

METHANEX CORP
Form 6-K
March 20, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 6-K
REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF THE
SECURITIES EXCHANGE ACT OF 1934
FOR THE MONTH OF MARCH 2012
COMMISSION FILE NUMBER 0-20115

METHANEX CORPORATION

(Registrant's name)

SUITE 1800, 200 BURRARD STREET, VANCOUVER, BC V6C 3M1 CANADA

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

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IMPORTANT INFORMATION FOR SHAREHOLDERS

Notice of the Annual General Meeting of Shareholders

and

Information Circular

March 2, 2012

www.methanex.com

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Methanex Corporation	September 30, 1800 Waterfront Centre	September 30, Telephone: 604 661 2600	September 30,
	200 Burrard Street	Facsimile: 604 661 2602	
	Vancouver, British Columbia		
	Canada V6C 3M1	www.methanex.com	

March 2, 2012

INVITATION TO SHAREHOLDERS

On behalf of the Board of Directors of Methanex Corporation, I would like to invite you to join us at our Annual General Meeting of shareholders. The meeting will be held at the Vancouver Convention Centre East Building in Vancouver, British Columbia on Thursday, April 26, 2012 at 11:00 a.m.

At the meeting, we will be voting on a number of important matters including a shareholder advisory say on pay vote concerning our approach to executive compensation. We hope you will take the time to consider the information describing these matters in the accompanying Information Circular. We encourage you to exercise your vote, either at the meeting or by completing and sending in your proxy. Use of the proxy form is explained in the Information Circular. If you are a non-registered shareholder, follow the instructions that you should receive from or on behalf of your intermediary to ensure that your shares get voted at the meeting according to your wishes.

In addition to the say on pay advisory vote, we have a web-based survey to enable shareholders to provide direct feedback to us on our approach to executive compensation and we encourage all shareholders to provide us with comments using this survey. Please see page 20 of the Information Circular for more information.

The meeting is a valuable forum for you to learn more about our 2011 performance and hear first-hand our strategy for the future. It will also provide you with an excellent opportunity to meet the Company's directors and senior management and ask them any questions you may have.

We hope that you will attend the Annual General Meeting and we look forward to seeing you there. If you are unable to attend, the meeting will also be webcast live at the Investor Relations section of our website: www.methanex.com.

Sincerely,

Bruce Aitken

President and Chief Executive Officer

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METHANEX CORPORATION

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting (the Meeting) of the shareholders of Methanex Corporation (the Company) will be held at the following time and place:

DATE: Thursday, April 26, 2012

TIME: 11:00 a.m. (Pacific Time)

PLACE: Meeting Rooms 1 to 3 (Parkview Terrace)
Vancouver Convention Centre East Building
999 Canada Place
Vancouver, British Columbia

The Meeting is being held for the following purposes:

1. to receive the Consolidated Financial Statements for the financial year ended December 31, 2011 and the Auditors Report on such statements;
2. to elect directors;
3. to reappoint the auditors and authorize the Board of Directors to fix the remuneration of the auditors;
4. to consider and approve, on an advisory basis, a resolution to accept the Company s approach to executive compensation disclosed in the accompanying Information Circular; and
5. to transact such other business as may properly come before the Meeting.

If you hold common shares of the Company and do not expect to attend the Meeting in person, please complete the enclosed proxy form and either fax it to (416) 368 2502 or toll-free in North America 1 866 781 3111 or forward it to Canadian Stock Transfer Company Inc. (the Administrative Agent for CIBC Mellon Trust Company) using the envelope provided with these materials. Proxies must be received no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for commencement of the Meeting or any adjournment thereof.

DATED at the City of Vancouver, in the Province of British Columbia, this 2nd day of March, 2012.

BY ORDER OF THE BOARD OF DIRECTORS

RANDY MILNER

Senior Vice President, General Counsel and

Corporate Secretary

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METHANEX CORPORATION

INFORMATION CIRCULAR

Information contained in this Information Circular is given as at March 2, 2012 unless otherwise stated.

PART I VOTING

Solicitation of proxies

This Information Circular is provided in connection with the solicitation of proxies by or on behalf of the management and Board of Directors (the Board) of Methanex Corporation (the Company) for use at the Annual General Meeting (the Meeting) of the shareholders of the Company to be held at the time and place (including any adjournment thereof) and for the purposes described in the accompanying Notice of Annual General Meeting of Shareholders.

It is anticipated that this Information Circular and the accompanying proxy form will be mailed on or about March 16, 2012 to holders of common shares of the Company (Common Shares).

What will be voted on at the Meeting?

Shareholders will be voting on those matters that are described in the accompanying Notice of Annual General Meeting of Shareholders. **The Notice includes all the matters to be presented at the Meeting that are presently known to management.** A simple majority (that is, greater than 50%) of the votes cast, in person or by proxy, will constitute approval of these matters, other than the election of directors and the appointment of auditors.

Who is entitled to vote?

Only registered holders of Common Shares (Registered Shareholders) on March 9, 2012 (the Record Date) are entitled to vote at the Meeting or at any adjournment thereof. Each Registered Shareholder has one vote for each Common Share held at the close of business on the Record Date. As of March 2, 2012, there were 93,481,155 Common Shares outstanding. As of that date, to the knowledge of the directors and senior officers of the Company, the only person who beneficially owned, directly or indirectly, or exercised control or direction over Common Shares carrying more than 10% of the voting rights of the Company was Wellington Management Company, LLP. Based on the information filed by them on February 14, 2012, Wellington Management Company, LLP has shared voting power over 9,517,891 Common Shares, representing approximately 10.2% of the voting rights attached to the Company's voting securities.

Can I vote Common Shares that I acquired after the Record Date (March 9, 2012)?

No. Only Common Shares that are held by a shareholder on the Record Date are entitled to be voted at the Meeting.

How do I vote?

If you are a Registered Shareholder, there are two ways in which you can vote your shares. You can either vote by proxy or vote in person at the Meeting.

Voting by proxy

If you do not plan to come to the Meeting, you can have your vote counted by appointing someone who will attend the Meeting as your proxyholder. In the proxy, you can either direct your proxyholder as to how you want your shares to be voted or let your proxyholder choose for you. You can always revoke your proxy if you decide to attend the Meeting and wish to vote your shares in person (see How do I revoke a proxy? on page 3).

Voting in person

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Registered Shareholders who will attend the Meeting and wish to vote their shares in person should not complete a proxy form. Your vote will be taken and counted at the Meeting. Please register with the transfer agent, CIBC Mellon Trust Company, when you arrive at the Meeting.

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What if I am not a Registered Shareholder?

Many shareholders are non-registered shareholders. Non-registered shareholders are those whose shares are registered in the name of an intermediary (such as a bank, trust company, securities broker, trustee or custodian). Unless you have previously informed your intermediary that you do not wish to receive material relating to the Meeting, you should receive or have already received from your intermediary either a request for voting instructions or a proxy form.

Intermediaries have their own mailing procedures and provide their own instructions. These procedures may allow you to provide your voting instructions by telephone, on the Internet, by mail or by fax. You should carefully follow the directions and instructions received from your intermediary to ensure that your Common Shares are voted at the Meeting.

If you wish to vote in person at the Meeting you should follow the procedure in the directions and instructions provided by or on behalf of your intermediary. You will not need to complete any voting or proxy form as your vote will be taken at the Meeting. Please register with the transfer agent, CIBC Mellon Trust Company, when you arrive at the Meeting.

What is a proxy?

A proxy is a document that authorizes someone else to attend the Meeting and cast your votes for you. Registered Shareholders may use the enclosed proxy form, or any other valid proxy form, to appoint a proxyholder. The enclosed proxy form authorizes the proxyholder to vote and otherwise act for you at the Meeting, including any continuation after adjournment of the Meeting.

If you are a Registered Shareholder and you complete the enclosed proxy, your shares will be voted as instructed. If you do not mark any boxes, your proxyholder can vote your shares at his or her discretion. See **How will my shares be voted if I give my proxy?** below.

How do I appoint a proxyholder?

Your proxyholder is the person you appoint and name on the proxy form to cast your votes for you. **You can choose anyone you want to be your proxyholder. It does not have to be another shareholder. Just fill in the person's name in the blank space provided on the enclosed proxy form or complete any other valid proxy form and deliver it to Canadian Stock Transfer Company Inc. (Administrative Agent for CIBC Mellon Trust Company) within the time specified below for receipt of proxies.**

If you leave the space on the proxy form blank, either Thomas Hamilton or Bruce Aitken, both of whom are named in the form, are appointed to act as your proxyholder. Mr. Hamilton is the Chairman of the Board and Mr. Aitken is President and Chief Executive Officer of the Company.

For the proxy to be valid, it must be completed, dated and signed by the holder of Common Shares (or the holder's attorney as authorized in writing) and then delivered to the Company's transfer agent, CIBC Mellon Trust Company, in the envelope provided or by fax to (416) 368 2502 or toll-free in North America 1 866 781 3111 and received no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the Meeting or any adjournment thereof.

How will my shares be voted if I give my proxy?

If you have properly filled out, signed and delivered your proxy, then your proxyholder can vote your shares for you at the Meeting. If you have specified on the proxy form how you want to vote on a particular issue (by marking FOR, AGAINST or WITHHOLD), then your proxyholder must vote your shares accordingly.

If you have not specified how to vote on a particular issue, then your proxyholder will vote your shares as they see fit. However, if you have not specified how to vote on a particular issue and Mr. Hamilton or Mr. Aitken has been appointed as proxyholder, your shares will be voted in favour of all resolutions proposed by management. For more information on these resolutions, see Part II BUSINESS OF THE MEETING. The enclosed form of proxy confers discretionary authority upon the proxyholder you name with respect to amendments or variations to the matters identified in the accompanying Notice of Annual General Meeting of Shareholders and other matters that may properly come before the Meeting. If any such amendments or variations are proposed to the matters described in the Notice, or if any other matters properly come before the Meeting, your proxyholder may vote your shares as they consider best.

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How do I revoke a proxy?

Only Registered Shareholders have the right to revoke a proxy. Non-registered shareholders who wish to change their voting instructions must, in sufficient time in advance of the Meeting, arrange for their intermediaries to change their vote and if necessary revoke their proxy.

If you are a Registered Shareholder and you wish to revoke your proxy after you have delivered it, you can do so at any time before it is used. You or your authorized attorney may revoke a proxy by (i) clearly stating in writing that you want to revoke your proxy and delivering this revocation by mail to Proxy Department, Canadian Stock Transfer Company Inc., P.O. Box 721, Agincourt, ON M1S 0A1, Canada or by fax to (416) 368 2502 or toll-free in North America 1 866 781 3111, or by mail to the registered office of the Company, Suite 1800, 200 Burrard Street, Vancouver, BC V6C 3M1, Canada, Attention: Corporate Secretary, or by fax to the Company to (604) 661 2602, at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof or (ii) in any other manner permitted by law. Revocations may also be hand-delivered to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof. Such revocation will have effect only in respect of those matters upon which a vote has not already been cast pursuant to the authority confirmed by the proxy. If you revoke your proxy and do not replace it with another in the manner described in **How do I appoint a proxyholder** above, you will be able to vote your shares in person at the Meeting.

Who pays for this solicitation of proxies?

The cost of this solicitation of proxies is paid by the Company. It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally or by telephone or other means of communication by directors and regular employees of the Company without special compensation. In addition, the Company may retain the services of agents to solicit proxies on behalf of its management. In that event, the Company will compensate any such agents for such services, including reimbursement for reasonable out-of-pocket expenses, and will indemnify them in respect of certain liabilities that may be incurred by them in performing their services. The Company may also reimburse brokers or other persons holding Common Shares in their names, or in the names of nominees, for their reasonable expenses in sending proxies and proxy material to beneficial owners and obtaining their proxies.

Who counts the votes?

The Company's transfer agent, CIBC Mellon Trust Company, counts and tabulates the proxies. This is done independently of the Company to preserve confidentiality in the voting process. Proxies are referred to the Company only in cases where a shareholder clearly intends to communicate with management or when it is necessary to do so to meet legal requirements.

How do I contact the transfer agent?

If you have any inquiries, you can contact the Company's principal registrar and transfer agent, CIBC Mellon Trust Company, through its Administrative Agent, Canadian Stock Transfer Company Inc., as follows:

Email: inquiries@canstockta.com
Toll-free: 1 800 387 0825
Telephone: (416) 682 3860
Mail: Canadian Stock Transfer Company Inc.

PO Box 700

Station B

Montreal, Quebec H3B 3K3

The Company's co-registrar and co-transfer agent in the United States is Registrar and Transfer Company; however, all shareholder inquiries should be directed to CIBC Mellon Trust Company.

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PART II BUSINESS OF THE MEETING

RECEIVE THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ended December 31, 2011 will be received by shareholders of the Company at the Meeting of the Company and are included in the Annual Report, which has been mailed to Registered Shareholders as required under the *Canada Business Corporations Act* (*CBCA*) and to non-registered shareholders who have requested such financial statements.

ELECTION OF DIRECTORS

The directors of the Company are elected each year at the Annual General Meeting of the Company and hold office until the close of the next Annual General Meeting or until their successors are elected or appointed. The Company has a majority voting policy for election of directors that is described on page 19. The articles of the Company provide that the Company have a minimum of 3 and a maximum of 15 directors. The bylaws of the Company state that when the articles of the Company provide for a minimum and maximum number of directors, the number of directors within the range may be determined from time to time by resolution of the Board of Directors. The Board of Directors, on an annual basis, considers the size of the Board and on March 2, 2012, the directors resolved that the Board of Directors shall consist of 10 directors, such size being consistent with effective decision-making.

The Corporate Governance Committee recommends to the Board nominees for election as directors through a process described on page 18, under the heading *Nominating Committee and Nomination Process*. The persons listed below are being proposed for nomination for election at the Meeting. The persons named as proxyholders in the accompanying proxy, if not expressly directed otherwise, will vote the Common Shares for which they have been appointed proxyholder in favour of electing those persons listed below as nominees for directors.

The following table sets out the names, ages and places of residence of all the persons to be nominated for election as directors, along with other relevant information, including the number and market value of Common Shares⁽¹⁾, Deferred Share Units (*DSUs*⁽²⁾) and Restricted Share Units (*RSUs*⁽³⁾) held by each of them as at the date of this Information Circular. In the case of Mr. Aitken, the Company's President and Chief Executive Officer, the table sets out the number of Performance Share Units (*PSUs*⁽⁴⁾) and DSUs that he holds. Information regarding Mr. Aitken's stock options⁽⁵⁾ and other holdings can be found in the *Outstanding Option-Based Awards and Share-Based Awards* table on page 43. The table also sets out whether a nominee is independent or not independent. See page 15 for information on how director independence is determined. All amounts are in Canadian dollars.

BRUCE AITKEN

Age: 57

Vancouver, BC, Canada

Director since: July 2004

Not Independent

Mr. Aitken is President and Chief Executive Officer of the Company. Prior to his appointment in May 2004, Mr. Aitken was President and Chief Operating Officer of the Company from September 2003 and prior to that he was Senior Vice President, Asia Pacific of the Company (based in New Zealand). He has also held the position of Vice President, Corporate Development (based in Vancouver). He has been an employee of the Company and its predecessor methanol companies for about 21 years. Prior to joining the Company, Mr. Aitken was Executive Director of Cape Horn Methanol (now Methanex Chile) in Santiago.

Mr. Aitken has a Bachelor of Commerce degree from the University of Auckland and is a member of the New Zealand Institute of Chartered Accountants, ACA (Associate Chartered Accountant).

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2011 Board / Committee Memberships ⁽⁶⁾	September 30, 2011 Attendance	September 30, Total 2011 Attendance at Board and Committee Meetings	September 30, 100%	September 30, Other Current Board Memberships
Member of the Board	7 of 7	7 of 7	100%	Advisory Board, Centre for CEO Leadership, Sauder School of Business, UBC (educational institution) (since 2009) Enerkem Inc. (since 2010)

Share and Share Equivalents Held as of March 2, 2012:

Common Shares	September 30, Total DSUs and PSUs (#)	September 30, Total of PSUs (50% of balance), Common Shares and DSUs (#)	September 30, Total Market Value of Common Shares, DSUs and PSUs ⁽⁷⁾ (\$)	September 30, Minimum Shareholding Requirements (\$)	September 30, Meets Share Ownership Requirements? ⁽⁸⁾
134,622	454,008	453,813	12,420,862	6,175,000	Yes

Table of Contents**HOWARD BALLOCH**

Age: 60

Beijing, China

Director since: December 2004

Independent

Committee memberships as at the date of the Information Circular:

Public Policy Committee (Chair)

Responsible Care Committee

Mr. Balloch has been Chairman of Canaccord Genuity Asia Limited since January 2011. Based in Beijing, Canaccord Genuity Asia Limited is an investment banking firm specializing in China and international firms active in the Chinese market. Prior to this, Mr. Balloch was President of The Balloch Group from 2001 until January 2011 when it was acquired by Canaccord Financial Inc. Prior to this, from 1996 to 2001, Mr. Balloch was the Canadian Ambassador to the People's Republic of China.

Mr. Balloch holds a Bachelor of Arts (Honours) in Political Science and Economics and a Master's degree in International Relations, both from McGill University, Montreal.

	September 30, 2011 Attendance	September 30, Total 2011 Attendance at Board and Committee Meetings	September 30, Total Market Value of Common Shares, DSUs and RSUs ⁽⁷⁾	September 30, Other Current Board Memberships
2011 Board / Committee Memberships				
Member of the Board	7 of 7			
Corporate Governance Committee	2 of 2			BeiKai Capital (private) (since 2011)
Human Resources Committee	1 of 1	15 of 15	100%	
Public Policy Committee	3 of 3			Ivanhoe Energy Inc. (since 2002)
Responsible Care Committee (Chair)	2 of 2			

Share and Share Equivalents Held as of March 2, 2012:

Common Shares (#)	September 30, Total DSUs and RSUs (#)	September 30, Total of Common Shares, DSUs and RSUs (#)	September 30, Total Market Value of Common Shares, DSUs and RSUs ⁽⁷⁾ (\$)	September 30, Minimum Shareholding Requirements (\$)	September 30, Meets Share Ownership Requirements? (8)
4,000	34,132	38,132	1,043,673	200,000	Yes

PHILLIP COOK

Age: 65

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Austin, Texas, USA

Director since: May 2006

Independent

Committee memberships as at the date of the Information Circular:

Public Policy Committee

Responsible Care Committee (Chair)

Mr. Cook is a corporate director. He held the position of Senior Advisor of The Dow Chemical Company from June 2006 until his retirement in January 2007. Dow Chemical provides chemical, plastic and agricultural products and services. Prior to his Senior Advisor position, Mr. Cook was Corporate Vice President, Strategic Development and New Ventures of Dow Chemical from 2005. Mr. Cook previously held senior positions with Dow Chemical including Senior Vice President, Performance Chemicals and Thermosets from 2003, and from 2000 he held the position of Business Vice President, Epoxy Products and Intermediates.

Mr. Cook holds a Bachelor of Mechanical Engineering from the University of Texas at Austin.

	September 30, 2011 Attendance	September 30, Total 2011 Attendance at Board and Committee Meetings	September 30, 100%	September 30, Other Current Board Memberships
2011 Board / Committee Memberships				
Member of the Board	7 of 7			Cockrell School of Engineering Advisory
Audit, Finance and Risk Committee	3 of 3	16 of 16	100%	Board (since 2004) and the Environmental
Public Policy Committee	3 of 3			Sciences Institute Advisory Board (since
Responsible Care Committee (Chair)	3 of 3			2010) of the University of Texas at Austin
				(educational institution)

Share and Share Equivalents Held as of March 2, 2012:

	September 30, Total DSUs and RSUs (#)	September 30, Total of Common Shares, DSUs and RSUs (#)	September 30, Total Market Value of Common Shares, DSUs and RSUs ⁽⁷⁾ (\$)	September 30, Minimum Shareholding Requirements (\$)	September 30, Meets Share Ownership Requirements? (8)
Common Shares					
(#)					
16,100	11,723	27,823	761,516	200,000	Yes

Table of Contents**THOMAS HAMILTON**

Age: 68

Houston, Texas, USA

Director since: May 2007

Independent

Mr. Hamilton has been Chairman of the Board of the Company since May 2010. He has been co-owner of Medora Investments, a private investment firm in Houston, Texas, since April 2003. Mr. Hamilton was Chairman, President and Chief Executive Officer of EEX Corporation, an oil and natural gas exploration and production company, from January 1997 until his retirement in November 2002. From 1992 to 1997, Mr. Hamilton served as Executive Vice President of Pennzoil Company and as President of Pennzoil Exploration and Production Company, one of the largest US-based independent oil and gas companies. Previously, Mr. Hamilton held senior positions at other oil and gas companies including BP, Standard Oil Company and ExxonMobil Corp.

Mr. Hamilton holds a Master of Science and a PhD in Geology from the University of North Dakota. He also has a Bachelor of Science in Geology from Capital University, Columbus, Ohio.

	September 30, 2011 Attendance	September 30, Total 2011 Attendance at Board and Committee Meetings	September 30, 100%	September 30, Other Current Board Memberships
2011 Board / Committee Memberships⁽⁹⁾				
Member of the Board	7 of 7	7 of 7	100%	FMC Technologies, Inc. (since 2001)
				HCC Insurance Holdings, Inc. (since 2008)
				Hercules Offshore Inc. (since 2004)
				Mental Health and Mental Retardation Authority, Harris County, Texas (non-profit quasi-government agency) (since 2000)

Share and Share Equivalents Held as of March 2, 2012:

	September 30, Total DSUs and RSUs (#)	September 30, Total of Common Shares, DSUs and RSUs (#)	September 30, Total Market Value of Common Shares, DSUs and RSUs ⁽⁷⁾ (\$)	September 30, Minimum Shareholding Requirements (\$)	September 30, Meets Share Ownership Requirements? (8)
Common Shares	24,000	41,253	1,129,095	750,000	Yes

ROBERT KOSTELNIK

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Age: 60

Corpus Christi, Texas, USA

Director since: September 2008

Independent

Committee memberships as at the date of the Information Circular:

Corporate Governance Committee

Responsible Care Committee

Mr. Kostelnik has been a principal in Glenrock Recovery Partners, LLC since February 2012. Glenrock Recovery Partners facilitates the sale of non-fungible hydrocarbons in the United States. Prior to this, he was President and Chief Executive Officer of Cinatra Clean Technologies, Inc. from 2008 to May 2011. Mr. Kostelnik held the position of Vice President of Refining for CITGO Petroleum Corporation from July 2006 until his retirement in 2007. He held a number of senior positions during his 16 years with CITGO. Previously, Mr. Kostelnik held various management positions at Shell Oil Company.

Mr. Kostelnik holds a Bachelor of Science (Mechanical Engineering) with honors from the University of Missouri and is a Registered Professional Engineer.

2011 Board / Committee Memberships	September 30,	September 30,	September 30,	September 30,
	2011 Attendance	Total 2011 Attendance at Board and Committee Meetings		Other Current Board Memberships
Member of the Board	7 of 7			Association of Chemical Industry of Texas (industry association) (since 2004)
Corporate Governance Committee	5 of 5	16 of 16	100%	Corpus Christi Regional Economic Development Corporation (non-profit) (since 2012)
Public Policy Committee	1 of 1			HollyFrontier Corporation (since 2010)
Responsible Care Committee	3 of 3			Port of Corpus Christi (Texas) Authority (government agency) (since 2010)

Share and Share Equivalents Held as of March 2, 2012:

Common Shares	September 30,	September 30,	September 30,	September 30,	September 30,
(#)	Total DSUs and RSUs (#)	Total of Common Shares, DSUs and RSUs (#)	Total Market Value of Common Shares, DSUs and RSUs ⁽⁷⁾ (\$)	Minimum Shareholding Requirements (\$)	Meets Share Ownership Requirements? ⁽⁸⁾
18,300	11,723	30,023	821,730	200,000	Yes

Table of Contents**DOUGLAS MAHAFFY⁽¹⁰⁾**

Age: 66

Toronto, Ontario, Canada

Director since: May 2006

Independent

Committee memberships as at the date of the Information Circular:

Corporate Governance Committee

Human Resources Committee

Mr. Mahaffy is a corporate director. He was Chairman of McLean Budden Limited from February 2008 until March 2010. Prior to that he held the position of Chairman and Chief Executive Officer of McLean Budden from October 1989 to February 2008. Mr. Mahaffy was also President of McLean Budden from October 1989 until September 2006. McLean Budden (now MFS McLean Budden) was an investment management firm that manages over \$30 billion in assets for pension, foundation and private clients in Canada, the United States, Europe and Asia.

Mr. Mahaffy holds a Bachelor of Arts and a Master of Business Administration from York University, Toronto.

2011 Board / Committee Memberships	September 30, 2011 Attendance	September 30, Total 2011 Attendance at Board and Committee Meetings	September 30, Total 2011 Attendance at Board and Committee Meetings	September 30, Other Current Board Memberships
Member of the Board	7 of 7			Canada Pension Plan Investment Board
Corporate Governance Committee	5 of 5	16 of 16	100%	(government agency) (since 2009) Sunnybrook Health Sciences Centre,
Human Resources Committee	3 of 3			(academic health sciences centre), Common Investment Committee (since 2011)
Public Policy Committee	1 of 1			

Share and Share Equivalents Held as of March 2, 2012:

Common Shares	September 30, Total DSUs and RSUs (#)	September 30, Total of Common Shares, DSUs and RSUs (#)	September 30, Total Market Value of Common Shares, DSUs and RSUs ⁽⁷⁾ (\$)	September 30, Minimum Shareholding Requirements (\$)	September 30, Meets Share Ownership Requirements? ⁽⁸⁾
2,000	37,208	39,208	1,073,123	200,000	Yes

A. TERENCE (TERRY) POOLE

Age: 69

Calgary, Alberta, Canada

Director since: February 1994⁽¹¹⁾

Independent

Committee memberships as at the date of the Information Circular:

Audit, Finance and Risk Committee (Chair)

Public Policy Committee

Mr. Poole is a corporate director. He held the position of Executive Vice President, Corporate Strategy and Development of NOVA Chemicals Corporation, a commodity chemical company, from May 2000 to June 2006. Prior to this, Mr. Poole held the position of Executive Vice President, Finance and Strategy of NOVA from 1998 to 2000 and the position of Senior Vice President and Chief Financial Officer of NOVA Corporation from 1994 to 1998.

Mr. Poole is a Chartered Accountant and holds a Bachelor of Commerce from Dalhousie University, Halifax. He is a Member of the Canadian, Quebec and Ontario Institutes of Chartered Accountants and is also a Member of Financial Executives International.

	September 30, 2011 Attendance	September 30, Total 2011 Attendance at Board and Committee Meetings	September 30, Other Current Board Memberships
2011 Board / Committee Memberships			
Member of the Board	7 of 7		
Audit, Finance and Risk Committee (Chair) ⁽¹²⁾	7 of 7	19 of 19	Pengrowth Energy Corporation (since 2005)
Corporate Governance Committee	2 of 2		
Public Policy Committee	3 of 3		

Share and Share Equivalents Held as of March 2, 2012:

	September 30, Total DSUs and RSUs (#)	September 30, Total of Common Shares, DSUs and RSUs (#)	September 30, Total Market Value of Common Shares, DSUs and RSUs ⁽⁷⁾ (\$)	September 30, Minimum Shareholding Requirements (\$)	September 30, Meets Share Ownership Requirements? (8)
Common Shares					
(#)					
35,000	39,975	74,975	2,052,066	200,000	Yes

Table of Contents**JOHN REID**

Age: 64

Vancouver, British Columbia, Canada

Director since: September 2003

Independent

Committee memberships as at the date of the Information Circular:

Audit, Finance and Risk Committee

Human Resources Committee (Chair)

Mr. Reid is a corporate director. Mr. Reid held the position of President and Chief Executive Officer of Terasen Inc., an energy distribution and transportation company, from November 1997 to November 2005. Prior to that position he was Executive Vice President and Chief Financial Officer of Terasen for two years.

Mr. Reid has an economics degree from the University of Newcastle upon Tyne in the United Kingdom and is a Fellow of the British Columbia, England and Wales Institutes of Chartered Accountants.

	September 30, 2011 Attendance	September 30, Total 2011 Attendance at Board and Committee Meetings	September 30, September 30, September 30, September 30, Other Current Board Memberships
2011 Board / Committee Memberships			
Member of the Board	6 of 7		Corix Infrastructure Inc. (private) (since 2006)
Audit, Finance and Risk Committee	7 of 7	17 of 18	94% Corix Water Products Inc. (private) (since 2006)
Human Resources Committee (Chair)	3 of 3		Finning International Inc. (since 2006)
Responsible Care Committee	1 of 1		

Share and Share Equivalents Held as of March 2, 2012:

	September 30, Total DSUs and RSUs (#)	September 30, Total of Common Shares, DSUs and RSUs (#)	September 30, Total Market Value of Common Shares, DSUs and RSUs ⁽⁷⁾ (\$)	September 30, Minimum Shareholding Requirements (\$)	September 30, Meets Stock Ownership Requirements? (8)
Common Shares					
(#)					
10,000	41,005	51,005	1,396,007	200,000	Yes

JANICE RENNIE

Age: 54

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Edmonton, Alberta, Canada

Director since: May 2006

Independent

Committee memberships as at the date of the Information Circular:

Audit, Finance and Risk Committee

Human Resources Committee

Ms. Rennie is a corporate director. From 2004 to 2005, Ms. Rennie was Senior Vice President, Human Resources and Organizational Effectiveness for EPCOR Utilities Inc. At that time, EPCOR built, owned and operated power plants, electrical transmission and distribution networks, water and wastewater treatment facilities and infrastructure in Canada and the United States. Prior to 2004, Ms. Rennie was Principal of Rennie & Associates, which provided investment and related advice to small and mid-sized companies.

Ms. Rennie holds a Bachelor of Commerce from the University of Alberta and is a Fellow of the Institute of Chartered Accountants of Alberta and the Institute of Corporate Directors.

2011 Board / Committee Memberships	September 30, 2011 Attendance	September 30, Total 2011 Attendance at Board and Committee Meetings	September 30, 100%	September 30, Other Current Board Memberships
Member of the Board	7 of 7			Capital Power Corporation (since 2009)
Audit, Finance and Risk Committee	7 of 7	18 of 18	100%	Greystone Capital Management Inc. (private) (since 2003)
Human Resources Committee	3 of 3			Major Drilling Group International Inc. (since 2010)
Responsible Care Committee	1 of 1			Teck Resources Limited (since 2007)
				West Fraser Timber Co. Ltd. (since 2004)
				Westjet Airlines Limited (since 2011)

Share and Share Equivalents Held as of March 2, 2012:

Common Shares (#)	September 30, Total DSUs and RSUs (#)	September 30, Total of Common Shares, DSUs and RSUs (#)	September 30, Total Market Value of Common Shares, DSUs and RSUs ⁽⁷⁾ (\$)	September 30, Minimum Shareholding Requirements (\$)	September 30, Meets Share Ownership Requirements? ⁽⁸⁾
2,000	22,853	24,853	680,227	200,000	Yes

Table of Contents**MONICA SLOAN**

Age: 57

Calgary, Alberta, Canada

Director since: September 2003

Independent

Committee memberships as at the date of the Information Circular:

Corporate Governance Committee (Chair)

Responsible Care Committee

Ms. Sloan is a corporate director. She was Chief Executive Officer of Intervera Ltd. from January 2004 to December 2008. Intervera provided data quality products and services to the energy industry. Prior to this position Ms. Sloan was an Independent Consultant for ME Sloan Associates from October 1999.

Ms. Sloan holds a Master of Engineering from Stanford University and a Master of Business Administration from the Harvard Graduate School of Business Administration.

	September 30, 2011 Attendance	September 30, Total 2011 Attendance at Board and Committee Meetings	September 30, 100%	September 30, Other Current Board Memberships
2011 Board / Committee Memberships				
Member of the Board	7 of 7			Industrial Alliance Pacific Insurance and
Corporate Governance Committee (Chair)	5 of 5	16 of 16	100%	Financial Services Inc. (since 2003)
Human Resources Committee	1 of 1			Biovantage Inc. (non-profit) (since 2010)
Responsible Care Committee	3 of 3			

Share and Share Equivalents Held as of March 2, 2012:

Common Shares	September 30, Total DSUs and RSUs (#)	September 30, Total of Common Shares, DSUs and RSUs (#)	September 30, Total Market Value of Common Shares, DSUs and RSUs ⁽⁷⁾ (\$)	September 30, Minimum Shareholding Requirements (\$)	September 30, Meets Share Ownership Requirements? (8)
(#)					
4,000	51,133	55,133	1,508,990	200,000	Yes

(1) The number of Common Shares held includes Common Shares directly or indirectly beneficially owned or under the control or direction of such nominee.

(2) For information on Deferred Share Units, see Deferred Share Unit Plan (Director DSUs) on page 24.

- (3) For information on Restricted Share Units, see Long-Term Incentive Awards Restricted Share Unit Plan for Directors on page 23.
- (4) For information on Performance Share Units, see Performance Share Unit Plan on page 37. Non-management directors do not participate in this plan.
- (5) Non-management directors ceased being granted stock options in 2003 and no non-management director currently holds any stock options.
- (6) Mr. Aitken is not a member of any Committee, but attends Committee meetings in his capacity as President and Chief Executive Officer.
- (7) This value is calculated using \$27.37, being the weighted average closing price of the Common Shares on the Toronto Stock Exchange (TSX) for the 90-day period ending March 2, 2012.
- (8) See page 28 for more information on director share ownership requirements. See page 41 for Mr. Aitken s share ownership requirements.
- (9) Mr. Hamilton is not a member of any Committee but attends all Committee meetings on an ex-officio basis in his capacity as Chairman of the Board.
- (10) Mr. Mahaffy was a director of Stelco Inc., a Canadian steel producer, from 1993 to March 2006. In January 2004, Stelco Inc. announced that it had obtained an Order of the Ontario Superior Court of Justice to initiate a court-supervised restructuring under the *Companies Creditors Arrangement Act* (the CCAA). Stelco Inc. emerged from the protection of the CCAA in April 2006 and was acquired in October 2007 by a wholly owned subsidiary of the United States Steel Corporation.
- (11) Mr. Poole resigned as a director of the Company in June 2003 and was reappointed in September 2003.
- (12) Mr. Poole has been designated as the audit committee financial expert.

Summary of Board and Committee Meetings

For the 12-month period ending December 31, 2011

	September 30,
Board of Directors	7
Audit, Finance and Risk Committee	7
Corporate Governance Committee	5
Human Resources Committee	3
Public Policy Committee	3
Responsible Care Committee	3

Table of Contents**Summary of Attendance of Directors at Board and Committee Meetings**

For the 12-month period ending December 31, 2011

Director	September 30, Board Meetings Attended	September 30, % Board Meetings Attended	September 30, (#)	September 30, Committee Meetings Attended Committee	September 30, % Committee Meetings Attended	September 30, Total Board and Committee Meetings Attended (#)	September 30, (%)
Bruce Aitken ⁽¹⁾	7 of 7	100%				7 of 7	100%
Howard Balloch ⁽²⁾	7 of 7	100%	2 of 2 1 of 1 3 of 3(Chair) 2 of 2	Corporate Governance Human Resources Public Policy Responsible Care	100% 100% 100% 100%	15 of 15	100%
Pierre Choquette ⁽³⁾	7 of 7	100%	7 of 7 3 of 3 1 of 1	Audit, Finance and Risk Human Resources Responsible Care	100% 100% 100%	18 of 18	100%
Phillip Cook ⁽⁴⁾	7 of 7	100%	3 of 3 3 of 3 3 of 3(Chair)	Audit, Finance and Risk Public Policy Responsible Care	100% 100% 100%	16 of 16	100%
Thomas Hamilton ⁽⁵⁾	7 of 7	100%				7 of 7	100%
Robert Kostelnik ⁽⁶⁾	7 of 7	100%	5 of 5 1 of 1 3 of 3	Corporate Governance Public Policy Responsible Care	100% 100% 100%	16 of 16	100%
Douglas Mahaffy ⁽⁷⁾	7 of 7	100%	5 of 5 3 of 3 1 of 1	Corporate Governance Human Resources Public Policy	100% 100% 100%	16 of 16	100%
A. Terence Poole ⁽⁸⁾	7 of 7	100%	7 of 7(Chair) 2 of 2 3 of 3	Audit, Finance and Risk Corporate Governance Public Policy	100% 100% 100%	19 of 19	100%
John Reid ⁽⁹⁾	6 of 7	86%	7 of 7 3 of 3(Chair) 1 of 1	Audit, Finance and Risk Human Resources Responsible Care	100% 100% 100%	17 of 18	94%
Janice Rennie ⁽¹⁰⁾	7 of 7	100%	7 of 7 3 of 3 1 of 1	Audit, Finance and Risk Human Resources Responsible Care	100% 100% 100%	18 of 18	100%
Monica Sloan ⁽¹¹⁾	7 of 7	100%	5 of 5(Chair) 1 of 1 3 of 3	Corporate Governance Human Resources Responsible Care	100% 100% 100%	16 of 16	100%
Total		99%			100%		99%

(1) In 2011, Mr. Aitken attended all Committee meetings, except one Audit, Finance and Risk Committee meeting, in his capacity as President and Chief Executive Officer of the Company.

(2)

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In April 2011, Mr. Balloch ceased being a member of the Corporate Governance and Human Resources Committees and joined the Responsible Care Committee.

- (3) Mr. Choquette ceased being a member of the Responsible Care Committee in April 2011. He is not standing for re-election at the 2012 Annual General Meeting.
- (4) Mr. Cook ceased being a member of the Audit, Finance and Risk Committee in April 2011.
- (5) In 2011, Mr. Hamilton attended all Committee meetings on an ex-officio basis in his capacity as Chairman of the Board of the Company.
- (6) Mr. Kostelnik ceased being a member of the Public Policy Committee in April 2011.
- (7) Mr. Mahaffy ceased being a member of the Public Policy Committee in April 2011.
- (8) Mr. Poole ceased being a member of the Corporate Governance Committee in April 2011.
- (9) Mr. Reid ceased being a member of the Responsible Care Committee in April 2011.
- (10) Ms. Rennie ceased being a member of the Responsible Care Committee in April 2011.
- (11) Ms. Sloan ceased being a member of the Human Resources Committee in April 2011.

Table of Contents**REAPPOINTMENT AND REMUNERATION OF AUDITORS**

The directors of the Company recommend the reappointment of KPMG LLP, Chartered Accountants, Vancouver, as the auditors of the Company to hold office until the termination of the next annual meeting of the Company. KPMG LLP has served as the auditors of the Company for more than five years. As in past years, it is also recommended that the remuneration to be paid to the auditors be determined by the directors of the Company.

The persons named as proxyholders in the accompanying proxy, if not expressly directed to the contrary, will vote the Common Shares for which they have been appointed proxyholder to reappoint KPMG LLP, Chartered Accountants, as the auditors of the Company and to authorize the directors to determine the remuneration to be paid to the auditors.

Principal Accountant Fees and Services***Pre-Approval Policies and Procedures***

The Company's Audit, Finance and Risk Committee (the Audit Committee) annually reviews and approves the terms and scope of the external auditors' engagement. The Audit Committee oversees the Audit and Non-Audit Pre-Approval Policy, which sets forth the procedures and the conditions by which permissible services proposed to be performed by KPMG LLP are pre-approved. The Audit Committee has delegated to the Chair of the Audit Committee pre-approval authority for any services not previously approved by the Audit Committee. All such services approved by the Chair of the Audit Committee are subsequently reviewed by the Audit Committee.

All non-audit service engagements, regardless of the cost estimate, must be coordinated and approved by the Chief Financial Officer to further ensure that adherence to this policy is monitored.

Audit and Non-Audit Fees Billed by the Independent Auditors

KPMG's global fees relating to the years ended December 31, 2011 and December 31, 2010 are as follows:

US\$000s	September 30, 2011	September 30, 2010
Audit Fees	1,827	1,600
Audit-Related Fees	116	138
Tax Fees	99	304
Total	2,042	2,042

Each fee category is described below.

Audit Fees

Audit fees for professional services rendered by the external auditors for the audit of the Company's consolidated financial statements; statutory audits of the financial statements of the Company's subsidiaries; quarterly reviews of the Company's financial statements; consultations as to the accounting or disclosure treatment of transactions reflected in the financial statements; and services associated with registration statements, prospectuses, periodic reports and other documents filed with securities regulators.

Audit fees for professional services rendered by the external auditors for the audit of the Company's consolidated financial statements were in respect of an integrated audit performed by KPMG globally. The integrated audit encompasses an opinion on the fairness of presentation of the Company's financial statements as well as an opinion on the effectiveness of the Company's internal controls over financial reporting. The increase in audit fees for 2011 compared with 2010 is due to an expanded scope resulting from the start-up of the Egypt and Medicine Hat facilities, the appointment of KPMG as our statutory auditors in New Zealand, and services provided in relation to the shelf prospectus.

Audit-Related Fees

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Audit-related fees for professional services rendered by the auditors for financial audits of employee benefit plans; procedures and audit or attest services not required by statute or regulation; and consultations related to the Company's transition to international financial reporting standards (IFRS) and the accounting or disclosure treatment of other transactions.

Tax Fees

Tax fees for professional services rendered for tax compliance and tax advice. These services consisted of: tax compliance, including the review of tax returns; assistance in completing routine tax schedules and calculations; and advisory services relating to domestic and international taxation.

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ADVISORY SAY ON PAY VOTE ON APPROACH TO EXECUTIVE COMPENSATION

A detailed discussion of our approach to executive compensation is provided in the Executive Compensation Discussion and Analysis that begins on page 29 of this Information Circular. As stated there, the main objective of our executive compensation program is to attract, retain and engage high-quality and high-performance executives with relevant experience who have the ability to successfully execute our strategy and deliver long-term value to our shareholders.

Important elements of our executive compensation program are designed to be dependent upon measures that align with returns to shareholders. For the executive officers, a significant percentage of the short-term incentive award is dependent on achieving certain levels of modified return on capital employed but also on a broad variety of measures that we believe drive our share price. In the case of the Long-Term Incentive Plan, the value of PSUs is dependent upon the compounded shareholder return calculated over a three-year period and stock options/Stock Appreciation Rights (SARs) (which vest over a three-year period) and have no value if the underlying share price does not increase.

We also believe in the importance of executives owning Company shares to more fully align management with the interests of shareholders and focus activities on developing and implementing strategies that create and deliver long-term value for shareholders. Therefore, the Chief Executive Officer and all other executive officers have significant share ownership requirements.

At the 2011 annual meeting, we held our first annual advisory vote on executive compensation (commonly referred to as a say on pay vote) and 98.8% of shares were voted in favour of accepting the approach to executive compensation. It is the Board's intention that the say on pay vote will be only one part of the ongoing process of engagement between shareholders and the Board on compensation. The Board has also put in place a web-based survey to enable shareholders to give feedback on our approach to executive compensation. See page 20 for more information on the survey.

This is an advisory vote and the results will not be binding upon the Board. However, the Board will take the results of the vote into account, together with any feedback received from shareholders on the web-based survey, when considering future compensation policies, procedures and decisions. Shareholders will be asked at the Meeting to consider and, if deemed advisable, to adopt the following resolution that is based on the model say on pay resolution formulated by the Canadian Coalition for Good Governance:

RESOLVED THAT:

On an advisory basis and not to diminish the role and responsibilities of the Board of Directors, the shareholders accept the approach to executive compensation disclosed in the Company's Information Circular delivered in advance of the 2012 annual meeting of shareholders.

The Board of Directors unanimously recommends that shareholders vote FOR the resolution. Unless instructed otherwise, the persons named in our form of proxy will vote FOR the resolution.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

None of the directors or officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or officers of the Company at any time since the beginning of the Company's last completed financial year and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, in any matter to be acted upon at the Meeting, other than the election of directors.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

None of the directors or officers of the Company, no director or officer of a body corporate that is itself an insider or a subsidiary of the Company, no person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercised control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights attached to any class of outstanding voting securities of the Company entitled to vote in connection with any matters being proposed for consideration at the Meeting, no proposed director or nominee for election as a director of the Company and no associate or affiliate of any of the foregoing has or had any material interest, direct or indirect, in any transaction or proposed transaction since the beginning of the Company's last financial year that has materially affected or would or could materially affect the Company or any of its subsidiaries.

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PART III CORPORATE GOVERNANCE

Statement of Corporate Governance Practices

Corporate governance is a key priority for the Company. We define corporate governance as having the appropriate processes and structures in place to ensure that our business is managed in the best interests of our shareholders while keeping in mind the interests of all stakeholders. We believe good corporate governance is critical to the Company's effective, efficient and prudent operation.

The Company is a Canadian reporting issuer with its Common Shares listed on the TSX, the NASDAQ Global Market and the Foreign Securities Market of the Santiago Stock Exchange of Chile. In Canada, we are subject to securities regulations that impose on us a requirement to disclose certain corporate governance practices that we have adopted. Canadian regulations also provide guidance on various corporate governance practices that companies like ours should adopt. The Company also monitors corporate governance developments in Canada and adopts best practices where such practices are aligned with our values and our goal of continuous improvement. A brief description of our corporate governance practices follows.

1. Board of Directors

The Board has adopted a set of Corporate Governance Principles to provide for a system of principled goal-setting, effective decision-making and ethical actions. A copy of the Corporate Governance Principles can be found in Schedule A attached to this Information Circular and on our website.

2012 Board Objectives

Every year the Board of Directors establishes a set of Board Objectives which are dominant themes that the Board wishes to focus particular attention on during the year. In late 2011, the Board established several key objectives for 2012 including:

continue to focus on first quartile Responsible Care performance;

closely monitor key strategic projects in Egypt, Medicine Hat and the proposed re-start of the Motunui #1 plant in New Zealand;

focus on maximization of under-utilized assets; and

provide guidance on succession planning within the Company.

The status of each objective is discussed at each Board meeting.

Committees of the Board of Directors

The Board has established five standing Committees with written mandates defining their responsibilities and a requirement to report regularly to the Board. All Committee members have been determined to be independent in accordance with NASDAQ rules and Canadian securities regulations and no Committee member was during 2011, or is currently, an officer or employee of the Company or any of its subsidiaries.

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The following table lists each of our Board Committees, its members and a summary of its key responsibilities.

Committee	Members	Meetings in 2011 (#)	Overall Attendance (%)	Summary of Key Responsibilities
Audit, Finance and Risk Committee ⁽¹⁾	A. Terence Poole (Chair) ⁽²⁾ Pierre Choquette John Reid Janice Rennie	7	100%	<p>assisting the Board in fulfilling its oversight responsibility relating to:</p> <ul style="list-style-type: none"> the integrity of the Company's financial statements the financial reporting process systems of internal accounting and financial controls professional qualifications and independence of the external auditors performance of the external auditors risk management processes financing plans and pension plans
Corporate Governance Committee	Monica Sloan (Chair) Robert Kostelnik Douglas Mahaffy	5	100%	<p>compliance by the Company with ethics policies and legal and regulatory requirements</p> <ul style="list-style-type: none"> establishing the appropriate composition and governance of the Board, including compensation of all non-management directors recommending nominees for election or appointment as directors annually assessing and enhancing the performance of the Board, Board Committees and Board members shaping the corporate governance of the Company and developing corporate governance principles for the Company monitoring compliance by the Company with ethics policies and legal and regulatory requirements providing oversight of the director education program
Human Resources Committee	John Reid (Chair) Pierre Choquette Douglas Mahaffy Janice Rennie	3	100%	<ul style="list-style-type: none"> approving the goals and objectives of the Chief Executive Officer and evaluating his performance reviewing and recommending to the Board for approval the remuneration of the Company's executive officers approving the remuneration of all other employees on an aggregate basis reviewing the Company's compensation policies and practices from a risk perspective

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				<p>approving the executive compensation discussion and analysis</p> <p>reporting on the Company's organizational structure, officer succession plans, total compensation practices, human resource policies and executive development programs</p> <p>recommending grants and administrative matters in connection with the Long-Term Incentive Plan</p> <p>reviewing the operations and administration of the Company's retirement plans</p>
Public Policy	Howard Balloch (Chair)	3	100%	reviewing public policy matters that have a significant impact on the Company, including those relating to government relations and public affairs
Committee	Phillip Cook			
	A. Terence Poole			overseeing the Company's Social Responsibility policy
Responsible Care	Phillip Cook (Chair)	3	100%	reviewing matters relating to the environment and occupational health and safety issues that impact significantly on the Company
Committee	Howard Balloch			
	Robert Kostelnik			overseeing the Company's Responsible Care Policy and reviewing the policies and standards that are in place to ensure that the Company is carrying out all of its operations in accordance with the principles of Responsible Care
	Monica Sloan			

- (1) The mandate of the Audit, Finance and Risk Committee, together with the relevant education and experience of its members and other Committee information, may be found in the "Audit Committee Information" section of the Company's Annual Information Form for the year ended December 31, 2011.
- (2) Mr. Poole has been designated as the audit committee financial expert.

Table of Contents**Director Independence****Independence Status of Directors**

Name	September 30, Management	September 30, Independent	September 30, Not Independent
Bruce Aitken	x		x
Howard Balloch		x	
Pierre Choquette		x	
Phillip Cook		x	
Thomas Hamilton		x	
Robert Kostelnik		x	
Douglas Mahaffy		x	
A. Terence Poole		x	
John Reid		x	
Janice Rennie		x	
Monica Sloan		x	

Mr. Choquette is not standing for re-election at the 2012 Annual General Meeting. Nine of the 10 nominees, 90%, who are standing for election to the Company's Board have been determined by the Board to be independent in accordance with NASDAQ rules and Canadian securities regulations. Mr. Aitken is the President and Chief Executive Officer of the Company and is therefore not independent.

In accordance with our Corporate Governance Principles, the Board must be composed of a substantial majority of independent directors. The mandates of the Audit, Finance and Risk Committee and Corporate Governance Committee state that these committees must be composed wholly of independent directors. The mandate of the Human Resources Committee states that no committee member shall be an officer of the Company. In addition, the Corporate Governance Principles provide that if the Chairman of the Board is not independent, the independent directors on the Board shall select from among themselves a Lead Independent Director.

All Committees of the Board are currently constituted exclusively of independent directors. Mr. Aitken, in his capacity as President and Chief Executive Officer of the Company, and Mr. Hamilton, in his capacity as Chairman of the Board, attend Committee meetings.

Other Directorships and Interlocking Relationships

Several of the nominees are directors of other reporting issuers. For details, please refer to the biographies for each nominee under Election of Directors. Mr. Choquette and Mr. Mahaffy currently serve together on the board of the Canada Pension Plan Investment Board (CPPIB), the Investment Committee of CPPIB and the Human Resources and Compensation Committee of CPPIB. Mr. Choquette has been a member of the CPPIB board since February 2008 and Mr. Mahaffy since October 2009.

Other than Mr. Choquette and Mr. Mahaffy, there were no nominees who served together as directors on the boards of other corporations or acted together as trustees for other entities during 2011.

In Camera Sessions

Following each in-person meeting of the Board an in camera session is held at which only independent directors are in attendance as provided in the Corporate Governance Principles. In addition, in camera sessions were held following each in-person Committee meeting in 2011.

Meeting Attendance Records

The combined Board and Committee meeting attendance rate for all directors in 2011 was 99%. For information concerning the number of Board and Committee meetings held in 2011, as well as the attendance record of each director for those meetings, see the chart on page 10.

2. Board Mandate

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Section 3 of the Company's Corporate Governance Principles contains the Board mandate that describes the Board's responsibilities. A copy of the Corporate Governance Principles can be found in Schedule A attached to this Information Circular and on our website.

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3. Position Descriptions

Board Chairman and Committee Chairs

The Board has developed written position descriptions (which we call *Terms of Reference*) for the Chairman of the Board, each Committee Chair and for Individual Directors. These Terms of Reference can be found on our website. Section 4 of the Corporate Governance Principles also sets out the responsibilities of each director.

Chief Executive Officer (CEO)

The CEO has a written position description that sets out the position's key responsibilities. In addition, the CEO has specific annual corporate and personal performance objectives that he is responsible for meeting. These objectives are reviewed, approved and tracked during the year by the Board through the Human Resources Committee. See *Short-Term Incentive Plan* on page 33 for more complete information on these objectives.

Retirement Policy

The Board of Directors has determined that there should not be a mandatory retirement age for directors and the Corporate Governance Principles establish that there should not be cumulative term limits for directors and states as follows:

Cumulative term limits for directors should not be established as this could have the effect of forcing directors off the Board who have gained a deep and detailed knowledge of the Company's operations and business affairs. At the same time, the value of some turnover in Board membership to provide an ongoing input of fresh ideas and new knowledge is recognized. The Corporate Governance Committee shall review annually the membership of the Board to enable the Board to manage its overall composition and maintain a balance of directors to ensure long-term continuity.

4. Orientation and Continuing Education

To familiarize directors with the role of the Board, its Committees, the directors and the nature and operation of the Company's business, all directors are provided with a director's manual that contains information covering a wide range of topics including:

Duties of directors and directors' liabilities

Board and committee governance documents

The Company's Code of Business Conduct and Vision and Core Values

Strategic plans, operational reports, marketing reports and budgets

Important corporate policies

Recent regulatory filings and analyst reports

Information on our corporate and organizational structure

Updated information is provided to all directors on an ongoing basis. In addition, the Company encourages directors to meet with senior management and to visit our operations and plant locations.

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The Board recognizes the importance of ongoing education for directors. The Company's Corporate Governance Principles state that directors are encouraged to attend seminars, conferences and other continuing education programs to help ensure that they stay current on relevant issues such as corporate governance, financial and accounting practices and corporate ethics. The Company and all of our directors are members of the Institute of Corporate Directors (ICD) and the Company pays the cost of this membership. A number of our directors have attended courses and programs offered by ICD. The Company also encourages directors to attend other appropriate continuing education programs and the Company contributes to the cost of attending such programs. As well, written materials likely to be of interest to directors that have been published in periodicals, newspapers or by legal or accounting firms are routinely forwarded to directors or included in a supplemental reading section in Board and Committee meeting materials. Furthermore, the Company also believes that serving on other corporate and not-for-profit boards is a valuable source for ongoing education.

The Corporate Governance Committee is responsible for overseeing the director education program and, based on feedback from all directors, the program focuses primarily on providing the directors with more in-depth information about key aspects of the business, including the material risks and opportunities facing the Company. Directors provide input into the agenda for the education program and management schedules presentations and seminars covering these areas, some of which are presented by management and others by external consultants or experts.

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The Board and its Committees received a number of presentations in 2011 focused on deepening the Board's knowledge of the business, the industry and the key risks and opportunities facing the Company. These presentations included an Egypt country update from an outside expert, as well as an update on the natural gas dynamics in North America, the process for making methanol from coal and Responsible Care in the Company's shipping operations. The Board also conducts an annual one-day strategy session that provides detailed information on the business environment and trends affecting the Company. In addition, Board meetings are periodically held at a location where the Company has methanol production operations or significant commercial activities.

5. Ethical Business Conduct

Code of Business Conduct

The Company has a written Code of Business Conduct (the "Code") that applies to all employees, officers and directors. It provides a set of standards meant to help them avoid wrongdoing and to promote honest and ethical behaviour while conducting the Company's business. The Code also establishes a confidential "whistle-blower" hotline for reporting suspected violations of the Code. The Code is reviewed annually by the Board. A copy of the Code may be found on our website. A printed version is also available upon request to the Corporate Secretary of the Company.

The Board monitors compliance with the Code primarily through the Audit, Finance and Risk Committee and the Corporate Governance Committee. These committees receive regular updates on matters relating to the Code, including an annual report on the activities undertaken by management to maintain and increase Code awareness throughout the organization and the results of surveys designed to determine employee understanding and awareness of the Code.

The Code states that suspected Code violations, whether received through the whistle-blower hotline or otherwise, are to be reported to the legal department and the General Counsel shall investigate the matter. The Corporate Governance Committee is made aware of all such reports. Furthermore, the Chair of the Audit, Finance and Risk Committee is advised of all reports that concern accounting or audit matters and the Chair of that Committee and the General Counsel together determine how such matters should be investigated.

No material change report has been filed since the beginning of the Company's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the Code.

Transactions Involving Directors or Officers

The Code contains a specific provision relating to the need for directors, officers and all employees to avoid conflicts of interest with the Company. Furthermore, the Corporate Governance Committee is mandated to consider questions of independence and possible conflicts of interest of directors and officers. To that end, each director and officer completes an annual questionnaire in which they report on all transactions material to the Company in which they have a material interest. A report of all transactions involving the Company and the directors and executive officers is provided to the Corporate Governance Committee.

Recoupment Policy

The Company has a Recoupment Policy that provides for the forfeiture of options, shares or share units or repayment of cash compensation received by employees in certain circumstances where the employee is involved in wrongdoing. For more information on this policy, please see page 38.

Other Measures

The Board takes other steps to encourage and promote a culture of ethical business conduct. First, under the Company's Corporate Governance Principles, the Board has an obligation to satisfy itself as to the integrity of the CEO and other executive officers and that they are creating a culture of integrity throughout the organization. On an annual basis, the Corporate Governance Committee considers and reports to the Board on this issue. In addition, Company employees are surveyed annually on issues concerning the Code of Business Conduct including whether they are satisfied that the senior leadership at their sites consistently conducts itself ethically and honestly.

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In addition to the Code of Business Conduct, the Company also has several other policies governing ethical business conduct, including the following:

Competition Law Policy provides employees with an understanding of the Company's policy of compliance with all competition laws and information concerning the activities that are permitted and prohibited when dealing with competitors, customers and other parties.

Confidential Information and Trading in Securities Policy - provides guidelines to employees with respect to the treatment of confidential information and advises insiders of the Company when it is permissible to trade securities of the Company. This policy also prohibits insiders from purchasing financial instruments designed to hedge or offset a decrease in the market value of Company's shares that they hold. Furthermore, insiders are prohibited from engaging in short selling of the Company's securities, trading in put or call options on the Company's securities or entering into equity monetization arrangements related to the Company's securities.

Corporate Gifts and Entertainment Policy provides guidelines to Company employees on the appropriateness of gifts, gratuities or entertainment that may be offered to or accepted from third parties with whom the Company has commercial relations.

Corrupt Payments Prevention Policy prohibits the payment or receipt of bribes and kickbacks by the Company's employees and agents.

Political Donation Policy prohibits all political donations by the Company unless they are specifically approved in advance by the Company's President and CEO.

The Company's employees regularly receive either web-based or in-person compliance training that focuses on ethical business conduct and the foregoing policies. In addition, employees and directors who are considered "insiders" under Canadian securities laws have been provided with training concerning their obligations and responsibilities under Canadian securities laws.

6. Board Renewal

Nominating Committee and Nomination Process

The Board has established the Corporate Governance Committee as its nominating committee. The Committee is composed entirely of independent directors. A summary of the key responsibilities of the Corporate Governance Committee can be found under "Committees of the Board of Directors" beginning on page 13.

The Committee is responsible for identifying new candidates to stand as nominees for election or appointment as directors to our Board of Directors. The Committee uses a Board skills matrix to assist in this process. On an annual basis, the Committee reviews a matrix that sets out the various skills and experience considered to be desirable for the Board to possess in the context of the Company's strategic direction. The Committee then assesses the skills and experience of each current Board member against this matrix. When completed, the matrix helps the Committee identify any skills or experience gaps and provides the basis for a search to be conducted for new directors to fill any gaps. Below is a summary of the current Board skills matrix that sets out the various skills and experience categories and the Committee's determination as to how many directors on the Board should possess those skills and experience. The Committee has reviewed the skills and experience of the current Board members against the matrix and has determined that the target numbers have been met.

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	September 30, Target Number of Non-Management Directors
Skills and Experience	
Leadership	3
Commodity experience	3
Global chemical industry experience	3
CFO or retired audit partner	2
Capital markets	2
Government affairs	3
Board experience	7
Health, safety and environmental issues	1
International experience	5
Energy experience	1

In identifying potential director candidates, the Committee takes into account a broad variety of factors it considers appropriate, including skills, independence, financial acumen, board dynamics and personal characteristics. In addition, diversity in perspective arising from personal, professional or other attributes and experiences are considered when identifying potential director candidates. Desirable individual characteristics include integrity, credibility, the ability to generate public confidence and maintain the goodwill and confidence of our shareholders, sound and independent business judgment, general good health and the capability and willingness to travel to, attend and contribute at Board functions on a regular basis. Background checks, as appropriate, are completed prior to nomination.

Suitable director candidates have, over the past several years, been identified through the use of an executive search firm retained under the authority of the Committee. The selection process is led by the Chair of the Committee but all Committee members and the Chairman of the Board are routinely updated on the process and the individuals being considered. The Committee Chair, the Chairman and the CEO meet in person with the candidate to discuss his or her interest and ability to devote the time and resources required to meet the Company's expectations for directors. The recommended candidate is then formally considered by the Committee and, if approved, the candidate is recommended to the Board.

Over the last several years, the Board has focused on renewal and this is illustrated by the chart below. The chart does not include Pierre Choquette, who is not standing for re-election at the 2012 Annual General Meeting. Over the past seven years five new directors have joined the Board and five directors will have retired.

Majority Voting for Directors

The Board has a policy that states that any nominee for election as a director at an annual general meeting for whom the number of votes withheld exceeds the number of votes cast in his or her favour will be deemed not to have received the support of shareholders. A director elected in such circumstances will tender his or her resignation to the Chair of the Corporate Governance Committee and that Committee will review the matter and make a recommendation to the Board. The Board will, within 90 days of the annual general meeting, issue a public release either announcing the resignation of the director or justifying its decision not to accept the resignation.

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If the resignation is accepted, the Board may appoint a new director to fill the vacancy created by the resignation. This policy applies only to uncontested director elections, meaning elections where the number of nominees for director is equal to the number of directors to be elected.

7. Director and Officer Compensation

Director and officer compensation is determined by the Board. The process followed for determining director compensation is described commencing on page 22 and the process followed for executive compensation is described commencing on page 30.

8. Shareholder Survey on Executive Compensation

The Board appreciates the importance that shareholders place on executive compensation and believes that it is important to engage shareholders on this topic. With this in mind, the Company has in place a web-based survey to enable our shareholders to provide feedback on our approach to executive compensation as disclosed in this Information Circular. The survey is accessible to shareholders at the Investor Relations section of our website (www.methanex.com) from March 16, 2012 (the date this Information Circular was filed with securities regulators) until June 30, 2012. In order to submit comments, you are asked to provide your name and confirm that you are a current shareholder. Shareholders may comment generally or on specific aspects of our executive compensation and may provide as much detail as they wish. Shareholders who choose to provide an e-mail address may be contacted in order for the Board to better understand their particular concerns. All comments will be provided to the Chair of the Human Resources Committee and discussed at the July 2012 Human Resources Committee meeting to determine what actions are to be taken to address concerns raised. We will provide a report on this process in our annual disclosure documents next year. We intend to run this web-based survey on an annual basis.

Report on the 2011 Shareholder Survey

In 2011, three individuals with small shareholdings provided feedback to the shareholder survey. One shareholder expressed concern over what they considered to be the over-compensation of executives. Another felt that salary increases for executives should track the percentage increases to the average company employee and that bonuses and options be subject to hold periods, clawbacks and other restrictions. One shareholder sought clarification on the methodology for calculating PSU grant sizes. The Committee reviewed and discussed the feedback and determined that no changes to the Company's approach to executive compensation were warranted as a result of the feedback.

9. Assessments

The Company's Corporate Governance Principles state as follows:

Performance as a director is the main criterion for determining a director's ongoing service on the Board. To assist in determining performance, each director will take part in an annual performance evaluation process which shall include a self-evaluation and a confidential discussion with the Chairman.

Our Board of Directors conducts an annual performance evaluation and the Corporate Governance Committee oversees the process. The process is designed to evaluate the effectiveness and contribution of the Board, its Committees and individual directors. Results of the process are reported to the Board. In 2011, the process included the following:

Evaluation of the Chairman of the Board

Directors were provided with an opportunity to evaluate the Chairman of the Board's performance and to make suggestions for improvement. Directors provided comments on issues that addressed the conduct of Board meetings, leadership issues and the Chairman's ability to facilitate positive contributions from other directors. Results were tabulated by the Corporate Secretary and were provided to the Chair of the Corporate Governance Committee who then had a private conversation with the Chairman. The content of that conversation was reported by the Chair of the Corporate Governance Committee to the full Committee at its September 2011 meeting.

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Evaluation of the Board as a Whole

Directors were asked to comment on the general operation and organization of the Board having in mind a number of particular elements and rate the effectiveness of the Board. They were also asked to identify the most significant Board accomplishments over the past year, areas for improvement and particular practices that should be considered for adoption by the Board in order to increase its effectiveness.

Results were tabulated and comments were consolidated by the Corporate Secretary, provided to the Chairman of the Board and then presented to the Corporate Governance Committee at its November 2011 meeting.

Evaluation of Committees

Directors were asked to evaluate the Board committees in general as well as the specific committees on which they sit. Directors provided comments on a number of criteria including the appropriateness of the committee structure and the reporting of committee activities to the Board, as well as the operation of the committees on which they sit having in mind a number of particular elements and how the effectiveness of those committees can be improved.

Comments were consolidated by the Corporate Secretary, provided to the Chairman of the Board and then presented to the Corporate Governance Committee at its November 2011 meeting. Each Committee also reviewed the results of their individual Committee evaluation.

Evaluation of Individual Directors

Directors were provided with an opportunity to evaluate their own effectiveness, comment on their peers' effectiveness and have a private conversation with the Chairman of the Board regarding their performance and the performance of their fellow directors. Directors evaluated themselves and their peers based on a number of criteria, including their understanding of the business, contribution on strategic issues, interaction with management and areas of personal strength. The Corporate Secretary received all questionnaires and each director was provided with an individualized report that included the comments received regarding that director's performance from peers (on an anonymous basis). These reports were also provided to the Chairman of the Board who then conducted a confidential discussion with each director. The Chairman of the Board reported to the Corporate Governance Committee at its November 2011 meeting regarding this process.

10. Management Succession Planning

The Company has detailed succession plans for each executive officer and each of such officer's direct reports. For more information on the Company's succession planning process, please see page 30.

11. Board's Role in Risk Management Process

The Board's mandate (which is set out in section 3 of the Corporate Governance Principles) provides that the Board is responsible for identifying and overseeing the implementation of systems to manage the principal risks of the Company's business. The Audit, Finance and Risk Committee's mandate also states that the Committee is responsible for reviewing with management, at least annually, the Company's processes to identify, monitor, evaluate and address important enterprise-wide strategic and business risks.

Management annually undertakes a formal risk review process that includes identifying the principal strategic risks of the Company, assessing the Company's strategy to mitigate each risk and determining accountability. The results of this process are documented, reviewed and discussed by the Audit, Finance and Risk Committee and the Board.

In addition, the Board, through its Audit, Finance and Risk Committee, oversees the Company's risk management strategies and programs, including insurance programs, related to the Company's key operational risks such as health and safety, shipping and financial risks. In 2011, the Human Resources Committee revised its mandate to require that it annually review the Company's compensation policies and practices to confirm their alignment with the Company's risk management principles and that they do not encourage inappropriate or excessive risk taking nor are they reasonably likely to have material adverse effect on the Company. For more information on this review process, please see page 29.

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PART IV COMPENSATION

COMPENSATION OF DIRECTORS

All amounts in this section Compensation of Directors are shown in Canadian dollars except where otherwise noted.

Objective and Design of the Director Compensation Program

We are the world's largest supplier of methanol with sales and operations around the globe and revenues of approximately US\$2.6 billion in 2011. As such, the main objective of the Company's director compensation program is to attract and retain directors with international experience, a broad range of relevant skills and knowledge, and the ability to successfully carry out the Board's mandate. The Board's mandate can be found in section 3 of our Corporate Governance Principles which are attached to this Information Circular as Schedule A and can also be found on our website at www.methanex.com.

Directors of the Company are required to devote significant time and energy to the performance of their duties. The Terms of Reference for Individual Directors and the Corporate Governance Principles set forth an extensive list of responsibilities and expectations for the Board as a whole and for each individual director. Directors are expected to prepare for and attend an average of six Board meetings per year, participate on committees and ensure that they stay informed about the Company's business and the rapidly changing global business environment. Therefore, to attract and retain experienced, skilled and knowledgeable directors that are willing and able to meet these expectations, the Board believes that the Company must offer a competitive compensation package.

Our director compensation program is designed primarily to:

compensate directors for applying their knowledge, skills and experience in the performance of their duties;

align the actions and economic interests of the directors with the interests of long-term shareholders; and

encourage directors to stay on the Board for a significant period of time.

Director compensation is paid only to non-management directors and is comprised primarily of cash fees (annual retainer, meeting attendance fees, Chair fees and travel fees) and a share-based, long-term incentive award. Non-management directors are not eligible to receive stock options under the terms of the Company's Stock Option Plan. The Directors' Total Compensation table on page 25 sets out the total compensation earned by the directors in 2011.

As part of this compensation program, the directors also have share ownership requirements that require each non-management director to own shares or share units having a value equal to at least five times his or her annual retainer. See Directors' Share Ownership Requirements on page 28 for more details. The Board believes that share ownership requirements further promote the objectives of director retention and alignment with long-term shareholders.

Process for Determining Director Compensation

The Corporate Governance Committee, composed entirely of independent directors, is responsible for annually recommending to the Board for approval the target compensation for the independent directors, including the appropriate compensation elements and the target compensation for each element.

The Committee reviews director compensation at least every two years. As part of this process, the Committee reviews publicly filed information circulars as well as director compensation surveys and reports published in Canada by reputable compensation consultants, to ensure that our director compensation is comparable to, and competitive with, the comparator group (discussed below). In addition, the Committee may hire an external consultant to assist with the review process.

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During the most recent director compensation review conducted in mid-2011, the Committee reconfirmed that the target compensation level for directors should be the 50th percentile of a group of North American-based chemical companies with international operations. The comparator group of companies, which are listed below, were chosen because, similar to the Company, they were all North American-based chemical companies with international operations:

Agrium Inc.
Ashland Inc.
Cabot Corporation
Celanese Corporation

Chemtura Corporation
Cytac Industries Inc.
FMC Corporation

Koppers Inc.
Olin Corporation
PolyOne Corporation

Potash Corporation of Saskatchewan, Inc.
Spartech Corporation
Westlake Chemical Corporation

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Based on the Committee's review, target compensation levels for directors were unchanged. The Committee also determined during its most recent review that the key elements of the Company's compensation program—annual retainer, meeting attendance fees, Chair fees, travel fees and share-based long-term incentive awards—were comparable to and competitive with the comparator group surveyed by the Committee.

Elements of Director Compensation***Annual Retainer and Other Fees***

During the year ended December 31, 2011, annual retainer and other fees were paid to non-management members of the Board on the following basis:

	September 30,	September 30,
Annual retainer for a non-management director	\$ 40,000	annual
Annual retainer for the Chairman of the Board	\$ 150,000	annual
Board meeting attendance fee	\$ 2,500	per meeting
Committee meeting attendance fee	\$ 2,500	per meeting
Committee Chair fee (in addition to the committee meeting attendance fee)	\$ 2,500	per meeting
Cross-country or intercontinental travel fee to attend Board or committee meetings	\$ 2,500	per trip
Travel fee for site visits undertaken separate and apart from attendance at Board or committee meetings (and not for orientation purposes upon joining the Board)	\$ 2,500	per trip

All retainers and fees are paid in Canadian dollars. The Chairman of the Board receives a flat fee annual retainer and does not receive any additional meeting attendance fees or travel fees.

The Company pays the retainer and other fees to compensate directors for applying their knowledge, skills and experience in the performance of their duties. These fees are targeted to be similar to fees paid to non-management directors in the 50th percentile of the comparator group as discussed immediately above under Process for Determining Director Compensation.

Long-Term Incentive Awards Restricted Share Unit Plan for Directors

Directors are awarded Restricted Share Units (RSUs) under the Company's Restricted Share Unit Plan for Directors as part of the annual long-term incentive component of their compensation. Directors may elect to receive their RSU award in the form of Deferred Share Units (DSUs), which are more fully described in the following section. The table below summarizes the last two long-term incentive awards granted to directors in 2012 and 2011:

	September 30, 2012	September 30, 2011
Chairman of the Board	5,600 RSUs or DSUs	4,700 RSUs or DSUs
All other non-management directors	3,700 RSUs or DSUs	3,100 RSUs or DSUs

RSUs are notional shares credited to an RSU Account. When dividends are paid on Common Shares, an equivalent value of additional RSUs is calculated and credited to each individual's RSU Account. RSUs granted in any year together with applicable dividend equivalents, will vest on December 1, in the 24th month following the end of the year in which the award was made. Following vesting, directors are entitled to receive a cash payment based on the weighted average closing price of the Company's Common Shares on the TSX during the last 15 days prior to the vesting date, net of applicable withholding tax. RSUs do not entitle participants to any voting or other shareholder rights and are non-dilutive to shareholders.

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The Board believes that the long-term incentive awards granted to directors both compensates the directors for the performance of their duties and also promotes director retention and alignment with the interests of long-term shareholders. The target dollar value of such award (Target LTI Dollar Value) is determined by the Corporate Governance Committee during its review of director compensation and is targeted to be similar to the awards granted to non-management directors in the 50th percentile of the comparator group as discussed above under Process for Determining Director Compensation. For 2012 and 2011 the Target LTI Dollar Value was \$90,000 for each non-management director and \$135,000 for the Chairman of the Board. Each non-management director received the number of RSUs (or DSUs) determined by dividing the Target LTI Dollar Value by the weighted average closing price of the Common Shares on the TSX for the 90-day period ending on December 31 of the fiscal year immediately prior to the year in which the grant was made and then rounded.

Deferred Share Unit Plan (Director DSUs)

Under the Company's Deferred Share Unit Plan (the DSU Plan), each non-management director elects annually to receive 100%, 50% or 0% of his or her retainer and meeting attendance fees as Deferred Share Units (DSUs). The actual number of DSUs granted to a director is calculated at the end of each quarter by dividing the dollar amount elected to the DSU Plan by the five-day average closing price of the Common Shares on the TSX during the last five trading days of that quarter. Additional DSUs are credited corresponding to dividends declared on the Common Shares. Under the terms of the DSU Plan, directors must elect to become a member of the Plan by December 31 in any year in order to be eligible to receive DSUs in the following calendar year. Directors may also elect to receive their long-term incentive awards in the form of DSUs. See the section Long-Term Incentive Awards Restricted Share Unit Plan for Directors on page 23.

DSUs held by directors are redeemable only after the director retires as a director of the Company or upon death (Termination Date), and a lump sum cash payment, net of any withholdings, is made after the director chooses a valuation date. For DSUs granted on or after March 2, 2007, directors may choose a valuation date falling between the Termination Date and December 1 of the first calendar year beginning after the Termination Date, but the director cannot choose a date retroactively. For DSUs granted prior to March 2, 2007, the valuation date chosen may fall on any date within a period beginning one year before the Termination Date and ending on December 1 of the first calendar year beginning after the Termination Date. The lump-sum amount is calculated by multiplying the number of DSUs held in the account by the closing price of the Common Shares on the TSX on the valuation date.

The Board believes that providing directors with the alternative of receiving their cash fees and long-term incentive awards in the form of DSUs, which may not be redeemed until retirement or death, further promotes director retention and alignment with the interests of long-term shareholders.

Perquisites

Certain minor out-of-pocket expenses incurred by directors are paid for by the Company. All such expenses are included in the All Other Compensation column found in the Directors Total Compensation table on page 25.

Table of Contents**Directors Total Compensation**

The following table sets out what each director earned by way of annual retainer, meeting attendance fees and long-term incentive awards for 2011.

Director	Annual Retainer (\$)	Board Attendance Fees (\$)	Committee Attendance Fees (\$)	Committee Chair Fees (\$)	Travel Fees ⁽¹⁾ (\$)	Total Fees Earned ⁽²⁾ (\$)	Share-Based Award ⁽³⁾ (\$)	All Other Compensation ⁽⁴⁾ (\$)	Total (\$)
Bruce Aitken ⁽⁵⁾									
Howard Balloch	40,000	17,500	20,000	7,500	15,000	100,000	86,831	18,361	205,192
Pierre Choquette ⁽⁶⁾	40,000	17,500	27,500		12,500	97,500	86,831	41,494	225,825
Phillip Cook	40,000	17,500	22,500	7,500	15,000	102,500	86,831	7,273	196,604
Thomas Hamilton	150,000					150,000	131,647	9,647	291,294
Robert Kostelnik	40,000	17,500	22,500		15,000	95,000	86,831	7,273	189,104
Douglas Mahaffy	40,000	17,500	22,500		15,000	95,000	86,831	21,716	203,547
A. Terence Poole	40,000	17,500	30,000	17,500	12,500	117,500	86,831	23,776	228,107
John Reid	40,000	15,000	27,500	7,500		90,000	86,831	26,470	203,301
Janice Rennie	40,000	17,500	27,500			85,000	86,831	12,542	184,373
Monica Sloan	40,000	17,500	22,500	12,500		92,500	86,831	30,788	210,119
Total	510,000	155,000	222,500	52,500	85,000	1,025,000	913,126	199,340	2,137,466

- (1) Travel fees are paid per trip for cross-country or intercontinental travel to attend Board or committee meetings or for site visits undertaken separate and apart from attendance at Board meetings or committee meetings (and not for orientation purposes upon joining the Board).
- (2) This column includes all retainers, meeting attendance, Chair and travel fees earned during 2011, including those paid in DSUs. Under the Directors DSU Plan, directors may elect to receive 100%, 50% or 0% of their retainer and meeting fees as DSUs. The DSU Plan is more fully described under Deferred Share Unit Plan (Director DSUs) on page 24. In 2011, Mr. Balloch elected to receive 100% of his retainer as DSUs (3,901 DSUs). The number and value of the DSUs received by Mr. Balloch in lieu of fees are reflected in the Directors Share-Based Awards Value Vested during the Year table on page 27.
- (3) This column reflects the grant date fair value of RSUs and DSUs received by directors in 2011 as long-term incentive awards. The value shown is calculated by multiplying the number of RSUs or DSUs so awarded in 2011 by the closing price of the Common Shares on the TSX on March 3, 2011, the day before such share units were granted, being \$28.01. The grant date fair value shown in this column is the same as the accounting fair value. Directors can elect to receive their long-term incentive awards as RSUs or DSUs. Please see Long-Term Incentive Awards Restricted Share Unit Plan for Directors on page 23 for more information.

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- (4) This column is made up of the value of additional share units earned by directors in 2011 (RSUs and/or DSUs as applicable) corresponding to dividends being declared on Common Shares during 2011. Please see Long-Term Incentive Awards Restricted Share Unit Plan for Directors on page 23 and Deferred Share Unit Plan (Director DSUs) on page 24 for more information on dividend equivalents. With respect to dividend equivalent DSUs, the value of dividend equivalent additional DSUs is calculated by multiplying the number of such units by the Canadian dollar closing price of the Common Shares of the TSX on the day that such units were credited. With respect to dividend equivalent RSUs, the value of dividend equivalent additional RSUs is calculated by multiplying the number of such units by the weighted average Canadian dollar closing price of the Common Shares of the TSX for the 15 trading days prior to the day that such units were credited. Other perquisites, whose value is not material, are also included in this column.
- (5) Mr. Aitken is the President and Chief Executive Officer and therefore does not receive any compensation as a director. See Statement of Executive Compensation beginning on page 42 for information on Mr. Aitken's compensation.
- (6) Mr. Choquette is not standing for re-election at the 2012 Annual General Meeting.

Table of Contents**Directors Outstanding Share-Based Awards**

The following table shows the number of share-based awards received as long-term incentive held by each director as at December 31, 2011. Directors do not receive stock options.

Director	September 30,	September 30,	September 30,
	Outstanding Share-Based Awards that Have Not Vested ⁽¹⁾	Outstanding Share-Based Awards that Have Not Vested ⁽¹⁾	Outstanding Share-Based Awards Not Paid Out or Distributed ⁽²⁾
	Shares or Units of Shares that Have Not Vested ⁽¹⁾	Market or Payout Value of Share-Based Awards that Have Not Vested ⁽¹⁾	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed ⁽²⁾
	(#)	(\$)	(\$)
Bruce Aitken ⁽³⁾			
Howard Balloch			365,005
Pierre Choquette ⁽⁴⁾			867,574
Phillip Cook	8,023	187,096	
Thomas Hamilton	11,653	271,748	
Robert Kostelnik	8,023	187,096	
Douglas Mahaffy			446,671
A. Terence Poole			845,933
John Reid	4,841	112,892	409,966
Janice Rennie	8,023	187,096	259,552
Monica Sloan	8,023	187,096	484,590

(1) These columns reflect the number and value of outstanding unvested RSUs as at December 31, 2011 and includes dividend equivalent RSUs credited since the date of the original RSU grants. The value of the RSUs outstanding is calculated by multiplying the number of RSUs outstanding by the closing price of the Common Shares on the TSX on December 31, 2011 being \$23.32.

(2) This column reflects the value of vested DSUs received as long-term incentive awards (LTI DSUs) held by each director as at December 31, 2011, and includes dividend equivalent LTI DSUs credited since the date of the original LTI DSU grants. The value of the LTI DSUs is calculated by multiplying the number of LTI DSUs outstanding by the closing price of the Common Shares on the TSX on December 31, 2011 being \$23.32.

(3) Mr. Aitken is the President and Chief Executive Officer and therefore does not receive any compensation as a director. See Statement of Executive Compensation beginning on page 42 for information on Mr. Aitken's compensation.

(4) Mr. Choquette is not standing for re-election at the 2012 Annual General Meeting.

The table below shows the total number and value of DSUs, including both DSUs received in lieu of fees and as a long-term incentive award (Outstanding DSUs), held by each non-management director as at December 31, 2011 and includes dividend equivalent Outstanding DSUs credited since the date of the original Outstanding DSU grants. The value is calculated by multiplying the number of Outstanding DSUs by the closing price of the Common Shares on the TSX on December 31, 2011 being \$23.32. The actual amount paid to a director on settlement of Outstanding DSUs depends on the valuation date chosen by the director, and the valuation date may be retroactive in the case of Outstanding DSUs granted prior to March 2, 2007. See Deferred Share Unit Plan (Director DSUs) on page 24 for more detailed information regarding the Deferred Share Unit Plan and the valuation date that directors may choose.

September 30, September 30, September 30, September 30,

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Director	Number of Outstanding DSUs as at Dec. 31, 2011		Total DSUs Held	Value of Outstanding DSUs as at Dec. 31, 2011 (\$)
	Granted prior to Mar. 2, 2007	Granted on or after Mar. 2, 2007		
Howard Balloch		30,432	30,432	709,674
Pierre Choquette ⁽¹⁾	12,064	50,419	62,483	1,457,104
Phillip Cook				
Thomas Hamilton				
Robert Kostelnik				
Douglas Mahaffy		33,508	33,508	781,407
A. Terence Poole	17,122	19,153	36,275	845,933
John Reid	17,759	14,705	32,464	757,060
Janice Rennie		11,130	11,130	259,552
Monica Sloan	20,107	19,303	39,410	919,041

(1) Mr. Choquette is not standing for re-election at the 2012 Annual General Meeting.

Table of Contents**Directors Share-Based Awards Value Vested during the Year**

The following table shows the aggregate dollar value realized by each director upon vesting of share-based awards during 2011. Directors do not receive stock options and do not receive any non-equity incentive plan compensation.

Director	Share-Based Awards Value Vested during the Year					Share-Based Awards Value Vested during the Year						
	Number Vested during 2011					Value Vested during 2011						
	RSUs ⁽¹⁾		DSUs ⁽²⁾		Dividend	Total	RSUs ⁽³⁾		DSUs ⁽²⁾		Dividend	Total
	Long-Term Incentive Awards	Granted in lieu of Fees	Long-Term Incentive Awards	Granted in lieu of Fees			Long-Term Incentive Awards	Granted in lieu of Fees	Long-Term Incentive Awards	Granted in lieu of Fees		
Bruce Aitken ⁽⁷⁾												
Howard Balloch		3,901	3,100	718	7,719	100,000	86,831	18,361				205,192
Pierre Choquette ⁽⁸⁾			3,100	1,595	4,695		86,831	40,954				127,785
Phillip Cook	4,171				4,171	100,301						100,301
Thomas Hamilton	4,171				4,171	100,301						100,301
Robert Kostelnik	4,171				4,171	100,301						100,301
Douglas Mahaffy			3,100	856	3,956		86,831	21,716				108,547
A. Terence Poole			3,100	926	4,026		86,831	23,776				110,607
John Reid	4,171		3,100	829	8,100	100,301	86,831	21,278				208,410
Janice Rennie				284	284					7,295		7,295
Monica Sloan				1,006	1,006					25,541		25,541

- (1) This column represents RSUs that were awarded in 2009 and vested on December 1, 2011, together with dividend equivalent RSUs credited in respect thereof. Please see Long-Term Incentive Awards Restricted Share Unit Plan for Directors on page 23 for more information.
- (2) DSUs vest immediately upon grant; however, they may not be redeemed by a director until retirement or upon death. Directors may elect to receive 100%, 50% or 0% of their annual retainer and meeting attendance fees as DSUs. Directors may also elect to receive their long-term incentive award in the form of DSUs. Additional DSUs are credited each quarter corresponding to dividends declared on Common Shares. Please see Deferred Share Unit Plan (Director DSUs) on page 24 for more information.
- (3) The value of the RSUs shown in this column reflects the amount actually paid to directors for RSUs that vested on December 1, 2011, calculated in accordance with the terms of the Company's RSU Plan by multiplying the number of vested units (including fractional units) by the weighted average closing price of the Common Shares on the TSX during the 15 trading days prior to the vesting date, being \$24.05. The closing price of the Common Shares on the TSX on December 1, 2011, the vesting date, was \$24.98.
- (4) These columns reflect the number and value of DSUs received in lieu of fees earned as elected by directors in 2011. The value is equal to the Total Fees Earned column in the Directors Total Compensation table on page 25. DSUs are granted in lieu of fees on a quarterly basis and the number of DSUs granted at the end of each quarter is calculated by dividing one-quarter of the annual fees elected to be received as DSUs by the average closing price of the Common Shares on the TSX on the last five trading days of the preceding fiscal quarter.

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- (5) These columns reflect the number and value of DSUs granted to directors in 2011 as long-term incentive awards. The value shown is the grant date fair value (which is the same as accounting fair value) and is calculated by multiplying the number of DSUs awarded in 2011 by the closing price of the Common Shares on the TSX on March 3, 2011, the day before such share units were granted, being \$28.01. Directors can elect to receive their long-term incentive award as RSUs or DSUs. Please see Long-Term Incentive Awards Restricted Share Unit Plan for Directors on page 23 for more information.
- (6) These columns reflect dividend equivalent additional DSUs credited on outstanding DSUs in 2011 and the value is calculated by multiplying the number of such additional DSUs by the closing price of the Common Shares of the TSX on the day that such DSUs were credited.
- (7) Mr. Aitken is the President and Chief Executive Officer and therefore does not receive any compensation as a director. See Statement of Executive Compensation beginning on page 42 for information on Mr. Aitken's compensation.
- (8) Mr. Choquette is not standing for re-election at the 2012 Annual General Meeting.

Table of Contents**Directors Share Ownership Requirements**

Since 1998, the Company has had share ownership guidelines for directors to promote shareholder alignment and in early 2011 these became a requirement. The current requirement states that each non-management director is to own shares having a value equal to at least five times their annual retainer. In the event a share price change results in a director falling below the minimum shareholding requirement, that director has one year in which to meet the requirement. RSUs and DSUs held by a director are considered when determining whether the individual is meeting the share ownership requirements. All new directors have a reasonable period of time within which to meet their share ownership requirement.

The following table shows, among other things, the number of Common Shares, RSUs and DSUs held by each director as at March 2, 2012 compared to the number of Common Shares, RSUs and DSUs held as at March 4, 2011 and the percentage of the requirement achieved for each director based on their holdings as at March 2, 2012.

Director	Director Since	As At	Common			Total Common		Value of Common Shares and Share		Units Required to Meet Requirement	Percentage of Requirement Achieved	Amount at Risk as a Multiple of Annual Retainer	Meets Requirement
			Shares Held ⁽¹⁾ (#)	Share Units Held (#)	RSUs	DSUs	Shares and Share Units Held (#)	Total at Risk Value of Common Shares and Share Units ⁽²⁾ (\$)					
Bruce Aitken(4)		Mar 2, 2012	4,000			34,132	38,132	1,043,673	200,000	522%	26.1	Yes	
Howard Balloch	Dec-04	Mar 4, 2011	4,000			25,812	29,812	864,250					
		Change				+8,320	+8,320	+179,423					
Pierre Choquette(5)	Oct-94	Mar 2, 2012	126			66,183	66,309	1,814,877	200,000	907%	45.4	Yes	
		Mar 4, 2011	28,201			60,887	89,088	2,582,661					
		Change	-28,075			+5,296	-22,779	-767,784					
Phillip Cook	May-06	Mar 2, 2012	16,100	11,723		27,823	27,823	761,516	200,000	381%	19.0	Yes	
		Mar 4, 2011	12,500	11,909		24,409	24,409	707,617					
		Change	+3,600	-186		+3,414	+3,414	+53,899					
Thomas Hamilton(6)	May-07	Mar 2, 2012	24,000	17,253		41,253	41,253	1,129,095	750,000	151%	7.5	Yes	
		Mar 4, 2011	24,000	15,445		39,445	39,445	1,143,511					
		Change		+1,808		+1,808	+1,808	-14,416					
Robert Kostelnik	Sep-08	Mar 2, 2012	18,300	11,723		30,023	30,023	821,730	200,000	411%	20.5	Yes	
		Mar 4, 2011	18,300	11,909		30,209	30,209	875,759					
		Change		-186		-186	-186	-54,029					
Douglas Mahaffy	May-06	Mar 2, 2012	2,000			37,208	39,208	1,073,123	200,000	537%	26.8	Yes	
		Mar 4, 2011				32,652	32,652	946,581					
		Change	+2,000			+4,556	+4,556	+126,542					
A. Terence Poole(7)	Feb-94	Mar 2, 2012	35,000			39,975	74,975	2,052,066	200,000	1,026%	51.3	Yes	
		Mar 4, 2011	35,000			35,348	70,348	2,039,389					
		Change				+4,627	+4,627	+12,677					
John Reid	Sep-03	Mar 2, 2012	10,000	4,841		36,164	51,005	1,396,007	200,000	698%	34.9	Yes	
		Mar 4, 2011	10,000	8,809		31,634	50,443	1,462,343					
		Change		-3,968		+4,530	+562	-66,336					
Janice Rennie	May-06	Mar 2, 2012	2,000	11,723		11,130	24,853	680,227	200,000	340%	17.0	Yes	
		Mar 4, 2011	2,000	7,816		10,845	20,661	598,962					
		Change		+3,907									