160,680	96.3

(1) All of the named executive officers received personal performance bonuses based on their individual performance for 2017.

These tables demonstrate how the short-term incentive program design effectively aligned performance and compensation, as the Company's below-target performance with respect to the revenue and adjusted net income yielded payouts at 95.4% and 95.2% for those respective portions of the bonus payout.

2017 Long-Term Incentives

Based on input from management and in consultation with Willis Towers Watson, the Committee considered the long-term incentive program and determined to continue the design of the 2017 program to have the mix of equity awards be based on an equal allocation of value among stock options, restricted stock, and performance stock units, with approximately one-third of the value being granted allocated to each type of award. This mix is altered for Company officers located outside of the United States to accommodate local tax issues.

The Committee determined that the estimated grant date fair value of the awards to officers in 2017 would be established at levels reflecting the values in the market analysis contained in the 2016 Study. To determine the number of options, shares of restricted stock, and target performance shares to be used to deliver such grant date fair value, the Committee directed management to determine the numbers of shares of restricted stock and target performance stock units using the closing share price of the Company's stock on the date before the date of grant, grants to be made on the first permissible day following approval. As anticipated, this method results in the grant values approved by the Committee being slightly different from the grant date fair value of the equity granted, in this instance, grant values approved by the Committee were converted to shares using a stock price of $17.25, the closing price on the trading date before the grants were made, and the grant date fair value was determined using a stock price of $16.30, the closing price on the date the grants were made.

See Appendix A for further details regarding the adjusted EBITDA, adjusted inventory, and accounts receivable - DSO performance measures and the reconciliation of those measures to the appropriate figures as reported under U.S. GAAP. For 2018, the performance stock units are subject to a single performance measures: adjusted EBITDA, as further described under *Analysis*, below.

The following table provides the 2017 equity awards to the named executive officers, as approved by the Committee:

2017 Annual Equity Grant Level

Executive	**Perf. Stock Units[1] (#)**	**Stock Options[2] (#)**	**Restricted Stock[3] (#)**	**Total (#)**
Mackin	31,111	87,637	31,111	149,859

Lee	9,111	25,665	9,111	43,887
Holloway	7,536	21,229	7,536	36,301
Matthews	6,280	17,691	6,280	30,251
Davis	7,222	20,344	7,222	34,788

(1) Reflects the target performance stock unit award level. The actual number of shares earned under the performance stock units was based on adjusted EBITDA, target adjusted inventory levels, and target accounts receivable – DSO (80%, 10%, and 10% weightings, respectively). Actual earned shares vest 50% on the first anniversary of the award date or the first available date after the Committee certifies the prior year's financial metric results whichever is later (for 2017, this was March 5, 2018 the first available date after the Committee certified the 2017 financial metric results); 25% on the second anniversary of the award date; and 25% on the third anniversary of the award date.
(2) Stock options vest 1/3 per year beginning on the first anniversary of the grant date.
(3) Restricted stock cliff vests on the third anniversary of the grant date.

Analysis

In approving the 2017 equity award levels, the Committee considered the following primary factors:

- Updated market factors;
- Actual 2017 long term incentive grant values made to officers, as well as 2016 personal and Company performance;
- The desire to have an even mix of value among stock options, restricted stock, and performance stock units;
- Objectives of pay for performance and stockholder alignment;
- The achievement of performance and retention incentives through the use of annual equity grants; and,
- The availability of shares under CryoLife's various stockholder-approved equity plans.

The Committee determined vesting schedules in consultation with Willis Towers Watson and believed that such vesting provided the appropriate long-term incentive for executives' continued employment. Time-based awards vest over a three-year period. For performance share units, the Committee believed that adjusted EBITDA is generally a reasonable proxy for CryoLife's performance, but allows for adjustments to eliminate items that might provide improper incentives and items over which management has little or no control. The Committee used an 80/10/10 split among adjusted EBITDA/adjusted inventory levels/accounts receivable – DSO. The Committee believed that the adjusted EBITDA, adjusted inventory, and accounts receivable - DSO threshold and target performance levels were challenging, but expected them to be achieved. The 2017 adjusted EBITDA calculation methodology was consistent with the methodology used in 2016, and based on management's expectations, the target performance level was consistent with the range of 2017 earnings per share guidance previously publicly announced by CryoLife. See Appendix A for further details regarding the adjusted EBITDA, adjusted inventory and accounts receivable - DSO performance measures and the reconciliation of those measures to the relevant U.S. GAAP measures.

Analysis – PSUs Earned

In arriving at its decision in March 2018 to certify the Company's adjusted EBITDA, adjusted inventory, and accounts receivable – DSO performance with respect to the 2017 performance stock units, the Committee took into consideration the Company's actual performance results relative to the pre-determined performance goals. The following table presents the target, threshold, and maximum adjusted EBITDA, adjusted inventory, and accounts receivable - DSO performance levels associated with target, threshold, and maximum award opportunities under the 2017 performance stock unit grants. The table also provides the actual performance level for 2017, as certified by the Committee, together with the associated levels of shares that were earned.

2017 Performance Stock Units
Actual vs. Target/Threshold/Maximum Performance

Performance Measure	**Target Performance**	**Threshold Performance**	**Maximum Performance**	**Actual Performance**	**Performance % of Target (%)**	**Payout % of Target (%)**
Adjusted EBITDA	$49,800,000-$53,940,000	$ 44,100,000	$ 60,165,000	$ 49,879,000	96.2	100.0
Adjusted Inventory	$29,000,000-$29,900,000	$ 31,000,000	$ 28,999,999	$ 29,038,000	100	100
Accounts Receivable – DSO	55.0-59.0 days	63.0 days	54.9 days	64.4 days	0	0

The performance stock units are earned ratably, in tiers based on satisfaction of tiers of the performance metric, as set forth in the table below. The Committee adopted this approach to address the variability and volatility inherent in some of the metrics.

EBITDA (80% of shares)		Inventory (10% of shares)		Accounts Receivable – DSO (10% of shares)	
Performance Tier (% of Target)	**Payout (% of Target)**	**(Inv. in $Million) Performance Tier**	**Payout (% of Target)**	**(AR-DSO) Performance Tier**	**Payout (% of Target)**
< 85.0	0	>$31.9	0	> 63.0	0
85.0 – 89.9	60	$31.0 – 31.9	60	61.1 - 63.0	60
90.0 – 95.9	80	$30.0 – 30.9	80	59.1 - 61.0	80
96.0 – 104.0	100	$29.0 – 29.9	100	55.0 - 59.0	100
104.0	110	< $29.0	120	< 55.0	120
107.0	120				
110.0	130				
113.0	140				
116.0	150				

Pursuant to the terms of the performance stock award granted in 2017, the total number of performance stock units that are eligible to be earned are determined based on the results of the performance metrics during the 2017 year. Thereafter, the awards will vest based on the officer's continued service: 50% of the shares earned vested on March 5, 2018 (the first eligible vesting date following certification of the performance metrics), 25% of the shares earned will vest on February 21, 2019, and the remaining 25% of the shares earned will vest on February 21, 2020, assuming the officer continues to be employed by the Company on those dates and the Committee took no action to waive the employment requirement. See Appendix A for further details regarding the adjusted EBITDA performance measure and the reconciliation of that measure to net income as reported for purposes of U.S. GAAP.

Target Total Direct Compensation

The Committee believed that the blend of stock options, restricted stock, and performance stock units appropriately balanced the performance, stockholder alignment, and retention objectives of CryoLife's long-term incentive program. The use of multiple award types is a common practice among industry peers, and the Committee believes that the use of performance stock units creates an even stronger alignment between pay and performance. In addition, the annual grant frequency results in more continuous performance and retention strength by reflecting changes in the stock price year over year.

The Committee used a value-based approach to determine the size of 2017 equity grants, as it believed that such an approach more accurately matched the intended value of the equity and intended compensation. The Committee applied vesting schedules for the 2017 equity awards that it believes provided the appropriate long-term incentive to retain officers.

In determining the individual components of the officers' 2017 compensation (i.e., salary, target short-term incentive, and long-term incentive), the Committee evaluated the resulting target total direct compensation against market benchmarks, as follows below, taking into account the Committee's desire to have target total direct compensation generally within a competitive range of the Company's peer group median. The following table summarizes the named executive officers' 2017 target total direct compensation; the positioning of that compensation relative to the peer group median; and the primary rationale for approving each named executive officer's compensation at the level shown:

2017 Target Total Direct Compensation Compared to Peer Median

Executive	**2017 Target Total Direct Compensation Opportunity[(1)] ($)**	**Peer Median[(2)] ($)**	**CRY vs. Median (%)**	**Primary Rationale[(3)]**
Mackin	2,721,411	2,535,000	107	Within a competitive range of the 50th percentile
Lee	1,094,763	905,000	121	Near a competitive range of the 50th percentile
Holloway	850,598	775,000[(4)]	110	

				Within a competitive range of the 50th percentile
Matthews	815,147	830,000	98	Within a competitive range of the 50th percentile
Davis	838,931	830,000	101	Within a competitive range of the 50th percentile

(1) Equity grant value based on a grant date closing stock price of $16.30 for restricted stock and performance stock units, and a grant date Black-Scholes Option Value of $5.97. Performance stock units are included at target award levels/values.
(2) Based on data provided by Willis Towers Watson in the 2016 Study.
(3) Competitive range for total direct compensation recommended by Willis Towers Watson and agreed to by the Compensation Committee as 80-120% of the peer group 50th percentile.

Equity and Cash Incentive Plan

In May 2015, the stockholders approved certain amendments to the ECIP, that were recommended by the Board of Directors based on management's recommendation and in consultation with Willis Towers Watson. The 2015 amendments included new provisions for cash-based incentive payments that were intended to comply with the requirements to be "qualified performance-based compensation" under Section 162(m). In May 2016, the stockholders approved certain further amendments to the ECIP that were also recommended by the Board of Directors based on management's recommendation and in consultation with Willis Towers Watson. The approved 2016 amendments included establishing a separate, lower cap for awards available for grant to individual non-employee directors and a higher annual cap for awards available for grant to individual employees. A proposal for additional funding of the ECIP is included in this Proxy Statement and is discussed below beginning on page 59.

2017 Deferred Compensation

The CryoLife, Inc. Executive Deferred Compensation Plan allows certain key employees of CryoLife, including the named executive officers, to defer receipt of some or all of their salaries, commissions, and/or the cash portion of any bonus awarded pursuant to the short-term executive incentive plan. The plan's administrative committee, subject to ratification and approval of the Committee, establishes the maximum and minimum percentages of bonus awards that plan participants may defer in each plan year. These percentages were from 0 to 75% for base salary, commissions, and the annual cash bonus for 2017. Because this plan provides for tax-deferred growth of deferred compensation, it is a tool the Company uses to attract and retain officer-level talent.

2017 Perquisites

It is CryoLife's policy not to provide perquisites to its officers without prior approval of the Committee. To the extent that perquisites are incidental to a business-related expense, such as personal use of a business club, the named executive officers are generally required to reimburse CryoLife for any incremental cost of such personal benefit. Other than these incidental personal benefits, none of our named executive officers receive any perquisites that are not also provided on a non-discriminatory basis to all full-time employees, except for Mr. Mackin, whose compensation is discussed at *Employment, Separation and Release, and Change of Control Agreements* below, and except for supplemental disability insurance and airline club memberships provided to certain of the named executive officers. In keeping with CryoLife's practice with respect to all full-time employees, executive officers are also eligible to receive certain one-time benefits upon achieving employment milestones, including receiving $5,000 towards a vacation upon reaching 15 years of service with CryoLife and $10,000 towards a vacation upon reaching 20 years of service with CryoLife.

EMPLOYMENT, SEPARATION AND RELEASE, AND CHANGE OF CONTROL AGREEMENTS

Employment Agreement with J. Patrick Mackin

In July 2014 the Board of Directors appointed Mr. Mackin as President and CEO, and CryoLife and Mr. Mackin entered into an employment agreement (the "Mackin Agreement"). The Mackin Agreement addresses Mr. Mackin's role and responsibilities as our President and Chief Executive Officer, his rights to compensation and benefits during active employment, and termination benefits. The Board of Directors determined that it was appropriate to provide Mr. Mackin with an employment agreement due to the corporate need to attract and retain high-performing individuals for this role.

The material terms of the Mackin Agreement and his potential termination payments are further described and quantified at *Potential Payments Upon Termination or Change of Control – J. Patrick Mackin* beginning on page 50.

Employment Agreements with Other Named Executive Officers

CryoLife is not party to employment agreements with Messrs. Lee, Matthews, or Davis or with Ms. Holloway that provide any guarantee of employment and they are at-will employees.

Change of Control Agreements with Other Named Executive Officers

On November 21, 2016, CryoLife entered into change of control agreements with each of the named executive officers other than Mr. Mackin (whose change of control arrangements are set forth in the Mackin Agreement). The change of control agreements, generally, provide that the Company will pay a severance payment if the officer is terminated by the Company without cause or terminates his or her own employment for good reason during a period extending from six months before to two years after a change of control of CryoLife. This is a “double-trigger” provision that requires not only a change of control of CryoLife but also an employment action before CryoLife is required to make payments pursuant to the agreements. The agreements have a one year renewal term. The Committee approved termination payments under the agreements for executives based on their officer status and ability to influence decisions regarding whether or not a change of control transaction should be pursued, with Mr. Lee receiving a payment of 2 times base salary and cash bonus plus healthcare coverage and the Senior Vice Presidents, including Ms. Holloway and Messrs. Matthews and Davis, receiving 1.5 times base salary and cash bonus plus healthcare coverage.

Separation and Release Agreements

On March 13, 2018, the Company entered into a Retirement and Release Agreement with Mr. William Matthews, who then served as the Senior Vice President of Operations, Quality, and Regulatory. His retirement was effective February 28, 2018. Details related to this Agreement are provided herein, and are also available in the Form 8-K filed with the SEC on March 14, 2018.

See *Potential Payments upon Termination or Change of Control – Employment, Separation and Release, and Change of Control Agreements – Change of Control Agreements with Other Named Executive Officers* beginning on page 47 for further details regarding these agreements. See, also, *Potential Payments upon Termination or Change of Control – Employment, Separation and Release, and Change of Control Agreements – Termination and Change of Control Payments* beginning on page 48 for further details regarding Mr. Matthews's retirement, upon which his change of control agreement was terminated.

Analysis

It is the Committee's intent that provisions in the change of control agreements regarding an executive's termination in conjunction with a change of control, preserve executive morale and productivity, and encourage retention in the face of the disruptive impact of an actual or rumored change of control of CryoLife. In addition, these provisions align executive and stockholder interests by allowing executives to consider corporate transactions that are in the best interests of CryoLife's stockholders and other constituents without undue concern over whether the transactions may jeopardize the executives' own compensation. The Committee does not believe that the change of control agreements provide undue incentive for the executive officers to encourage a change of control. Finally, the provisions protect stockholder interests in the event of a change of control by helping increase the likelihood of management continuity through the time of the change of control, which could improve Company performance and help maintain and enhance stockholder value.

ADDITIONAL POLICIES AND PRACTICES

Clawback Policy

CryoLife has a standalone Clawback Policy (formerly contained within the 2007 Executive Incentive Plan). This clawback allows CryoLife to recover bonus awards that were paid in the 12-month period prior to a significant financial statement restatement. The amounts may be recovered at the discretion of the Committee and subject to applicable laws if the award was made on the basis of CryoLife having met or exceeded specific performance targets for performance periods affected by the restatement. In such an event, the Committee may require participants to repay to CryoLife the difference between the bonus actually received by the participant and the amount of the recalculated bonus, using the restated financial results. Furthermore, Mr. Mackin’s employment agreement contains an additional requirement that he repay any portion of severance payments he has previously received from the Company if he fails to comply with certain post-employment protective covenants.

To the extent not addressed by the provisions above, the Committee continues to consider the appropriate structure for additional clawback provisions. These additional clawback provisions would, in specified instances, require executive officers to return to CryoLife incentive compensation paid if such compensation is based upon financial results that turn out to have been materially inaccurate when published. The Committee intends to adopt and disclose such a policy in compliance with, and to the extent required by, the Dodd–Frank Act.

Stock Ownership Guidelines

CryoLife maintains stock ownership guidelines for executives that have been recommended and approved by the Committee, along with the Corporate Governance Committee, and approved by the Board of Directors. The current stock ownership guidelines were adopted in November 2015 and require the following stock ownership requirements for the named executive officers:

a. Section 16 Officers: Each Section 16 officer of the Company shall continuously hold a value of the Company’s common stock equal to the value of a multiple of that officer’s then current base pay at CryoLife. The multiples applicable to such officers are as follows:

i. Chief Executive Officer & President: 4 times base pay;
ii. Executive Vice Presidents and Senior Vice Presidents: 2 times base pay; and
iii. All other Section 16 officers: 1 times base pay.

b. Retention requirements: Each Section 16 Officer who has not yet acquired ownership of the required value of common stock set forth above must retain at least 50% of the net number of shares acquired upon the exercise of any employee stock option or the vesting of any performance shares, restricted stock, or restricted stock units (the net number of shares acquired shall be the number of shares remaining after shares are tendered, sold, or netted to pay any applicable exercise price and withholding taxes).

c. Waivers: The Chairs of the Committee and the Corporate Governance Committee shall have the authority to grant waivers from these stock ownership requirements in compelling circumstances such as undue hardship.

d. Qualifying shares: For purposes of satisfying these stock ownership requirements, the following shall be included: shares owned directly or indirectly (1) through a stock purchase plan sponsored by the Company; (2) by the person's spouse; (3) in a revocable trust of which the person or the person's spouse is the trustee; (4) any other shares related to or underlying vested or unvested restricted stock awards and performance share awards (after performance metric has been met); or, (5) vested restricted stock units and vested performance share units (at actual, earned levels and only if and to the extent that any applicable performance criteria have been satisfied). It shall not include shares held through any other form of indirect beneficial ownership or shares underlying unexercised options or unvested performance share units whose performance metric requirements were not met.

These guidelines became effective for all currently employed named executive officers on November 17, 2015. As of March 14, 2018, all named executive officers are in compliance with the ownership levels set forth in the guidelines.

Anti-Hedging Policy

All CryoLife employees, including executive officers, are expressly prohibited in the CryoLife, Inc. Insider Trading Policy and Guidelines with Respect to Certain Transactions in Securities (the "Insider Trading Policy"), which is available for review at *http://investors.cryolife.com/corporate-governance/cryolifes-code-conduct* from derivative securities or hedging transactions with respect to the Company's securities. Specifically, executive officers are prohibited from engaging in transactions in publicly-traded options, such as puts and calls, and other derivative securities with respect to the Company's securities. This prohibition extends to any hedging or similar transaction designed to decrease the risks associated with holding Company securities, including but not limited to prepaid variable contracts, equity swaps, collars, and exchange funds. Stock options, stock appreciation rights, and other securities issued pursuant to Company benefit plans or other compensatory arrangements with the Company are not subject to this prohibition.

Furthermore, both short sales, which are the sale of a security that must be borrowed to make delivery, and "selling short against the box," which is transacting a sale with a delayed delivery, are prohibited with respect to Company securities under the Insider Trading Policy and executive officers may not engage in such transactions.

Equity Grants/Inside Information

The Committee generally adheres to a policy of not granting equity-based compensation awards at times when insiders are in possession of material, non-public information. In all other instances, if the Committee approves the grant of an option or equity award at a time when it is in possession of material, non-public information, it is the Committee's general policy to delay the grant and pricing of the option and/or issuance of the equity award until a date after the public dissemination of all such material, non-public information.

TAX IMPACT OF COMPENSATION DECISIONS

Section 162(m)

During the 2017 fiscal year, Section 162(m) generally limited to $1 million the amount of compensation, other than certain "performance-based" compensation, that CryoLife may deduct for federal income tax purposes with respect to the compensation of each of our "covered employees", which for 2017 included the chief executive officer, the chief financial officer, and the other 2017 named executive officers. Beginning in 2018, Section 162(m) will no longer contain an exception for "performance-based" compensation for arrangements that are not considered "grandfathered." Therefore, we do not anticipate that Section 162(m) will be a significant factor in our compensation decisions in 2018. While the Committee considered the deductibility of awards as one factor in determining executive compensation in 2017, as noted above, the Committee also maintains the discretion to consider other factors in making its decisions and retains the flexibility to grant awards it determines to be consistent with the Company's goal for its executive compensation program even if the award is not deductible by the Company for tax purposes.

Section 409A

Since Section 409A of the Internal Revenue Code, which deals with deferred compensation arrangements, was enacted, the Committee's policy has been to structure all executive compensation arrangements to comply, to the extent feasible, with the provisions of Section 409A so that the executives do not have to pay additional tax and CryoLife does not incur additional withholding obligations. The Committee intends to continue this practice.

FORWARD-LOOKING STATEMENTS

Statements made in this Proxy Statement that look forward in time or that express management's beliefs, expectations or hopes are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements reflect the views of management at the time such statements are made and are subject to a number of risks, uncertainties, estimates, and assumptions that may cause actual results to differ materially from current expectations. These statements include those regarding future plans and intentions of the Committee and/or Board of Directors related to compensation decisions, and expectations that certain performance targets for management will be attained. These future events may not occur as and when expected, if at all, and, together with the Company's business, are subject to various risks and uncertainties. Along with risks specific to our business, management's ability to attain certain performance targets is subject to risks affecting the economy generally and other factors that are beyond our control. For additional risks impacting the Company's business, see the Risk Factors section of the Company's Annual Report on Form 10-K for the year ended December 31, 2017. The Company does not undertake to update its forward-looking statements.

REPORT OF THE COMPENSATION COMMITTEE

The Committee reviewed and discussed the Compensation Discussion and Analysis with management. In reliance on this review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion & Analysis be included in CryoLife's 2018 Proxy Statement on Schedule 14A, for filing with the SEC.

Compensation Committee

DANIEL J. BEVEVINO, CHAIR
THOMAS F. ACKERMAN
RONALD C. ELKINS, M.D.

RONALD D. MCCALL

EXECUTIVE COMPENSATION

SUMMARY COMPENSATION TABLE

The following table sets forth information with respect to each of the named executive officers — Mr. Mackin, our Chief Executive Officer; Mr. Lee, our Chief Financial Officer; and Ms. Holloway and Messrs. Matthews and Davis, who were the three most highly compensated of the other executive officers of CryoLife employed at the end of fiscal 2017.

Name and Principal Position	**Year**	**Salary ($)**	**Bonus[(1)] ($)**	**Stock Awards[(2)] ($)**	**Option Awards[(3)] ($)**	**Non-Equity Incentive Plan Compensation[(4)] ($)**	**Change in Pension Value and Non-qualified Deferred Compensation Earnings ($)**	**All Other Compensation[(5)] ($)**	**To ($)**
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
J. Patrick Mackin,	2017	640,000	108,800	1,014,219	523,193	414,903	—	36,189	2,7
Chairman, President and Chief Executive Officer	2016	620,000	93,000	870,072	435,606	477,072	—	36,569	2,5
	2015	600,000	72,000	678,304	339, 569	288,099	—	74,034	2,0
D. Ashley Lee	2017	402,771	72,499	297,019	153,220	184,313	—	24,280	1,1
	2016	387,280	69,710	306,092	134,032	238,401	—	20,604	1,1
Executive Vice President, Chief Operating Officer, and Chief Financial Officer	2015	376,000	45,120	271,326	135,828	180,542	—	19,862	1,0

Jean F. Holloway,	2017	329,784	59,361	245,674	126,737	113,185	—	18,433	893
	2016	314,080	49,468	221,457	95,499	145,005	—	17,490	842
Senior Vice President, General Counsel, Corporate Secretary, and Chief Compliance Officer	2015	226,500	68,203	211,799	95,679	72,836	—	25,618	700
William R. Matthews, Senior Vice President, Operations, Quality and Regulatory(6)	2017	348,140	31,333	204,728	105,615	119,485	—	16,600	825
	2016	338,000	30,420	190,751	95,499	156,049	—	17,056	827
John E. Davis, Senior Vice President, Global Sales and Marketing(7)	2017	321,360	32,136	235,437	121,454	122,549	—	8,100	841
	2016	309,000	46,350	190,751	95,499	158,511	—	5,300	805

(1) Amounts represent the personal performance component of the annual award paid pursuant to the applicable short-term incentive plan for each year shown and the ECIP. All named executive officers were paid out at 100% of the personal performance component of the annual cash bonus program for all fiscal years shown. Amounts also include additional signing bonuses or discretionary bonus paid during the applicable year. The 2015 amounts for Ms. Holloway include a signing bonus of $50,000, which was paid upon her commencement of employment with the Company.

(2) Amount reflects the aggregate grant date fair value of restricted stock and performance stock unit awards as calculated in accordance with FASB ASC Topic 718, disregarding the estimate of forfeitures. This amount also reflects the probable earned shares, which we believe will be at target. See Notes 1 and 17 of the Notes to Consolidated Financial Statements filed with CryoLife's Annual Report on Form 10-K for the year ended December 31, 2017 for assumptions we used in valuing these awards. Fiscal 2016 numbers include restricted stock awarded on February 22, 2016 to Mr. Lee and Ms. Holloway as a special bonus for work related to the On-X acquisition. If the 2017 performance based shares were awarded at maximum payouts, it would change the stock awards to the following amounts: for Mr. Mackin $1,237,346; for Mr. Lee $362,362; for Ms. Holloway $299,722; for Mr. Matthews $249,768; and for Mr. Davis $287,234.

(3) Amount reflects the aggregate grant date fair value of stock option awards as calculated in accordance with FASB ASC Topic 718, disregarding the estimate of forfeitures. See Notes 1 and 17 of the Notes to Consolidated Financial Statements filed with CryoLife's Annual Report on Form 10-K for the year ended December 31, 2017 for assumptions we used in valuing the stock option awards.

(4) The amounts represent the revenue and adjusted net income performance components of the awards earned pursuant to the applicable short-term incentive plan and the ECIP.

(5)

The amounts in this column include matching contributions under the Company’s 401(k) plan, reimbursement of club dues and disability insurance premiums for named executive officers. Fiscal 2015 amounts also include (i) for Mr. Mackin, an $18,000 auto allowance and $44,370 in Company paid relocation expenses; and (ii) for Ms. Holloway, $18,280 for Company paid relocation expenses. Fiscal 2016 amounts also include (i) for Mr. Mackin, an $18,000 auto allowance; and, (ii) for Mr. Matthews a $13,000 travel allowance. Fiscal 2017 amounts also include (i) for Mr. Mackin, an $18,000 auto allowance; and (ii) for Mr. Matthews, an $8,500 travel allowance.

(6) Mr. Matthews joined the Company as an executive officer on May 1, 2015. His total compensation did not meet the requirements for Mr. Matthews to be a named executive officer in 2015.

(7) Mr. Davis joined the Company as an executive officer on September 8, 2015. His total compensation did not meet the requirements for Mr. Davis to be a named executive officer in 2015.

GRANTS OF PLAN-BASED AWARDS

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards[1]			Estimated Possible Payouts Under Equity Incentive Plan Awards[2]			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)[3]	Exercise or Base Price of Option Awards ($/Sh)	Cl M Pr Co Ac Da ($/
		Threshold ($)	Target ($)	Benchmark ($)	Threshold (#)	Target (#)	Maximum (#)				
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
J. Patrick Mackin	2/21/17	261,120	435,200	609,280							
	2/21/17							31,111			
	2/21/17								87,637	16.30	16
	2/21/17				18,667	31,111	44,800				
D. Ashley Lee	2/21/17	115,998	193,330	270,662							
	2/21/17							9,111			
	2/21/17								25,665	16.30	16
	2/21/17				5,467	9,111	13,120				
Jean F. Holloway	2/21/17	77,126	128,544	179,962							
	2/21/17							7,536			
	2/21/17								21,229	16.30	16
	2/21/17				4,522	7,536	10,852				
William R. Matthews	2/21/17	75,198	125,330	175,463							
	2/21/17							6,280			
	2/21/17								17,691	16.30	16
	2/21/17				3,768	6,280	9,043				
John E. Davis	2/21/17	71,233	118,722	166,211							
	2/21/17							7,222			
	2/21/17								20,344	16.30	16
	2/21/17				4,333	7,222	10,400				

(1) These columns represent the awards granted under our 2017 short-term incentive program using the metrics of the 2017 Bonus Plan approved by the Committee. Threshold for (i) the revenue component is 95% to goal, which pays

out at 60% of target payout; (ii) the adjusted income component is 85% to goal, which pays out at 60% of target payout; and (iii) the personal performance component has no threshold, so it is calculated at 100% to target payout. Benchmark for (i) the revenue component is 105% to goal, which pays out at 140% of target payout; and (ii) the adjusted income component is 115% to goal, which pays out at 140% of target payout. The 2017 Umbrella Plan places a final cap on all named executive officers cash bonuses for the entire fiscal year 2017 at 200% of each officer's base salary.

(2) These columns represent awards of performance stock units pursuant to the ECIP. In regard to the restricted shares of common stock earned pursuant to this grant and its requisite performance metrics, 50% vested on the first anniversary of the grant date or the first available grant date following the Committee's certification of the 2017 financial metric performance, whichever is later (for the 2017 award, 50% vested on March 5, 2018, the first available grant date following the Committee's certification), 25% will vest on the second anniversary of the grant date and 25% will vest on the third anniversary.

(3) This column represents awards of stock options pursuant to the ECIP. One-third of the shares became exercisable on the first anniversary of the grant date, and an additional one-third will become exercisable on each subsequent anniversary thereof until all shares of the option are exercisable on the third anniversary of the grant date, assuming continuous employment and no further action by the Committee to waive such employment requirement. The exercise price of $16.30 per share is equal to the closing price of our common stock on the NYSE on the date of issuance, February 21, 2017. The value of the options is based on an option value of $5.97. These options have a seven-year term.

Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table

Equity Awards

Equity awards, including long-term performance awards, granted in fiscal 2017 to our named executive officers were made subject to the terms of the ECIP.

Annual Performance-Based Bonus Program

The 2017 bonus program provided for bonuses based on a percentage of participants' 2017 base salaries, varying among participants, based on three metrics:

Revenues
Adjusted net income
Personal performance

All bonus criteria relate to Company and individu3l performance for the full 2017 fiscal year. See *Compensation Discussion and Analysis* beginning on page 23 for further details regarding the 2017 fiscal year plan and results.

Salary and Bonus in Proportion to Target Total Direct Compensation

Executive	% Salary	% Bonus
J. Patrick Mackin	23.5	4.0
D. Ashley Lee	36.8	6.6
Jean F. Holloway	38.8	7.0
William R. Matthews	42.7	3.8
John E. Davis	38.3	3.8

OUTSTANDING EQUITY AWARDS AT DECEMBER 31, 2017[(*)]

Option Awards					**Stock Awards**			
Name	**Number of Securities Underlying Unexercised Options Exercisable (#)**	**Number of Securities Underlying Unexercised Options Unexercisable (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares or Units of Stock that Have Not Vested (#)**	**Market Value of Shares or Units of Stock that Have Not Vested ($)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that Have Not Vested (#)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that Have Not Vested ($)**
(a)	(b)	(c)	(e)	(f)	(g)	(h)	(i)	(j)
J. Patrick Mackin	400,000		10.18	9/2/2021				
	56,737	28,368[(1)]	11.00	2/19/2022				
	39,891	79,891[(2)]	10.24	2/19/2023				
		87,637[(3)]	16.30	2/21/2024				
					30,832[(4)]	590,433		
					9,966[(5)]	190,849		
					42,484[(6)]	813,569		
					30,248[(7)]	579,249		
					31,111[(8)]	595,776		
					28,000[(9)]	536,200		
D. Ashley Lee	16,666		5.67	2/18/2019				
	16,666		6.12	2/15/2020				
	16,666		9.97	2/26/2021				
	22,695	11,347[(1)]	11.00	2/19/2022				
	12,274	24,548[(2)]	10.24	2/19/2023				
		25,665[(3)]	16.30	2/21/2024				
					12,333[(4)]	236,177		
					3,986[(5)]	76,332		

					13,072(6)	250,329
					3,662(10)	70,127
					9,306(7)	178,210
					9,111(8)	174,476
					8,198(9)	156,992
Jean F. Holloway	4,667	2,333(11)	10.28	4/1/2022		
	10,538	6,769(12)	9.64	9/10/2022		
	8,746	17,490(2)	10.24	2/19/2023		
		21,229(3)	16.30	2/21/2024		
					7,000(13)	134,050
					7,252(14)	138,876
					2,344(15)	44,888
					9,314(6)	178,363
					2,930(10)	56,110
					6,630(7)	126,965
					7,536(8)	144,314
					6,781(9)	129,856
William R. Matthews	5,334	2,666(12)	9.64	9/10/2022		
	8,746	17,490(2)	10.24	2/19/2023		
		17,691(3)	16.30	2/21/2024		
					8,500(14)	162,775
					9,314(6)	178,363
					6,630(7)	126,965
					6,280(8)	120,262
					5,652(9)	108,236
John E. Davis	6,667	3,333(12)	9.64	9/10/2022		
	8,746	17,490(2)	10.24	2/19/2023		
		20,344(3)	16.30	2/21/2024		
					10,000(14)	191,500
					9,314(6)	178,363
					6,630(7)	126,965
					7,222(8)	138,301
					6,497(9)	124,418

* All values in this table are based on the closing price of the Company's common stock on the NYSE on December 29, 2017 (the last trading day of 2017) of $19.15.

	Type of Grant	Grant Date	Vesting Rate	Vesting Dates	Conditions
(1)	Service-based stock options	2/19/2015	33 % per year	2/19/2016 2/19/2017 2/19/2018	Continued employment through vesting date required
(2)	Service-based stock options	2/19/2016	33 % per year	2/19/2017 2/19/2018 2/19/2019	Continued employment through vesting date required
(3)	Service-based stock options	2/21/2017	33 % per year	2/19/2018 2/19/2019 2/19/2020	Continued employment through vesting date required
(4)	Service-based restricted stock	2/19/2015	100% cliff vesting	2/19/2018	Continued employment through vesting date required
(5)	Performance stock units	2/19/2015	•M0% on first anniversary of grant date •J5% on second anniversary of grant date •J5% on third anniversary of grant date	2/19/2016 2/19/2017 2/19/2018	Number of shares earned based on adjusted EBITDA performance for fiscal 2015, which the Compensation Committee determined in February 2016 to be 136.7% of the target award. Number of shares shown reflects the total number of shares remaining after the first tranche vested on 2/19/2016. Continued employment through vesting date required
(6)	Service-based restricted stock	2/19/2016	100% cliff vesting	2/19/2019	Continued employment through vesting date required
(7)	Performance stock units	2/19/2016	•M0% on first anniversary of grant date •J5% on second anniversary of grant date	2/19/2017 2/19/2018 2/19/2019	Number of shares earned based on adjusted EBITDA performance for fiscal 2016, which the Compensation Committee determined in February 2017 to be 150% of the target award. Number of shares shown reflects the total number of shares remaining unvested after the first tranche vested on 2/19/2017.

			•J5% on third anniversary of grant date		Continued employment through vesting date required
(8)	Service-based restricted stock	2/21/2017	100% cliff vesting	2/21/2020	Continued employment through vesting date required
(9)	Performance stock units	2/21/2017	•M0% on first anniversary of grant date or the first available date after the Committee certified the financial metric results •J5% on second anniversary of grant date •J5% on third anniversary of grant date	3/5/2018 2/21/2019 2/21/2020	Number of shares earned based on certification of performance metrics for fiscal 2017, which the Compensation Committee determined on March 5, 2018 (the first available date after the Committee certified the 2017 financial metric results). Number of shares shown reflects the total number of shares earned (90% of target) pursuant to the performance metric, as none of the shares had time-vested as of 12/31/2017. The first tranche of earned shares vested March 5, 2018. Continued employment through vesting date required. Exception for Bill Matthews who was employed through 2/21/18 time-vesting of first tranche of PSUs, but retired prior to the Compensation Committee's certification of the financial metrics.
(10)	Service-based restricted stock	2/22/2016	100% cliff vesting	2/22/2019	Continued employment through vesting date required
(11)	Service-based stock options	4/1/2015	331/3% per year	4/1/2016 4/1/2017 4/1/2018	Continued employment through vesting date required
(12)	Service-based stock options	9/10/2015	331/3% per year	9/10/2016 9/10/2017 9/10/2018	Continued employment through vesting date required
(13)	Service-based restricted stock	4/1/2015	100% cliff vesting	4/1/2018	Continued employment through vesting date required
(14)	Service-based restricted stock	9/10/2015	100% cliff vesting	9/10/2018	Continued employment through vesting date required

	Type of Grant	Grant Date	Vesting Rate	Vesting Dates	Conditions
(15)	Performance stock units	9/10/2015	50% on 2/19/2016, first anniversary of grant date of units granted to other named executive officers 25% on 2/19/2017, second anniversary of grant date of units granted to other named executive officers 25% on 2/19/2018, third anniversary of grant date of units granted to other named executive officers	2/19/2016 2/19/2017 2/19/2018	Number of shares earned based on adjusted EBITDA performance for fiscal 2015, which the Compensation Committee determined in February 2016 to be 136.7% of the target award. Number of shares shown reflects the number of shares remaining after the first two tranches vested on 2/19/2016 and 2/19/17, respectively. Continued employment through vesting date required

OPTION EXERCISES AND STOCK VESTED(1)

Name	Option Awards Number of Shares Acquired on Exercise (#)	Value Realized on Exercise(2) ($)	Stock Awards Number of Shares Acquired on Vesting (#)	Value Realized on Vesting(3) ($)
(a)	(b)	(c)	(d)	(e)
J. Patrick Mackin	N/A	N/A	290,214	6,068,692
D. Ashley Lee	63,333	866,176	32,043	552,742
Jean F. Holloway	N/A	N/A	8,975	154,819
William R. Matthews	N/A	N/A	6,631	114,385
John E. Davis	N/A	N/A	6,631	114,385

(1) This table provides information regarding stock option exercises and vesting of restricted stock and performance stock units during 2017.

(2) Value Realized on Exercise is equal to the number of shares acquired multiplied by the difference between the exercise price and the share price on the NYSE at the time of exercise without regard to any proceeds that may have been received upon any sale of the underlying shares.

(3) Value Realized on Vesting is equal to the number of shares acquired multiplied by the closing share price on the NYSE on the date of vesting, without regard to any proceeds that may have been received upon any sale of the underlying shares.

NONQUALIFIED DEFERRED COMPENSATION

The CryoLife, Inc. Executive Deferred Compensation Plan allows certain key employees of CryoLife, including the named executive officers, to defer receipt of some or all of their salaries, commissions and/or the cash portion of any bonus awarded pursuant to the short-term executive incentive plan. The plan’s administrative committee, subject to ratification and approval of the Committee, establishes the maximum and minimum percentages of bonus awards that plan participants may defer in each plan year. These percentages were from 0 to 75% for base salary, commissions and the annual cash bonus for 2017. Plan participants may establish their respective deferral amounts for their base salaries and commissions prior to the beginning of each calendar year, and prior to July for their short-term incentive compensation for that year, which is calculated and paid after the completion of the plan year.

The plan provides for tax-deferred growth of deferred compensation and, pursuant to the terms of the plan, CryoLife agrees to distribute to participants the deferred amounts, credited/debited with hypothetical gains and/or losses linked to the performance of investment options selected by participants from among the non-proprietary investment options available under the plan. The plan does not have investment options that provide for above-market or preferential earnings. Distribution of all deferred compensation, including any gains or losses, occurs upon death, disability, retirement, or termination. Plan participants may elect to receive the distribution in a lump sum or in annual installments of up to 15 years, or via a combination thereof upon death, disability, or retirement. Also, a plan participant may elect to receive distributions while still employed by CryoLife if at least two years have elapsed from the plan year in which the deferred amounts would have otherwise been paid to the plan participant if not for the deferral. Distributions made while the plan participant is still employed by CryoLife and distributions made pursuant to termination will be paid in a lump sum to the plan participant. Hardship withdrawals during any plan year may be made upon the occurrence of an unforeseeable emergency for a particular plan participant or if a plan participant receives a hardship distribution under CryoLife's 401(k) plan. All deferred amounts and deemed earnings thereon are fully vested at all times.

The following table presents components of nonqualified deferred compensation under the Executive Deferred Compensation Plan for each named executive officer.

Name	**Executive Contributions in Fiscal 2017[(1)] ($)**	**Company Contributions in Fiscal 2017 ($)**	**Aggregate Earnings in Fiscal 2017[(2)] ($)**	**Aggregate Withdrawals and Distributions in Fiscal 2017 ($)**	**Aggregate Balance at December 31, 2017[(3)] ($)**
(a)	(b)	(c)	(d)	(e)	(f)
J. Patrick Mackin	—	—	—	—	—
D. Ashley Lee	20,139	—	95,479	—	693,426
Jean F. Holloway	228,301	—	64,423	—	445,567
William R. Matthews	—	—	—	—	—
John E. Davis	153,646		21,857	—	175,503

(1) Contributions to the deferred compensation plan that relate to an executive's deferrals from salary and/or annual short-term incentives are included in the amounts reflected in the "Salary," "Bonus" and/or "Non-Equity Incentive Plan Compensation" columns, as applicable, of the *Summary Compensation Table* for fiscal 2017 on page 38.

(2) A participant's account under the Executive Deferred Compensation Plan is deemed to be invested in hypothetical investment options selected by the participant from among a menu of non-proprietary mutual funds. The account is credited/debited with gains and/or losses linked to the performance of those hypothetical investment options. The plan does not have investment options that provide for above-market or preferential earnings; accordingly, the amounts provided in this column are not included in column (h) of the *Summary Compensation Table* for fiscal 2017 on page 38.

(3) Amounts shown include the executive's contributions and associated hypothetical gains/losses during 2017, as well as deferrals of salary and annual incentives (together with associated hypothetical earnings) from prior years' participation in the plan. The amounts shown in this column, with the exception of aggregate earnings, have been reported in the "Salary," "Bonus" and/or "Non-Equity Incentive Plan Compensation" columns, as applicable, of the Summary Compensation Table of prior year Company Proxy Statements, if the individuals were listed as named executive officers in those prior year periods. The total year prior contributions to the Executive Deferred Compensation Plan are as noted in the table below:

Name	Amount Previously Reported ($)
J. Patrick Mackin	—
D. Ashley Lee	577,808
Jean F. Holloway	152,843
William R. Matthews	—
John E. Davis	—

Investment Options Provided and Associated Return Rates

Investment Option	Annual Return for FY 2017
Equity Income Division	21.1
LargeCap S&P 500 Index Division 2, 12	21.5
LargeCap Growth I Division 14, 15	33.7
American Century VP Mid Cap Value Division 1	11.5
Vanguard VIF Mid Cap Index Division 1, 2, 17	19.1
Fidelity VIP MidCap Division 1	20.5
Franklin Small Cap Value VIP Division 1, 4	10.7
Calvert VP Russell 2000 Small Cap Index Division 1, 2	14.1

Investment Options Provided and Associated Return Rates

Investment Option	**Annual Return for FY 2017**
ClearBridge Variable Small Cap Growth Division	24.3
Real Estate Securities Division 13	9.2
American Funds Insurance Series New World Fund Division	29.4
Principal LifeTime Strategic Income Division 5, 6, 7, 8, 9, 10	8.8
Principal LifeTime 2010 Division 5, 6, 7, 8, 9, 10	11.4
Principal LifeTime 2020 Division 5, 6, 7, 8, 9, 10	15.0
Principal LifeTime 2030 Division 5, 6, 7, 8, 9, 10	18.3
Principal LifeTime 2040 Division 5, 6, 7, 8, 9, 10	20.7
Principal LifeTime 2050 Division 5, 6, 7, 8, 9, 10	22.1
Principal LifeTime 2060 Division	22.7
Fidelity VIP Government Money Market Division	0.6
Delaware High Yield Division	7.3
PIMCO VIT Total Return Division 11	4.9
Dreyfus IP Technology Growth Division 3	42.4
Van Eck VIP Global Hard Assets Division 3, 16	(1.7)

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE OF CONTROL

We have entered into certain agreements and maintain certain plans that will require us to provide compensation to the named executive officers in the event of specified terminations of their employment or upon a change of control of CryoLife.

Employment, Separation and Release, and Change of Control Agreements

Employment Agreement with J. Patrick Mackin

Pursuant to the Mackin Agreement, Mr. Mackin will receive certain compensation upon the termination of his employment, other than termination for cause or voluntary termination without good reason.

The Mackin Agreement has an initial term of three years following the effective date, extended by one day for each day beginning on the second anniversary of the effective date. The Mackin Agreement provides that commencing January 1, 2015, Mr. Mackin is entitled to participate in annual long-term incentive opportunities as determined by the Committee consistent with those provided to similarly situated CryoLife executive officers and in accordance with CryoLife's plans and applicable award agreements. Benefits currently include participation in CryoLife's plan-based awards with other CryoLife executives for performance stock units, stock options, and restricted stock subject to continued employment and achievement of corporate/Board of Directors objectives set by the Committee.

The Mackin Agreement provides for a target cash bonus of 60% of base salary, a $200,000 signing bonus and new hire grants of options to purchase 400,000 shares of Company common stock and a performance share grant with respect to 250,000 shares of Company common stock, the performance metric thereto having been determined satisfied by the Committee as of December 31, 2015. In the event Mr. Mackin's employment is terminated without cause or Mr. Mackin resigns for good reason, he is entitled to a cash severance payment of 1.5 times his base salary and annual cash bonus for the year of termination (or the prior year bonus if termination is prior to the date bonuses are awarded) paid in regular payroll installments over eighteen months plus continued Company medical coverage for the same period. If Mr. Mackin's employment is terminated without cause, or Mr. Mackin resigns for good reason during the period beginning six months prior to and ending two years following a change of control of the Company, Mr. Mackin is entitled to receive a termination payment, in lieu of the severance described in the prior sentence, of 2.5 times his base salary and annual cash bonus for the year of termination (or the prior year bonus if termination is prior to the date bonuses are awarded), paid in a lump sum. The agreement also includes various post-employment prohibitions regarding competing with us, soliciting our employees and customers, and disclosing our confidential information.

For purposes of the Mackin Agreement, “cause” generally means (i) an intentional act of fraud, embezzlement, theft, or any other material violation of law that occurs during or in the course of the executive’s employment, (ii) intentional damage of Company assets, (iii) intentional disclosure of Company confidential information contrary to the Company’s policies, (iv) material breach of the executive’s obligations under the agreement, (v) intentional engagement by the executive in any activity that would constitute a breach of his duty of loyalty or of his assigned duties, (vi) intentional breach by the executive of any Company policies or procedures, (vii) willful and continued failure by the executive to perform his assigned duties, other than as a result of incapacity due to physical or mental illness, (viii) executive is prevented from performing certain duties contemplated by the agreement by reason of an agreement with a prior employer or (ix) willful conduct by the executive that is demonstrably and materially injurious to the Company, monetarily or otherwise.

For purposes of the Mackin Agreement, “good reason” generally means (i) the assignment to the executive, without his consent, of any duties materially inconsistent with his position, authority, duties, or responsibilities, including changes in status, offices, or titles and any change in the executive’s reporting requirements that would cause him to report to an officer who is junior in seniority to the officer to whom he previously reported, (ii) requiring the executive to be based other than within 25 miles of Company headquarters as of the effective date or (iii) any other action that results in a material diminution in his position, authority, duties, responsibilities, or aggregate base salary and cash bonus.

Change of Control Agreements with Other Named Executive Officers

On November 21, 2016, CryoLife entered into change of control agreements with each of Messrs. Lee, Matthews, and Davis and Ms. Holloway that provide that the Company will pay severance payments if he or she is terminated by the Company without cause or if he or she terminates their employment for good reason during a period extending from six months before to two years after a change of control of CryoLife. This is a “double trigger” provision that requires not only a change of control of CryoLife but also an adverse employment action.

Terms of the Change of Control Agreements

The current term of the agreement for each of Messrs. Lee, Matthews, and Davis and Ms. Holloway ends December 31, 2018. Each of these agreements will automatically renew at the end of the term and every year thereafter, for an additional one-year term, unless CryoLife provides notice at least 30 days prior to the end of the then-current term that the agreement will not be extended.

The severance payment is an amount equal to 1.5 times (2 times for Mr. lee) the sum of the executive’s base salary as of the date of termination and his or her bonus compensation for the year in which the termination of employment occurs, or if the bonus for that year has not yet been awarded, the most recently awarded bonus compensation. The agreements also provide for 18 months of medical coverage.

Change of control, as defined in the agreement, means a change in the ownership of CryoLife, a change in the effective control of CryoLife, or a change in the ownership of a substantial portion of the assets of CryoLife. Specifically, any of the following types of events would constitute a change of control under the agreements:

- Any person, including a syndicate or group, acquires ownership of CryoLife stock that, taken together with CryoLife stock held by such person or group, constitutes more than 50% of the total voting power of the stock of CryoLife;
- Any person, including a syndicate or group, acquires ownership of stock of CryoLife possessing 30% or more of the total voting power of CryoLife stock;
- A majority of the members of CryoLife's Board of Directors are replaced during any 12-month period by individuals whose appointment or election is not endorsed by a majority of the Board of Directors prior to the date of appointment or election; and,
- Any person, including a syndicate or group, acquires assets from CryoLife that have a total gross fair market value equal to more than 40% of the total gross fair market value of all CryoLife assets immediately prior to such acquisition.

The agreements are not employment agreements and each respective officer's employment is "at will."

We will not be required to make a severance payment in connection with the change of control agreements if we terminate an executive's employment for cause, which means:

An act of fraud, embezzlement, theft, or any other material violation of law that occurs during or in the course of the executive's employment with CryoLife;

Intentional or grossly negligent damage by the executive to CryoLife assets;

Intentional or grossly negligent disclosure by the executive of CryoLife's confidential information contrary to CryoLife policies;

Material breach of the executive's obligations under the agreement or other agreements with CryoLife;

Engagement by the executive in any activity that would constitute a breach of his or her duty of loyalty or of his or her assigned duties;

Breach by the executive of any of CryoLife's policies and procedures;

The willful and continued failure by the executive to perform his or her assigned duties, other than as a result of incapacity due to physical or mental illness; and,

Willful conduct by the executive that is demonstrably and materially injurious to CryoLife, monetarily or otherwise.

An executive may terminate his or her employment for good reason in connection with a change of control without forfeiting his or her severance pay if any of the following events occur during the term of the agreement:

The assignment to the executive, without his or her consent, of any duties materially inconsistent with his or her position, authority, duties, or responsibilities, including changes in status, offices, or titles and any change in the executive's reporting requirements that would cause him or her to report to an officer who is junior in seniority to the officer to whom he or she previously reported; or,

Any other action by CryoLife that results in a material diminution in his or her position, authority, duties, responsibilities, or aggregate compensation, excluding for this purpose an isolated, insubstantial, and inadvertent action taken in good faith and which is remedied by CryoLife within 30 days after receipt of notice from the executive.

The change of control agreements provide that we will pay any severance payment due in a lump sum not later than 30 days following the date of termination in the event of a termination following a change of control, or 30 days following a change of control in the event of a termination occurring within the six-month period preceding the change of control. We will delay payment of the severance payment until six months after the executive's termination if necessary to prevent him or her from having to pay additional tax under Section 409A of the Internal Revenue Code. We will also subject any severance payment to normal payroll tax withholding.

Agreement Not to Solicit

Messrs. Lee, Matthews, and Davis and Ms. Holloway agree not to solicit any actual or prospective customers of CryoLife with whom they have had contact for a competing business or to solicit employees of CryoLife to leave CryoLife. Messrs. Lee, Matthews, and Davis agree, and Ms. Holloway agrees, subject to applicable professional and ethical obligations and other legal requirements, not to join a competing business during the term of the agreement and for a period of one year following the termination of the agreement. CryoLife is not required to make the severance payment, and the officer is required to repay any portion of the severance payment already received if he or she solicits customers or employees of CryoLife during the term of the agreement and for a period of one year following the termination of the agreement.

Although valid as of December 31, 2017, Mr. Matthews’s change of control agreement was terminated when he retired from the Company on February 28, 2018. See narrative below for further details regarding Mr. Matthews’s retirement.

Termination and Change of Control Payments

The amount of compensation we would be required to pay to each named executive officer under certain termination and change of control scenarios is provided in the tables beginning on page 50. Amounts included in the tables are estimates and are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Due to the number of factors that affect the nature and amount of any benefits provided upon the events discussed below, any actual amounts paid or distributed may differ materially. The tables provided in this section for all named executive officers assume that the relevant termination or change of control event occurred on December 29, 2017, the last business day of CryoLife’s 2017 fiscal year.

Mr. Matthews retired from the Company on February 28, 2018, but due to the fact that he was still employed on December 31, 2017, his hypothetical payments are still included within the table on page 53. On March 13, 2018, CryoLife entered into a Retirement and Release Agreement with Mr. Matthews (the “Matthews Retirement Agreement”) pursuant to which Mr. Matthews released CryoLife of all claims and that provides for the payment of the following amounts and benefits:

Regular wages through and inclusive of February 28, 2018;

$348,140, representing one year of base salary, paid in a lump sum;

$150,818, representing Mr. Matthews’s 2017 short-term incentive payout under the Bonus Plan bonus, paid in a lump sum;

Up to $10,000, representing reimbursement of relocation expenses;

For a period of up to 12 consecutive months following February 28, 2018 for which Mr. Matthews elects continued coverage under CryoLife’s group medical plan, reimbursement of an amount equal to the difference between the amount Mr. Matthews pays for such continued coverage each month and the amount paid by a full-time active employee of CryoLife each month for the same level of coverage provided to Mr. Matthews; provided, that such reimbursements will end prior to the conclusion of the 12-month period if and when Mr. Matthews becomes eligible to participate as an employee in a qualifying plan of another employer;

Facilitation of the possible conversion of Mr. Matthews’ group life insurance with the Company to an individual life insurance policy; and,

The benefits that accrue to an employee upon retirement pursuant to the Company’s stock plans, including, without limitation, that Mr. Matthews’ vested options shall remain exercisable until the earlier of the end of the applicable option term or February 28, 2021.

J. Patrick Mackin, Chairman, President and Chief Executive Officer[(1)]

Executive Benefits and Payments Upon Termination ($)

	Voluntary Retirement	**Good Reason or Involuntary Not for Cause Termination**	**For Cause Termination**	**Death**	**Disability**	**Change of Control Without Regard to Termination**	**Certain Termination Events Following/Preceding a Change of Control**[(9)]
Cash Compensation	414,903[(2)]	1,815,108[(3)]	414,903[(2)]	414,903[(2)]	414,903[(2)]	—	3,025,180[(4)]
Accelerated Stock Option Exercisability	—	—	—	—	—	1,191,813[(5)]	1,191,813[(5)]
Accrued Vacation Pay	—	—	—	—	—	—	—
Medical Benefits	—	34,649[(6)]	—	34,649[(6)]	34,649[(6)]	—	34,649[(6)]
Spread Value of Vested Options	4,405,835[(7)]	4,405,835[(7)]	4,405,835[(7)]	4,405,835[(7)]	4,405,835[(7)]	4,405,835[(7)]	4,405,835[(7)]
Accelerated Vesting of Restricted Stock	—	—	—	—	—	3,306,075[(8)]	3,306,075[(8)]
Total	**4,820,738**	**6,255,592**	**4,820,738**	**4,855,387**	**4,855,387**	**8,903,723**	**11,963,552**

(1) This table assumes that all termination and change of control events occurred on December 29, 2017. See *Employment, Separation and Release, and Change of Control Agreements – Employment Agreement with J. Patrick Mackin* above at page 46 for a description of the Mackin Agreement.

(2) Amount shown represents the Company-performance components of the 2017 annual incentive plan, to which Mr. Mackin was entitled on December 29, 2017. No amount is included for the personal performance component of the annual incentive plan.

(3) Amount shown represents 1.5 times Mr. Mackin's 2017 annual base salary and the 2016 bonus, as the 2017 bonus had not been determined or distributed as of December 29, 2017. The Mackin Agreement provides for severance payments to be paid in 18 monthly installments, beginning 30 days following the employment termination date (subject to any delay in payment necessary to comply with Section 409A of the Internal Revenue Code). Mr. Mackin's estate would receive these severance payments upon his subsequent death.

(4) Amount shown represents 2.5 times Mr. Mackin's 2017 annual base salary and the 2016 bonus, as the 2017 bonus had not been determined or distributed as of December 29, 2017. The Mackin Agreement provides for severance payments to be paid in 18 monthly installments, beginning 30 days following the employment termination date (subject to any delay in payment necessary to comply with Section 409A of the Internal Revenue Code). This scenario assumes that following the change of control, Mr. Mackin terminated his employment for good reason, or

we terminated his employment without cause. Mr. Mackin would also receive the amount shown if we terminated his employment without cause at any time within the six months prior to the change of control.

(5) The ECIP provides that the exercisability of outstanding options accelerates upon a change of control. The accelerated options had value on December 29, 2017 to the extent that the exercise prices of the options were lower than the closing price of our common stock on the NYSE on December 29, 2017 of $19.15. The value for each option is calculated as the difference between the exercise price of the option and the closing price of our common stock at the end of the fiscal year, to the extent positive.

(6) Under the terms of the Mackin Agreement, if Mr. Mackin terminates his employment for good reason, we terminate his employment without cause or he dies or becomes disabled, we would continue to provide him and his family with health benefits coverage, at our expense, for up to 18 months (until he is provided comparable benefits by another employer). Amount shown represents the value of 18 months of coverage under our health plans.

(7) Amount shown represents the spread value of Mr. Mackin’s vested stock options, calculated as the difference between the exercise prices of the options and the closing price of our common stock on December 29, 2017 ($19.15). Upon retirement or change of control, the timing right to exercise already vested options changes. No change is made to the value of options already vested.

(8) The ECIP provides that all unvested shares of restricted stock become fully vested upon a change of control. The shares of accelerated restricted stock are valued at the closing price of our common stock on the NYSE on December 29, 2017($19.15).

(9) Under the terms of the Mackin Agreement, amounts shown that are otherwise payable to Mr. Mackin would be reduced if and to the extent that doing so would cause payments that are contingent on a change of control to not be subject to the excise tax under Section 4999 of the Internal Revenue Code and thereby produce a greater net after-tax amount to him.

D. Ashley Lee, Executive Vice President, Chief Operating Officer and Chief Financial Officer[(1)]

Executive Benefits and Payments Upon Termination ($)

	Voluntary Termination	**Good Reason or Involuntary Not for Cause Termination**	**For Cause Termination**	**Death**	**Disability**	**Change of Control Without Regard to Termination**	**Certain Termination Events Following/Preceding a Change of Control**
Cash Compensation	184,313[(2)]	184,313[(2)]	184,313[(2)]	184,313[(2)]	184,313[(2)]	—	1,421,764[(3)]
Accelerated Stock Option Exercisability	—	—	—	—	—	384,346[(4)]	384,346[(4)]
Accrued Vacation Pay	30,982[(5)]	30,982[(5)]	30,982[(5)]	30,982[(5)]	30,982[(5)]	—	30,982[(5)]
Medical Benefits		30,376[(6)]		30,376[(6)]	30,376[(6)]		30,376[(6)]
Spread Value of Vested Options	889,135[(7)]	889,135[(7)]	889,135[(7)]	889,135[(7)]	889,135[(7)]	889,135[(7)]	889,135[(7)]
Accelerated Vesting of Restricted Stock and Performance Stock Units	—	—	—	—	—	1,142,681[(8)]	1,142,681[(8)]
Total	**1,104,430**	**1,314,806**	**1,104, 430**	**1,134,806**	**1,134,806**	**2,416,162**	**3,899,284**

(1) This table assumes that all termination and change of control events occurred on December 29, 2017.

(2) Amount shown represents the Company-performance components of the 2017 annual incentive plan cash bonus, to which Mr. Lee was entitled on December 29, 2017. No amount is included for the personal performance component of the annual incentive plan.

(3) Amount shown is equal to 2 times the sum of Mr. Lee’s 2017 salary and his entire cash bonus for 2016 that was paid in cash in February 2017, as the 2017 bonus had not been determined or distributed as of December 29, 2017. This amount assumes that following a change of control Mr. Lee terminated his employment for good reason or we terminated his employment without cause. Mr. Lee would also receive the amount shown if we terminated his employment without cause at any time within the six months prior to the change of control.

(4) The ECIP provides that the exercisability of outstanding options accelerates upon a change of control. The accelerated options had value on December 29, 2017 to the extent that the exercise prices of the options were lower than the closing price of our common stock on the NYSE on December 29, 2017 of $19.15. The value for each option is calculated as the difference between the exercise price of the option and the closing price of our common stock at the end of the fiscal year, to the extent positive.

(5) Amount shown represents payment of $193.64 per hour of 2017 vacation pay that Mr. Lee had not taken as of December 29, 2017. Mr. Lee had 160 accumulated hours of vacation as of December 29, 2017 for which we were obligated to make payments as of that date.

(6) Under the terms of Mr. Lee's change of control agreement, upon a change of control event, if Mr. Lee terminates his employment for good reason or we terminate his employment without cause, we would continue to provide him and his family with health benefits coverage, at our expense, for up to 18 months (until he is provided comparable benefits by another employer). Amount shown represents the value of 18 months of coverage under our health plans.

(7) Amount shown represents the spread value of Mr. Lee's vested stock options, calculated as the difference between the exercise prices of the options and the closing price of our common stock on December 29, 2017 ($19.15). Upon retirement or change of control, the timing right to exercise already vested options changes. No change is made to the value of options already vested.

(8) The ECIP provides that all unvested shares of restricted stock and performance stock units become fully vested upon a change of control. The accelerated restricted stock and performance stock units are valued at the closing price of our common stock on the NYSE on December 29, 2017 ($19.15), and the 2017 performance stock units are assumed to have been earned at target level.

Jean F. Holloway, Senior Vice President, General Counsel, Corporate Secretary and Chief Compliance Officer[(1)]

Executive Benefits and Payments Upon Termination ($)

	Voluntary Termination	**Good Reason or Involuntary Not for Cause Termination**	**For Cause Termination**	**Death**	**Disability**	**Change of Control Without Regard to Termination**	**Certain Termination Events Following/Preceding a Change of Control**
Cash Compensation	122,549[(2)]	122,549[(2)]	122,549[(2)]	122,549[(2)]	122,549[(2)]	—	786,386[(3)]
Accelerated Stock Option Exercisability	—	—	—	—	—	301,405[(4)]	301,405[(4)]
Accrued Vacation Pay	25,368[(5)]	25,368[(5)]	25,368[(5)]	25,368[(5)]	25,368[(5)]	—	25,368[(5)]
Spread Value of Vested Options	219,540[(6)]	219,540[(6)]	219,540[(6)]	219,540[(6)]	219,540[(6)]	219,540[(6)]	219,540[(6)]
Accelerated Vesting of Restricted Stock and Performance Stock Units	—	—	—	—	—	953,421[(7)]	953,421[(7)]
Total	**367,457**	**367,457**	**367,457**	**367,457**	**367,457**	**1,474,366**	**2,286,120**

(1) This table assumes that all termination events occurred on December 29, 2017.

(2) Amount shown represents the Company-performance components of the 2017 annual incentive plan, to which Ms. Holloway was entitled on December 29, 2017. No amount is included for the personal performance component of the annual incentive plan.

(3) Amount shown is equal to 1.5 times the sum of Ms. Holloway's 2017 salary and her entire cash bonus for 2016 that was paid in February 2017, as the 2017 bonus had not been determined or distributed as of December 29, 2017. This amount assumes that following a change of control Ms. Holloway terminated her employment for good reason, or we terminated her employment without cause. Ms. Holloway would also receive the amount shown if we terminated her employment without cause at any time within the six months prior to the change of control.

(4) The ECIP provides that the exercisability of outstanding options accelerates upon a change of control. The accelerated options had value on December 29, 2017 to the extent that the exercise prices of the options were lower than the closing price of our common stock on the NYSE on December 29, 2017 of $19.15. The value for each option is calculated as the difference between the exercise price of the option and the closing price of our common stock at the end of the fiscal year, to the extent positive.

(5)

Amount shown represents payment of $158.55 per hour of 2017 vacation pay that Ms. Holloway had not taken as of December 29, 2017. Ms. Holloway had 160 accumulated hours of vacation as of December 29, 2017 for which we were obligated to make payment as of that date.

(6) Amount shown represents the spread value of Ms. Holloway's vested stock options, calculated as the difference between the exercise prices of the options and the closing price of our common stock on December 29, 2017 ($19.15). Upon retirement or change of control, the timing right to exercise already vested options changes. No change is made to the value of options already vested.

(7) The ECIP provides that all unvested shares of restricted stock and performance stock units become fully vested upon a change of control. The accelerated restricted stock and performance stock units are valued at the closing price of our common stock on the NYSE on December 29, 2017 ($19.15), and the 2017 performance stock units are assumed to have been earned at target level.

William R. Matthews, Senior Vice President, Operations, Quality and Regulatory[(1)]

Executive Benefits and Payments Upon Termination ($)	Voluntary Termination	Good Reason or Involuntary Not for Cause Termination	For Cause Termination	Death	Disability	Change of Control Without Regard to Termination	Certain Termination Events Following/Preceding a Change of Control
Cash Compensation	119,485[(2)]						