

deCODE genetics, Inc.

CORPORATE GOVERNANCE GUIDELINES

6 November, 2007

adopted by the board of directors

These Guidelines serve as a framework for the corporate governance practices of deCODE genetics, Inc. (the “Company”) and its Board of Directors (the “Board”) and are designed to assist the Board in carrying out its responsibilities effectively.

I. Director Responsibilities

Directors are expected to (i) expend sufficient time, energy and attention to assure diligent performance of their duties, (ii) attend meetings of the Board, its Committees on which they serve, and the Annual Meeting of Stockholders, (iii) review materials distributed in advance of the meetings, and (iv) make themselves available for periodic updates and briefings with management via telephone or one-on-one meetings. Each director is expected to be sufficiently familiar with the business of the Company and its industry to facilitate active and effective participation in the deliberations of the Board and of each Committee on which he or she serves and to participate in such orientation and continuing education programs as may be agreed in consultation with the Nominating and Corporate Governance Committee. Directors owe a duty of loyalty to the Company that mandates that the interests of the Company take precedence over any interests possessed by a director.

II. Board Composition; Independence; Qualifications

1. Size and Composition

The Bylaws provide that the Board shall consist of one or more members, with the exact number to be determined from time to time by the Board. The size of the Board should facilitate substantive discussions of the whole Board in which each director can participate meaningfully.

2. Leadership

The positions of Chairman of the Board and Chief Executive Officer may be held by the same person. The Board may in its discretion separate the roles if it deems it advisable and in the Company’s best interest to do so. If these positions are held by the same person, the Board may designate a lead independent director, who shall have such duties as the Board may specify.

3. Independence of Directors

At least a majority of the Board of directors shall be independent within the meaning of the rules and regulations of the Nasdaq Stock Market. The Board shall review annually the relationships that each director has with the Company to make a determination of whether the director is independent.

4. Other Qualifications

Directors shall be selected for their integrity and character, sound and independent judgment, breadth of experience, insight and knowledge, and business acumen. Leadership skills, scientific or technology expertise, familiarity with issues affecting global businesses, prior government service, and diversity are among the relevant criteria, which will vary over time depending on the needs of the Board. The Nominating and Corporate Governance Committee shall consider candidates for potential nomination to recommend for approval by the full Board.

In considering potential nominees, the Nominating and Corporate Governance Committee shall consider the number of boards on which candidate sits. Directors are encouraged to limit the number of other public company boards so as not to interfere with their service as directors of the Company. Service on boards and committees of boards of other organizations must be consistent with the Company's policies prohibiting conflicts of interest.

5. Retirement Age; Term Limits

The directors are not subject to a retirement age or term limits. In assessing candidates for nomination as directors, the Nominating and Corporate Governance Committee shall weigh the advantages of the continued contribution of directors who have experience and understanding of the affairs and operations of the Company against the advantages of new ideas and viewpoints that may be contributed by new directors.

III. Board Meetings

1. Number of Meetings; Agenda Items

The Board will normally hold four regularly scheduled meetings per year, with additional meetings to be held (or action to be taken by unanimous consent) at the discretion of the Board.

The Chief Executive Officer shall distribute a proposed agenda for Board meetings to each director and include in the final agenda for the meeting agenda items suggested by any director. Directors are encouraged to suggest items for inclusion on the agenda and may raise any other subject not specifically on the agenda for consideration and action at any meeting. All information relevant to the Board's understanding of matters to be discussed at an upcoming Board meeting shall be distributed in writing or electronically to all members sufficiently in advance to allow directors to review and prepare for discussion the items at the meeting. In some cases, due to timing or the sensitive nature of an issue, materials may be presented only at the Board meeting. Agenda items that fall within the scope of responsibilities of a Board Committee shall be reviewed in advance with the chair of the Committee.

2. Executive Sessions

The Board shall meet in regularly scheduled executive sessions at which only directors who are independent within the meaning of the rules and regulations of the Nasdaq Stock Market are present. Such meetings will normally be held in conjunction with regularly scheduled meetings of the Board. The lead independent director or another director selected by the independent members of the Board shall preside at such meetings.

3. Access to Employees and Advisors

The Board shall have access to Company employees in order to ensure that directors may ask all questions and glean all information necessary to fulfill their duties. The Board may specify a protocol for making such inquiries if it deems it necessary or appropriate. Management is encouraged to invite Company personnel to any Board meeting at which their presence and expertise would help the Board have a full understanding of matters being considered. As necessary and appropriate, the Board and its committees may consult with and retain the Company's general counsel, if any, outside counsel, or other consultants, advisors or experts to assist it in the performance of its functions.

IV. Performance Evaluation; Compensation; Succession Planning

1. Periodic Self-Evaluations

The Board and each Committee shall make periodic self-evaluations of its performance with a particular focus on overall effectiveness. The ability of individual directors to contribute to the Board shall be considered in connection with the renomination process. The Nominating and Corporate Governance Committee is responsible for developing, administering and overseeing the self-evaluation process.

2. Compensation

The Board believes that compensation for non-employee directors should be competitive and that equity-based compensation should be a key component of compensation for non-employee directors. The Compensation Committee and the Board shall review periodically the level and form of director compensation and, if appropriate, propose changes for consideration by the full Board.

3. Succession Planning

The Board shall oversee the succession planning process for the Chief Executive Officer and other executive officers. To assist the Board, the Nominating and Corporate Governance Committee shall periodically report to the Board on succession planning. The Chief Executive Officer shall periodically report to the Nominating and Corporate Governance Committee on succession planning and management development and provide the Nominating and Corporate Governance Committee with an assessment of executive officers and their potential to succeed to the position of Chief Executive Officer or other key executive positions, as well as perspective on potential candidates from outside the Company. The Chairman shall also make available to the Nominating and Corporate Governance Committee, on a continuing basis, recommendations regarding who should assume the position of Chairman in the event that he or she becomes unable or unwilling to perform the duties of this position.

V. Committees of the Board of Directors

The Board has 3 committees – an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. The Board may add new committees or remove existing committees as it deems advisable in the fulfillment of its responsibilities and

consistent with applicable law and the rules and regulations of the Nasdaq Stock Market. Each Committee shall be constituted and operate in accordance with applicable law and the rules and regulations of the Nasdaq Stock Market. Each Committee that operates pursuant to a written charter shall operate in accordance with such charter and shall assess the adequacy of its charter periodically and recommend changes to the Board as appropriate. The Committees shall report regularly to the full Board with respect to their activities.

VI. Review of Governance Guidelines

The Nominating and Corporate Governance Committee shall review these Guidelines periodically and recommend any changes it determines to be appropriate to the Board of Directors.