MARINE PRODUCTS CORP
Form DEF 14A
March 20, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Amendment No. ___)

Filed by the Registrant x	Filed by a Party other than the Registrant o

Check the appropriate box:
o Preliminary Proxy Statement
o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
x Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant to §240.14a-12

MARINE PRODUCTS CORPORATION
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x	No fee required.		
o	Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.		
	(1)	Title of each class of securities to which transaction applies: N/A	
	(2)	Aggregate number of securities to which transaction applies: N/A	
	(3)	Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): N/A	

(4) Proposed maximum aggregate value of transaction: N/A
(5) Total fee paid: N/A

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing:

(1) Amount previously paid: N/A
(2) Form, Schedule or Registration Statement No.: N/A
(3) Filing party: N/A
(4) Date Filed: N/A

MARINE PRODUCTS CORPORATION
NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
2801 Buford Highway, Suite 520, Atlanta, Georgia 30329

TO THE HOLDERS OF THE COMMON STOCK:

PLEASE TAKE NOTICE that the 2009 Annual Meeting of Stockholders of Marine Products Corporation, a Delaware corporation ("Marine Products" or the "Company"), will be held at 2170 Piedmont Road, NE, Atlanta, Georgia 30324, on Tuesday, April 28, 2009, at 12:00 Noon, or any adjournment thereof, for the following purposes:

1. To elect the four Class II nominees identified in the attached proxy statement to the Board of Directors; and

2. To transact such other business as may properly come before the meeting or any adjournment thereof.

The Proxy Statement dated March 20, 2009 is attached.

The Board of Directors has fixed the close of business on February 27, 2009 as the record date for the determination of stockholders entitled to notice of, and to vote at, the meeting.

Stockholders who do not expect to be present at the meeting are urged to complete, date, sign and return the enclosed proxy. No postage is required if the enclosed envelope is mailed in the United States.

The Proxy Statement and 2008 Annual Report are available at www.edocumentview.com/MPX

BY ORDER OF THE BOARD OF DIRECTORS

Linda H. Graham, Secretary

Atlanta, Georgia
March 20, 2009

PROXY STATEMENT

This Proxy Statement and a form of proxy were first mailed to stockholders on or about March 20, 2009. The following information concerning the enclosed proxy and the matters to be acted upon at the Annual Meeting of Stockholders to be held on April 28, 2009, is submitted by the Company to the stockholders in connection with the solicitation of proxies on behalf of the Company's Board of Directors.

SOLICITATION OF AND POWER TO REVOKE PROXY

A form of proxy is enclosed. Each proxy submitted will be voted as directed, but if not otherwise specified, proxies solicited by the Board of Directors of the Company will be voted in favor of the candidates for election to the Board of Directors.

A stockholder executing and delivering a proxy has power to revoke the same and the authority thereby given at any time prior to the exercise of such authority, if he so elects, by contacting either proxy holder or by attending the meeting and voting in person. However, a beneficial stockholder who holds his shares in street name must secure a proxy from his broker before he can attend the meeting and vote.

CAPITAL STOCK

The outstanding capital stock of the Company on February 27, 2009 consisted of 36,902,490 shares of Common Stock, par value $0.10 per share. Holders of Common Stock are entitled to one vote (non-cumulative) for each share of such stock registered in their respective names at the close of business on February 27, 2009, the record date for determining stockholders entitled to notice of, and to vote at the meeting or any adjournment thereof.

A majority of the outstanding shares will constitute a quorum at the Annual Meeting. Abstentions and broker non-votes will be counted for purposes of determining the presence or absence of a quorum for the transaction of business. In accordance with the General Corporation Law of the state of Delaware, the election of the nominees named herein as Directors will require the affirmative vote of a plurality of the votes cast by the holders of shares of Company Common Stock entitled to vote in the election provided that a quorum is present at the Annual Meeting. In the case of a plurality vote requirement (as in the election of directors), where no particular percentage vote is required, the outcome is solely a matter of comparing the number of votes cast for each nominee, with those nominees receiving the most votes being elected, and hence only votes for director nominees (and not abstentions or broker non-votes) are relevant to the outcome. In this case, the four nominees receiving the most votes will be elected. Abstentions will have the effect of a vote against that proposal and broker non-votes will be disregarded and will have no effect on that proposal. There are no rights of appraisal or similar dissenter's rights with respect to any matter to be acted upon pursuant to this Proxy Statement. It is expected that shares held of record by officers and directors of the Company, which in the aggregate represent approximately 73.2 percent of the outstanding shares of Common Stock, will be voted for the nominees for directors.

The executives named in the Summary Compensation Table, and the name and address of each stockholder (or "group" as that term is used in Section 13(d)(3) of the Exchange Act) who owned beneficially five percent (5%) or more of the shares of Common Stock of the Company on February 27, 2009, together with the number of shares owned by each such person and the percentage of outstanding shares that ownership represents, and information as to Common Stock ownership of the directors and executive officers of the Company as a group (according to information received by the Company), are set out below:

Name and Address of Beneficial Owner	Amount Beneficially Owned (1)	Percent of Outstanding Shares
R. Randall Rollins Chairman of the Board 2170 Piedmont Road, NE Atlanta, Georgia	23,782,259(2)	63.7
Gary W. Rollins President and Chief Executive Officer, Rollins, Inc. 2170 Piedmont Road, NE Atlanta, Georgia	23,810,208(3)	63.7
Richard A. Hubbell President and Chief Executive Officer 2801 Buford Highway, Suite 520 Atlanta, Georgia	1,241,587(4)	3.3
James A. Lane, Jr. Executive Vice President and President, Chaparral Boats, Inc. 2801 Buford Highway, Suite 520 Atlanta, Georgia	409,029(5)	1.1
Ben M. Palmer Vice President, Chief Financial Officer and Treasurer 2801 Buford Highway, Suite 520 Atlanta, Georgia	299,484(6)	**
Linda H. Graham Vice President and Secretary 2170 Piedmont Road, NE Atlanta, Georgia	293,086(7)	**
All Directors and Executive Officers as a group (10 persons)	27,467,103(8)	73.5

** Less than one percent

(1) Except as otherwise noted, the nature of the beneficial ownership for all shares is sole voting and investment power.

(2) Includes 106,920 shares of Company Common Stock held as Trustee, Guardian, or Custodian for his children. Also includes 109,276 shares of Company Common Stock in two trusts of which he is Co-Trustee and as to which he shares voting and investment power. Also includes 22,654,279 shares of Company Common Stock held by RFPS Management Company III, L.P. of which RFA Management Company, LLC ("General Partner"), a Georgia limited liability company, is the general partner. The voting interests of the General Partner are held by two revocable trusts, one of which each of Mr.Gary W. Rollins or Mr. R. Randall Rollins is the grantor and sole trustee. LOR, Inc. is the manager of the General Partner. Mr. R. Randall Rollins and Mr. Gary W. Rollins have voting control of LOR, Inc. Included herein are 105,000 shares of restricted stock awards for Company Common Stock. This also includes 31,497 shares of Company Common Stock held by his wife, as to which Mr. Rollins disclaims any beneficial interest. Mr. Rollins is part of a control group holding shares of the Company that includes Mr. Gary W. Rollins, as disclosed on a Schedule 13D on file with the U.S. Securities and Exchange

Commission.

(3) Includes 109,276 shares of Company Common Stock in two trusts of which he is Co-Trustee and as to which he shares voting and investment power. Also includes 22,654,279 shares of Company Common Stock held by RFPS Management Company III, L.P. of which RFA Management Company, LLC (“General Partner”), a Georgia limited liability company, is the general partner. The voting interests of the General Partner are held by two revocable trusts, one of which each of Mr. Gary W. Rollins or Mr. R. Randall Rollins is the grantor and sole trustee. LOR, Inc. is the manager of the General Partner. Mr. R. Randall Rollins and Mr. Gary W. Rollins have voting control of LOR, Inc. This also includes 135,004 shares of Company Common Stock held by his wife, as to which Mr. Rollins disclaims any beneficial interest. Mr. Rollins is part of a control group holding shares of the Company that includes Mr. R. Randall Rollins, as disclosed on a Schedule 13D on file with the U.S. Securities and Exchange Commission.

(4) Includes 348,750 shares of Company Common Stock subject to options that are currently exercisable or that become exercisable within 60 days of February 27, 2009, and 112,200 shares of restricted stock awards for Company Common Stock.

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(5) Includes 84,500 shares of restricted stock awards for Company Common Stock.

(6) Includes 67,500 shares of Company Common Stock subject to options that are currently exercisable or that become exercisable within 60 days of February 27, 2009, and 61,800 shares of restricted stock awards for Company Common Stock.

(7) Includes 45,000 shares of Company Common Stock subject to options that are currently exercisable or that become exercisable within 60 days of February 27, 2009, and 36,000 shares of restricted stock awards for Company Common Stock.

(8) Shares held in trusts as to which more than one officer and/or director are Co-Trustees or entities in which there is common ownership have been included only once. Includes an aggregate of 461,250 shares of Company Common Stock that may be purchased by three executive officers upon exercise of options that are currently exercisable or that become exercisable within 60 days of February 27, 2009, and 399,500 shares of restricted stock grants for Company Common Stock awarded and issued to five executive officers pursuant to the Company's 2001 Employee Stock Incentive Plan and the 2004 Stock Incentive Plan.

ELECTION OF DIRECTORS

At the Annual Meeting, Messrs. Richard A. Hubbell, Bill J. Dismuke, Larry L. Prince and Ms. Linda H. Graham will be nominated to serve as Class II directors. The nominees for election at the 2009 Annual Meeting are all now directors of the Company, except for Mr. Prince who was recommended to the Nominating and Governance Committee as a director candidate by our Chairman. The directors in each class serve for a three-year term. The director nominees will serve in their respective class until their successors are elected and qualified. Six other individuals serve as directors but are not standing for re-election because their terms as directors extend past this Annual Meeting pursuant to provisions of the Company's Bylaws that provide for the election of directors for staggered terms, with each director serving a three-year term. Unless authority is withheld, the proxy holders will vote for the election of each nominee named below. Although management does not contemplate the possibility, in the event any nominee is not a candidate or is unable to serve as a director at the time of the election, unless authority is withheld, the proxies will be voted for any nominee who shall be designated by the present Board of Directors and recommended by the Nominating and Governance Committee, to fill such vacancy.

The name and age of each of the director nominees, his or her principal occupation, together with the number of shares of Common Stock beneficially owned, directly or indirectly, by him or her and the percentage of outstanding shares that ownership represents, all as of the close of business on February 27, 2009 (according to information received by the Company), are set out below. Similar information is also provided for those directors whose terms expire in future years.

Names of Directors	Principal Occupation (1)	Service as Director	Age	Shares of Common Stock (2)	Percent of Outstanding Shares
Names of Director Nominees					
Class II (Current Term Expires 2009, New Term Will Expire 2012)					
Richard A. Hubbell	President and Chief Executive Officer of the Company; President and Chief Executive Officer of RPC, Inc. (oil and gas services) effective April 22, 2003; President and Chief Operating Officer of RPC, Inc. from 1987 to April 21, 2003.	2001 to date	64	1,241,587(3)	3.3
Linda H. Graham	Vice President and Secretary of the Company since 2001; Vice President and Secretary of RPC, Inc. (oil and gas services) since 1987.	2001 to date	72	293,086(4)	**
Bill J. Dismuke	Retired President of Edwards Baking Company (manufacturer of pies and pie parts).	January 25, 2005 to date	72	1,500	**
Larry L. Prince	Chairman of the Executive Committee of the Board of Directors of Genuine Parts Company (automotive parts distributor).	To be elected	70	—	**
Names of Directors Whose Terms Have Not Expired					
Class III (Term Expires 2010)					

Wilton Looney	Honorary Chairman of the Board, Genuine Parts Company (automotive parts distributor).	2001 to date	89	1,620	**
Gary W. Rollins(5)	President and Chief Executive Officer of Rollins, Inc. (consumer services).	2001 to date	64	23,810,208(6)	63.7
James A. Lane, Jr.	Executive Vice President of the Company and President of Chaparral Boats, Inc.	2001 to date	66	409,029(7)	1.1

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Names of Directors	Principal Occupation (1)	Service as Director	Age	Shares of Common Stock (2)	Percent of Outstanding Shares
Class I (Term Expires 2011)					
R. Randall Rollins (5)	Chairman of the Board; Chairman of the Board of RPC, Inc. (oil and gas services) effective April 22, 2003; Chairman of the Board and Chief Executive Officer of RPC, Inc. prior to April 22, 2003; Chairman of the Board of Rollins, Inc. (consumer services).	2001 to date	77	23,782,259(8)	63.7
Henry B. Tippie	Presiding Director of the Company; Chairman of the Board and Chief Executive Officer of Tippie Services, Inc. (management services); Chairman of the Board of Dover Downs Gaming and Entertainment, Inc. (operator of multi-purpose gaming and entertainment complex) and Chairman of the Board of Dover Motorsports, Inc. (operator of motor racing tracks).	2001 to date	82	363,501(9)	1.0
James B. Williams	Chairman of the Executive Committee, SunTrust Banks, Inc. (bank holding company) from 1998 to April 2004.	2001 to date	76	54,000	**

** Less than one percent

(1) Unless otherwise noted, each of the directors has held the positions of responsibility set out in this column (but not necessarily his or her present title) for more than five years. In addition to the directorships listed in this column, the following individuals also serve on the Boards of Directors of the following companies: James B. Williams: The Coca-Cola Company; R. Randall Rollins: Dover Downs Gaming and Entertainment, Inc. and Dover Motorsports, Inc.; Gary W. Rollins: Genuine Parts Company and Emory University; Larry L. Prince: Genuine Parts Company, Crawford & Company and SunTrust Banks, Inc. All of the directors shown in the above table are also directors of RPC, Inc. (“RPC”) and with the exception of Messrs. Hubbell and Lane and Ms. Graham, are also

directors of Rollins, Inc. (“Rollins”). In addition, Mr. Prince has been nominated for election to the Board of Directors of RPC and Rollins.

(2) Except as otherwise noted, the nature of the beneficial ownership for all shares is sole voting and investment power.

(3) See information contained in footnote (4) to the table appearing in Capital Stock section.

(4) See information contained in footnote (7) to the table appearing in Capital Stock section.

(5) R. Randall Rollins and Gary W. Rollins are brothers.

(6) See information contained in footnote (3) to the table appearing in Capital Stock section.

(7) See information contained in footnote (5) to the table appearing in Capital Stock section.

(8) See information contained in footnote (2) to the table appearing in Capital Stock section.

(9) Includes 25,596 shares held in trusts of which he is a Trustee or Co-Trustee and as to which he shares voting and investment power, with respect to which he disclaims beneficial interest. Also includes shares held by a wholly owned corporation that owns 405 shares.

Our Board of Directors recommends a vote FOR the nominees listed.

CORPORATE GOVERNANCE AND BOARD OF DIRECTORS,
COMMITTEES AND MEETINGS

Board Meetings

The Board of Directors met five times during the fiscal year ended December 31, 2008. No director attended fewer than 75 percent of the aggregate of all Board meetings and meetings of committees on which he or she served during 2008. Board members are encouraged to attend the Company's Annual Stockholder Meetings and all Board members were in attendance at last year's meeting.

The Board of Directors has an Audit Committee, a Compensation Committee, a Diversity Committee and a Nominating and Governance Committee.

Board of Directors	Audit Committee	Compensation Committee	Diversity Committee	Nominating & Governance Committee	Executive Committee
R. Randall Rollins(1)					Member
Henry B. Tippie (2)	Chair	Chair	Chair	Chair	
Wilton Looney (2)	Member	Member	Member	Member	
James B. Williams(2)	Member	Member	Member	Member	
Bill J. Dismuke (2)	Member				
Gary W. Rollins					Member
Richard A. Hubbell (3)					Member

(1) Chairman of the Board of Directors

(2) Financial Expert

(3) President and Chief Executive Officer

Audit Committee

The Audit Committee of the Board of Directors of the Company consists of Henry B. Tippie (Chairman), Wilton Looney, James B. Williams and Bill J. Dismuke all of whom are independent, as discussed below. The Audit Committee held five meetings during the fiscal year ended December 31, 2008. The Board of Directors has determined that all of the Audit Committee members are independent as that term is defined by the rules of the Securities and Exchange Commission ("SEC") and the New York Stock Exchange ("NYSE"). The Board of Directors has also determined that all of the Audit Committee members are "Audit Committee Financial Experts" as defined in the SEC rules. Additionally, the Board of Directors has determined that the simultaneous service by Mr. James B. Williams on the Audit Committees of three other publicly traded companies does not impair his ability to effectively serve on the Audit Committee of Marine Products. The Audit Committee meets with the Company's independent registered public accountants, internal auditor, Chief Executive Officer and Chief Financial Officer to review the scope and results of audits and recommendations made with respect to controls over financial reporting and specific accounting and financial reporting issues. The Audit Committee has the authority to obtain advice and assistance from, and receive appropriate funding from the Company for outside legal, accounting or other advisors as it deems necessary to carry out its duties. The Audit Committee charter is available on the Company's website at www.marineproductscorp.com under the Governance section. A written copy of the charter can be obtained free of charge by writing to the Secretary, Marine Products Corporation, 2170 Piedmont Road, NE, Atlanta, Georgia 30324.

Compensation Committee

The Compensation Committee of the Board of Directors of the Company consists of Henry B. Tippie (Chairman), Wilton Looney, and James B. Williams. It held two meetings during the fiscal year ended December 31, 2008. The function of the Compensation Committee is to review the base salary and cash based incentive compensation for all of the executive officers, and to administer the compensation of James A. Lane, Jr. in accordance with the Performance-Based Compensation Agreement. The Compensation Committee also administers the Company's 2001 Employee Stock Incentive Plan and the 2004 Stock Incentive Plan. The Compensation Committee does not have a formal charter, and is not required to have one under the "controlled company" exemption under the NYSE rules, as described in the section titled "Director Independence and NYSE requirements" below.

Diversity Committee

The Diversity Committee of the Board of Directors of the Company consists of Henry B. Tippie (Chairman), Wilton Looney, and James B. Williams. It held one meeting during the fiscal year ended December 31, 2008. The function of the Diversity Committee is to monitor compliance with applicable non-discrimination laws.

Nominating and Governance Committee

The Nominating and Governance Committee of the Board of Directors of the Company consists of Henry B. Tippie (Chairman), Wilton Looney, and James B. Williams, all of whom are independent, as discussed more fully under "Director Independence and NYSE Requirements." The Committee was formed in 2002 pursuant to a resolution passed by the Board of Directors for the following purposes:

to recommend to the Board of Directors nominees for director and to consider any nominations properly made by a stockholder;

upon request of the Board of Directors, to review and report to the Board with regard to matters of corporate governance; and

to make recommendations to the Board of Directors regarding the agenda for Annual Stockholders Meetings and with respect to appropriate action to be taken in response to any stockholder proposals.

The Nominating and Governance Committee held one meeting during the fiscal year ended December 31, 2008.

Director Nominations

Under Delaware law, there are no statutory criteria or qualifications for directors. No criteria or qualifications have been prescribed by the Board at this time. The Nominating and Governance Committee does not have a charter or a formal policy with regard to the consideration of director candidates. However, it acts under the guidance of the Corporate Governance Guidelines approved by the Board of Directors and posted on the Company's website at www.marineproductscorp.com under the Governance section. A written copy of the Corporate Governance Guidelines can be obtained free of charge by writing to the Secretary, Marine Products Corporation, 2170 Piedmont Road, NE, Atlanta, Georgia 30324. The Board believes that it should preserve maximum flexibility in order to select directors with sound judgment and other desirable qualities. According to the Company's Corporate Governance Guidelines, the Board of Directors will be responsible for selecting nominees for election to the Board of Directors. The Board delegates the screening process to the Nominating and Governance Committee. This Committee is responsible for determining the appropriate skills and characteristics required of Board members in the context of the then current make-up of the Board. This determination takes into account all factors which the Committee considers appropriate, such as independence, experience, strength of character, mature judgment, technical skills, diversity, age and the extent to which the individual would fill a present need on the Board. The Company's Bylaws provide that nominations for the election of directors may be made by any stockholder entitled to vote for the election of directors. Nominations must comply with an advance notice procedure which generally requires, with respect to nominations for directors for election at an annual meeting, that written notice be addressed to: Secretary, Marine Products Corporation, 2170 Piedmont Road, NE, Atlanta, Georgia 30324, not less than ninety days prior to the anniversary of the prior year's annual meeting and set forth the name, age, business address and, if known, residence address of the nominee proposed in the notice, the principal occupation or employment of the nominee for the past five years, the nominee's qualifications, the class or series and number of shares of capital stock of the Company which are owned beneficially or of record by the person and any other information relating to the person that would be required to be disclosed in a proxy statement or other filings. Other requirements related to the notice are contained in the Company's

Bylaws. The Committee will consider nominations from stockholders that satisfy these requirements. The Committee is responsible for screening the nominees that are selected by the Board of Directors for nomination to the Board and for service on committees of the Board. To date, the Company has not received a recommendation for a director nominee from a stockholder. All of the nominees for directors being voted upon at the Annual Meeting to be held on April 28, 2009 are directors standing for re-election, except for Mr. Prince. Mr. Prince was recommended to the Committee as a nominee by our Chairman.

Director Independence and NYSE Requirements

Controlled Company Exemption

The Company is not required by law or NYSE listing requirements to have a Nominating or Compensation Committee composed of independent directors, nor to have a Board of Directors, the majority of which are independent. Because the Company is a "controlled corporation," as defined by NYSE Rule 303A.00, the Company is exempt from NYSE Rules 303A.01, 303A.04 and 303A.05 and does not undertake compliance with those provisions. The Company is a "controlled corporation" because a group that includes the Company's Chairman of the Board, R. Randall Rollins, his brother, Gary W. Rollins, who is also a director and certain companies under their control, possesses in excess of fifty percent of the Company's voting power.

The Company's Audit Committee is composed of four "independent" directors as defined by the Company's Corporate Governance Guidelines, the NYSE rules, the Securities Exchange Act of 1934, SEC regulations thereunder, and the Company's Audit Committee Charter. All of the members of the Compensation, Diversity and Nominating and Governance Committees are also independent directors. The independent directors of the Company are Henry B. Tippie, Wilton Looney, James B. Williams and Bill J. Dismuke. In addition, if elected, Mr. Prince will also be an independent director of the Company.

Independence Guidelines

Under NYSE listing standards, to be considered independent, a director must be determined to have no material relationship with the Company other than as a director. The NYSE standards set forth a nonexclusive list of relationships which are conclusively deemed material.

The Company's Independence Guidelines (Appendix A to the Company's Corporate Governance Guidelines) are posted on the Company's website at www.marineproductscorp.com under the Governance section. These independence guidelines provide that to be independent, a director must not have any relationship that would be considered material under NYSE Standards. In addition, the Company's Guidelines provide that, except in special circumstances as determined by a majority of the Board, the following relationships are not material:

(i) If the director, or a member of the director's immediate family, has received less than one hundred twenty thousand dollars (US $120,000) in direct compensation from the Company (other than director and committee fees and compensation for prior service which are not contingent in any way on continued services) during every 12 month period within the past three (3) years;

(ii) If the director is a director or officer, or any member of the director's immediate family is a director or officer of a bank to which the Company is indebted, and the total amount of the indebtedness does not exceed one percent (1%) of the total assets of the bank for any of the past three (3) years;

(iii) If the director or any member of the director's immediate family serves as an officer, director, trustee or primary spokesperson of a charitable or educational organization, and donations by the Company do not exceed the greater of one million dollars (US $1,000,000) or two percent (2%) of the organization's consolidated gross revenues within the preceding three (3) years;

(iv) If the director has a relationship with the Company of a type covered by item 404(a) and/or item 407 of the Securities and Exchange Commission's Regulation S-K (or any successor regulation), and that relationship need not, according to the terms of those items and any then-current proxy regulations, be disclosed in the Company's annual Proxy Statement (except for relationships described elsewhere in the Company's guidelines in which case the other guidelines will govern);

(v) If the director, or a member of the director's immediate family, has direct or beneficial ownership (as defined by Rule 13d-3 under the Securities Exchange Act of 1934) of any amount of any class of common stock of the Company.

Audit Committee Charter

Under the Company's Audit Committee Charter, in accordance with NYSE listing requirements and the Securities Exchange Act of 1934, all members of the Audit Committee must be independent of management and the Company. A member of the Audit Committee is considered independent as long as he or she (i) does not accept any consulting, advisory, or compensatory fee from the Company, other than as a director or committee member; (ii) is not an affiliated person of the Company or its subsidiaries; and (iii) otherwise meets the independence requirements of the NYSE and the Company's Corporate Governance Guidelines.

Nonmaterial Relationships

After reviewing all of the relationships between the members of the Audit Committee and the Company, the Board of Directors determined that none of the members of the Audit Committee nor Mr. Prince had any relationships not included within the categorical standards set forth in the Independence Guidelines and disclosed above except as follows:

1. Mr. Tippie was employed by Rollins from 1953 to 1970, and held several offices with that company during that time, including as Executive Vice President – Finance, Secretary, Treasurer and Chief Financial Officer. Messrs. Randall and Gary Rollins are directors and executive officers of Rollins and are part of a group that has voting control of Rollins.

2. Mr. Tippie is Chairman of the Board of Directors of Dover Motorsports, Inc. and Dover Downs Gaming and Entertainment, Inc. Mr. Randall Rollins is also a director of these companies.

3. Mr. Tippie is the trustee of the O. Wayne Rollins Foundation and of the Rollins Children's Trust. O. Wayne Rollins is the father of Gary and Randall Rollins. The beneficiaries of the Rollins Children's Trust include the immediate family members of Gary and Randall Rollins.

4. Each of Messrs. Dismuke, Looney, Tippie and Williams also serve on the Boards of Rollins and RPC, of which Messrs. Gary and Randall Rollins are directors, and voting control over which is held by a control group of which Messrs. Randall and Gary Rollins are a part; Mr. Randall Rollins is an executive officer of RPC. In addition, if elected, Mr. Prince will also serve as a director of both Rollins and RPC.

5. Mr. Prince is a director of Genuine Parts Company. Gary W. Rollins is also a director of Genuine Parts Company.

As required by the Independence Guidelines, the Board of Directors unanimously concluded that the above-listed relationships would not affect the independent judgment of the independent directors, based on their experience, character and independent means, and therefore do not preclude an independence determination. All of the members of the Audit Committee are also independent under the heightened standards required for Audit Committee members.

In accordance with the NYSE corporate governance listing standards, Mr. Henry B. Tippie was elected as the Presiding Director. The Company's non-management directors meet at regularly scheduled executive sessions without management. Mr. Tippie presides during these executive sessions.

Corporate Governance Guidelines

We have adopted Corporate Governance Guidelines to promote better understanding of our policies and procedures. At least annually, the Board reviews these guidelines. As required by the rules of the New York Stock Exchange, our Corporate Governance Guidelines require that our non-management directors meet in at least two regularly scheduled executive sessions per year without management.

At the Company's website at www.marineproductscorp.com under the Governance section, you may access a copy of our Corporate Governance Guidelines, our Audit Committee Charter, our Code of Business Conduct and our Code of Business Conduct and Ethics for Directors and Executive Officers and Related Party Transactions Policy. Copies are also available in print, without charge, to any stockholder who requests one by writing to: The Secretary, Marine Products Corporation, 2170 Piedmont Road, NE, Atlanta, Georgia 30324.

Code of Business Conduct

The Company has adopted a Code of Business Conduct applicable to all directors, officers and employees generally, as well as a Code of Business Conduct and Ethics for Directors and Executive Officers and Related Party Transactions Policy applicable to the principal executive officer, principal financial officer, and directors. Both codes are available on the Company's website at www.marineproductscorp.com under the Governance section. Copies are also available in print, without charge, to any stockholder who requests one by writing to: The Secretary, Marine Products Corporation, 2170 Piedmont Road, NE, Atlanta, Georgia 30324.

Director Communications

The Company also has a process for interested parties, including stockholders, to send communications to the Board of Directors, Presiding Director, any of the Board Committees or the non-management directors as a group. Such communications should be addressed as follows:

Mr. Henry B. Tippie
c/o Internal Audit Department
Marine Products Corporation
2801 Buford Highway, Suite 520
Atlanta, Georgia 30329

The above instructions for communications with the directors are also posted on our website at www.marineproductscorp.com under the Governance section. All communications received from interested parties are forwarded to the Board of Directors. Any communication addressed solely to the Presiding Director or the non-management directors will be forwarded directly to the appropriate addressee(s).

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

None of the directors named above who serve on the Company's Compensation Committee is or has ever been an employee of the Company. There are no Compensation Committee interlocks requiring disclosure.

DIRECTOR COMPENSATION

The following table sets forth compensation to the Company's directors for services rendered as a director. Four of the directors, Messrs. R. Randall Rollins, Richard A. Hubbell, James A. Lane, Jr., and Ms. Linda H. Graham are employees of the Company. Their compensation is set forth in the Summary Compensation Table below under Executive Compensation. The directors listed below have never been employed by the Company or paid a salary or bonus by the Company, have never been granted any options or other stock-based awards, and do not participate in any Company sponsored retirement plans.

Name	Fees Earned or Paid in Cash ($)	Stock Awards(1) ($)	Option Awards(1) ($)	Total ($)
Henry B. Tippie	91,750	—	—	91,750
James B. Williams	48,750	—	—	48,750
Wilton Looney	48,750	—	—	48,750
Bill J. Dismuke	42,750	—	—	42,750
Gary W. Rollins	31,500	—	—	31,500

(1) Directors are eligible for grants of stock awards under the Company's 2004 Stock Incentive Plan ("SIP"). No stock awards have been granted to the non-management directors under the 2004 SIP.

Directors that are our employees do not receive additional compensation for services rendered as a director.

Under current compensation arrangements effective January 1, 2008, non-management directors each receive an annual retainer fee of $24,000. In addition, the Chairman of the Audit Committee receives an annual retainer of $16,000, the Chairman of the Compensation Committee receives an annual retainer of $9,000, and the Chairman of each of the Nominating and Governance Committee and Diversity Committee receives an annual retainer of $6,000. A director that chairs more than one committee receives a retainer with respect to each committee he chairs. All of the retainers are paid on a quarterly basis. Per meeting fees for non-management directors are as follows:

For meetings of the Board of Directors, Compensation Committee, Diversity Committee and Nominating and Governance Committee, $1,500 and telephonic meetings of the Audit Committee, $1,250.

For in person meetings of the Audit Committee, $2,500. In addition, the Chairman of the Audit Committee receives an additional $1,500 for preparing to conduct each quarterly Board and Board Committee meetings.

All non-management directors are also entitled to reimbursement of expenses for all services as a director, including committee participation or special assignments. There have been no changes to the director compensation arrangements for 2009.

Notwithstanding anything to the contrary set forth in any of the Company's previous filings under the Securities Act of 1933 or the Securities Exchange Act of 1934, that might incorporate future filings, including the Proxy Statement, in whole or in part, the Report of the Audit Committee shall not be incorporated by reference into any such filings.

REPORT OF THE AUDIT COMMITTEE

Management is responsible for the Company's internal controls, assessing the effectiveness of these controls and the financial reporting process. The Company's independent registered public accounting firm is responsible for performing independent audits of the Company's consolidated financial statements and the effectiveness of the Company's internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States) and for issuing reports thereon. The Audit Committee's responsibility is generally to monitor and oversee these processes, as described in the Audit Committee Charter. It is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and in accordance with generally accepted accounting principles; that is the responsibility of management.

In fulfilling its oversight responsibilities with respect to the year ended December 31, 2008, the Audit Committee:

Approved the terms of engagement of Grant Thornton LLP as the Company's independent registered public accounting firm for the year ended December 31, 2008;

Reviewed with management the interim financial information included in the Forms 10-Q prior to their being filed with the SEC. In addition, the Committee reviewed all earnings releases with management and the Company's independent public accounting firm prior to their release;

Reviewed and discussed with the Company's management and the independent registered public accounting firm the audited consolidated financial statements of the Company as of December 31, 2008 and 2007 and for the three years ended December 31, 2008;

Reviewed and discussed with the Company's management and the independent registered public accounting firm, management's assessment that the Company maintained effective control over financial reporting as of December 31, 2008;

Discussed with the independent registered public accounting firm matters required to be discussed by the American Institute of Certified Public Accountants Statement on Auditing Standards ("SAS") No. 61, "Communications with Audit Committees," as amended (AICPA, Professional Standards, Vol. 1, AU Section 380), as adopted by the Public Company Accounting Oversight Board; and

Received from the independent registered public accounting firm the written disclosures and the letter in accordance with the requirements of the Public Company Accounting Oversight Board regarding the firm's communications with the Committee concerning independence, and discussed with such firm its independence from the Company.

Based upon the review and discussions referred to above, the Committee recommended to the Board of Directors that the audited consolidated financial statements of the Company and subsidiaries as of December 31, 2008 and 2007 and for the three years ended December 31, 2008 be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2008 and for filing with the Securities and Exchange Commission.

In giving its recommendation to the Board of Directors, the Audit Committee has relied on (i) management's representation that such financial statements have been prepared with integrity and objectivity and in conformity with accounting principles generally accepted in the United States of America and (ii) the report of the Company's independent registered public accounting firm with respect to such financial statements.

Submitted by the Audit Committee of the Board of Directors.

Henry B. Tippie, Chairman
Wilton Looney
James B. Williams
Bill J. Dismuke

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Committee

During the fiscal year ended December 31, 2008, the members of our Compensation Committee held primary responsibility for determining executive compensation levels. The Committee is composed of three of our non-management directors who do not participate in the Company's compensation plans. The Committee determines the compensation and administers the performance-based cash compensation plan for our executive officers. In addition, the Committee also administers our Stock Incentive Plans for all the employees.

The members of our Compensation Committee have extensive and varied experience with various public and private corporations - as investors and stockholders, as senior executives, and as directors charged with the oversight of management and the setting of executive compensation levels. Henry B. Tippie, the Chairman of the Compensation Committee, has served on the board of directors of twelve different publicly traded companies and has been involved in setting executive compensation levels at all of these companies. Messrs. Wilton Looney and James B. Williams have served on the board of directors of several different publicly traded companies and have similarly been involved in setting executive compensation levels at many of these companies.

The Compensation Committee has authority to engage attorneys, accountants and consultants, including executive compensation consultants, to solicit input from management concerning compensation matters, and to delegate any of its responsibilities to one or more directors or members of management where it deems such delegation appropriate and permitted under applicable law. The Committee has not used the services of any compensation consultants in determining or recommending the amount or form of executive compensation.

The Compensation Committee believes that determinations relative to executive compensation levels are best left to the discretion of the Committee. In addition to the extensive experience and expertise of the Committee's members and their familiarity with the Company's performance and the performance of our executive officers, the Committee is able to draw on the experience of other Directors and on various legal and accounting executives employed by the Company, and the Committee has access to the wealth of readily available public information relative to structuring executive compensation programs and setting appropriate compensation levels. The Committee also believes that the structure of our executive compensation programs should not become overly complicated or difficult to understand. The Committee solicits input from our Chairman with respect to the performance of our executive officers and their compensation levels.

General Compensation Objectives and Guidelines

The Company is engaged in a highly competitive industry. The success of the Company depends on its ability to attract and retain highly qualified and motivated executives. In order to accomplish this objective, the Company structures the executive compensation in a fashion that takes into account the Company's overall performance and the individual performance of the executive.

The Compensation Committee endorses the philosophy that executive compensation should reflect Company performance and the contribution of executive officers to that performance. The Company's compensation policy is designed to reward growth in revenues, net income and increase in shareholder value. The Committee recognizes that there are many intangibles involved in evaluating performance and in motivating performance, and that determining an appropriate compensation level is a highly subjective endeavor. The analysis of the Committee is not based upon a structured formula and the objectives referred to above are not weighted in any formal manner.

The Company's executive officers are also executive officers of RPC and receive compensation directly from RPC. The members of the Company's Compensation Committee also constitute the Compensation Committee of RPC. In determining the compensation for the executive officers at the Company, the Committee considers these dual responsibilities and sources of compensation. The Company sets compensation of its executives at such levels so that the aggregate compensation received from both RPC and the Company is reasonable in light of their respective responsibilities and the performance of both companies and so that the compensation from the Company for services solely to the Company is reasonable. A discussion of the Company's executive officers' compensation at RPC is contained in its annual Proxy Statement filed with the SEC.

Pursuant to the Company's compensation philosophy, the total annual compensation of its executive officers is primarily made up of base salary, cash based incentives and stock based incentive compensation. In addition, the Company provides retirement compensation plans, group welfare benefits and certain perquisites.

We believe a competitive base salary is important to attract, retain and motivate top executives. We believe a performance-based incentive cash compensation plan is valuable in recognizing and rewarding individual achievement. Finally, we believe stock-based incentives makes executives "think like owners" and, therefore, aligns their interests with those of our stockholders.

The Company does not have any formal stock ownership requirements for its executive officers but notes that its current directors and executive officers are stockholders of the Company, as is disclosed elsewhere in this Proxy Statement. The Company is mindful of the stock ownership of our directors and executive officers but does not believe that it is appropriate to provide a mechanism or formula to take stock ownership (or gains from prior option or stock awards) into account when setting compensation levels. The Company provides in its insider trading policies that directors and executive officers may not sell Company securities short and may not sell puts, calls or other derivative securities tied to our Common Stock.

The Company does not have a formal policy relative to the adjustment or recovery of incentives or awards in the event that the performance measures upon which incentives or awards were based are later restated or otherwise adjusted in a manner that would have reduced the size of an incentive or award. However, as all incentives and awards remain within the discretion of the Compensation Committee, the Committee retains the ability to take any such restatements or adjustments into account in subsequent years. In addition, the Sarbanes-Oxley Act requires in the case of accounting restatements that result from material non-compliance with SEC financial reporting requirements, that Chief Executive Officers and Chief Financial Officers must disgorge bonuses and other incentive-based compensation and profits on stock sales, if the non-compliance results from misconduct.

Base Salary

The salary of each executive officer is determined by the Compensation Committee. In making its determinations, the Committee gives consideration to the recent financial performance of the Company, the magnitude of responsibilities, the scope of the position, individual performance and compensation paid by RPC. The Committee solicits input from our Chairman with respect to the performance of our executive officers and their compensation levels. The Committee made no changes to base salaries of the executive officers in 2008. The Committee has not changed the base salary of the executive officers in 2009.

Cash Based Incentives

The annual cash based incentive compensation for the executive officers is based upon broad performance objectives. The executive officers participate in a variety of individualized performance bonus programs designed by the Committee. These plans all have payouts subjectively based on net sales, net income, budget objectives, and other individual performance objectives. The individual performance objectives relate to each executive officer improving the contribution of his functional area of responsibility to further enhance the operating results of the Company. Bonuses are not made subject to any plan or program, written or unwritten, that is communicated in advance to the executive officers. No specific performance criteria are established in advance, and no specific ranges for bonuses are established in advance. Bonuses for a particular fiscal year are generally determined during the first quarter of the following fiscal year and paid at the discretion of the Compensation Committee. Discretionary bonuses were paid in early 2009 to our executive officers for performance during fiscal year ended 2008 in the following amounts: Mr. Richard A. Hubbell: $56,000; Mr. Ben M. Palmer: $36,000; Mr. R. Randall Rollins: $71,000; Mr. James A. Lane Jr.: $57,578; and Ms. Linda H. Graham: $13,000. Performance based incentive paid to Mr. James A. Lane, Jr. is discussed below.

In addition, Mr. James A. Lane, Jr. has a performance based compensation agreement that was approved by the stockholders under which he receives an incentive bonus equal to 10 percent of pre-tax profits of Chaparral Boats, Inc. as defined, monthly, determined in accordance with generally accepted accounting principles. The plan was approved by the stockholders in 2008 to qualify for the performance related compensation exemption from the prohibition on Company income tax deduction for compensation exceeding $1,000,000. Pursuant to this plan, Mr. Lane was paid $1,759,686 for his performance during fiscal year 2008. This incentive payment was approximately 93 percent of the total cash compensation paid to this executive in 2008.

Stock Based Incentive Plans

Our Stock Incentive Plan allows for a wide variety of stock based awards such as stock options and restricted stock awards. We last issued stock options to the executive officers in fiscal year ended 2003 and have no current plans to issue additional stock options. We have never issued any stock appreciation rights. Partially in response to changes relative to the manner in which stock options are accounted for under generally accepted accounting principles, we have modified the structure and composition of the long-term equity based component of our executive compensation. In recent years, we have awarded time-based restricted stock in lieu of granting stock options. The terms and conditions of these awards are described in more detail below.

Awards under the Company's Stock Incentive Plans are purely discretionary, are not based upon any specific formula and may or may not be granted in any given fiscal year. For the past three years, we have granted time-based restricted stock to various employees, including our executive officers, in early January during our regularly scheduled meetings of the Compensation Committee during which the Committee reviews executive compensation. Consistent with this practice, we granted restricted stock awards to our executive officers in January 2009, 2008 and 2007 as follows:

Name	2009	2008	2007
Richard A. Hubbell	45,000	30,000	15,000
Ben M. Palmer	30,000	15,000	6,000
R. Randall Rollins	45,000	30,000	15,000
James A. Lane, Jr.	40,000	20,000	10,000
Linda H. Graham	15,000	10,000	4,000

When considering the grant of stock based awards, the Committee gives consideration to the overall performance and the performance of individual employees. It is our expectation to continue yearly grants of restricted stock awards although we reserve the right to modify or discontinue this or any of the other compensation practices at any time.

All of our restricted stock awards granted since 2004 have had the same features. The shares vest one-fifth per year beginning on the second anniversary of the grant date. Restricted shares have full voting and dividend rights. However, until the shares vest, they cannot be sold, transferred or pledged. Should the executive leave our employment for any reason prior to the vesting dates (other than due to death, disability, or retirement on or after age 65), the unvested shares will be forfeited. In the event of a "change in control" of the Company, the Compensation and Stock Incentive Committee has the discretion to accelerate vesting of the shares.

Grants are made under our Stock Incentive Plan and the plan is administered pursuant to Rule 16b-3 of the Securities Exchange Act of 1934.

Employment Agreements

There are no agreements or understandings between the Company and any executive officer which guarantee continued employment or guarantee any level of compensation, including incentive or bonus payments, to the executive officer.

Retirement Plans

The Company maintains a defined benefit pension plan (called the Retirement Income Plan) for all our eligible employees, a non-qualified supplemental retirement plan for our executives and certain other highly compensated employees and a 401(k) Plan for the benefit of all regular full time employees. Messrs. Richard A. Hubbell, Ben M. Palmer, R. Randall Rollins and Ms. Linda H. Graham are not eligible to participate in the Company's Retirement Income Plan and 401(k) Plan because they participate in the corresponding plans at RPC. In 2002, the Company's Board of Directors approved a resolution to cease all future benefit accruals under the Retirement Income Plan effective March 31, 2002. In lieu thereof, beginning in 2002, the Company began providing enhanced benefits in the form of cash contributions on behalf of certain long-service employees who were 40 to 65 years of age on or before December 31, 2002. These enhanced benefit contributions are discretionary and may be made annually, subject to a participant's continued employment, for a maximum of seven years. The contributions are made either to the non-qualified Supplemental Retirement Plan ("SRP") or to the 401(k) Plan for each employee who is entitled to the enhanced benefits. The Company contributed $21,350 towards enhanced benefits for Mr. James A. Lane, Jr., in 2008 and has now completed all the scheduled contributions. Beginning late in 2002, the Company began permitting selected highly compensated employees to defer a portion of their compensation into the SRP.

Other Compensation

Mr. Lane participates in regular employee benefit programs, including the 401(k) Plan with Company match, group life insurance, group medical and dental coverage and other group benefit plans at Chaparral Boats, Inc. Messrs. Rollins, Hubbell, Palmer and Ms. Graham participate in similar employee benefit programs at RPC.

Mr. Lane is entitled to the use of a Company owned automobile. The Company pays to insure and maintain the automobile. The Company also pays all fuel expenses.

The following Compensation Committee Report shall not be incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act of 1933, as amended (the "Securities Act"), except to the extent that the Company specifically incorporates this information by reference, and shall not otherwise be deemed filed under the Securities Act or the Exchange Act.

COMPENSATION COMMITTEE REPORT

We have reviewed and discussed the above "Compensation Discussion and Analysis" with management.

Based upon this review and discussion, we have recommended to the Board of Directors that the "Compensation Discussion and Analysis" be included in this Proxy Statement.

Submitted by the Compensation Committee of the Board of Directors.

Henry B. Tippie, Chairman
Wilton Looney
James B. Williams

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

The Company has completed a review of Forms 3, 4, and 5 and amendments thereto furnished to the Company by all directors, officers and greater than 10 percent stockholders subject to the provisions of Section 16 of the Securities Exchange Act of 1934, as amended. In addition, the Company has a written representation from all directors, officers and greater than 10 percent stockholders from whom no Form 5 was received indicating that no Form 5 filing was required. Based solely on this review, the Company believes that filing requirements of such persons under Section 16 for the fiscal year ended December 31, 2008 have been satisfied.

EXECUTIVE COMPENSATION

Shown below is information concerning the annual and long-term compensation for services in all capacities to the Company for the calendar years ended December 31, 2008, 2007 and 2006 of those persons who were at December 31, 2008,

our Principal Executive Officer and Principal Financial Officer; and

our three other executive officers:

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary ($)	Bonus ($) (1)	Stock Awards ($) (2)	Option Awards ($) (2)	Non-Equity Incentive Plan Compensation ($) (1)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) (3)	All Other Compensation ($) (4)	Total ($)
Richard A. Hubbell	2008	350,000	56,000	179,480	1,500	—	—	—	586,980
President and	2007	350,000	110,000	145,130	22,090	—	—	—	627,220
Chief Executive Officer	2006	350,000							