

## **CRYO-SAVE GROUP N.V.**

### **EXPLANATORY NOTES**

#### **to the agenda for the 5 October 2009 Extraordinary General Meeting of Shareholders**

##### **Introduction**

These explanatory notes should be read in conjunction with the Agenda for the 5 October 2009 Extraordinary General Meeting of Shareholders. The paragraph numbering below corresponds with the numbering of the agenda items.

#### **1. Opening and announcements**

The Board of Directors will explain the reasons for the Company to seek the admission of its shares to trading on Euronext Amsterdam by NYSE Euronext (the "**Euronext Amsterdam Listing**"). As set out in the Company's 3 September 2009 press release, the Board of Directors believes that the Euronext Amsterdam Listing will bring increased visibility and liquidity.

#### **2. Adoption amendment Articles of Association : First Amendment**

##### **Introduction**

This amendment of the Company's Articles of Association (the "**First Amendment**") is proposed primarily for the purpose of effectuating a 5:1 consolidation and redenomination of the Company's shares (the "**Share Consolidation**").

##### **Share Consolidation**

###### *Rationale for implementing the Share Consolidation*

Over the past year the shares in the capital of the Company (the "**Shares**") have been trading at prices that are below GBP 1.00 per Share. Accordingly, any small change in the share price appears disproportionate in percentage terms compared with the share prices of other companies. The Company considers this to be undesirable and hence wishes to effect the Share Consolidation.

###### *Date and means of implementation of the Share Consolidation*

The Share Consolidation will be implemented by means of the execution of the notarial deed effecting the First Amendment, which is expected to take place following the close of trading of the Shares on AIM, a market operated by the London Stock Exchange on 7 October 2009 (the "**Share Consolidation Date**"). As a consequence of the Share Consolidation, for every five Shares with a nominal value of EUR 0.02 held by a shareholder immediately prior to the close of trading on the Share Consolidation Date, a shareholder will hold one Share with a nominal value of EUR 0.10 immediately following the Share Consolidation.

Shareholders do not have to take any action in relation to the Share Consolidation and can expect that their holding of Shares immediately following the Share Consolidation shall be reflected in the Company's shareholders register as of 8 October 2009. Shareholders shall not be charged any fee by the Company in relation to the Share Consolidation.

As at the date of this document, the Company has a total number of 48,195,986 issued Shares, each with a nominal value of EUR 0.02. Assuming no further issues of Shares between the date of this document and the date of the Share Consolidation, immediately following the Share Consolidation, the Company will have a total number of 9,639,197 issued Shares, each with a nominal value of EUR 0.10. The aggregate nominal value of the Company's issued share capital – which as per the date of this document amounts to EUR 963,919 – will not change as a consequence of the Share Consolidation.

#### *Fractions*

Where a shareholder is not the holder of a number of Shares that can be divided by five immediately prior to the close of trading on the Share Consolidation Date, any remaining fraction of a Share shall constitute one or more sub shares (*onderaandelen*) with a par value of EUR 0.02 each (each such sub share hereinafter a "**Scrip**"). A holder of a Scrip is entitled to any distributions proportionally and may exercise the voting rights together with one or more other holders of Scrips, provided they collectively hold five Scrips or a multiple of five.

The Scrips will not be listed on AIM or Euronext Amsterdam by NYSE Euronext.

Persons that hold Scrips will be able to sell and transfer their Scrips to the Company. The Company has undertaken to acquire any Scrips so offered to it, subject to the limitations of article 10 of the Company's Articles of Association. A Shareholder that wishes to sell Scrips to the Company after the Share Consolidation is invited to contact the Company's Chief Financial Officer, Mr. Arnoud van Tulder at Cryo-Save Group N.V. IJsselkade 8, 7201 HB Zutphen, the Netherlands, telephone +31 575 54 89 98, e-mail: arnoud.vantulder@cryo-save.com.

#### *Consequences for persons holding Shares by means of depository interests*

Since the admission of the Shares to trading on AIM on 6 November 2007, the Shares can be delivered, held and settled in CREST by means of dematerialised depository interests representing the Shares ("**Depository Interests**"). CREST is a computerised paperless share transfer and settlement system operated by Euroclear UK & Ireland which allows shares and other securities, including depository interests, to be held in electronic rather than paper form. The Shares are not, and cannot, themselves be admitted to CREST but Capita IRG Trustees Limited (the "**Depository**") has issued, and agreed to issue, Depository Interests in respect of the Shares. Depository Interests are independent securities constituted under English law, which may be held and transferred through the CREST system. Depository Interests have the same security code (ISIN) as the underlying Shares and do not have (or require) a separate quotation on AIM. CREST members are able to hold and transfer interests in Shares held by means of Depository Interests within CREST pursuant to the depository interest arrangement established by the Company. As of 6 November 2007, all of the Shares are eligible to participate in this arrangement. CREST is a voluntary system and shareholders who wish to retain Shares in a non dematerialised form will be able to do so. For more information concerning CREST, investors should contact their broker or the Depository.

Concurrently with the consolidation and redenomination of the Shares by means of the Share Consolidation, all outstanding Depository Interests shall be consolidated on a 5:1 ratio. As a consequence, for every five Depository Interests collectively representing five Shares with a nominal value of EUR 0.02 each held by a holder of Depository Interests immediately prior to the close of trading on the Share Consolidation Date, such holder will hold one Depository Interest representing one Share with a nominal value of EUR 0.10 immediately following the Share Consolidation.

Where a Depository Interest holder is not the holder of a number of Depository Interests that can be divided by five immediately prior to the close of trading on the Share Consolidation Date, any remaining fractions will be

given to charity pursuant to clause 6.3.6 of the Deed Poll. The Company has not undertaken to acquire remaining fractions of Depository Interests.

Holders of Depository Interests do not have to take any action in relation to the consolidation of their Depository Interests and can expect that the said consolidation will be reflected in their CREST accounts on 8 October 2009 as soon as practicable following the admission to trading of the Shares on AIM on such date. Holders of Depository Interests will not be charged a fee by the Company or the Depository in relation to the consolidation of their Depository Interests.

#### *Trading Information*

Following the Share Consolidation the trading information of the Shares shall be:

ISIN: NL0009272137

AIM symbol: CRYO

#### Other amendments by means of the First Amendment

In addition to effecting the Share Consolidation, by means of the First Amendment the Company's authorized share capital will be increased to an amount of EUR 4,800,000.

### **3. Adoption amendment Articles of Association : Second Amendment**

This proposal, as well as the proposals in agenda items 4 to 10 are made in connection with the proposed Euronext Amsterdam Listing.

Euronext Amsterdam by NYSE Euronext is a regulated market in the meaning of section 1:1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*). The Euronext Amsterdam Listing the Shares requires that several amendments are made to the Company's Articles of Association. In addition, the Euronext Amsterdam Listing requires that the Shares are eligible for settlement via the book-entry facilities of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. ("**Euroclear Netherlands**"), which also requires certain amendments to the Company's Articles of Association. These amendments, as well as certain other amendments that follow from the Company becoming subject to the Dutch Corporate Governance Code (the "**Dutch Code**") as a consequence of the Euronext Amsterdam Listing, as well as certain other adjustments which the Company's Board of Directors considers necessary or appropriate in the context of the Euronext Amsterdam Listing, will be implemented by means of the Second Amendment.

Notable changes that will be implemented by means of the Second Amendment are:

- resolutions in relation to the issuance of Shares, limitation or exclusion of pre-emption rights, reduction of the issued capital and payment of interim dividends and dividends in kind can only be adopted upon the proposal of the Board of Directors;
- Executive Directors may be appointed for a maximum number of four years upon the nomination of the Board of Directors;
- An appointment of a Director by the general meeting of shareholders upon nomination of the Board of Directors requires an absolute majority of the votes cast, an appointment without such nomination requires an absolute majority representing at least half of the issued capital;
- the Board of Directors is authorised to suspend an Executive Director;
- the Board of Directors may determine which part of the profits will be reserved, the remaining profits will be at the disposal of the general meeting of shareholders;

- a resolution to amend the Company's Articles of Association, for a legal merger or legal division or to enter into liquidation, other than at the proposal of the Board of Directors, requires a majority of two thirds of the votes cast representing at least half of the issued share capital;
- the provisions in relation to a mandatory takeover offer are deleted, since the Company will be subject to the Dutch rules on mandatory takeover offer effective the Euronext Amsterdam Listing; and
- the Articles 29, 30 and 31 are deleted, mainly because the Dutch rules on disclosure of holdings will become applicable effective the Euronext Amsterdam Listing.

For a full overview of the proposed amendments, reference is made to a version of the Company's Articles of Association as they will read after the proposed First and Second Amendment, marked to show the changes against the present wording of the Company's Articles of Association, which is available free of charge at the Company's offices in Zutphen, the Netherlands and which can be downloaded from the Company's website, [www.cryo-savegroup.com](http://www.cryo-savegroup.com).

It is noted that in addition to the proposed amendments to the Articles of Association in connection with the Euronext Amsterdam Listing, the Board of Directors has also resolved to amend (i) the regulations of the Board of Directors, (ii) the charter of the Audit Committee and (iii) the Company's whistle blowing policy. Furthermore, the Board of Directors has resolved to adopt (i) the charter of the Selection, Appointment and Remuneration Committee and (ii) a profile for Non-Executive Directors. Each of the aforementioned resolutions and amendments are subject to the Euronext Amsterdam Listing having become effective. As soon as the Euronext Amsterdam Listing becomes effective, the documents listed in this paragraph will be available free of charge at the Company's offices in Zutphen, the Netherlands and be downloadable from the Company's website, [www.cryo-savegroup.com](http://www.cryo-savegroup.com).

#### **4. Adoption of a Remuneration Policy for Executive Directors**

The Board of Directors proposes to adopt a Remuneration Policy for Executive Directors, a copy of which is available free of charge at the Company's offices in Zutphen, the Netherlands and which can be downloaded from the Company's website, [www.cryo-savegroup.com](http://www.cryo-savegroup.com).

#### **5. Extension appointment Mr. J.P.G. Goossens until 1 October 2012**

The Dutch Code, which provides corporate governance principles and best practice provisions for companies with a two-tier board structure, where there is a management board and a supervisory board, requires a rotation scheme for the supervisory board, in order to avoid that all supervisory directors step down from office at the same time. The Company operates a one-tier board consisting of Executive and Non-Executive Directors. To the extent possible the Company intends to apply the provisions of the Dutch Code that are applicable to supervisory directors to its Non-Executive Directors. The present term of appointment for all three Non-Executive Directors will end in October 2010. In order to avoid all Non-Executive Directors losing office at the same time, it is proposed to extend the appointment of Messrs. Goossens and Van Pottelberge.

#### **6. Extension appointment Mr. W.A.A. van Pottelberge until 1 October 2011**

See above under 5.

#### **7. Corporate Governance Policy**

A copy of the Company's Corporate Governance Policy, in which it is explained to what extent the Company intends to comply with the Dutch Code with effect from, and subject to, the Euronext Amsterdam Listing having become effective, is available free of charge at the Company's offices in Zutphen, the Netherlands and can be downloaded from the Company's website, [www.cryo-savegroup.com](http://www.cryo-savegroup.com). The Board of Directors invites shareholders to discuss this policy at the extraordinary general meeting of shareholders and is available to answer questions.

## **8. Determination of the remuneration of the Non-Executive Directors**

It is proposed to determine the remuneration for Non-Executive Directors as follows:

- EUR 30,000 p.a. for each Non-Executive Director
- EUR 10,000 p.a. additionally for the Chairman of the Board of Directors
- EUR 5,000 p.a. additionally for the Chairman of a sub-committee of the Board of Directors
- EUR 2,500 p.a. additionally for each member of a sub-committee of the Board of Directors

If approved by the extraordinary general meeting of shareholders, all current and future Non-Executive Directors shall be remunerated in accordance with the remuneration as set out above in financial years commencing as of 1 January 2009.

## **9. Adoption revised Share Option Scheme**

It is proposed to amend the Company's Share Option Plan in order to reflect the contemplated Euronext Amsterdam Listing and to comply with certain provisions of the Dutch Code, with effect from, and subject to, the Euronext Amsterdam Listing having become effective. A copy of the revised Share Option Plan is available free of charge at the Company's offices in Zutphen, the Netherlands and can be downloaded from the Company's website, [www.cryo-savegroup.com](http://www.cryo-savegroup.com).

## **10. Purchase of our Shares**

Delegation to the Board of Directors for a period of 18 months of the power to repurchase up to a maximum of 10 % of the issued share capital as at the date of the extraordinary general meeting of shareholders by acquiring shares or depository interests for a purchase price not less than EUR 0.10 (or prior to the First Amendment having been effected: not less than EUR 0.02) and not higher than the highest of either (i) the average closing price over the five trading days prior to the date of acquisition on Euronext Amsterdam by NYSE Euronext plus a 10% premium or (ii) the average closing price over the five trading days prior to the date of acquisition on AIM plus a 10% premium. This delegation shall include the possibility for the Company to acquire fractions of shares or depository interests against payment of a price as set out in the previous sentence, calculated on a pro rata basis.

Zutphen, 18 September 2009