

deCODE genetics, Inc.

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER

I. PURPOSES AND AUTHORITY

The functions of the Nominating and Corporate Governance Committee (the “Committee”) are (1) to assist the Board of Directors (the “Board”) by identifying qualified candidates to become members of the Board, to establish a program of director orientation and training and to recommend to the Board the director nominees to be elected at each annual meeting of stockholders, (2) to lead the Board in its annual review of the Board’s performance, the performance of its committees and the performance of its members, (3) to recommend to the Board director nominees for each Board committee, (4) to oversee succession planning for the Chief Executive Officer and other senior officers if appropriate and (5) to develop, recommend to the Board and oversee a set of corporate governance guidelines applicable to the Company.

The Committee shall have the authority to conduct and authorize investigations into any matters within the scope of the Committee’s duties and responsibilities as the Committee deems appropriate and to obtain advice and assistance from the Company’s inside counsel and any outside legal counsel or other advisors or experts as the Committee deems necessary to carry out its duties and responsibilities, including sole authority to retain and terminate any search firm used to identify director candidates, and to approve the search firm’s fees and other retention terms. The Company shall provide the Committee with appropriate funding, as determined by the Committee, for payment of reasonable expenses incurred in connection with any investigation and for the payment of compensation to the legal or other advisors or experts employed by the Committee, and for ordinary and necessary administrative expenses of the Committee.

II. MEMBERSHIP

The Committee shall consist of at least two members of the Board, each of whom shall be “independent,” as determined in accordance with the rules and regulations of the Securities and Exchange Commission (the “SEC”) and the Nasdaq Stock Market (“Nasdaq”) or any other applicable exchange or stock market. The foregoing notwithstanding, if the Committee consists of at least three members, one non-independent director may serve on the Committee pursuant to the “exceptional and limited circumstances” exception under Nasdaq rules, provided, however, that such director may not serve for more than two years. The Board shall appoint a Committee member to serve as the chairperson of the Committee.

III. MEETINGS

The Committee shall meet at least once per year prior to the Board meeting at which the Board authorizes notice of the Company's annual meeting of stockholders, and at such other times as it may deem necessary or desirable to discharge its responsibilities.

IV. DUTIES AND RESPONSIBILITIES

The key duties and responsibilities of the Committee shall be to:

1. Determine and recommend to the Board the appropriate skills, characteristics and other criteria required of new Board members in the context of the current make-up of the Board. The Committee shall take into account all factors it considers appropriate, which may include independence, relevant business experience, strength of character, mature judgment, technical skills, diversity, age and other skills and characteristics which would fill the then-present needs of the Board.
2. Identify, review the qualification of, and recruit qualified candidates for Board membership.
3. Review recommendations for Board membership received from stockholders and other qualified sources and establish a procedure therefor.
4. Recommend to the Board candidates for nomination by the Board for election or reelection as directors at the annual meeting of stockholders and candidates to be appointed by the Board to fill any vacancies on the Board and newly created directorships.
5. Make recommendations to the Board concerning the size, structure, composition and practices of the Board and its committees.
6. Review and recommend assignments of Board members to the various committees of the Board.
7. Develop and propose to the Board, and thereafter review and reassess the adequacy of, a set of corporate governance guidelines of the Company and recommend any proposed changes to the Board for approval, as necessary.
8. Review and assess the adequacy of the Company's Code of Business Conduct and Ethics, Insider Trading Policy and other similar policies which may be adopted by the Board from time to time.
9. Review directorships in other public companies held by or offered to directors and senior officers of the Company.
10. Review and assess the channels through which the Board receives information and the quality and timeliness of information received.
11. Oversee the annual self-evaluation of the Board and the Committees of the Board.
12. Review and reassess the adequacy of this Charter periodically and recommend to the Board any changes it considers necessary or advisable.

13. Review and report to the Board on succession planning, including policies and principles for Chief Executive Officer selection, policies regarding succession in the event of an unplanned departure of a senior executive office and policies on transitional Board leadership in the event of an unplanned vacancy.
14. Develop and maintain (i) an orientation program for new Board members and (ii) a program of continuing education for all Board members.
15. Oversee and approve the membership and composition of the boards of directors of the Company's direct and indirect subsidiaries and the officer appointments for such subsidiaries.