

**GENESIS GROUP HOLDINGS, INC.
CORPORATE GOVERNANCE POLICIES
OF THE BOARD OF DIRECTORS**

I. INTRODUCTION

The board of directors of Genesis Group Holdings, Inc. has adopted these governance policies to assist it in following corporate practices that serve the best interests of the company and its stockholders. This statement of policies is intended as a general framework to assist the board in carrying out its responsibilities and is not intended as binding legal obligations or inflexible requirements.

The board, on behalf of the company and its stockholders, oversees and evaluates management of the company and provides general direction for the management of the company. In addition to other board or committee responsibilities outlined below, the responsibilities of the board as a whole include review of the overall operating and financial plans and performance of the company, selecting and evaluating the company's senior executives, overseeing appropriate policies of corporate conduct and compliance with laws, and reviewing the process by which financial and non-financial information about the company is provided to management, the board and the company's stockholders.

The company's senior officers, under the direction of the Chief Executive Officer, are responsible for the operations of the company, implementation of the strategic, financial, and management policies of the company, preparation of financial statements and other reports that accurately reflect requisite information about the company, and timely reports which inform the board about the operations of the company.

II. BOARD COMPOSITION

A. Size of the Board. The board of directors will periodically review the appropriate size of the board. In accordance with the company's bylaws, the board sets the authorized number of directors constituting the entire board.

B. Majority of Independent Directors. A majority of the directors serving on the board will meet the standard of director independence set forth in the listing standards of the national securities exchange or over the counter trading system on which the company's common stock is traded, as the same may be amended from time to time (the "listing standards"), as well as other factors not inconsistent with the listing standards that the board considers appropriate for effective oversight and decision-making by the board.

C. Affirmative Determination of Independence. The board shall affirmatively determine annually and at other times required by the listing standards that the directors designated as independent meet the definition of an "independent director" under the listing standards, including that such directors have no material relationships to the company (either directly or with an organization in which the director is a partner, stockholder or officer or is financially interested) that may interfere with the exercise of their independence from management and the company.

D. Management Directors. The board anticipates that the company's Chief Executive Officer will be nominated to serve on the board. The board may also appoint or nominate other members of the company's management whose experience and role at the company are expected to help the board fulfill its responsibilities.

E. Chair. The board will periodically appoint a Chair of the board. Both independent and management directors, including the Chief Executive Officer, are eligible for appointment as the Chair.

F. Designation of Presiding Independent Director. The board may, but need not, designate an independent director to preside at the meetings of independent directors. If so designated, the company will appropriately disclose the name of this presiding director.

G. Selection of Board Nominees. The board will maintain a Nominating and Corporate Governance Committee of the board. The Nominating and Corporate Governance Committee will be responsible for the selection of candidates for the nomination or appointment to the board, in consultation with the Chief Executive Officer and any other directors not serving on the committee. The Nominating and Corporate Governance Committee shall be comprised solely of independent directors.

H. Board Membership Criteria. The board's policy is to encourage selection of directors who will contribute to the company's overall corporate goals of responsibility to its stockholders, industry leadership, customer success, positive working environment, and integrity in financial reporting and business conduct. The board and the Nominating and Corporate Governance Committee will from time to time review the experience and characteristics appropriate for board members and director candidates in light of the board's composition at the time and skills and expertise needed at the board and committee levels.

I. Length of Board Service. The board, based on recommendations by the Nominating and Corporate Governance Committee, will review the length of service of its members when a director is eligible to be re-nominated for board membership, including an assessment of individual director performance, number of other public company boards on which the individual serves, composition of the board at that time, and other relevant factors. The board does not believe that there should be a fixed term or retirement age for directors or that directors who retire from or change their principal occupation or business should necessarily be required to end their service as directors. Directors who retire from or change their principal occupation or business shall offer to resign their service as directors.

J. Board Compensation. The board, through the Compensation Committee, will review or request management or outside consultants to review appropriate compensation policies or changes in compensation policies for the non-employee directors serving on the board and its committees. This review may consider board compensation practices of other comparable public companies, contributions to the board functions, time commitments expected for board and committee service, and other appropriate factors.

K. Other Board Service. In order to ensure that members of the board are able to dedicate the time necessary to fulfill their responsibilities as directors, the policy of the board is that, without the approval of the Nominating and Corporate Governance Committee, (i) members of the board, other than the Chief Executive Officer, may not serve on more than five (5) boards of directors (including the company's board, but not including non-profit and other community, religious or educational boards) and (ii) the Chief Executive Officer may not serve on more than three (3) boards of directors (including the company's board, but not including non-profit and other community, religious or educational boards).

III. BOARD MEETINGS

A. Scheduling of Full Board Meetings. The Chair of the board will schedule in advance regular meetings of the board, ordinarily held quarterly at the company's principal executive office, or at any other location convenient for the board.

B. Meetings of Independent Directors. The independent directors will hold during each fiscal year regular meetings of the independent members of the board without management present, at such times and for such purposes as the independent directors consider to be appropriate. For the convenience of the directors, these meetings shall generally be scheduled to coincide with the dates of regular board meetings, but may also be held at other times. The independent directors may invite the company's independent auditors, legal counsel, finance staff and other employees to attend portions of these meetings.

C. Agenda. The Chair of the board will have primary responsibility for preparing the agenda for each board meeting and arranging for it to be sent in advance of the meeting to the directors along with appropriate written information and background materials. Each board committee, and each individual director, is encouraged to suggest items for inclusion on the agenda. The Chair and the full board reserve authority to meet in executive sessions to discuss sensitive matters without distribution of written materials.

D. Access to Information. The company's management will afford each board member access to the company employees, and the outside auditors, legal counsel and other professional advisors for any purpose reasonably related to the board's responsibilities. Management is responsible for arranging presentations at board meetings by the company managers and otherwise providing reports to the board that will communicate to the board at appropriate times meaningful information about (1) the company's financial and business plans, strategies and objectives; (2) the recent financial results and condition of the company and its business segments; (3) significant accounting, regulatory, competitive, litigation and other external issues affecting the company; and (4) systems of control which promote accurate and timely reporting of financial information to stockholders and compliance with laws and corporate policies. Each director is entitled to inspect the company's books and records and obtain such other data and information as the director may reasonably request; inspect facilities as reasonably appropriate for the performance of director duties; and to receive notice of all meetings in which a director is entitled to participate and copies of all board meeting minutes.

E. Independent Inquiries and Advisors. The board is authorized to conduct investigations, and to retain, at the expense of the company, independent legal, accounting, investment banking, or other professional advisors selected by the board, for any matters relating to the purpose or responsibilities of the board.

IV. BOARD COMMITTEES

A. Committees. The board shall form and maintain at least the following three committees: an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee.

B. Committee Member Selection. The board will designate the members and the Chair of each committee, endeavoring to match the committee's function and needs for expertise with individual skills and experience of the appointees to the committee. Each member of the Audit, Compensation and Nominating and Corporate Governance Committees shall be independent as defined in the listing standards and as required by applicable law. In addition, all members of the Compensation Committee shall qualify as "non-employee directors" within the meaning of SEC Rule 16b-3, and as "outside directors" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended.

C. Committee Functions. Each of the Audit, Compensation and Nominating and Corporate Governance Committees shall have a written charter approved by the board. The number and content of committee meetings and means of carrying out committee responsibilities will be determined by each committee in light of the committee's charter, the authority delegated by the board to the committee, and

legal, regulatory, accounting or governance principles applicable to that committee's function. The company will afford access to the company's employees, professional advisors and other resources, if needed, to enable committee members to carry out their responsibilities. The following is a brief description of each committee:

1. Audit Committee. This committee is composed of at least three directors who are independent as defined in the listing standards and applicable law. The Audit Committee has a charter which describes the responsibilities of this committee in accordance with the requirements of the listing standards and applicable law.

2. Compensation Committee. This committee is composed of at least three directors who are independent as defined in the listing standards and applicable law. In addition, all committee members shall qualify as "non-employee directors" within the meaning of SEC Rule 16b-3, and as "outside directors" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended. The Compensation Committee has a charter which describes the responsibilities of this committee in accordance with the requirements of the listing standards and applicable law.

3. Nominating and Corporate Governance Committee. This committee is composed of at least two directors (unless the listing standards or applicable law require a different minimum number of members) who are independent as defined in the listing standards and applicable law. The Nominating and Corporate Governance Committee has a charter which describes the responsibilities of this committee in accordance with the requirements of the listing standards and applicable law.

V. BOARD MEMBER RESPONSIBILITIES

A. Director Responsibilities.

1. Generally. A director is expected to discharge his or her director duties, including duties as a member of any committee on which he or she serves, in good faith and in a manner the director reasonably believes to be in the best interests of the corporation and its stockholders.

2. Disclose Relationships. Each independent director is expected to disclose promptly to the board any existing or proposed relationships with the company (other than service as a board member or on board committees) which could affect the independence of the director under applicable listing standards or any additional standards as may be established by the board from time to time, including direct relationships between the company and the director, and indirect relationships between the company and any business, nonprofit or other organization in which the director is a general partner or manager, officer, or significant stockholder, or is materially financially interested.

3. Reporting and Compliance Systems. Based on information available to the director, each director should be satisfied that company management maintains an effective system for timely reporting to the board or appropriate board committees on the following: (1) the company's financial and business plans, strategies and objectives; (2) the recent financial results and condition of the company and its business segments; (3) significant accounting, regulatory, competitive, litigation and other external issues affecting the company; and (4) systems of control which promote accurate and timely reporting of financial information to stockholders and compliance with laws and corporate policies. Each director is expected to have a basic understanding of the foregoing matters to the extent information is furnished by management or otherwise available to the board.

4. Attendance. Board members are expected to devote sufficient time and attention to prepare for, attend and participate in board meetings and meetings of committees on which they serve, including advance review of meeting materials that may be circulated prior to each meeting.

5. Reliance on Information. In discharging responsibilities as a director, a director is entitled to rely in good faith on reports or other information provided by company management, independent auditors, legal counsel and other persons as to matters the director reasonably believes to be within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the company.

B. Transactions Affecting Director Independence. Without the prior approval of a majority of disinterested members of the full board, and, if required by the listing standards or applicable law, the Audit Committee, the company will not make significant charitable contributions to organizations in which a director or a family member of the director is affiliated, enter into consulting contracts with (or otherwise provide indirect forms of compensation to) a director, or enter into any relationships or transactions (other than service as a director and board committee member) between the company and the director (or any business or nonprofit entity or organization in which the director is a general partner, controlling stockholder, officer, manager, or trustee, or materially financially interested). Notwithstanding the foregoing, to the extent required to comply with Section 10A(m)(3) of the 1934 Act, and except as may be provided in SEC rules, no member of the Audit Committee shall be an affiliated person of the company or receive any direct or indirect compensation from the company other than for service as a director and on committees on which the individual serves.

C. Continuing Education. The board is expected to (1) ensure that newly elected or appointed directors are provided appropriate orientation sessions and/or materials to familiarize them with the company and the functioning of the board and any committees on which they serve, and (2) recommend on an as-needed basis continuing director education programs for board or committee members.

D. Annual Evaluation. The board is expected to evaluate annually these corporate governance policies and whether the board and its committees are functioning effectively. In addition, the board is expected to conduct an annual review of the performance, qualifications and contributions of each member of the board.

VI. MANAGEMENT RESPONSIBILITY

A. Management Succession Planning. At least once per year and otherwise as often as appropriate, the Chief Executive Officer will review with the board management succession and development plans for executive officers. The board may from time to time ask the Compensation Committee to undertake specific reviews concerning management succession planning.

B. Financial Reporting and Legal Compliance. The board's governance and oversight functions do not relieve the primary responsibilities of the company's management for (1) preparing financial statements which accurately and fairly present the company's financial results and condition, and (2) maintaining systems, procedures and corporate culture which promote compliance with legal and regulatory requirements and the ethical conduct of the company's business.

C. Corporate Communications. Executive management has the primary responsibility to establish policies concerning the company's communications with investors, the press, customers, suppliers and employees.

D. Communication of Corporate Governance Guidelines. As required by the listing standards and/or applicable law, management will assure that the company's website will include a copy of these policies, copies of the charters of the Audit, Compensation, and Nominating and Corporate Governance Committees and, if applicable, other key committees of the board, and a copy of the company's code of business conduct and ethics. Management will also include in the company's annual report to stockholders statements to the effect that this information is available on the company's website and in print to any stockholder who requests it.