

Corporate Governance Policy

1. Introduction

Dutch Corporate Governance Code

- 1.1 On 9 December 2003, the Dutch Corporate Governance Committee, also known as the Tabaksblat Committee, released the Dutch Corporate Governance Code (the "Code"). The Dutch Monitoring Committee Corporate Governance, also known as the Frijns Committee, presented an amended version of the Code, which entered into force on 1 January 2009.
- 1.2 The Code contains principles and best practice provisions for management boards, supervisory boards, shareholders and general meetings of shareholders, financial reporting, auditors, disclosure, compliance and enforcement standards.
- 1.3 Dutch companies listed on a government-recognised stock exchange, whether in the Netherlands or elsewhere, are required to disclose in their annual reports whether or not they apply the provisions of the Code that are addressed to their management board or supervisory board and, if they do not apply, to explain the reasons why. The Code provides that if a company's general meeting of shareholders explicitly approves the corporate governance structure and policy and endorses the explanation for any deviation from the best practice provisions, such company will be deemed to have applied the Code.
- 1.4 We apply all of the relevant provisions of the Code with the following deviations which, together with the reasons for those deviations, are set out below. Although our deviations shall be disclosed in our annual reports, we shall not ask the general meeting of shareholders to explicitly approve such deviations.
- 1.5 We note that we operate under a one-tier board structure, with a Board of Directors consisting of Executive and Non-Executive Directors, whereas the Code takes a two-tier board structure consisting of a management board (*raad van bestuur*) and a supervisory board (*raad van commissarissen*) as a starting point. For the purpose of our compliance with the Code and also in view of section III.8 thereof, our Executive Directors are deemed to perform the tasks and duties of the management board whilst the Non-Executive Directors will perform the tasks and duties of the supervisory board.
- 1.6 Our Corporate Governance Policy as set out herein has been presented for discussion to our general meeting of shareholders held on 5 October 2009

2. Deviations

- 2.1 *Best practice provision II.1.1: A management board member is appointed for a maximum period of four years. A member may be reappointed for a term of not more than four years at a time.*

We currently do not comply with this best practice provision as our current Executive Directors have been appointed for an indefinite period and have service contracts that are entered into for an indefinite period of time as well, and we do not consider it appropriate to renegotiate the existing agreements, in so far as this would be possible given the mandatory provisions of Dutch labour law.

- 2.2 *Best practice provision II.1.3: The company shall have an internal risk management and control system that is suitable for the company. It shall, in any event, employ as instruments of the internal risk management and control system:*

a) risk analyses of the operational and financial objectives of the company;

b) a code of conduct which should be published on the company's website;

c) guides for the layout of the financial reports and the procedures to be followed in drawing up the reports; and

d) a system of monitoring and reporting.

We have adopted an internal risk management and control system in accordance with best practice provision II.1.3. We have not adopted a code of conduct as described under b, however. We intend to prepare such code of conduct in due course, which we will then publish on our website.

- 2.3 *Best practice provision II.2.10: If a variable remuneration component conditionally awarded in a previous financial year would, in the opinion of the supervisory board, produce an unfair result due to extraordinary circumstances during the period in which the predetermined performance criteria have been or should have been achieved, the supervisory board has the power to adjust the value downwards or upwards*

Best practice provision II.2.11: The supervisory board may recover from the management board members any variable remuneration awarded on the basis of incorrect financial or other data (clawback clause).

For the same reason as described under 2.1 we currently do not comply with best practice provisions II.2.10 and II.2.11. It is our intention to comply with these provisions in relation to future appointments of Executive Directors. Furthermore these provisions will apply to share options granted under our Cryo-Save Group 2009 Share Option Scheme.

- 2.4 *Best practice provision III.3.3: After their appointment, all supervisory board members shall follow an induction programme, which, in any event, covers general financial, social and legal affairs, financial reporting by the company, any specific aspects that are unique to the company and its business activities, and the responsibilities of a supervisory board member. The supervisory board shall conduct an annual review to identify any aspects with regard to which the supervisory board members require further training or education during their period of appointment. The company shall play a facilitating role in this respect.*

Our current Non-Executive Directors have not followed an induction program and we do not think that an induction programme would be useful for our current Non-Executive Directors, as they have a good understanding of us and our business. We will however organise an induction program for our future Non-Executive Directors, which program will be tailored to each newly appointed Non-Executive Director.

- 2.5 *Best practice provision III.6.5: (...) The company shall draw up regulations governing ownership of and transactions in securities by management or supervisory board members, other than securities issued by their 'own' company.*

We have adopted a Securities Dealing Code that applies to dealing in shares in our Company. The Securities Dealings Code does not apply to dealings in securities of other companies.

- 2.6 *Best practice provision III.8.1: The chairman of the management board may not also be or have been an executive director.*

We do not comply with this best practice provision, as our current Chairman of the Board of Directors, Mr. J.P.G. Goossens has been an Executive Director before he was appointed as a Non-Executive Director. We believe that Mr. Goossens' extensive

experience with and knowledge of our business justifies his chairing our Board of Directors.

- 2.7 *Best practice provision IV.1.1: The general meeting of shareholders of a company not having statutory two tier status (structuurregime) may pass a resolution to cancel the binding nature of a nomination for the appointment of a member of the management board or of the supervisory board and/or a resolution to dismiss a member of the management board or of the supervisory board by an absolute majority of the votes cast. It may be provided that this majority should represent a given proportion of the issued capital, which proportion may not exceed one third. If this proportion of the capital is not represented at the meeting, but an absolute majority of the votes cast is in favour of a resolution to cancel the binding nature of a nomination, or to dismiss a board member, a new meeting may be convened at which the resolution may be passed by an absolute majority of the votes cast, regardless of the proportion of the capital represented at the meeting.*

We do not fully apply this provision as (i) the quorum requirement in our articles of association is half of the issued capital instead of one third and (ii) a new meeting may not be convened. Given the relatively low attendance rate at our general meetings of shareholders, we believe that this is appropriate.

- 2.8 *Best practice provision IV.3.1: Meetings with analysts, presentations to analysts, presentations to investors and institutional investors and press conferences shall be announced in advance on the company's website and by means of press releases. Provision shall be made for all shareholders to follow these meetings and presentations in real time, for example by means of webcasting or telephone. After the meetings, the presentations shall be posted on the company's website.*

Presently we do not have the provisions for shareholders to follow these meetings real time. We will investigate the possibilities of creating such a facility.

- 2.9 *Best practice provision IV.3.13: The company shall formulate an outline policy on bilateral contacts with the shareholders and publish this policy on its website.*

We have not yet formulated a policy as regards to bilateral contacts with shareholders. We will assess the need for such a policy in the following year and dependent on the outcome of such an assessment, we may formulate a policy.