

**IMPORTANT INFORMATION FOR SHAREHOLDERS**

**Notice of the Annual General Meeting of Shareholders**

**and**

**Information Circular**

**February 29, 2008**



**A Responsible Care® Company**

**[www.methanex.com](http://www.methanex.com)**

## TABLE OF CONTENTS

		<u>Page</u>
INVITATION TO SHAREHOLDERS . . . . .		i
NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS . . . . .		ii
INFORMATION CIRCULAR . . . . .		1
PART I	VOTING . . . . .	1
PART II	BUSINESS OF THE MEETING. . . . .	4
	Receive the Financial Statements . . . . .	4
	Election of Directors . . . . .	4
	Reappointment and Remuneration of Auditors . . . . .	12
	Interest of Certain Persons in Matters to be Acted Upon . . . . .	13
	Interest of Informed Persons in Material Transactions . . . . .	13
PART III	CORPORATE GOVERNANCE . . . . .	14
PART IV	COMPENSATION . . . . .	22
	Compensation of Directors . . . . .	22
	Report on Executive Compensation . . . . .	24
	Executive Compensation . . . . .	32
	Indebtedness of Directors and Executive Officers . . . . .	36
	Directors' and Officers' Liability Insurance . . . . .	36
PART V	OTHER INFORMATION . . . . .	37
	Total Shareholder Return Comparison . . . . .	37
	Normal Course Issuer Bid . . . . .	37
	Securities Authorized for Issuance Under Equity Compensation Plans . . . . .	38
	Shareholder Proposals . . . . .	41
	Additional Information . . . . .	41
	Approval by Directors . . . . .	42
SCHEDULE A	METHANEX CORPORATE GOVERNANCE PRINCIPLES . . . . .	43

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Telephone: (604) 661-2600  
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February 29, 2008



## Invitation to Shareholders

On behalf of the entire 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 & Exhibition Centre in Vancouver, British Columbia on Tuesday, May 6, 2008 at 10:30 a.m.

At the meeting, we will be voting on a number of important matters. 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, you should follow the instructions that you should receive from or on behalf of your intermediary to ensure that your shares get voted at the meeting in accordance with your wishes.

The meeting will provide you with a forum to learn more about our 2007 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 your questions.

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 through our website: [www.methanex.com](http://www.methanex.com).

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce Aitken".

Bruce Aitken  
President and Chief Executive Officer

# 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: Tuesday, May 6, 2008  
TIME: 10:30 a.m. (Vancouver time)  
PLACE: Meeting Rooms 1, 2 & 3  
Vancouver Convention & Exhibition Centre  
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, 2007 and the Auditors’ Report on such statements;
2. to elect directors;
3. to reappoint auditors;
4. to authorize the Board of Directors to fix the remuneration of the auditors; and
5. to transact such other business as may properly come before the Meeting.

**If you are a holder of 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 CIBC Mellon Trust Company using the envelope provided with these materials. Proxies must be received no later than 24 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 29th day of February, 2008.

BY ORDER OF THE BOARD OF DIRECTORS



RANDY MILNER  
Senior Vice President, General Counsel and  
Corporate Secretary

# METHANEX CORPORATION

## INFORMATION CIRCULAR

Information contained in this Information Circular is given as at February 29, 2008 unless otherwise stated. Except where otherwise noted, all dollar amounts are stated in Canadian dollars.

### 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 set forth 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 28, 2008 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 14, 2008 (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 March 14, 2008. As of February 29, 2008, there were 96,638,054 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 AllianceBernstein L.P. Based on information filed by them, AllianceBernstein L.P. beneficially owned and exercised control or direction over 15,222,082 Common Shares, representing approximately 15.75% of the voting rights attached to the Company’s voting securities.

#### Can I vote Common Shares that I acquired after March 14, 2008?

No. The *Canada Business Corporations Act* (“CBCA”) states that only a shareholder whose name is on the list of shareholders as at the Record Date is entitled to vote 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 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*

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, upon your arrival at the Meeting.

## What if I am not a Registered Shareholder?

Many shareholders are in fact “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 follow the directions and instructions received from your intermediary carefully 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. Do not otherwise complete any voting or proxy form you may receive directing how you want your shares voted 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 are being sent a form of proxy for the Meeting permitting them to appoint a person to attend and act as proxyholder at the Meeting. Registered Shareholders may use such form, or any other valid proxy form, to appoint a proxyholder. The enclosed form of proxy 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 form of proxy by marking the appropriate boxes on the proxy form, your shares will be voted as instructed. If you do not mark any boxes your proxyholder can vote your shares at their discretion.

## 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 CIBC Mellon Trust Company within the time specified below for receipt of proxies.**

If you leave the space on the proxy form blank, either Pierre Choquette or Bruce Aitken, both of whom are named in the form, are appointed to act as your proxyholder. Mr. Choquette 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 24 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 can vote your shares as they see fit. However, if you have not specified how to vote on a particular issue and Mr. Choquette or Mr. Aitken have been appointed as proxyholder, your shares will be voted in favour of the particular issue. For more information on these issues, 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.**

### **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, CIBC Mellon Trust Company, 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 borne 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 management of the Company. 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 which 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 the requirements of applicable law.

### **How do I contact the transfer agent?**

If you have any inquiries, the Company’s principal registrar and transfer agent is CIBC Mellon Trust Company, and can be contacted as follows:

Email: [inquiries@cibcmellon.com](mailto:inquiries@cibcmellon.com)  
Toll-free: 1 800 387 0825  
Telephone: (416) 643 5500  
Fax: (416) 643 5501  
Mail: CIBC Mellon Trust Company  
PO Box 7010  
Adelaide Street Postal Station  
Toronto, Ontario  
M5C 2W9

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.

## **PART II BUSINESS OF THE MEETING**

### **RECEIVE THE FINANCIAL STATEMENTS**


The consolidated financial statements for the year ended December 31, 2007 will be received by shareholders of the Company at the Annual General Meeting of the Company and are included in the Annual Report, which has been mailed to Registered Shareholders as required under the CBCA and to non-registered shareholders that have requested such financial statements with the Notice of the Annual General Meeting of Shareholders and this Information Circular.


### **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 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 February 29, 2008, the directors determined that the Board of Directors shall consist of 11 directors, such size being consistent with effective decision-making.


The Corporate Governance Committee recommends to the Board nominees for election as directors. The process by which the Committee identifies new candidates for nomination to the Board of Directors is described on page 18, under the heading "Nomination of Directors". The persons listed below are being proposed for nomination for election at the Meeting. The persons named in the accompanying proxy, if not expressly directed otherwise in such proxy, will vote the Common Shares in respect of which they have been appointed proxyholder in favour of the election of 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 and other relevant information, including the number of Common Shares<sup>(1)</sup>, Deferred Share Units<sup>(2)</sup> and Restricted Share Units<sup>(3)</sup> held by each of them as at the date of this Information Circular and their market value. In the case of Mr. Aitken, the Company's President and Chief Executive Officer, the table also sets out the number of Performance Share Units<sup>(4)</sup> and Stock Options<sup>(5)</sup> he holds. The table also sets out whether a nominee is independent or not independent. See page 15 for information on how director independence is determined.


	<p><b>BRUCE AITKEN</b></p> <p>Age: 53</p> <p>Vancouver, BC, Canada</p> <p>Director since: July 2004</p> <p><b>Not Independent</b></p>	<p>Mr. Bruce Aitken is currently 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 (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 17 years.</p> <p>Prior to joining the Company, Mr. Aitken was Executive Director of Cape Horn Methanol (now Methanex Chile) in Santiago. He also held a number of managerial positions with Fletcher Challenge Limited in New Zealand.</p> <p>Mr. Aitken has a Bachelor of Commerce from Auckland University and is a member of the New Zealand Institute of Chartered Accountants, ACA (Associate Chartered Accountant).</p>			
<b>Board / Committee Membership<sup>(6)</sup></b>		<b>2007 Attendance</b>	<b>Total 2007 Attendance at Board and Committee meetings</b>		<b>Other Current Board Memberships</b>
Member of the Board		7 of 7	7 of 7	100%	None
<b>Shares and Share Equivalents Held<sup>(7)</sup>:</b>					
<b>Year</b>	<b>Common Shares</b>	<b>Total DSUs, RSUs and PSUs</b>	<b>Total of Common Shares, DSUs, RSUs and PSUs</b>	<b>Total Market Value of Common Shares, DSUs, RSUs and PSUs<sup>(8)</sup></b>	<b>Meets Stock Ownership Guidelines?<sup>(9)</sup></b>
2008	102,964	325,047	428,011	\$11,124,006	Yes
2007	63,264	381,709	444,973	\$13,874,258	Yes
<b>Stock Options Held:</b>					
<b>Date Granted</b>	<b>Expiry Date</b>	<b>Number Granted</b>	<b>Exercise Price</b>	<b>Total Unexercised</b>	<b>Total Market Value of In-the-Money Unexercised Options<sup>(10)</sup></b>
February 29, 2008	February 28, 2015	207,000	US \$28.43	207,000	—
March 2, 2007	March 1, 2014	207,000	US \$24.96	207,000	\$825,930
March 3, 2006	March 2, 2013	342,000	US \$20.76	249,200	\$2,021,012
March 4, 2005	March 3, 2012	150,000	US \$17.85	50,000	\$548,000


	<p><b>HOWARD BALLOCH</b></p> <p>Age: 56</p> <p>Beijing, China</p> <p>Director since: December 2004</p> <p><b>Independent</b></p>	<p>Mr. Howard Balloch is currently President of The Balloch Group. Based in Beijing, The Balloch Group is a private investment advisory and merchant banking firm specializing in China and other Asian markets. Prior to this, from 1996 to 2001, Mr. Balloch was the Canadian Ambassador to the People's Republic of China.</p> <p>Mr. Balloch holds a Bachelor of Arts (Honours) in Political Science and Economics and a Masters Degree in International Relations, both from McGill University, Montreal.</p>			
<b>Board / Committee Membership</b>		<b>2007 Attendance</b>	<b>Total 2007 Attendance at Board and Committee meetings</b>		<b>Other Current Board Memberships</b>
Member of the Board Corporate Governance Committee Human Resources Committee Public Policy Committee (Chair)		6 of 7 4 of 4 4 of 4 2 of 2	16 of 17	94%	Ivanhoe Mines Ltd. Ivanhoe Energy Inc. Tiens Bio-Tec USA Ltd
<b>Shares and Share Equivalents Held<sup>(7)</sup>:</b>					
<b>Year</b>	<b>Common Shares</b>	<b>Total DSUs and RSUs</b>	<b>Total of Common Shares, DSUs and RSUs</b>	<b>Total Market Value of Common Shares, DSUs and RSUs<sup>(8)</sup></b>	<b>Meets Stock Ownership Guidelines?<sup>(9)</sup></b>
2008	4,000	10,240	14,240	\$370,098	Yes
2007	4,000	11,269	15,269	\$476,087	Yes


	<p><b>PIERRE CHOQUETTE</b></p> <p>Age: 65</p> <p>Vancouver, BC, Canada</p> <p>Director since: October 1994</p> <p><b>Independent<sup>(11)</sup></b></p>	<p>Mr. Pierre Choquette is a corporate director and is currently Chairman of the Board of the Company. Mr. Choquette was Chairman of the Board and Chief Executive Officer of the Company from September 2003 to May 2004 and President and Chief Executive Officer of the Company from October 1994 to September 2003. He was a Company employee for nine years.</p> <p>Mr. Choquette holds a Bachelor of Arts, Bachelor of Science and a Master of Science in Chemical Engineering from Laval University, Montreal. He is also a graduate of the Advanced Management Program at the Harvard Graduate School of Business Administration.</p>			
<b>Board / Committee Membership<sup>(12)</sup></b>		<b>2007 Attendance</b>	<b>Total 2007 Attendance at Board and Committee meetings</b>		<b>Other Current Board Memberships</b>
Member of the Board		7 of 7	7 of 7	100%	Canada Pension Plan Investment Board (government agency)
<b>Shares and Share Equivalents Held<sup>(7)</sup>:</b>					
<b>Year</b>	<b>Common Shares</b>	<b>Total DSUs and RSUs</b>	<b>Total of Common Shares, DSUs and RSUs</b>	<b>Total Market Value of Common Shares, DSUs and RSUs<sup>(8)</sup></b>	<b>Meets Stock Ownership Guidelines?<sup>(9)</sup></b>
2008	32,688	25,119	57,807	\$1,502,404	Yes
2007	32,000	14,836	46,836	\$1,460,346	Yes


	<p><b>PHILLIP COOK</b></p> <p>Age: 61</p> <p>Austin, Texas, USA</p> <p>Director since: May 2006</p> <p><b>Independent</b></p>	<p>Mr. Phillip 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.</p> <p>Mr. Cook holds a Bachelor of Mechanical Engineering from the University of Texas at Austin.</p>			
<b>Board / Committee Membership</b>		<b>2007 Attendance</b>	<b>Total 2007 Attendance at Board and Committee meetings</b>		<b>Other Current Board Memberships</b>
Member of the Board Audit, Finance & Risk Committee Public Policy Committee Responsible Care Committee		7 of 7 8 of 8 2 of 2 3 of 3	20 of 20	100%	Member, College of Engineering Foundation Advisory Board of the University of Texas at Austin (educational institution)
<b>Shares and Share Equivalents Held<sup>(7)</sup>:</b>					
<b>Year</b>	<b>Common Shares</b>	<b>Total DSUs and RSUs</b>	<b>Total of Common Shares, DSUs and RSUs</b>	<b>Total Market Value of Common Shares, DSUs and RSUs<sup>(8)</sup></b>	<b>Meets Stock Ownership Guidelines?<sup>(9)</sup></b>
2008	100	6,065	6,165	\$160,228	No
2007	100	3,000	3,100	\$96,658	No


	<p><b>THOMAS HAMILTON</b></p> <p>Age: 64</p> <p>Houston, Texas, USA</p> <p>Director since: May 2007</p> <p><b>Independent</b></p>	<p>Mr. Thomas Hamilton 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 and Standard Oil Company.</p> <p>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.</p>			
<b>Board / Committee Membership</b>		<b>2007 Attendance</b>	<b>Total 2007 Attendance at Board and Committee meetings</b>		<b>Other Current Board Memberships</b>
Member of the Board		4 of 4	10 of 10	100%	FMC Technologies, Inc. Hercules Offshore Inc.
Corporate Governance Committee		2 of 2			
Public Policy Committee		2 of 2			
Responsible Care Committee		2 of 2			
<b>Shares and Share Equivalents Held<sup>(7)</sup>:</b>					
<b>Year</b>	<b>Common Shares</b>	<b>Total DSUs and RSUs</b>	<b>Total of Common Shares, DSUs and RSUs</b>	<b>Total Market Value of Common Shares, DSUs and RSUs<sup>(8)</sup></b>	<b>Meets Stock Ownership Guidelines?<sup>(9)</sup></b>
2008	6,000	3,000	9,000	\$233,910	Yes
2007	0	Not applicable <sup>(13)</sup>			


	<p><b>DOUGLAS MAHAFFY</b></p> <p>Age: 62</p> <p>Toronto, Ontario, Canada</p> <p>Director since: May 2006</p> <p><b>Independent</b></p>	<p>Mr. Douglas Mahaffy held the position of Chairman and Chief Executive Officer of McLean Budden Limited from October 1989 to February 2008. On February 29, 2008, Mr. Mahaffy retired as Chief Executive Officer of McLean Budden; however, he remains Chairman. Mr. Mahaffy was also President of McLean Budden from October 1989 until September 2006. McLean Budden is an investment management firm that administers more than \$40 billion in assets for pension, foundation and private clients in Canada, the United States, Europe and Asia.</p> <p>Mr. Mahaffy holds a Bachelor of Arts and a Master of Business Administration, both from York University, Toronto.</p>			
<b>Board / Committee Membership</b>		<b>2007 Attendance</b>	<b>Total 2007 Attendance at Board and Committee meetings</b>		<b>Other Current Board Memberships</b>
Member of the Board		7 of 7	15 of 15	100%	Chairman, McLean Budden Limited (private company) (14)
Corporate Governance Committee (Chair)		4 of 4			
Human Resources Committee		4 of 4			
<b>Shares and Share Equivalents Held<sup>(7)</sup>:</b>					
<b>Year</b>	<b>Common Shares</b>	<b>Total DSUs and RSUs</b>	<b>Total of Common Shares, DSUs and RSUs</b>	<b>Total Market Value of Common Shares, DSUs and RSUs<sup>(8)</sup></b>	<b>Meets Stock Ownership Guidelines?<sup>(9)</sup></b>
2008	0	6,065	6,065	\$157,629	No
2007	0	3,000	3,000	\$93,540	No

	<p><b>A. TERENCE (TERRY) POOLE</b> Age: 65 Calgary, Alberta, Canada Director since: February 1994<sup>(15)</sup> <b>Independent</b></p>	<p>Mr. Terry 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.</p> <p>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 the Financial Executives Institute.</p>			
<b>Board / Committee Membership</b>	<b>2007 Attendance</b>	<b>Total 2007 Attendance at Board and Committee meetings</b>		<b>Other Current Board Memberships</b>	
Member of the Board Audit, Finance & Risk Committee (Chair) <sup>(16)</sup> Corporate Governance Committee Public Policy Committee	7 of 7 8 of 8 n/a <sup>(17)</sup> 2 of 2	17 of 17	100%	Pengrowth Corporation Synenco Energy Inc.	
<b>Shares and Share Equivalents Held<sup>(7)</sup>:</b>					
<b>Year</b>	<b>Common Shares</b>	<b>Total DSUs and RSUs</b>	<b>Total of Common Shares, DSUs and RSUs</b>	<b>Total Market Value of Common Shares, DSUs and RSUs<sup>(8)</sup></b>	<b>Meets Stock Ownership Guidelines?<sup>(9)</sup></b>
2008	30,000	21,057	51,057	\$1,326,971	Yes
2007	30,000	17,669	47,669	\$1,486,319	Yes

	<p><b>JOHN REID</b> Age: 60 Vancouver, BC, Canada Director since: September 2003 <b>Independent</b></p>	<p>Mr. John 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.</p> <p>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.</p>			
<b>Board / Committee Membership</b>	<b>2007 Attendance</b>	<b>Total 2007 Attendance at Board and Committee meetings</b>		<b>Other Current Board Memberships</b>	
Member of the Board Audit, Finance & Risk Committee Corporate Governance Committee Human Resources Committee (Chair) Responsible Care Committee	7 of 7 8 of 8 2 of 2 <sup>(18)</sup> 3 of 3 <sup>(18)</sup> n/a <sup>(17)</sup>	20 of 20	100%	Corix Infrastructure Inc. (private company) Corix Water Products Inc. (private company) Finning International Inc.	
<b>Shares and Share Equivalents Held<sup>(7)</sup>:</b>					
<b>Year</b>	<b>Common Shares</b>	<b>Total DSUs and RSUs</b>	<b>Total of Common Shares, DSUs and RSUs</b>	<b>Total Market Value of Common Shares, DSUs and RSUs<sup>(8)</sup></b>	<b>Meets Stock Ownership Guidelines?<sup>(9)</sup></b>
2008	10,000	29,814	39,814	\$1,034,766	Yes
2007	10,000	26,488	36,488	\$1,137,696	Yes

	<p><b>JANICE RENNIE</b></p> <p>Age: 50</p> <p>Edmonton, Alberta, Canada</p> <p>Director since: May 2006</p> <p><b>Independent</b></p>	<p>Ms. Janice Rennie is a corporate director. From 2004 to 2005, Ms. Rennie was Senior Vice President, Human Resources and Organizational Effectiveness for EPCOR Utilities Inc. EPCOR builds, owns and operates 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 &amp; Associates, which provided investment and related advice to small and mid-sized companies.</p> <p>Ms. Rennie holds a Bachelor of Commerce from the University of Alberta and is a Fellow of the Institute of Chartered Accountants of Alberta.</p>			
<b>Board / Committee Membership</b>	<b>2007 Attendance</b>	<b>Total 2007 Attendance at Board and Committee meetings</b>		<b>Other Current Board Memberships</b>	
Member of the Board Audit, Finance & Risk Committee Human Resources Committee	6 of 7 8 of 8 4 of 4	18 of 19	95%	bcIMC Hospitality Group (private company) Greystone Capital Management Inc. (private company) Matrikon Inc. Teck Cominco Limited West Fraser Timber Co. Ltd.	
<b>Shares and Share Equivalents Held<sup>(7)</sup>:</b>					
<b>Year</b>	<b>Common Shares</b>	<b>Total DSUs and RSUs</b>	<b>Total of Common Shares, DSUs and RSUs</b>	<b>Total Market Value of Common Shares, DSUs and RSUs<sup>(8)</sup></b>	<b>Meets Stock Ownership Guidelines?<sup>(9)</sup></b>
2008	2,000	6,065	8,065	\$209,609	Yes
2007	2,000	3,000	5,000	\$155,900	No

	<p><b>MONICA SLOAN</b></p> <p>Age: 53</p> <p>Calgary, Alberta, Canada</p> <p>Director since: September 2003</p> <p><b>Independent</b></p>	<p>Ms. Monica Sloan has been Chief Executive Officer of Intervera Ltd. since January 2004. Intervera provides 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.</p> <p>Ms. Sloan holds a Master of Engineering from Stanford University and a Master of Business Administration from the Harvard Graduate School of Business Administration.</p>			
<b>Board / Committee Membership</b>	<b>2007 Attendance</b>	<b>Total 2007 Attendance at Board and Committee meetings</b>		<b>Other Current Board Memberships</b>	
Member of the Board Corporate Governance Committee Human Resources Committee Responsible Care Committee	6 of 7 2 of 2 <sup>(18)</sup> 4 of 4 3 of 3	15 of 16	94%	Industrial Alliance Pacific Insurance and Financial Services Inc. Alberta Electric System Operator (AESO) (not-for-profit entity)	
<b>Shares and Share Equivalents Held<sup>(7)</sup>:</b>					
<b>Year</b>	<b>Common Shares</b>	<b>Total DSUs and RSUs</b>	<b>Total of Common Shares, DSUs and RSUs</b>	<b>Total Market Value of Common Shares, DSUs and RSUs<sup>(8)</sup></b>	<b>Meets Stock Ownership Guidelines?<sup>(9)</sup></b>
2008	3,000	26,813	29,813	\$774,840	Yes
2007	3,000	20,230	23,230	\$724,311	Yes

	<p><b>GRAHAM SWEENEY</b></p> <p>Age: 72</p> <p>Sarnia, Ontario, Canada</p> <p>Director since: July 1994</p> <p><b>Independent</b></p>	<p>Mr. Graham Sweeney is a corporate director. Mr. Sweeney was President of Dow Chemical Canada Inc. from 1993 to 1995. Prior to this, Mr. Sweeney held Vice President and senior executive positions with The Dow Chemical Company in Asia from 1981 to 1987 and with global responsibilities from 1988 to 1992.</p> <p>Mr. Sweeney holds a Bachelor of Science (Chemical Engineering) from the University of Natal, South Africa.</p>			
Board / Committee Membership		2007 Attendance	Total 2007 Attendance at Board and Committee meetings		Other Current Board Memberships
Member of the Board		7 of 7	20 of 20	100%	None
Audit, Finance & Risk Committee		8 of 8			
Public Policy Committee		2 of 2			
Responsible Care Committee (Chair)		3 of 3			
Shares and Share Equivalents Held <sup>(7)</sup> :					
Year	Common Shares	Total DSUs and RSUs	Total of Common Shares, DSUs and RSUs	Total Market Value of Common Shares, DSUs and RSUs <sup>(8)</sup>	Meets Stock Ownership Guidelines? <sup>(9)</sup>
2008	0	59,815	59,815	\$1,554,592	Yes
2007	0	55,593	55,593	\$1,733,390	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 “Directors’ Deferred Share Unit Plan” on page 22.
- (3) For information on Restricted Share Units, see “Long-Term Incentive Awards” on page 22.
- (4) For information on Performance Share Units, see “Performance Share Unit Plan” on page 27. 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) Shares and Share Equivalents Held are shown as at the date of the Information Circular in 2007 (March 5, 2007) and 2008 (February 29, 2008).
- (8) For 2008, the value is calculated using \$25.99, being the average closing price of the Common Shares on the Toronto Stock Exchange (“TSX”) for the 90-day period ending February 29, 2008. For 2007, the value is calculated using \$31.18, being the average closing price of the Common Shares on the TSX for the 90-day period ending March 5, 2007.
- (9) See page 23 for more information on director share ownership guidelines. All new directors have a reasonable period of time within which to meet their stock ownership guidelines.
- (10) This value is calculated using \$28.45, being the closing price of the Common Shares on the TSX on February 29, 2008. The US dollar exercise price has been converted to Canadian dollars using the Bank of Canada noon rate of exchange on February 29, 2008.
- (11) Mr. Choquette became independent on May 13, 2007. Please see “Director Independence” on page 15 for more information.
- (12) Mr. Choquette is not a member of any Committee, but attends Committee meetings on an ex-officio basis in his capacity as Chairman of the Board.
- (13) Mr. Hamilton was elected a director in May 2007. Therefore, he was not a director, and did not hold any share equivalents, at the date of the 2007 Information Circular.
- (14) 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 (“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 United States Steel Corporation.
- (15) Mr. Poole resigned as a director of the Company in June 2003 and was reappointed in September 2003.
- (16) Mr. Poole has been designated as the “audit committee financial expert”.
- (17) In January 2008, Mr. Poole joined the Corporate Governance Committee and Mr. Reid joined the Responsible Care Committee. They therefore did not attend any of those Committee meetings in 2007.
- (18) Mr. Reid was Chair of the Corporate Governance Committee until May 2007 and attended all meetings in 2007 until that time. Mr. Reid joined the Human Resources Committee in May 2007 and attended all meetings in 2007 after that time. Ms. Sloan joined the Corporate Governance Committee in May 2007 and attended all meetings in 2007 after that time.

## Summary of Board and Committee Meetings Held

For the 12-month period ending December 31, 2007

Board of Directors . . . . .	7
Audit, Finance and Risk Committee . . . . .	8
Corporate Governance Committee . . . . .	4
Human Resources Committee . . . . .	4
Public Policy Committee . . . . .	2
Responsible Care Committee . . . . .	3

## Summary of Attendance of Directors at Board and Committee Meetings

For the 12-month period ending December 31, 2007

Director	Board Meetings Attended	% Board Meetings Attended	Committee Meetings Attended	% Committee Meetings Attended
Bruce Aitken . . . . .	7 of 7	100	— <sup>(1)</sup>	—
Howard Balloch . . . . .	6 of 7	86	4 of 4 (CG) 4 of 4 (HR) 2 of 2 (PP – Chair)	100 100 100
Pierre Choquette . . . . .	7 of 7	100	— <sup>(2)</sup>	—
Phillip Cook . . . . .	7 of 7	100	8 of 8 (Audit) 2 of 2 (PP) 3 of 3 (RC)	100 100 100
Thomas Hamilton <sup>(3)</sup> . . . . .	4 of 4	100	2 of 2 (CG) 2 of 2 (PP) 2 of 2 (RC)	100 100 100
Douglas Mahaffy . . . . .	7 of 7	100	4 of 4 (CG – Chair) 4 of 4 (HR)	100 100
A. Terence Poole . . . . .	7 of 7	100	8 of 8 (Audit – Chair) 2 of 2 (PP)	100 100
John Reid . . . . .	7 of 7	100	8 of 8 (Audit) 2 of 2 (CG) <sup>(4)</sup> 3 of 3 (HR – Chair) <sup>(4)</sup>	100 100 100
Janice Rennie . . . . .	6 of 7	86	8 of 8 (Audit) 4 of 4 (HR)	100 100
Monica Sloan . . . . .	6 of 7	86	2 of 2 (CG) <sup>(4)</sup> 4 of 4 (HR) 3 of 3 (RC)	100 100 100
Graham Sweeney . . . . .	7 of 7	100	8 of 8 (Audit) 2 of 2 (PP) 3 of 3 (RC – Chair)	100 100 100

**Committees:**

Audit:            Audit, Finance and Risk Committee  
CG:                Corporate Governance Committee  
HR:                Human Resources Committee  
PP:                Public Policy Committee  
RC:                Responsible Care Committee

- (1) Mr. Aitken attends Committee meetings in his capacity as President and Chief Executive Officer of the Company.
- (2) Mr. Choquette attends Committee meetings on an ex-officio basis in his capacity as Chairman of the Board.
- (3) Mr. Hamilton was elected a director on May 7, 2007 and therefore did not attend any Board or Committee meetings prior to that time.
- (4) Mr. Reid was Chair of the Corporate Governance Committee until May 2007 and attended all meetings in 2007 until that time. Mr. Reid joined the Human Resources Committee in May 2007 and attended all meetings in 2007 after that time. Ms. Sloan joined the Corporate Governance Committee in May 2007 and attended all meetings in 2007 after that time.

## 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 proposed that the remuneration to be paid to the auditors be determined by the directors of the Company.

The persons named by the Company in the accompanying proxy, if not expressly directed to the contrary in such proxy, 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, are required to be coordinated and approved by the Chief Financial Officer to further ensure that adherence to this policy is monitored.

#### *Audit and Non-Audit Fees Paid to the Independent Auditors*

Fees paid to KPMG LLP during the years ended December 31, 2007 and December 31, 2006 were as follows:

US\$000s	2007	2006
Audit Fees . . . . .	1,810	1,654
Audit-Related Fees . . . . .	42	146
Tax Fees . . . . .	393	397
All Other Fees . . . . .	—	—
<b>Total . . . . .</b>	<b>2,245</b>	<b>2,197</b>

The nature of each category of fees is described below.

#### *Audit Fees*

Audit fees were paid 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 paid in 2007 are in respect of an "integrated audit" performed by KPMG LLP. 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.

#### *Audit-Related Fees*

Audit-related fees were paid 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 as to the accounting or disclosure treatment of other transactions.

#### *Tax Fees*

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

#### **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.

## **PART III CORPORATE GOVERNANCE**

### **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. The Principles can be found in Schedule A of this Circular and on our website. In addition, the Board of Directors establishes an annual set of “Board Objectives.” In 2007, the Board established several key objectives which call for particular attention to be paid to natural gas feedstock issues, the risks involved in investments in natural gas exploration, monitoring the progress of our new Egypt methanol project, reviewing the development of a strategic framework for investments in China and maintaining an ongoing overview of global energy markets and their relationships to methanol. The status and future actions in respect of each objective are 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 2007, or is currently, an officer or employee of the Company or any of its subsidiaries.

#### ***Audit, Finance and Risk Committee***

Members: Ms. Rennie and Messrs. Cook, Poole (Chair), Reid and Sweeney.

The Company’s Audit, Finance and Risk Committee is appointed by the Board to assist the Board in fulfilling its oversight responsibility relating to: the integrity of the Company’s financial statements; the financial reporting process; the systems of internal accounting and financial controls; the professional qualifications and independence of the external auditors; the performance of the external auditors; risk management processes; financing plans; pension plans; and compliance by the Company with ethics policies and legal and regulatory requirements. Mr. Poole is the “audit committee financial expert.” In 2007, this Committee met eight times. The overall Committee member attendance rate at these meetings was 100%.

The mandate of this 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 dated March 18, 2008.

#### ***Corporate Governance Committee***

Members: Ms. Sloan and Messrs. Balloch, Hamilton, Mahaffy (Chair) and Poole.

This Committee is responsible for the composition, compensation and governance of the Board and recommends to the Board nominees for election or appointment as directors. The functions of this Committee also include assessing and enhancing the performance of the Board and maintaining an effective working relationship between the Board and management of the Company. It is also responsible for taking a leadership role in shaping the corporate governance of the Company and developing and recommending to the Board corporate governance principles for the Company. In 2007, this Committee met four times. The overall Committee member attendance rate at these meetings was 100%.

#### ***Human Resources Committee***

Members: Ms. Rennie, Ms. Sloan and Messrs. Balloch, Mahaffy and Reid (Chair).

The Human Resources Committee is responsible for approving the goals and objectives of the CEO and evaluating the CEO’s performance; reviewing and recommending to the Board the remuneration of the Company’s senior executives and approving the remuneration of all other employees on an aggregate basis; reporting to the Board on the Company’s organizational structure, officer succession plans, total compensation practices, human resource policies and executive development programs; approving the report on executive compensation; recommending grants and various administrative matters in connection with the long-term incentive plan; and reviewing the operations and administration of the Company’s retirement plans. In 2007, this Committee met four times. The overall Committee member attendance rate at these meetings was 100%.

### ***Public Policy Committee***

Members: Messrs. Balloch (Chair), Cook, Hamilton, Poole and Sweeney.

The Public Policy Committee is responsible for reviewing and making recommendations to the Board regarding public policy matters that have a significant impact on the Company, including those relating to government relations and public affairs. In 2007, this Committee met twice. The overall Committee member attendance rate at these meetings was 100%.

### ***Responsible Care Committee***

Members: Ms. Sloan and Messrs. Cook, Hamilton, Reid and Sweeney (Chair).

The Responsible Care Committee is responsible for reviewing and making recommendations to the Board regarding matters relating to the environment and occupational health and safety issues that impact significantly on the Company and has oversight responsibility for the Company's Corporate Social Responsibility Policy. The Committee also reviews 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®. In 2007, this Committee met three times. The overall Committee member attendance rate at these meetings was 100%.

## **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, and we believe good corporate governance is critical to a 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 in the United States and the Foreign Securities Market of the Santiago Stock Exchange of Chile. In Canada, we are subject to National Instrument 58-101 — Disclosure of Corporate Governance Practices (the "Disclosure Instrument") and National Policy 58-201 — Corporate Governance Guidelines (the "Guidelines"). The Disclosure Instrument requires us to disclose certain corporate governance practices that we have adopted, while the Guidelines provide guidance on various corporate governance practices that companies like ours should adopt. A brief description of our corporate governance practices, with reference to the areas set out in the Disclosure Instrument and the Guidelines, follows.

### **1. Board of Directors**

#### ***Director Independence***

<b>Directors' Relationship to the Company</b>			
<b>Name</b>	<b>Independent</b>	<b>Not Independent</b>	<b>Reason for Not Independent Status</b>
Bruce Aitken . . . . .		✓	President and Chief Executive Officer of the Company
Howard Balloch . . . . .	✓		
Pierre Choquette . . . . .	✓		
Phillip Cook . . . . .	✓		
Thomas Hamilton . . . . .	✓		
Douglas Mahaffy . . . . .	✓		
A. Terence Poole . . . . .	✓		
John Reid . . . . .	✓		
Janice Rennie . . . . .	✓		
Monica Sloan . . . . .	✓		
Graham Sweeney . . . . .	✓		

Ten of the 11 nominees 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 the Disclosure Instrument. Mr. Aitken is the President and Chief Executive Officer of the Company and is therefore not independent.

The Chairman, Mr. Choquette, became an independent director on May 13, 2007. Prior to May 13, 2007, Mr. Choquette was not independent as in the past he was the Chief Executive Officer of the Company. He retired from his position as Chief Executive Officer of the Company on May 13, 2004.

Committees of the Board are constituted exclusively of independent directors. Mr. Aitken, in his capacity as President and Chief Executive Officer of the Company, and Mr. Choquette, 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 information about each nominee under "Election of Directors." There are no nominees who served together as directors on the boards of other corporations or acted as trustees for other entities during the financial year ended December 31, 2007.

### ***In Camera Sessions***

Following each in-person Board meeting, the independent directors hold regularly scheduled "in camera" sessions at which non-independent directors and members of management are not in attendance. Prior to the Chairman, Mr. Choquette, becoming an independent director on May 13, 2007, these in camera sessions were chaired by the Lead Independent Director. After May 13, 2007, these sessions were chaired by the Chairman. In 2007, six out of seven Board meetings were held in-person and in camera sessions followed each in-person meeting. In camera sessions may, at the discretion of each Committee Chair, follow Committee meetings.

### ***Independence of Board Chair and Lead Independent Director***

The Chairman of the Board, Mr. Choquette, became independent on May 13, 2007 in accordance with Nasdaq rules and the Disclosure Instrument. Prior to May 13, 2007, the Board had appointed a Lead Independent Director. However, the Board determined that the role of the Lead Independent Director should cease to exist upon the Chairman becoming independent.

### ***Meeting Attendance Records***

The cumulative Board and Committee meeting attendance rate for all directors in 2007 was 89%. For information concerning the number of Board and Committee meetings held in 2007, as well as the attendance record of each director for those meetings, see the chart on page 11.

## **2. Board Mandate**

The Company's Corporate Governance Principles include a Board mandate describing the Board's responsibilities. The Principles can be found in Schedule A of this Circular and on our website.

## **3. Position Descriptions**

### ***Board Chair and Committee Chairs***

The Board has developed written position descriptions (which we call "Terms of Reference") for the Chairman of the Board and each Committee Chair. The Terms of Reference for both the Chairman of the Board of Directors and for Committee Chairs are found on our website.

### ***Individual Directors***

The Board has developed written Terms of Reference for individual directors and they are found on our website. The Corporate Governance Principles also set out the responsibilities of each director.

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. The Company's Corporate Governance Principles state 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.

### ***Lead Independent Director***

Prior to May 13, 2007, the Board had a Lead Independent Director due to the Chairman not being independent. The Board determined that the role of the Lead Independent Director should cease to exist upon the Chairman becoming independent on May 13, 2007.

### ***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 and incentive compensation targets that he is responsible for meeting. These objectives and targets are reviewed, approved and tracked during the year by the Board through the Human Resources Committee. See “Chief Executive Officer Compensation” on page 29 for more complete information on these objectives and targets.

## **4. Orientation and Continuing Education**

To familiarize new directors with the role of the Board, its Committees, the directors and the nature and operation of the Company’s business, each new director and, indeed, all directors, are provided with a director’s manual in the form of an electronic CD that contains information regarding these matters as well as information on the responsibilities and liabilities of directors and other relevant information. CDs containing updated information are provided to all directors on an ongoing basis. In addition, the Company encourages new directors to meet with senior management and to visit our operations and plant locations.

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. The Company is a member of the Institute of Corporate Directors and our directors have attended some of the courses and programs it offers. The Company is prepared to contribute to the cost of directors attending appropriate continuing education programs. As well, written materials that are likely to be of interest to directors and that have been published in periodicals, newspapers or by law or accounting firms are routinely forwarded to directors. Such materials are often also included in a “supplemental reading” section in Board and Committee books.

Board meetings and associated activities also provide directors with educational opportunities. They often include an educational presentation on a particular aspect of the Company’s operations and may include a presentation by an individual director on a topic relevant to the Company’s business that lies within that director’s area of expertise. The Board also conducts an annual one-day strategy session that provides detailed information on the business environment and trends affecting the Company. Periodically, Board meetings are held at a location where the Company has methanol production operations or significant commercial activities. These site visits give directors an extended opportunity to interact with customers, business associates, government officials and high potential employees, tour facilities and gain an in-depth understanding of the context of our global operations.

## **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 assist them in avoiding 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 our Code of Business Conduct 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, which have as part of their mandates the obligation to annually monitor compliance with the Code. 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 awareness of the Code.

The Code states that suspected Code violations 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 a matter should be investigated and by whom.

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 of Business Conduct 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. These reports, together with management's knowledge of all transactions involving the Company and the directors and officers, are provided to the Corporate Governance Committee.

### ***CEO Trading Policy***

The Company has implemented a policy stating that if the President and Chief Executive Officer intends to trade in Company securities, including the exercise of options, a press release will be issued no less than five business days in advance of the date of the intended transaction. The press release shall contain information that includes the maximum amount of shares or options intended to be sold or exercised, the expected date of the transaction, the approximate number of common shares the President and CEO will hold after the intended transaction, the share ownership guideline applicable to the President and CEO and whether it is reasonably expected that the President and CEO will meet the guideline immediately after the anticipated transaction.

### ***Other Measures***

The Board takes other steps to encourage and promote a culture of ethical business conduct. First, the Company's Corporate Governance Principles state that 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, the Board has adopted a Corporate Social Responsibility (CSR) policy that covers a host of activities such as social investment, governance, employee engagement and development and community involvement and creates a linkage with the Company's firmly-established Responsible Care ethic. The Company also has several other policies governing ethical business conduct, including a Corrupt Payments Prevention Policy, a Political Donation Policy and a Corporate Gifts and Entertainment Policy. The Corrupt Payments Prevention Policy prohibits the payment of bribes and kickbacks by Company employees and agents. The Political Donation Policy prohibits all political donations unless they are specifically approved in advance by the Company's President and CEO. The Corporate Gifts and Entertainment Policy provides guidelines to Company employees on the appropriate manner that gifts, gratuities or entertainment are to be offered to or accepted from third parties with whom the Company has commercial relations.

## **6. Nomination of Directors**

### ***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 description of the responsibilities, powers and operation of the Corporate Governance Committee can be found on page 14.

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 which 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 all of the skills and experience of the current Board members against the matrix and has determined that the target numbers have been met.

<b>Skills &amp; Experience</b>	<b>Target Number of Non-Management Directors</b>
Leadership (CEO Experience) . . . . .	3-4
Commodity Experience . . . . .	3-4
Global Chemical Industry Experience . . . . .	3+
CFO / Retired Audit Partner . . . . .	2
Capital Markets . . . . .	1
Government Affairs. . . . .	1
Previous Board Experience . . . . .	7+
Environmental. . . . .	2-3
International Experience . . . . .	5-6
Upstream Energy . . . . .	1-2

In identifying potential director candidates, the Committee also takes into account a broad variety of additional factors it considers appropriate, including board dynamics and personal characteristics. Desirable individual characteristics include integrity, strength of character, 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.

Suitable director candidates have, over the past several years, been identified primarily 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 recommended candidate is then formally considered by the Committee and, if approved, the candidate is recommended to the Board.

***Majority Voting for Directors***

In 2006, the Board adopted 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.

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**

***Process for Determining Director Compensation***

The Corporate Governance Committee, composed entirely of independent directors, is responsible for reviewing and recommending to the Board for approval director compensation and benefits. The Committee targets director compensation in relation to the 50th percentile of North American-based chemical companies with international operations. This is the same comparison group of companies that the Company uses for executive compensation purposes. The Board has received independent advice that it is common practice to establish the same comparison group for director compensation as for executive officer compensation. The Committee reviews director compensation and benefits bi-annually. In 2007, Mercer Human Resource Consulting was engaged by the Committee to review the market competitiveness of the compensation of the Company’s independent directors.

### ***Process for Determining Officer Compensation***

The Human Resources Committee, composed entirely of independent directors, is responsible for reviewing and recommending to the Board for approval the compensation for the Company's officers. For further information on this Committee's responsibilities, powers and operation, please see page 14. The Company's executive compensation policy is designed to provide competitive compensation to enable the Company to attract and retain high-quality and high-performance executives who will significantly contribute to the Company meeting its strategic business objectives. The Committee periodically reviews the levels of compensation for officers and obtains independent advice from consultants with respect to the competitiveness of officer compensation. Please see page 24 for more information on the use of compensation consultants by the Committee. The Committee also obtains advice from the Chief Executive Officer with respect to compensation matters pertaining to the Company's other officers.

### **8. Other Board Committees**

In addition to the Audit, Finance and Risk Committee, the Corporate Governance Committee and the Human Resources Committee, the Board has established a Public Policy Committee and a Responsible Care Committee. A description of their responsibilities can be found on page 15.

### **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.

The Company has carried out annual evaluation processes for a number of years. In 2007, the process was comprised of 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 rated the Chairman of the Board and 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 of the Board. The content of that conversation was reported by the Chair of the Corporate Governance Committee to the full Committee at its November 2007 meeting.

#### ***Evaluation of the Board as a Whole***

Directors were provided with an opportunity to evaluate how the Board and its committees are operating and to make suggestions for improvement. Directors rated and provided comments on issues such as how the Board is organized and functions, their satisfaction with their level of understanding of human resources issues, the Company's strategic objectives, risks faced by the Company and the Company's financial controls. A separate section addressed the Board's committees and included questions such as the appropriateness of the current committee structure and the quality of reporting from committees to the full Board. Results were tabulated by the Corporate Secretary, provided to the Chairman of the Board and the Chair of the Corporate Governance Committee and then presented to the Corporate Governance Committee at its November 2007 meeting.

#### ***Evaluation of Individual Directors***

Directors were provided with an opportunity to examine 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 rated themselves and commented on their peers concerning a number of criteria including their satisfaction with their level of contribution on strategic issues and their comfort at being able to express frank and contrary positions at Board meetings. Directors were also asked to provide an overall rating for each of their peers and invited to comment on their performance. The Corporate Secretary received all questionnaires and each

director was provided with an individualized report detailing how that director scored himself or herself on each question, the combined average director score for each question and comments 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 2007 meeting regarding this process.

In addition, each Committee conducts an annual "mandate assurance review" in which it reviews the appropriateness of its own mandate and evaluates whether it is acting in compliance with its mandate. The Corporate Governance Committee is responsible for annually reviewing the mandates and performance of each Committee.

## PART IV COMPENSATION

### COMPENSATION OF DIRECTORS

#### Introduction

Directors' compensation is paid only to non-management directors and is made up of an annual retainer, meeting fees (except in the case of the Chairman) and a Long-Term Incentive Award.

#### Annual Retainer and Meeting Fees

During the year ended December 31, 2007, annual retainers and meeting fees were paid to non-management members of the Board on the following basis:

Annual retainer for a non-management director . . . . .	\$40,000
Annual retainer for the Chairman of the Board . . . . .	\$150,000
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 inter-continental travel fee to attend board or committee meetings . . . . .	\$2,500 per trip

All retainers and fees are paid in Canadian dollars. Non-management directors are also reimbursed for transportation and other expenses incurred for attending board and committee meetings. In 2005, the Chairman of the Board ceased to receive any "per meeting" attendance fees or travel fees as his annual retainer was converted to a flat annual amount. In May 2007, the Chairman's annual retainer was increased from \$120,000 to \$150,000.

#### *Directors' Deferred Share Unit Plan*

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 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, individuals who became directors in 2007 were not eligible to participate in the DSU Plan in 2007.

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 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.

#### Long-Term Incentive Awards

Non-management directors ceased to be granted options in 2003 and the Company's current Incentive Stock Option Plan does not permit the granting of options to non-management directors. No non-management director currently holds any options. Instead, 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 DSUs, which are more fully described on page 22. The following table summarizes the last two long-term incentive awards granted to directors:

	2007	2008
Chairman of the Board . . . . .	4,500 DSUs or RSUs	4,500 DSUs or RSUs
All other non-management directors . . . . .	3,000 DSUs or RSUs	3,000 DSUs or RSUs

**Restricted Share Unit Plan for Directors**

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 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 price of the Company’s Common Shares at that time, net of applicable withholding tax. RSUs do not entitle participants to any voting or other shareholder rights and are non-dilutive to shareholders.

The following table sets out what each director received by way of annual retainer, meeting fees and long-term incentive awards for 2007.

Director	Annual Retainer	Board Attendance Fees	Committee Attendance Fees	Committee Chair Fees	Travel Fees <sup>(1)</sup>	Total Fees	Value of Long-Term Incentive Award <sup>(2)</sup>	Total Compensation	% of Retainer and Fees Allocated to DSUs (%)
Bruce Aitken <sup>(3)</sup> . . . . .									
Howard Balloch . . . . .	40,000	15,000	25,000	5,000	12,500	97,500	82,680	180,180	0
Pierre Choquette . . . . .	140,000 <sup>(4)</sup>					140,000	124,020	264,020	100
Phillip Cook . . . . .	40,000	17,500	32,500		15,000	105,000	82,680	187,680	0
Thomas Hamilton . . . . .	30,000 <sup>(5)</sup>	10,000	15,000		7,500	62,500	— <sup>(6)</sup>	62,500	— <sup>(6)</sup>
Douglas Mahaffy . . . . .	40,000	17,500	20,000	5,000	15,000	97,500	82,680	180,180	0
A. Terence Poole . . . . .	40,000	17,500	25,000	20,000	2,500	105,000	82,680	187,680	0
John Reid . . . . .	40,000	17,500	32,500	12,500	2,500	105,000	82,680	187,680	100
Janice Rennie. . . . .	40,000	15,000	30,000		2,500	87,500	82,680	170,180	0
Monica Sloan. . . . .	40,000	15,000	22,500		2,500	80,000	82,680	162,680	100
Graham Sweeney . . . . .	40,000	17,500	32,500	7,500	15,000	112,500	82,680	195,180	0
<b>Total . . . . .</b>	<b>490,000</b>	<b>142,500</b>	<b>235,000</b>	<b>50,000</b>	<b>75,000</b>	<b>992,500</b>	<b>785,460</b>	<b>1,777,960</b>	

- (1) Travel fees are paid per trip for cross-country or inter-continental travel to attend board or committee meetings.
- (2) This value is calculated using \$27.56 per share, being the closing price of the Common Shares on the TSX on December 31, 2007. Directors can receive their long-term incentive award as RSUs or DSUs. Please see “Long-Term Incentive Awards” on page 22 for more information.
- (3) Mr. Aitken is the President and Chief Executive Officer and therefore does not receive any compensation as a director. See “Report on Executive Compensation” beginning on page 24 for information on Mr. Aitken’s compensation.
- (4) Mr. Choquette, as Chairman of the Board, does not receive any “per meeting” attendance fees or travel fees. In May 2007, his flat annual retainer was increased from \$120,000 to \$150,000.
- (5) Mr. Hamilton was elected a director in May 2007.
- (6) Mr. Hamilton was elected a director in May 2007 and therefore did not receive a long-term incentive award in 2007 nor was he eligible to participate in the DSU Plan in 2007.

**Directors’ Share Ownership Guidelines**

Since 1998, the Company has had share ownership guidelines for directors to promote shareholder alignment. The guidelines state that each non-management director is to own shares having a value equal to at least five times their annual retainer. RSUs and DSUs held by a director are considered when determining whether the individual is meeting the share ownership guidelines. All new directors have a reasonable period of time within which to meet their share ownership

guideline. The following table shows, among other things, the number of Common Shares, RSUs and DSUs held by each director as at February 29, 2008 and the percentage of the guideline achieved for each director based on their holdings on February 29, 2008.

Director	Director Since	Common Shares <sup>(1)</sup>	Restricted and/or Deferred Share Units Held <sup>(2)</sup>	% of Share Ownership Guideline Achieved <sup>(3)</sup>	Amount at Risk (\$) <sup>(3)</sup>	Amount at Risk as a Multiple of Annual Retainer <sup>(3)</sup>	Does Director Meet the Minimum Share Ownership Requirement?
Bruce Aitken . . . . .	July 2004	102,964	325,047	217% <sup>(4)</sup>	11,124,006	10.8 <sup>(4)</sup>	Yes
Howard Balloch . . . . .	Dec 2004	4,000	10,240	185%	370,098	9.3	Yes
Pierre Choquette . . . . .	Oct 1994	32,688	25,119	200% <sup>(5)</sup>	1,502,404	10.0 <sup>(5)</sup>	Yes
Phillip Cook . . . . .	May 2006	100	6,065	80%	160,228	4.0	No
Thomas Hamilton . . . . .	May 2007	6,000	3,000	117%	233,910	5.8	Yes
Douglas Mahaffy . . . . .	May 2006	0	6,065	79%	157,629	3.9	No
A. Terence Poole . . . . .	Feb 1994 <sup>(6)</sup>	30,000	21,057	663%	1,326,971	33.2	Yes
John Reid . . . . .	Sept 2003	10,000	29,814	517%	1,034,766	25.9	Yes
Janice Rennie . . . . .	May 2006	2,000	6,065	105%	209,609	5.2	Yes
Monica Sloan . . . . .	Sept 2003	3,000	26,813	387%	774,840	19.4	Yes
Graham Sweeney . . . . .	July 1994	0	59,815	777%	1,554,592	38.9	Yes

- (1) These include all Common Shares beneficially owned or over which control or direction is exercised.
- (2) In the case of Mr. Aitken, this column also includes Performance Share Units (“PSUs”) that he holds. Non-management directors do not participate in the PSU Plan.
- (3) These values are calculated using \$25.99 per share, being the average closing price of the Common Shares on the TSX for the 90-day period ending February 29, 2008.
- (4) Mr. Aitken is the President and Chief Executive Officer and therefore does not receive any compensation as a director. Both the percentage of share ownership guideline achieved and the amount at risk as a multiple of annual retainer, are calculated using his base annual salary as at February 29, 2008.
- (5) Mr. Choquette is Chairman of the Board, therefore his percentage of share ownership guideline achieved and the amount at risk as a multiple of annual retainer, are calculated using the Chairman’s annual retainer of \$150,000.
- (6) Mr. Poole resigned as a director in June 2003 and was reappointed in September 2003.

## REPORT ON EXECUTIVE COMPENSATION

### Human Resources Committee Report on Executive Compensation

The Human Resources Committee of the Board of Directors is responsible for compensation matters with respect to executive officers. The Committee, as of the date of this Information Circular, consists of five members — Ms. Rennie, Ms. Sloan and Messrs. Balloch, Mahaffy and Reid (Chair). None of the members of the Committee is, or was during the most recently completed financial year, an officer or employee of the Company or any of its subsidiaries; was formerly an officer of the Company or any of its subsidiaries; has any indebtedness to the Company or any of its subsidiaries; or has any material interest, or any associates or affiliates that have a material interest, direct or indirect, in any actual or proposed transaction since the beginning of the Company’s most recently completed financial year that has materially affected or would materially affect the Company or any of its subsidiaries.

As part of its mandate, the Human Resources Committee of the Board reviews and recommends to the Board for approval the remuneration of the Company’s executive officers, including the Named Executive Officers identified in the Summary Compensation Table found on page 32. The Committee periodically reviews the levels of compensation for executive officers and obtains advice from independent consultants in that regard. The last competitive assessment was conducted by Mercer Human Resource Consulting (“Mercer”) in February 2005 and the results were reviewed by the Committee in March 2005. Mercer provided benchmark market data and general market observations with respect to market trends and issues. Based on the results of this assessment, total cash compensation for executive officers was deemed to be competitive. The Committee also obtains the advice and recommendations of the Chief Executive Officer with respect to compensation matters pertaining to the Company’s other executive officers. Towers Perrin, from time to time, is retained to advise on specific executive compensation matters raised by the Committee. The Committee is

responsible for its decisions and may employ factors and considerations other than the information and advice provided by Mercer or Towers Perrin.

In 2007, Towers Perrin’s fees to the Company for advice regarding executive compensation and long-term compensation was approximately \$87,000. The Company also paid Towers Perrin for consulting and third-party administration services in connection with the Company’s employee pension plans (approximately \$93,000), executive supplemental retirement plans (approximately \$38,000) and benefits consulting (approximately \$16,000). Mercer’s fees to the Company for advice regarding executive and director compensation and Black-Scholes values for determining stock option grants were approximately \$16,000.

## Executive Compensation Policy

### Guiding Principles and Objectives

The Company’s executive compensation policy is designed to provide competitive compensation to enable the Company to attract and retain high-quality and high-performance executives who will significantly contribute to the Company meeting its strategic business objectives. The Company also believes in the importance of encouraging executives to own Company shares to more fully align management with the interests of shareholders and focus management’s activities on developing and implementing strategies that create and deliver value for shareholders.

### Share Ownership Guidelines

Since 1998, the Company has had share ownership guidelines in place for executive officers to promote meaningful share ownership. The guidelines encourage each executive officer to own shares having a value equal to at least, in the case of the Company’s Chief Executive Officer, five times annual base salary and, in the case of each of the other executive officers, three times annual base salary. Performance Share Units (“PSUs”) and Deferred Share Units (“DSUs”) held by an executive officer are considered when determining whether executives are meeting their share ownership guidelines. Executive officers are expected to use the proceeds from the exercise of stock options or the vesting of Restricted Share Units (“RSUs”) or PSUs to meet their share ownership guideline. The guidelines are intended to be met within three to five years from the date that each individual became an executive officer. All other management personnel of the Company are also subject to share ownership guidelines that are related to the level of their position. The following table summarizes the relationship between the share ownership position of each of the Named Executive Officers (as defined on page 32) and the share ownership guideline applicable to each of them.

Named Executive Officer	As At December 31, 2007					
	Minimum Ownership Requirement (as multiple of base salary)	Minimum Ownership Requirement (as number of Common Shares, PSUs and DSUs) <sup>(1)</sup>	Common Shares Beneficially Owned or Over Which Control or Direction is Exercised	Performance or Deferred Share Units Held	Total Holdings	Share Ownership Guidelines Achieved <sup>(2)</sup> %
Bruce Aitken <sup>(3)</sup> . . . . .	5 times	186,000	101,891	265,048	366,939	197
Ian Cameron . . . . .	3 times	45,000	12,508	48,295	60,803	135
John Gordon . . . . .	3 times	49,000	7,704	48,295	55,999	115
John Floren <sup>(4)</sup> . . . . .	3 times	45,000	16,615	25,854	42,469	94
Jorge Yanez . . . . .	3 times	45,000	38,578	25,854	64,432	143

- (1) Based on \$27.56 per share, being the weighted average closing price of the Common Shares on the TSX for the 90-day period ending December 31, 2007. For more information on the “Performance Share Unit Plan” and the “Deferred Share Unit Plan” please see pages 27 and 29 respectively.
- (2) Based on \$27.56 per share, being the weighted average closing price of the Common Shares on the TSX for the 90-day period ending December 31, 2007. The percentage demonstrates the extent to which the guideline has been achieved. The percentage is also based on 2007 base salary.
- (3) Bruce Aitken’s holdings of Common Shares, PSUs and DSUs as at February 29, 2008 and his percentage of share ownership guidelines achieved as at February 29, 2008 is also found on page 24.
- (4) John Floren was promoted to Senior Vice President effective June 1, 2005.

### ***Total Compensation***

Total compensation for executive officers comprises base salary, short-term incentives, long-term incentives and indirect compensation. Total compensation is established to be competitive in proximity to the 50th percentile of the aggregate compensation for organizations in a reference group of companies selected on the basis of size and industry and that represent the market within which the Company competes for leadership talent. In September 2007, the Human Resources Committee reviewed the reference group of companies that is used to establish total compensation for executive officers. Towers Perrin and Mercer were separately asked to develop a proposed reference group and provide the Committee with their selection criteria as well as a brief profile of each recommended company. The Committee reviewed the proposed reference groups and selected a composite reference group from those proposed. Specifically, the reference group of companies is comprised of North American-based companies in the chemical industry with annual revenues between US\$1.2 billion and \$7.2 billion, that have global operations and, where possible, operate in a commodity-based or cyclical business.

### ***Base Salary***

Base salaries for executive officers are targeted to be competitive in proximity to the 50th percentile of the reference group of companies, taking into account the growth, size, global complexity and autonomous characteristics of the Company. Base salary ranges are designed so that salary opportunities for a given position will be between 80% and 120% of the midpoint of the base salary established for each range.

### ***Short-Term Incentive Plan***

The Company's Short-Term Incentive Plan is designed to recognize the contributions made by executive officers to the business results of the Company. This plan provides for the potential of an annual cash award based on corporate performance using quantifiable financial and operational objectives and specific personal performance objectives, all of which have been established by the Board. A target award equaling 75% of annual base salary for the Chief Executive Officer and 50% of annual base salary for all other executive officers is dependent upon both personal and corporate performance. This plan provides for:

- no payment for the corporate performance component unless the Company achieves the minimum performance level;
- a payment of less than 100% for the corporate performance component if the Company achieves or exceeds the minimum performance level but does not achieve the target performance level; and
- a payment of at least 100% but less than 200% for the corporate performance component if the Company achieves or exceeds the target performance level but does not attain the maximum performance level; and
- a payment of 200% for the corporate performance component if the Company achieves or exceeds the maximum performance level.

The factor by which the incentive compensation award is calculated is pro-rated between the minimum, target and maximum award depending on actual performance under each of the components.

The Short-Term Incentive Plan award requires that corporate performance and personal performance be quantified and weighted for calculation purposes. The corporate performance component represents 60% of the potential overall award and is based on strategic corporate targets. The Board determined that the corporate performance component in 2007 be based on two elements: the Company's return on capital employed, modified to eliminate the distortion of accounting depreciation on new and depreciated assets ("Modified ROCE"), and total fixed cash costs budgeted for the year. The Company uses ROCE as a measure of the quality of the returns to shareholders and in 2007 established 12% Modified ROCE as the target payout. The Company's management establishes an annual budget for total fixed cash costs. Managing cash costs is a key focus for the Company. The personal performance component represents 40% of the potential overall award and is based on leadership and business initiatives identified for each executive officer's area of responsibility. A more detailed review of the Short-Term Incentive Plan as a component of the Chief Executive Officer's compensation is found on page 29.

Over the last five years, corporate performance has exceeded the target level each year but has never achieved the maximum performance level. The corporate performance component percentage over the past five years has been between 160% and 183% with an average of 167% of the target award. Generally, the Committee sets the minimum, target

and maximum performance levels such that the relative difficulty of achieving the target level is consistent from year to year, keeping in mind the historical cyclicality of the business.

Each executive officer may elect annually to receive 100%, 50% or 0% of his Short-Term Incentive Plan award as DSUs. No executive officers elected DSUs in respect of their 2007 Short-Term Incentive Plan award, which is paid in 2008. DSUs are more fully described on page 29 under the heading “Deferred Share Unit Plan”.

**Long-Term Incentive Plan**

The Long-Term Incentive Plan is designed to align the interests of executive officers with those of shareholders to focus efforts on improving shareholder value and the Company’s long-term financial strength and to provide an incentive to continue employment with the Company by providing executive officers with the opportunity to acquire an increased financial interest in the Company. The Long-Term Incentive Plan was significantly modified in 2003 with the introduction of the Restricted Share Unit Plan, described below, which serves to reduce stock option grants with a non-dilutive award of RSUs. The plan was further modified for 2006 to replace RSUs with PSUs.

The annual grant of stock options and PSUs is always established at the February/March Board meeting and the grant date is the date of that Board meeting. The number of options and PSUs granted to each executive officer in any year is related to responsibility level and may be adjusted to retain key talent and for longer-term potential for upward mobility.

The Long-Term Incentive Plan has the following two components:

**(a) Incentive Stock Option Plan**

Under the Incentive Stock Option Plan, executive officers are eligible for grants of Company stock options. Options are granted by the Board on the recommendation of the Human Resources Committee. The exercise price is set equal to the closing price of the Common Shares on the TSX on the day before the date of the grant and converted to US dollars using the Bank of Canada Daily Noon Rate on the day that the closing price is established. All options granted prior to 2005 expire, in the ordinary course, ten years after their date of grant. Stock options granted in 2005 and thereafter expire seven years after their date of grant. For a more complete description of the Incentive Stock Option Plan, please see page 38.

Since 2006, all executive officers received 50% of the value of their Long-Term Incentive Award in stock options and 50% in PSUs. In 2008, Mr. Aitken received 207,000 stock options and all other executive officers individually received 39,000 stock options. Mr. Aitken’s 2008 stock option grant represents less than 20% of the total stock options granted in 2008.

All management personnel of the Company who are subject to the share ownership guidelines are eligible for Long-Term Incentive Awards. The table below shows the number of stock options granted in 2007 and their ratio to outstanding shares as at December 31, 2007<sup>(1)</sup>:

Employee Group	# Stock Options Granted in 2007	# Stock Options Granted in 2007 as % of Outstanding Common Shares at Dec. 31, 2007
CEO . . . . .	207,000	0.211%
Executive Officers (excl. CEO) . . . .	312,000	0.317%
All Other Managers (approximately 120 individuals) . . . . .	595,891	0.606%
Total . . . . .	1,114,891	1.134%

(1) The Company had 98,310,254 Common Shares outstanding as at December 31, 2007.

**(b) Performance Share Unit Plan**

In 2006, the Company introduced the Performance Share Unit Plan. PSUs are notional shares credited to a “PSU Account.” Additional PSUs corresponding to dividends declared on the Common Shares are also credited to the PSU Account. PSUs granted in any year will normally vest on December 31, in the 24th month following the end of the year in which the award was made. For example, PSUs awarded in 2008 will vest on December 31, 2010. All of the executive officers and other key management personnel are eligible to participate in the PSU Plan. At the time of vesting, a minimum of 50% or a maximum of 120% of PSUs granted will vest depending on the Company’s performance against

predetermined criteria. For PSUs granted in 2008, the performance criterion is the compound annual growth rate in total shareholder return (“TSR CAGR”) over the period January 1, 2008 to December 31, 2010 (the “Measurement Period”). TSR CAGR is calculated as the change (if any) in value of an initial hypothetical investment of US\$100 in shares expressed as a percentage and determined on an annual and compounded basis over the Measurement Period, with dividends assumed to be reinvested. The following chart shows the TSR CAGR performance levels used to determine the number of PSUs that will actually vest based on the degree to which the TSR CAGR was achieved during the applicable Measurement Period.

Performance Measure TSR CAGR	Vesting Scale % of PSUs Vesting
≤6%	50%
8%	100%
≥10%	120%

The factor by which the PSUs are calculated is pro-rated between the minimum, target and maximum TSR CAGR depending on actual performance. The Company operates within a cyclical industry. PSUs are designed to both focus management efforts on performance while retaining employees in down cycles. As such, a minimum of 50% or a maximum of 120% of PSUs granted will vest at the end of the Measurement Period.

Mr. Aitken received 60,000 PSUs and all other executive officers individually received 11,000 PSUs as part of their 2008 Long-Term Incentive Award. Mr. Aitken’s 2008 PSU grant represents less than 20% of the total PSUs granted in 2008. A financial model created in 2007 for the Company predicts that, if the target of 8% TSR CAGR is achieved, the proportion of shareholder value created that will be paid to the CEO as a result of his 2007 PSU grant (“sharing rate”) will be 0.28% (or about US\$2.76 million per billion dollars of value created). The sharing rate for the total grant of 2007 PSUs to all management employees would be 1.38% (or about US\$13.8 million per billion dollars of value created).

In general, following the vesting of the PSUs, an employee receives an amount of cash equal to one-half of the value of their vested PSUs (less withholding taxes) and a number of Common Shares equal to one-half the number of vested PSUs. These Common Shares are purchased by the Company on the open market and then transferred to the employee. PSUs held by an employee are considered when determining whether the individual is meeting share ownership guidelines. PSUs do not entitle participants to any voting or other shareholder rights.

#### ***Restricted Share Unit Plan***

RSUs were replaced by PSUs as a component of the Long-Term Incentive Plan in 2006.

RSUs are notional shares credited to an “RSU Account.” Additional RSUs corresponding to dividends declared on the Common Shares are also credited to the RSU Account. Prior to 2005, executive officers were entitled to elect to receive 50% or 100% of the value of their annual Long-Term Incentive Award in the form of RSUs and, if resident in Canada, they could make a further election to take DSUs in place of their RSU award. In 2005, executives were granted 75% of their Long-Term Incentive value as RSUs. RSUs granted in any year will normally vest on November 1, in the 23rd month following the end of the year in which the award was made. For example, RSUs awarded in 2005 vested on November 1, 2007. In general, following the vesting of the RSUs, an employee receives an amount of cash equal to one-half of the value of their vested RSUs (less withholding taxes) and a number of Common Shares equal to one-half the number of vested RSUs. These Common Shares are purchased by the Company on the open market and then transferred to the employee. Under the RSU Plan, participating employees who are resident in Canada and participate in the DSU Plan can elect to receive DSUs in lieu of payments the employee would otherwise receive pursuant to the RSU Plan. RSUs held by an employee are considered when determining whether the individual is meeting share ownership guidelines. RSUs do not entitle participants to any voting or other shareholder rights.

#### ***Indirect Compensation Benefits and Perquisites***

Indirect compensation of executive officers includes participation in the retirement plans described more fully on page 34 as well as benefits such as extended health and dental care, life insurance and disability benefits. Executive officers may also participate in the Company’s Employee Share Purchase Plan which allows them to regularly contribute up to 15% of their base salary into an account in order to purchase Common Shares. The Company contributes into the account an amount of cash equal to one-half of the executive officer’s cash contribution to a maximum of 5% of base

salary. The combined funds in the account are, on a semi-monthly basis, used to purchase Common Shares on the open market.

### ***Deferred Share Unit Plan***

Under the DSU Plan, each executive officer may elect annually to receive 100%, 50% or 0% of his Short-Term Incentive Plan Award as DSUs. The actual number of DSUs granted to an executive officer with respect to an executive officer's Short-Term Incentive Plan Award is calculated in March of the following calendar year by dividing the dollar amount elected to the DSU Plan by the average daily closing price of the Common Shares on the TSX on the last 90 days of the prior calendar year. Under the Long-Term Incentive Plan, executive officers who are awarded PSUs or RSUs may elect to receive an equivalent number of DSUs in place of their PSU/RSU settlement at the time of vesting. A DSU account is credited with notional grants of DSUs received by each DSU Plan member. Additional DSUs are credited to DSU Plan members corresponding to dividends declared on the Common Shares. DSUs do not entitle a DSU Plan member to any voting or other shareholder rights. DSUs count towards the achievement of share ownership guidelines.

DSUs held by executive officers are redeemable only after the executive officer's employment with the Company ceases or upon death ("Termination Date") and a lump sum cash payment, net of any withholdings, is made after the executive officer chooses a valuation date. For DSUs granted after January 1, 2008, executive officers 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 executive officer cannot choose a date retroactively. For DSUs granted prior to January 1, 2008, 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.

### **Chief Executive Officer Compensation**

The Chief Executive Officer's total compensation is targeted to be competitive in proximity to the 50th percentile of the reference group of companies, taking into account the growth, size, global complexity and autonomous characteristics of the Company. A competitive assessment for the Chief Executive Officer was conducted in 2007 by Towers Perrin using the updated reference group of companies (see "Total Compensation" commencing on page 26 for more information on the reference group). The Human Resources Committee reviewed the results in November 2007 and found the Chief Executive Officer's target total compensation to be appropriately positioned within the reference group. The three components of the Chief Executive Officer's total compensation are:

- (a) Base Salary,
- (b) Short-Term Incentives, and
- (c) Long-Term Incentives.

#### ***(a) Base Salary***

The Chief Executive Officer's base salary is established within a salary range, the midpoint of which is targeted to be at the 50th percentile of the reference group of companies. Initial placement into the range is based on qualifications and experience. The salary may be adjusted based on annual assessments of performance against the demands of the position. Over time, base salary can approach and may exceed the midpoint of the salary range. In Mr. Aitken's case, initial placement into the range reflected a promotion from a subordinate position and, as he has gained in experience and demonstrated continued achievement, his salary has increased commensurately.

#### ***(b) Short-Term Incentive Plan***

The Short-Term Incentive Plan award requires that personal performance and corporate performance be quantified for calculation purposes and, in 2007, was weighted 60% for corporate performance and 40% for the Chief Executive Officer's personal performance. A target award equaling 75% of annual base salary has been established for the Chief Executive Officer.

The Board determined that the corporate performance component of the Short-Term Incentive Plan in 2007 be based on two elements: the Company's return on capital employed, modified to eliminate the distortion of accounting depreciation on new and depreciated assets ("Modified ROCE"), and total fixed cash costs budgeted for the year. The Company uses ROCE as a measure of the quality of the returns to shareholders and in 2007, established 12%

Modified ROCE as the target payout. The Company's actual Modified ROCE in 2007 was 25%, which resulted in a performance multiplier of 200% (maximum). The Company's management establishes an annual budget for total fixed cash costs. The Company considers total fixed cash costs to be confidential, competitive information and does not make public the exact target and result. Managing cash costs is a key focus for the Company. In 2007, total fixed cash costs were within expectations. This target was therefore achieved and resulted in a performance multiplier of 100%. The overall corporate performance factor was based two-thirds on the Modified ROCE element and one-third on the total fixed cash costs element, resulting in a corporate performance factor of 167%  $((2 \times 200\%) + (1 \times 100\%) / 3)$ .

The personal performance component of the Short-Term Incentive Plan is based on a number of measures. Mr. Aitken's 2007 personal performance component was made up of high priority objectives and supporting priorities. High priority objectives included delivering superior shareholder returns, developing gas supply alternatives for the Chilean assets, exhibiting continued industry leadership and demonstrating progress on the development of methanol-to-energy initiatives. Supporting priorities included achieving Responsible Care objectives, maximizing value from flexible high cost assets, completing succession and development plans for all senior management positions and implementing people leadership initiatives in Trinidad. Following the end of 2007, the Board reviewed Mr. Aitken's performance and determined that the objectives were exceeded in aggregate resulting in a personal performance multiplier of 120%. Based on the corporate and personal performance achieved in 2007, the Board awarded Mr. Aitken a short-term incentive award valued at 148% of the target payout. Consequently, he was awarded a short-term incentive payment of \$1,140,000. The calculation of Mr. Aitken's short-term incentive award is detailed in the table below:

Performance Component	Corporate Performance		Personal Performance
	Modified ROCE (ROCE)	Total Fixed Cash Costs (TFCC)	
Performance Target . . . . .	12%	At budget	See narrative above
2007 Performance Result . . . . .	25%	Achieved 100%	Exceeded
Performance Result Assessment (A) . .	Exceeded: 200% (maximum)	Achieved: 100%	Exceeded: 120%
Weighting (B) . . . . .	40%	20%	40%
Weighted Result (A × B) . . . . .	200% × 40% = 80% (X)	100% × 20% = 20% (Y)	120% × 40% = 48% (Z)
Overall Performance Result . . . . .	ROCE Weighted Result (X) + TFCC Weighted Result (Y) + Personal Weighted Result (Z) = 80% + 20% + 48% = 148%		
Award Calculation . . . . .	Salary at Dec. 31, 2007 × Short-Term Incentive Target x Overall Performance Result = \$1,027,000 × 75% × 148% = \$1,139,970 rounded to \$1,140,000		

For 2008, the Board has decided to focus purely on shareholder return and determined that the corporate performance component in respect of the Chief Executive Officer be based on Modified ROCE only. The Board has also determined that the CEO's 2008 high priority personal performance objectives comprise improving feedstock supply to our plants in Chile, exhibiting continued industry leadership, identifying and executing growth opportunities, including the Egypt project progressing on time and on budget, demonstrating progress on the development of methanol-to-energy initiatives, delivering superior shareholder returns as benchmarked against peers and certain other criteria. In 2008, the weighting for corporate performance will be 40% and the weighting for the Chief Executive Officer's personal performance will be 60%.

**(c) Long-Term Incentive Plan**

The long-term incentives to which the Chief Executive Officer is entitled are described commencing on page 27.

**Stress-Testing CEO Compensation**

While annual compensation awards made to the CEO are based on current year corporate and individual performance, the ultimate value from the Long-Term Incentive Plan Awards is linked to and dependent upon the Company's ability to replicate and sustain annual performance over the longer term.

To ensure that the Company's long-term compensation program is effective in delivering on this intent, in 2007 the Human Resources Committee reviewed scenarios that illustrated the impact of various future corporate performance outcomes, over three and five year periods, on the CEO's current holdings of shares of the Company and previously awarded and outstanding share units and stock options. The Committee determined that the intended relationship between

pay and performance was appropriate for the CEO and that, in aggregate, the resulting compensation modelled under various performance scenarios was reasonable, not excessive, and delivered the intended differentiation of compensation value based on corporate performance. In 2007, the Committee reviewed a look-back total-take analysis for the CEO over the past three years that confirmed that there were appropriate performance linkages and found that there was a reasonable relationship between the CEO's total compensation relative to total shareholder return.

**Summary of CEO Total Compensation**

The following table outlines the value of total compensation awarded to the CEO for 2005, 2006 and 2007.

Summary of CEO Total Compensation	2005 (\$)	2006 (\$)	2007 (\$)
<b>FIXED</b>			
Base Salary . . . . .	848,000	922,500	1,005,750
<b>VARIABLE</b>			
Short-Term Incentive Award (Paid for the Performance in that Year) . . .	900,000	1,000,000	1,140,000
Stock Options Granted in Year <sup>(1)</sup> . . . . .	801,000	1,910,395	1,678,439
PSUs Granted in Year <sup>(2)</sup> . . . . .	2,603,250	1,903,500	1,753,800
<b>OTHER</b>			
Perquisites and Other Personal Benefits not Including Pension Expense <sup>(3)</sup> . . . . .	130,449	123,988	99,644
<b>Total Direct Compensation</b> . . . . .	<b>5,282,699</b>	<b>5,860,383</b>	<b>5,677,633</b>
<b>RETIREMENT</b>			
Annual Pension Expense <sup>(4)</sup> . . . . .	163,240	177,581	193,607
<b>Total Compensation</b> . . . . .	<b>5,445,939</b>	<b>6,037,964</b>	<b>5,871,240</b>

- (1) The value shown is calculated by multiplying the number of stock options granted by the Canadian dollar equivalent of the US dollar exercise price at the time of the grant by the Black-Scholes valuation factor. 2005: Canadian dollar exercise price = \$22.25, Black-Scholes valuation factor = 24% 2006: Canadian dollar exercise price = \$23.50, Black-Scholes valuation factor = 23.77% 2007: Canadian dollar exercise price = \$29.23, Black-Scholes valuation factor = 27.74%.
- (2) The value shown is calculated by multiplying the number of PSUs awarded by the closing price of the Common Shares on the TSX on the day before the PSUs were granted. 2005: \$22.25; 2006: \$23.50; 2007: \$29.23.
- (3) Includes housing allowance, vacation payout, auto allowance, tax payments in respect of certain perquisites and benefits made on his behalf, club membership, contributions to the Company's Employee Share Purchase Plan and other miscellaneous items.
- (4) These amounts include contributions to Mr. Aitken's supplemental retirement plan plus contributions to his defined contribution retirement plan.

Submitted by the Human Resources Committee:

- J. Reid (Chair)
- H. Balloch
- D. Mahaffy
- J. Rennie
- M. Sloan

## EXECUTIVE COMPENSATION

### Summary Compensation

The following table sets forth a summary of compensation earned during the last three years by the Company's Chief Executive Officer, Chief Financial Officer and its three other executive officers who had the highest aggregate salaries and bonuses during 2007. (All such officers are herein collectively referred to as the "Named Executive Officers.")

All amounts shown in this table and elsewhere in this Information Circular are in Canadian dollars unless otherwise noted.

### Summary Compensation Table

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation Awards			All Other Compensation <sup>(5)</sup>
		Base Salary (\$)	Bonus <sup>(1)</sup>	Other Annual Compensation <sup>(2)</sup>	Securities Under Options Granted (#) <sup>(3)</sup>	Restricted/Performance Share Units <sup>(4)</sup>		
						(#)	\$	
Bruce Aitken . . . . . President and CEO	2007	1,005,750	1,140,000	—	207,000	60,000	1,753,800	243,894
	2006	922,500	1,000,000	74,378	342,000	81,000	1,903,500	227,191
	2005	848,000	900,000	83,843	150,000	117,000	2,603,250	209,846
Ian Cameron . . . . . Senior VP, Finance & CFO	2007	407,000	314,000	54,685	39,000	11,000	321,530	67,155
	2006	381,750	305,450	—	60,000	14,000	329,000	70,365
	2005	349,500	265,000	—	30,000	21,000	467,250	78,336
John Gordon . . . . . Senior VP, Corporate Resources	2007	442,750	330,000	—	39,000	11,000	321,530	95,192
	2006	428,750	341,650	76,688	60,000	14,000	329,000	95,414
	2005	412,000	306,000	73,618	30,000	21,000	467,250	92,504
John Floren . . . . . Senior VP, Global Marketing & Logistics	2007	407,000	322,000	153,919	39,000	11,000	321,530	87,505
	2006	381,750	328,450	157,892	60,000	14,000	329,000	85,633
	2005	325,000	274,000	116,080	5,250	4,800	106,800	82,127
Jorge Yanez <sup>(6)</sup> . . . . . Senior VP, Caribbean & Global Manufacturing	2007	390,000	304,000	472,694	39,000	11,000	321,530	109,900
	2006	386,000	310,503	467,606	60,000	14,000	329,000	118,904
	2005	379,000	281,000	96,077	10,500	9,750	216,938	104,509

(1) These annual incentive payments are reported in the year in which they were earned, not in the year in which they were actually paid. They are paid in cash and/or DSUs in the year following the year in which they are earned. The DSU Plan is more fully described on page 29. For more information concerning these annual incentives, refer to "Short-Term Incentive Plan" on page 26.

In 2006, a special cash award of 5% of base salary was made to all employees, with the exception of Mr Aitken, in recognition of outstanding overall corporate results. This special award is included in the 2006 amounts for Messrs. Cameron, Gordon, Floren and Yanez.

(2) The amounts shown represent:

- For Mr. Aitken: housing allowance (2005 — \$20,904), vacation payout (2005 — \$20,000), auto allowance, tax payments in respect of certain perquisites and benefits made on his behalf, club membership and other miscellaneous items.
- For Mr. Cameron: vacation payout (2007 — \$17,954), auto allowance, tax payments in respect of certain perquisites and benefits made on his behalf, club membership and other miscellaneous items.
- For Mr. Gordon: housing allowance (2005 — \$35,799), tax payments in respect of certain perquisites and benefits made on his behalf, auto allowance, club membership (2006 — \$18,763) and other miscellaneous items.
- For Mr. Floren: housing allowance (2007 — \$77,936; 2006 — \$91,288), vacation payout, auto allowance, tax payments in respect of certain perquisites and benefits made on his behalf (2005 — \$32,455), relocation payment (2005 — \$41,539), club membership and other miscellaneous items.
- For Mr. Yanez: expatriate allowances and tax gross-ups pursuant to the Company's standard assignment policies (2007 — \$275,804; 2006 — \$456,719; 2005 — \$84,446), vacation payout (2007 — \$186,571), auto allowance and other miscellaneous items.

Where there is no entry for Other Annual Compensation in the table, the total value of such compensation is less than the lesser of \$50,000 and 10% of the total annual salary and bonus for the Named Executive Officer.

Where no amount is stated in this footnote in respect of a particular benefit, the amount does not exceed 25% of the total Other Annual Compensation amount disclosed in the table.

(3) Consists of options granted for Common Shares of the Company.

(4) This column is comprised of RSUs awarded in 2005 and PSUs awarded in 2006 and 2007.

(a) Restricted Share Units

The RSU Plan is more fully described on page 28. The dollar value of the RSUs shown in the table is obtained by multiplying the number of RSUs awarded by the closing price of the Common Shares on the TSX on March 3, 2005 (\$22.25), the date immediately before the RSUs were awarded.

During 2007, the Named Executive Officers also received additional RSUs corresponding to dividends being declared on Common Shares: B. Aitken: 2,076 (2006 — 3,712; 2005 — 4,857); I. Cameron: 373 (2006 — 842; 2005 — 1,512); J. Gordon: 373 (2006 — 842; 2005 — 1,512); J. Floren: 85 (2006 — 195; 2005 — 240) and J. Yanez: 173 (2006 — 297; 2005 — 348).

RSUs awarded in 2005 and their applicable dividend equivalents vested on November 1, 2007. As a result, the Named Executive Officers received payment in one of the following three methods:

- one DSU for each vested RSU;
- cash for each vested RSU as determined by the weighted average closing board lot share price per Common Share on the TSX during the last 15 days on which such shares traded on the TSX prior to December 1, 2007; or
- cash for one-half of the vested RSUs as determined by the weighted average closing board lot share price per Common Share on the TSX during the last 15 days on which such shares traded on the TSX prior to December 1, 2007 and Common Shares equaling one-half of the number of vested RSUs.

The aggregate value provided to each Named Executive Officer in respect of the vested 2005 RSUs was as follows: B. Aitken: \$3,367,501; I. Cameron: \$601,397, J. Gordon: \$601,397; J. Floren: \$137,462 and J. Yanez: \$279,220.

The 2005 RSU grant was the last grant made under the RSU Plan. Therefore, none of the Named Executive Officers have outstanding unvested RSUs.

In 2006, Mr. Aitken elected to settle his vested 2004 RSUs in DSUs (70,073). During 2007, he also received 2,564 additional DSUs (2006 — 1,277; 2005 — 1,072) corresponding to dividends being declared on Common Shares. During 2007, Messrs. Cameron and Gordon each received 22,333 DSUs as settlement for their vested 2005 RSUs and 108 additional DSUs corresponding to dividends being declared on Common Shares. As at December 31, 2007, the total number of DSUs and their value (calculated by multiplying the number of DSUs by \$27.56, the closing market price of the Common Shares on the TSX on that date) was: B. Aitken 119,186 DSUs — \$3,284,766; I. Cameron 22,441 DSUs — \$618,474 and J. Gordon 22,441 DSUs — \$618,474. The DSU plan is more fully described on page 29.

(b) Performance Share Units

The PSU Plan is more fully described on page 27. The dollar value of the PSUs shown in the table is obtained by multiplying the number of PSUs awarded by the closing price of the Common Shares on the TSX on March 2, 2006 (\$23.50) or March 1, 2007 (\$29.23), the date immediately before the PSUs were awarded.

During 2007, the Named Executive Officers also received the following additional PSUs corresponding to dividends being declared on Common Shares: B. Aitken: 3,123 (2006 — 1,739); I. Cameron: 554 (2006 — 301); J. Gordon: 554 (2006 — 301); J. Floren: 554 (2006 — 301) and J. Yanez: 554 (2006 — 301).

The number and value of the aggregate holdings of unvested PSUs, including applicable dividend equivalents of each Named Executive Officer at the end of 2007 (calculated by multiplying the number of unvested PSUs then held by the Named Executive Officer by \$27.56, the closing price of the Common Shares on the TSX on December 31, 2007) was: B. Aitken: 145,862 PSUs — \$4,019,957; I. Cameron: 25,854 PSUs — \$712,536; J. Gordon: 25,854 PSUs — \$712,536; J. Floren: 25,854 PSUs — \$712,536; and J. Yanez: 25,854 PSUs — \$712,536.

- (5) The amounts include contributions to the Company's Employee Share Purchase Plan and pension contributions to both the regular Company Defined Contribution pension plan and contributions to the Canadian Defined Contribution Supplemental Retirement Plan.
- (6) Mr. Yanez receives his compensation in US dollars. His salary and other compensation shown in this table have been converted to Canadian dollars using an average foreign exchange rate for the relevant year, except for his annual incentive payment, which is calculated in Canadian dollars.

**Stock Options**

The following table sets forth information concerning the single grant of stock options made to Named Executive Officers during 2007, made on March 2, 2007.

**Option Grants During Most Recently Completed Financial Year**

Name	Securities, Under Options Granted (#)	Percent of Total Options Granted to Employees in Financial Year	Exercise or Base Price (US\$/Security) <sup>(1)</sup>	Market Value of Securities Underlying Options on the Date of Grant (US\$/Security) <sup>(1)</sup>	Expiration Date
Bruce Aitken . . . . .	207,000	19.15%	\$24.96	\$24.96	March 1, 2014
Ian Cameron . . . . .	39,000	3.61%	\$24.96	\$24.96	March 1, 2014
John Gordon . . . . .	39,000	3.61%	\$24.96	\$24.96	March 1, 2014
John Floren . . . . .	39,000	3.61%	\$24.96	\$24.96	March 1, 2014
Jorge Yanez . . . . .	39,000	3.61%	\$24.96	\$24.96	March 1, 2014

(1) For the purposes of these columns, the price represents the closing price on the TSX on the day prior to the date of the grant converted to US dollars at the noon rate as published by the Bank of Canada on that day. One-third of the options are exercisable beginning on the first anniversary of the date of the grant, one-third beginning on the second anniversary of the date of the grant and the final third are exercisable beginning on the third anniversary of the date of the grant. If the options are unexercised, they will expire in the ordinary course seven years after the date of their grant.

The following table sets forth information concerning the value realized upon the exercise of options during 2007 and the value of unexercised options held by the Named Executive Officers as at December 31, 2007.

**Aggregated Option Exercises During the Most Recently Completed Financial Year  
and Financial Year-End Option Values**

Name	Securities Acquired On Exercise (#)	Aggregate Value Realized (Cdn \$) <sup>(1)</sup>	Unexercised Options at December 31, 2007 (#)		Value of Unexercised in-the-Money Options at December 31, 2007 (Cdn \$) <sup>(2)</sup>	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Bruce Aitken . . . . .	192,800	1,737,116	21,200	485,000	146,524	2,632,066
Ian Cameron . . . . .	20,000	203,076	20,000	89,000	138,230	481,147
John Gordon . . . . .	40,000	419,175	Nil	89,000	Nil	481,147
John Floren . . . . .	21,750	116,242	Nil	80,750	Nil	400,249
Jorge Yanez . . . . .	Nil	Nil	23,500	82,500	172,551	417,409

(1) For the purposes of this column, if the exercise price of any option is denominated in US dollars, such exercise price has been converted to Canadian dollars using the Bank of Canada noon rate of exchange on the date of the exercise for those options exercised prior to September 1, 2007. After September 1, 2007, the foreign exchange rate used was taken at the time of the exercise and provided to the stock option administrator, Solium Capital, by the stockbroker, HSBC InvestDirect.

(2) The closing price of the Common Shares on the TSX on December 31, 2007 was \$27.56. For the purposes of this column, if the exercise price of any option is denominated in US dollars, such exercise price has been converted to Canadian dollars at the rate used by the stock option administrator, Solium Capital, being the US Dollar Settled PHLX World Currency Options closing rate on the Philadelphia Stock Exchange on December 31, 2007.

**Retirement Plans**

The Company has established a registered defined contribution retirement plan that provides an annual company contribution equal to 7% of annual base salary. Contributions are made to a retirement account and invested according to a selection of investment vehicles. Sixteen investment vehicles are currently available from four investment managers. At retirement, funds in the account may be used to purchase an annuity or they can be transferred to a life income fund or a locked-in registered retirement savings plan. No Named Executive Officers are members of a defined benefit retirement plan.

All Named Executive Officers except Mr. Yanez participate in the defined contribution plan. As a non-resident of Canada, Mr. Yanez is not eligible to participate in the Canadian retirement plan but participates in a defined contribution retirement plan of a US subsidiary of the Company.

Canadian income tax legislation places limits on the amount of retirement benefits that may be paid from the registered retirement plan. Named Executive Officers resident in Canada participate in a defined contribution supplemental retirement plan that provides benefits in excess of what is provided under the registered plan. Benefits are provided without regard to Canadian income tax limits on the maximum benefit payable and are paid net of any benefit payable under the registered plan. Supplemental plan contributions are based on earnings defined as base salary plus the target Short-Term Incentive Award and provide Named Executive Officers with an annual contribution equal to 11% of earnings less any contributions made to the registered plan. The Canadian defined contribution supplemental retirement plan was fully funded as of December 31, 2006 and remains fully funded on an accounting basis as of December 31, 2007. The supplemental plan funds are invested in a single fund with Phillips, Hager & North and represent an asset on the balance sheet. At retirement, funds in the member's account may be paid as a lump sum or paid as a 10-year monthly annuity. These payments would be made from the supplemental plan investment account, not from general revenue. No Named Executive Officers are members of any defined benefit supplemental retirement plan.

Mr. Yanez, a non-resident of Canada, participates in a supplemental plan of a US subsidiary of the Company that provides him with benefits materially similar to those provided to Named Executive Officers resident in Canada. The US supplemental plan is a notional plan and any payments under the plan are made from general revenue. A member's notional investment income in this plan is equivalent to the member's investment performance of their selected funds in the defined contribution retirement plan. At retirement, funds in the account will be paid as a lump sum.

The following table shows the change in value of the defined contribution supplemental retirement plan benefits for the Named Executive Officers:

	Bruce Aitken	Ian Cameron	John Gordon	John Floren	Jorge Yanez <sup>(1)</sup>
2007 Salary Rate . . . . .	\$1,027,000	\$413,000	\$446,000	\$413,000	\$413,000
2007 Short-Term Incentive Target . . . . .	\$ 770,250	\$206,500	\$223,000	\$206,500	\$206,500
Account Balance as at December 31, 2006 . . .	\$ 492,720	\$321,995	\$545,435	\$149,523	\$174,240
2007 Contributions . . . . .	\$ 173,607	\$ 47,155	\$ 53,054	\$ 47,155	\$ 56,558
Investment Income Credited in 2007 . . . . .	\$ (3,169)	\$ (849)	\$ (1,035)	\$ (775)	\$ 8,263
<b>Account Balance as at December 31, 2007 . .</b>	<b>\$ 663,158</b>	<b>\$368,301</b>	<b>\$597,454</b>	<b>\$195,903</b>	<b>\$239,061</b>

(1) Mr. Yanez's amounts have been converted to Canadian dollars using an average foreign exchange rate.

#### Total Retirement Plan Balance<sup>(1)</sup>

	Bruce Aitken	Ian Cameron	John Gordon	John Floren	Jorge Yanez <sup>(2)</sup>
Defined Contribution Retirement Plan Balance as at December 31, 2007 . . . . .	75,796	300,815	326,816	73,170	258,523
Supplemental Defined Contribution Retirement Plan Balance as at December 31, 2007 . . . . .	663,158	368,301	597,454	195,903	239,061
<b>Total Retirement Plan Balance as at December 31, 2007 . . . . .</b>	<b>738,954</b>	<b>669,116</b>	<b>924,270</b>	<b>269,073</b>	<b>497,584</b>

(1) Contributions for 2007 to both retirement plans described in this table are included under "All Other Compensation" in the Summary Compensation table on page 32.

(2) Mr. Yanez's amounts have been converted to Canadian dollars using an average foreign exchange rate.

#### Termination of Employment and Employment Contracts

The Company has entered into employment agreements with the Named Executive Officers that provide them with certain rights in the event of involuntary termination of employment or a Change of Control of the Company. Change of Control occurs when:

- More than 40% of voting shares of the Company are acquired by an outsider;
- A majority change in the Board of Directors of the Company occurs;
- All or substantially all of the assets of the Company are sold to an outsider; or
- A majority of directors determines that a change in control has occurred.

Mr. Aitken has an employment agreement that provides for three months notice and a termination payment, if his employment is terminated without cause, of an amount equal to (a) 2.5 times his annual salary; (b) 2.5 times his target Short-Term Incentive Plan payment; and (c) compensation for pension and various other company benefits he would have received over a 30-month period. In the event that (1) a Change of Control occurs and (2) Mr. Aitken is terminated or suffers a material change in his employment status within 24 months following a Change of Control, he is entitled to an amount equal to (a) 2.5 times his most recent compensation (highest annual salary during last three years plus the average of his last three years' Short-Term Incentive Plan and Long-Term Incentive Awards plus any other cash compensation awards); and (b) compensation for pension and other company benefits he would have received over a 30-month period, plus all legal and professional fees and expenses. In the event that his employment is terminated for cause, no notice or pay in lieu of notice will be provided. In the event that Mr. Aitken retires or resigns, no payment will be provided and Mr. Aitken is required to give not less than three months' written notice of retirement or resignation.

Messrs. Cameron, Gordon, Floren and Yanez each have an employment agreement that provides for three months' notice and a termination payment, if their employment is terminated without cause, of an amount equal to (a) 1.5 times their annual salary; (b) 1.5 times their target Short-Term Incentive Plan payment; and (c) compensation for pension and various other company benefits they would have received over an 18-month period. In the event that (1) a Change of Control occurs and (2) they are terminated or suffer a material change in their employment status within 24 months following a Change of Control, each is entitled to an amount equal to (a) 2.0 times their most recent compensation (highest

annual salary during last three years plus the average of his last three years' Short-Term Incentive Plan and Long-Term Incentive Awards plus any other cash compensation awards); and (b) compensation for pension and other company benefits they would have received over a 24-month period, plus all legal and professional fees and expenses. In the event that their employment is terminated for cause, no notice or pay in lieu of notice will be provided. In the event that Messrs. Cameron, Gordon, Floren or Yanez retires or resigns, no payment will be provided and they are required to give not less than three months' written notice of retirement or resignation.

#### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No director or officer of the Company, no proposed nominee for election as a director of the Company, and no associate of any such director, officer or proposed nominee, at any time during the most recently completed financial year, has been indebted to the Company or any of its subsidiaries or had indebtedness to another entity which is, or has been, the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company or any of its subsidiaries, other than, in each case, "routine indebtedness" (as defined in the CBCA and under applicable securities laws) or which was entirely repaid before the date of this Information Circular.

#### **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

The Company carries insurance that includes coverage for the benefit of the directors and officers of the Company and its subsidiaries arising from any claim or claims made against them, jointly or severally, during the policy period, by reason of any wrongful act, as defined in the policy, in their respective capacities as directors or officers. The policy also insures the Company and its subsidiaries in respect of any amount the Company or any of its subsidiaries is permitted or required to pay to any of its directors or officers as reimbursement for claims made against them in their capacity as a director or officer.

The insurance provides US\$125,000,000 coverage, inclusive of costs, charges and expenses, subject in the case of loss by the Company or its subsidiaries to a deductible of US \$500,000 (US \$1,000,000 for securities claims). There is no deductible in the case of loss by a director or officer. However, the limits of coverage available in respect of any single claim may be less than US \$125,000,000, as the insurance is subject to an annual aggregate limit of US \$125,000,000.

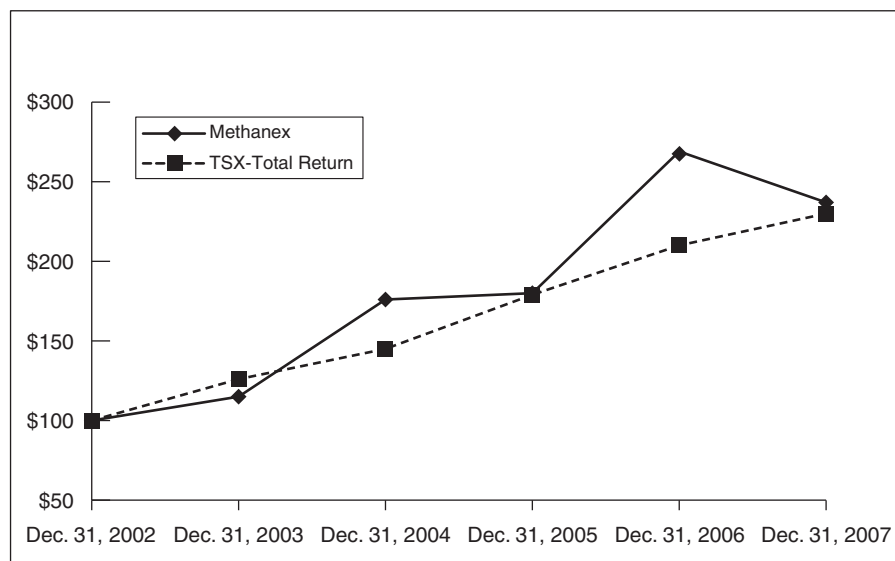
The cost of this insurance for the current policy year is US \$1,140,874.

## PART V OTHER INFORMATION

### TOTAL SHAREHOLDER RETURN COMPARISON

The following graph compares the total cumulative shareholder return for \$100 invested in Common Shares on December 31, 2002 with the cumulative total return of the S&P/TSX Composite Index (formerly the TSX 300 Composite Index), for the five most recently completed financial years.

**Cumulative Value of \$100 Investment**  
**Cumulative Value of \$100 Investment (Dividends Reinvested)**



	Dec. 31, 2003	Dec. 31, 2004	Dec. 31, 2005	Dec. 31, 2006	Dec. 31, 2007
Methanex	\$115	\$176	\$180	\$269	\$237
TSX-Total Return	\$126	\$145	\$179	\$210	\$230

Dividends declared on Common Shares of the Company are assumed to be reinvested at the closing share price on the dividend payment date.

### NORMAL COURSE ISSUER BID

On May 7, 2007 the Company received approval to conduct a normal course issuer bid (the "Bid") under which the Company had the ability but not the obligation to purchase up to 8,709,978 of its Common Shares, representing ten percent (10%) of the total public float of its issued and outstanding Common Shares as at May 7, 2007. The Bid commenced on May 17, 2007. The Bid expires on the earlier of the date that 8,709,978 Common Shares have been purchased or May 16, 2008. As at February 29, 2008, 6,222,100 Common Shares have been purchased under the Bid. The Company will provide to any shareholder of the Company, without charge, a copy of the Company's notice to the TSX of its intention to make a normal course issuer bid upon request to the Corporate Secretary of the Company.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

### Equity Compensation Plan Information

The following table provides information as at December 31, 2007 with respect to compensation plans under which equity securities of the Company are authorized for issuance.

	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights <sup>(1)</sup>	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Plan Category	(a)	(b)	(c)
Equity Compensation Plans Approved by Securityholders. . . . .	3,075,431	\$20.27	1,325,244
Equity Compensation Plans not Approved by Securityholders. . . . .	—	—	—
Total . . . . .	3,075,431	\$20.27	1,325,244

(1) For the purposes of this column, if the exercise price of any option is denominated in US dollars, such exercise price has been converted to Canadian dollars using the Bank of Canada closing rate of exchange on December 31, 2007.

There is no compensation plan under which equity securities of the Company are authorized for issuance that was adopted without approval of securityholders.

### Incentive Stock Option Plan

The Company has an Incentive Stock Option Plan (also referred to as the “Plan”) pursuant to which the Board of Directors may from time to time in its discretion grant to officers, directors and other employees of the Company and its subsidiaries, options to purchase unissued Common Shares. Options may not be granted to non-management directors under the Plan.

The following table sets out the total number of Common Shares authorized for issuance under the current Plan, the number of Common Shares potentially issuable pursuant to options outstanding and unexercised under the Plan from and after February 29, 2008, and the remaining number of Common Shares available to be issued pursuant to options granted from and after February 29, 2008.

Common Shares Authorized for Issuance under Plan		Common Shares Issuable Pursuant to Outstanding Unexercised Options from and after February 29, 2008		Common Shares Available for Future Issuance Pursuant to Options Granted from and after February 29, 2008	
Maximum Number	Percentage	Number of Common Shares	Percentage	Number of Common Shares	Percentage
5,250,000	5.4 <sup>(1)</sup>	4,125,699	4.3 <sup>(1)</sup>	247,176	0.3 <sup>(1)</sup>

(1) Approximate percentage of the Company’s 96,638,054 outstanding Common Shares on a non-diluted basis as at February 29, 2008.

The maximum number of Common Shares that may be reserved for issuance to, or covered by any option granted to, any person may not exceed the lower of 5% of the issued and outstanding Common Shares or the maximum number permitted by the applicable securities laws and regulations of Canada or of the United States or any political subdivision of either, and the bylaws, rules and regulations of any stock exchange or other trading facility upon which the Common Shares are listed or traded, as the case may be. Apart from this restriction, there is no maximum number or percentage of securities under the Plan available to insiders of the Company or which any person is entitled to receive under the Plan.

The exercise price for each option granted under the Plan is the price fixed for such option by the Board, which may not be less than the fair market value of the Common Shares on the date the option is granted. Beginning in 2002, the fair market value for this purpose is deemed to be the US Dollar equivalent of the closing price at which board lots of the Common Shares were traded on the TSX on the day preceding the date on which the option is granted or if no board lots are traded on such date then the US Dollar equivalent of the closing price at which board lots were traded on the most

recent day upon which at least one board lot was traded. The US Dollar equivalent is determined by using the US Dollar/Canadian Dollar Daily Noon Rate as published by the Bank of Canada on the day the closing price is established.

Subject to certain limitations contained in the Plan, options may be granted upon and subject to such terms, conditions and limitations as the Board may from time to time determine with respect to each option, including terms regarding vesting. The Common Shares subject to any option may be purchased at such time or times after the option is granted as may be determined by the Board. Pursuant to the provisions of the Plan, each option must expire on an expiry date no later than ten years from the day the option was granted except that, subject to the right of the Board in its discretion to determine that a particular option may be exercisable during different periods, in respect of a different amount or portion or in a different manner:

- (a) in the case of death of an optionee prior to the expiry date, the option will vest immediately and will be exercisable prior to the earlier of (i) the date which is one year from the date of death, and (ii) the expiry date;
- (b) in the case of disability of the optionee prior to the expiry date, the option shall vest immediately and will be exercisable until the expiry date;
- (c) in the case of termination of the optionee's employment by reason of (i) retirement of the optionee where the optionee is not less than 55 years of age, or (ii) circumstances which the Board of Directors, in its discretion, determines constitute a "major divestiture or disposition of assets, facility closure or major downsizing" (which determination shall be conclusive and binding on all parties concerned), the option will continue to vest in accordance with its terms but will be exercisable until the expiry date; and
- (d) if the optionee ceases, for any other reason, to be a director, officer or employee of the Company or of a subsidiary of the Company prior to the expiry date, the option will be exercisable prior to the earlier of (i) the date which is 90 days from the date the optionee ceases to be a director, officer or employee and (ii) the expiry date.

Where an option expires or ceases to be exercisable during a blackout period during which trading in Company securities is restricted in accordance with the policies of the Company or its affiliates, or within the 10 business days immediately after a blackout period, the expiry date shall become a date which is 10 days after the last day of the blackout period.

All options granted by the Company prior to 2005 have vested and each unexercised option granted prior to 2005 expires, in the ordinary course, ten years after the date of their grant. For options granted in 2005 and thereafter and (it is intended) in future years, one-third of the options are exercisable on the first anniversary of the date of the grant, a further third on the second anniversary of the date of the grant and the final third are exercisable on the third anniversary of the date of the grant. Options granted in 2005 and thereafter and (it is intended) in future years, if unexercised, expire, in the ordinary course, seven years after the date of their grant.

With respect to executive officers who have employment agreements, in the event of a change of control, any option granted prior to the change of control that is not then exercisable becomes exercisable immediately prior to such change of control. Furthermore, unexercised options may be exercised up to their stated expiry date provided that nothing shall preclude the compulsory acquisition of such options at their fair market value in the event of a going private transaction effected pursuant to the amalgamation, arrangement or compulsory acquisition provisions of the CBCA or successor legislation thereto. No option may be transferable or assignable otherwise than by will or the laws of succession and distribution.

In September 1999, "performance stock options" were granted to all executive officers and certain other key employees of the Company. The performance stock options were granted at a price of \$4.47, the closing price of the Common Shares on the TSX on the day before the day of the grant. The vesting of the performance stock options is tied to the market value of the Common Shares after October 1, 2002, with these options being fully vested once the Common Shares traded at or above \$20. All performance stock options are now vested and exercisable and they expire on September 9, 2009.

Approval by the affirmative vote of not less than a majority of the votes cast by the shareholders voting (excluding, to the extent required pursuant to any applicable stock exchange rules or regulations, votes of securities held by insiders benefiting from the amendment) is required for the following amendments to the Plan or options granted under it:

1. an increase in the number of Common Shares that can be issued under the Plan, including an increase to the fixed maximum number of securities issuable under the Plan, either as a fixed number or a fixed percentage of the Company's outstanding capital represented by such securities;
2. a reduction in the exercise price or purchase price of outstanding options (including a cancellation of an outstanding option for the purpose of exchange for reissuance at a lower exercise price to the same person);
3. an extension of the expiry date of an option or amending the Plan to permit the grant of an option with an expiry date of more than 10 years from the day the option is granted;
4. an expansion of the class of eligible recipients of options under the Plan that would permit the re-introduction of non-employee directors on a discretionary basis or an increase on limits previously imposed on non-employee director participation;
5. an expansion of the transferability or assignability of options, other than to a spouse or other family member, an entity controlled by the option holder or spouse or family member, an RRSP or RRIF of the option holder, spouse or family member, a trustee, custodian or administrator acting on behalf of, or for the benefit of, the option holder, spouse or family member, any person recognized as a permitted assign in such circumstances in securities or stock exchange regulatory provisions, or for estate planning or estate settlement purposes;
6. any amendment of the Plan to increase any maximum limit of the number of securities that may be:
  - (a) issued to insiders of the Company within any one year period, or
  - (b) issuable to insiders of the Company at any time;which may be specified in the Plan, when combined with all of the Company's other security based compensation arrangements, to be in excess of 10% of the Company's total issued and outstanding securities, respectively;
7. if the Plan has a fixed maximum number of securities issuable, the addition of any provision that allows for the exercise of options without cash consideration, whether the option holder receives the intrinsic value in the form of securities from treasury or the intrinsic value in cash, which does not provide for a full deduction of the underlying Common Shares from the maximum number issuable under the Plan or, if the Plan does not have a fixed maximum number of securities issuable, the addition of any provision that allows for the exercise of options without cash consideration where a deduction may not be made for the number of Common Shares underlying the options from the Plan reserve; and
8. a change to the amendment provisions of the Plan;

provided that shareholder approval will not be required for increases or decreases or adjustment to the number of Common Shares subject to the Plan or deliverable upon the exercise of any option or adjustment in the exercise price for shares covered by options and the making of appropriate provisions for the continuance of the options outstanding under the Plan to prevent their dilution or enlargement in accordance with the section or sections of the Plan which provide for such increase, decrease, adjustments or provisions in respect of certain events, including the subdivision or consolidation of the Common Shares or reorganization, merger, consolidation or amalgamation of the Company, or for the amendment of such section or sections.

The Board of Directors has authority to make other amendments to the Plan or any option relating to: (i) clerical or administrative changes (including a change to correct or rectify an ambiguity, immaterial inconsistency, defective provision, mistake, error or omission or clarify the Plan's provisions or a change to the provisions relating to the administration of the Plan); (ii) changing provisions relating to the manner of exercise of options, including changing or adding any form of financial assistance provided by the Company to participants or, if the Plan has a fixed maximum number of securities issuable, adding provisions relating to a cashless exercise which provides for a full deduction of the underlying Common Shares from the maximum number issuable under the Plan; (iii) changing the eligibility for and limitations on participation in the Plan (other than amendments of the Plan to increase any maximum limit of the number of securities that may be issued or issuable to insiders which may be specified in the Plan or the reintroduction of participation by non-management directors on a discretionary basis); (iv) changing the terms, conditions and mechanics of grant, vesting, exercise and early expiry of options; (v) changing the provisions for termination of options so long as the

change does not permit the Company to grant an option with an expiry date of more than 10 years or extend an outstanding option's expiry date; (vi) additions, deletions or alterations designed to respond to or comply with any applicable law or any tax, accounting, auditing or regulatory or stock exchange rule, provision or requirement or to allow optionholders to receive fair and equitable tax treatment under any applicable tax legislation; and (vii) certain changes to provisions on the transferability of options which do not require shareholder approval as described above.

No amendment of the provisions of the Plan or any option may, without the consent of the optionee, adversely affect or impair any options previously granted to an optionee under the Plan.

### **SHAREHOLDER PROPOSALS**

Shareholder proposals to be considered at the 2009 Annual General Meeting of shareholders of the Company must be received at the principal executive offices of the Company no later than December 28, 2008 to be included in the information circular and form of proxy for such annual meeting.

### **ADDITIONAL INFORMATION**

**Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com) and at the Company's website at [www.methanex.com](http://www.methanex.com). Financial information is provided in the Company's comparative financial statements and Management's Discussion and Analysis ("MD&A") for the most recently completed financial year.**

The Company will provide to any person or company, without charge to any security holder of the Company, upon request to the Corporate Secretary of the Company, copies of the Company's comparative consolidated financial statements and MD&A for the year ended December 31, 2007, together with the accompanying auditor's report and any interim consolidated financial statements of the Company that have been filed for any period after the end of the Company's most recently completed financial year.

If a registered holder or beneficial owner of the Company's securities, other than debt instruments, requests the Company's annual or interim financial statements or MD&A, the Company will send a copy of the requested financial statements and MD&A (provided it was filed less than two years before the Company receives the request) to the person or company that made the request, without charge. Pursuant to National Instrument 51-102, the Company is required to send a request form to registered holders and beneficial owners of the Company's securities, other than debt securities, that such registered holders and beneficial owners may use to request a copy of the Company's annual financial statements and MD&A, interim financial statements and MD&A, or both. Registered holders and beneficial owners should review the request form carefully. In particular, registered holders and beneficial owners should note that, under applicable Canadian securities laws, the Company is only required to deliver the financial statements and MD&A to a person or company that requests them. Failing to return a request form or otherwise specifically requesting a copy of the financial statements or MD&A from the Company may result in a registered holder or beneficial owner not being sent these documents. Copies of these documents can also be found at [www.sedar.com](http://www.sedar.com) and the Company's website at [www.methanex.com](http://www.methanex.com).

**APPROVAL BY DIRECTORS**

The contents and the sending of this Information Circular have been approved by the Board of Directors of the Company.

DATED at Vancouver, British Columbia this 29th day of February, 2008.

A handwritten signature in black ink, appearing to read 'R. Milner', with a small flourish at the end.

RANDY MILNER  
SENIOR VICE PRESIDENT, GENERAL COUNSEL  
AND CORPORATE SECRETARY

## SCHEDULE A

### METHANEX CORPORATE GOVERNANCE PRINCIPLES

#### TABLE OF CONTENTS

1. OBJECT OF THESE CORPORATE GOVERNANCE PRINCIPLES .....	44
2. CODE OF ETHICS .....	44
3. BOARD RESPONSIBILITIES .....	44
4. DIRECTOR RESPONSIBILITIES .....	44
5. BOARD LEADERSHIP .....	45
6. BOARD MEMBERSHIP .....	45
7. BOARD COMPENSATION .....	46
8. SHARE OWNERSHIP .....	46
9. ASSESSING THE BOARD'S PERFORMANCE .....	46
10. BOARD'S INTERACTION WITH STAKEHOLDERS .....	46
11. MEETING PROCEDURES .....	47
12. COMMITTEE MATTERS .....	47
13. BOARD RELATIONSHIP TO SENIOR MANAGEMENT .....	47
14. ACCESS TO RESOURCES AND ENGAGEMENT OF ADVISORS .....	48
15. EVALUATION AND SUCCESSION OF EXECUTIVE OFFICERS .....	48
16. REVIEW OF CORPORATE GOVERNANCE PRINCIPLES .....	48

## **1. OBJECT OF THESE CORPORATE GOVERNANCE PRINCIPLES**

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The Board of Directors of Methanex Corporation (the “Company”) has adopted these Corporate Governance Principles as it is responsible for providing the foundation for a system of principled goal-setting, effective decision-making and ethical actions, with the objective of establishing a vital corporate entity that provides value to the Company’s shareholders.

## **2. CODE OF ETHICS**

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All directors, officers and employees are expected to display the highest standard of ethics. The Company has a Code of Business Conduct to establish guidelines for ethical and good business conduct by directors, officers, and employees and the Code shall include guidance regarding conflicts of interest, protection and proper use of corporate assets and opportunities, confidentiality, fair dealing with third parties, compliance with laws and the reporting of illegal or unethical behaviour. The Board, through the Corporate Governance Committee, shall monitor compliance with the Code and annually review the Code’s contents.

## **3. BOARD RESPONSIBILITIES**

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The business of the Company is conducted by its employees, managers and officers, under the direction of the President and Chief Executive Officer (the “CEO”) and the stewardship and supervision of the Board of Directors.

The Board oversees and provides policy guidance on the business and affairs of the Company. In particular, the Board monitors overall corporate performance, oversees succession planning for and performance of executive officers including the appointment and performance of the CEO, adopts a strategic planning process and approves, at least annually, a strategic plan, evaluates the integrity of the Company’s internal control, information and other management systems, identifies and oversees the implementation of systems to manage the principal risks of the Company’s business and oversees the implementation of a communication policy for the Company. To the extent feasible, the Board shall also satisfy itself as to the integrity of the CEO and other executive officers and that the CEO and executive officers create a culture of integrity throughout the organization.

## **4. DIRECTOR RESPONSIBILITIES**

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### **Act in best interests**

The primary responsibility of each director is to:

- a) act honestly and in good faith with a view to the best interest of the Company; and,
- b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

### **Participation**

Directors are expected to prepare for, attend, and participate in meetings of the Board and the committees of which they are members. Directors will maintain the confidentiality of the deliberations and decisions of the Board and information received at meetings, except as may be specified by the Chairman or if the information is publicly disclosed by the Company.

### **Performance**

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.

### **Ongoing education**

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. From time to time, the Corporation will arrange for site visits and other special presentations intended to deepen the directors’ familiarity with the Company and its affairs.

## **5. BOARD LEADERSHIP**

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### **Selection of Chairman and CEO**

The Board elects its Chairman and appoints the Company's CEO. As a general principle, the Board believes that the Chairman and the CEO should not be the same person.

### **Lead independent director**

The independent directors on the Board (please refer to Schedule A for definition of independent director) may select from among themselves a Lead Independent Director. The Lead Independent Director chairs regular meetings of the independent directors and assumes other responsibilities described in the Terms of Reference for the Lead Independent Director or which the Corporate Governance Committee may designate.

## **6. BOARD MEMBERSHIP**

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### **Criteria for Board membership**

The Corporate Governance Committee will review each year the credentials of candidates to be considered for nomination to the Board. The objective of this review will be to maintain a composition of the Board which provides a satisfactory mix of skills and experience. This review will include taking into account the desirability of maintaining a reasonable diversity of personal characteristics but maintaining common characteristics such as personal integrity, achievement in individual fields of expertise and a willingness to devote necessary time to Board matters. The Board expects that the Corporate Governance Committee will take action to effect changes in incumbent directors if, in the opinion of the Committee after discussion with the Chairman and the CEO, such changes are deemed appropriate.

### **New directors**

The Corporate Governance Committee is responsible for identifying new candidates to be recommended for election to the Board and is also responsible for establishing criteria for the selection of new directors and conducting all necessary inquiries into their backgrounds and qualifications and making recommendations to the full Board.

### **Orientation**

The Company will provide new directors with an orientation to the Company, its management structure and operations, the industry in which the Company operates, and key legal, financial, and operational issues. An information package will be provided which will include information about the duties of directors, the business of the Company, documents from recent Board meetings, information regarding corporate governance and the structure and procedures of the Board and its committees. New directors will also be provided with an opportunity to meet senior management and other directors and to tour the Company's operations.

### **Board composition**

The Company's By-laws provide for the directors to establish the number of directors to sit on the Board within a broad minimum/maximum range. The directors are to determine a size of Board large enough to provide a diversity of expertise and opinion, yet small enough to allow for efficient operation and decision-making. The Corporate Governance Committee annually reviews the size of the Board and recommends any changes it determines appropriate. The Board is to be composed of a substantial majority of independent directors.

### **Directors who change their present occupation**

Directors who retire or otherwise leave or change the position they held when they first were appointed to the Board should not necessarily leave the Board. In this circumstance, the Corporate Governance Committee shall review the appropriateness of a director's continued service on the Board. When continued service does not appear appropriate, the director may be asked to stand down.

### **Term limits**

The Directors are elected by the shareholders at every Annual General Meeting. The term of office of each director shall expire at the close of the Annual General Meeting of Shareholders following that at which he or she was elected.

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.

#### **Other Board memberships**

Whether service on other boards is likely to interfere with the performance of a director's duties to the Company depends on the individual and the nature of their other activities. The Board believes that the commitment required for effective membership on the Company's Board is such that directors are to consult with the Chairman and the Chair of the Corporate Governance Committee prior to accepting an invitation to serve on another board.

### **7. BOARD COMPENSATION**

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Directors are required to devote significant time and energy to the performance of their duties. To attract and retain able and experienced directors, they are to be compensated competitively. The Corporate Governance Committee is responsible for reviewing the compensation and benefits of directors and making a recommendation to the Board. Directors who are employees of the Company receive no additional compensation for service on the Board.

Director compensation consists of cash and share-based long-term incentives. The cash portion may be comprised of an annual retainer, meeting fees and supplemental fees for committee chairs. The long-term incentives will normally be structured so as to vest over time because time-based vesting assists in retaining the continued services of directors and aligning their actions with long-term shareholder interests.

### **8. SHARE OWNERSHIP**

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The Company shall establish guidelines for Company stock ownership by directors, executive officers and other managers of the Company as such guidelines help to more closely align their economic interests with those of other stockholders.

### **9. ASSESSING THE BOARD'S PERFORMANCE**

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The Board and each Board committee will conduct an annual self-evaluation. The Corporate Governance Committee is responsible for overseeing these evaluations and reporting their results to the Board. The purpose of these reviews is to contribute to a process of continuous improvement in the execution of the responsibilities of the Board and its committees.

All directors are encouraged to make suggestions on improving the practices of the Board and its committees at any time and direct those suggestions to the Chairman or the appropriate committee chair.

### **10. BOARD'S INTERACTION WITH STAKEHOLDERS**

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It is the function of management to speak for the Company in its communications with the investment community, the media, customers, suppliers, employees, governments and the general public and the Board shall ensure that the Company has systems in place to receive feedback from stakeholders. If comments from the Board are appropriate, they should, in most circumstances, come from the Chairman. If shareholders or other stakeholders communicate with the Chairman or other directors, management will be informed and consulted to determine the appropriate response.

## **11. MEETING PROCEDURES**

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### **Scheduling of Board meetings and selection of agenda items**

The Board normally holds five regular Board meetings each year. The Chairman and the CEO, in consultation with the Corporate Secretary, develops the agenda for each Board meeting. Directors are encouraged to suggest items they would like to have considered for the meeting agenda.

### **Board materials distributed in advance**

Information supporting Board meeting agenda items is to be provided to directors approximately seven days before the meeting. Such materials should focus attention on the critical issues to be considered by the Board.

### **Non-directors at Board meetings**

The Chairman shall ensure those Company officers and other members of management who attend Board meetings (1) can provide insight into the matters being discussed and/or (2) are individuals with high potential who the directors should have the opportunity to meet and evaluate. Management should consult with the Chairman if it proposes that any outside advisors attend a Board meeting.

### **Sessions of independent directors**

Every Board meeting shall be accompanied by an independent directors' session at which no executive directors or other members of management are present. The object of the session is to ensure free and open discussion and communication among the non-executive, independent directors. The Lead Independent Director shall chair such meetings and regularly advise the Chair of the business of such meetings.

## **12. COMMITTEE MATTERS**

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### **Committee structure**

The Board, through the Corporate Governance Committee, shall constitute such committees as it determines necessary and as may be required by law. Each committee will have its own mandate which shall set forth the committee's responsibilities, structure and procedure.

The current committee structure and the performance of each committee is to be reviewed annually by the Corporate Governance Committee.

### **Assignment of directors to committees**

The Corporate Governance Committee is responsible for proposing to the Board the chair and members of each committee on an annual basis. In preparing its recommendations, the Committee will consult with the Chairman and the CEO and take into account the preferences of the individual directors.

Committee assignments should be based on the director's knowledge, interests and areas of expertise. The Board believes experience and continuity are more important than rotation and that Directors should only be rotated if doing so is likely to improve Committee performance or facilitate the work of the Committee.

### **Frequency and length of committee meetings**

Each committee chair will develop that committee's meeting agenda through consultation with members of the committee, management and the Corporate Secretary. The chair of each committee will determine the schedule of meetings of that committee based upon an annual work plan designed to discharge the responsibilities of the committee as set out in its mandate.

## **13. BOARD RELATIONSHIP TO SENIOR MANAGEMENT**

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Directors have complete access to the Company's senior management. Written communications from directors to members of management will be copied to the Chairman and the CEO.

The Board also encourages directors to make themselves available for consultation with management outside Board meetings in order to provide counsel on subjects where such directors have special knowledge and experience.

#### **14. ACCESS TO RESOURCES AND ENGAGEMENT OF ADVISORS**

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The Board and each committee shall have the resources and authority appropriate to discharge their duties and responsibilities. This shall include the power to hire outside advisors without consulting or obtaining the approval of management in advance. Any individual director who wishes to engage an outside advisor should review the request with the Chairman.

#### **15. EVALUATION AND SUCCESSION OF EXECUTIVE OFFICERS**

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##### **Performance evaluation of the CEO**

The Board, through the Human Resources Committee, will annually review the CEO's performance as measured against mutually agreed goals and objectives. This review will also be used in establishing the CEO's annual compensation.

##### **Performance evaluation and succession planning of executive officers**

The Board, through the Human Resources Committee, will annually review the performance and compensation packages of the officers of the Company who report directly to the CEO and any other officers whose compensation is required to be publicly disclosed and will also annually review the succession plan for the CEO and the executive officers.

#### **16. REVIEW OF CORPORATE GOVERNANCE PRINCIPLES**

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The Corporate Governance Committee shall review these Corporate Governance Principles annually and report to the Board any recommendations it may have for their amendment.

### **Schedule A to the Methanex Corporate Governance Principles**

An “independent director” is a person other than an officer or employee of the Company or its subsidiaries or any other individual having a direct or indirect relationship with the Company or any of its subsidiaries which could in the view of the Board of Directors, be reasonably expected to interfere with the exercise of independent judgment in carrying out the responsibilities of a director, provided however that persons who fall within any of the categories set out below will be deemed not to be independent.

- (1) a director who is, or at any time during the past three years has been, an employee or executive officer of the Company, its parent or any subsidiary of the Company;
- (2) a director who received or has a “family member” (which is defined to include a person’s spouse, parents, children and siblings, mother or father-in-law, sons and daughters-in-law, brothers or sisters-in-law, whether by blood, marriage or adoption, or anyone other than a domestic employee residing in such person’s home) who received payments from the Company, its parent or any subsidiary of the Company, of more than CDN\$75,000 in direct compensation or more than US\$60,000 in payments during any 12 month period within the last three years, other than compensation for board or committee service or as part-time chair or vice-chair of the Board or any Board committee, payments arising solely from investments in the Company’s securities, compensation paid to a family member who is a non-executive employee of the Company, its parent or a subsidiary of the Company, fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service if the compensation is not contingent in any way on continued service;
- (3) a director who is a family member of an individual who is, or has been in any of the past three years, employed by the Company, its parent or by any subsidiary of the Company as an executive officer;
- (4) a director who is, or has a family member who is, a partner in, or a controlling shareholder or an executive officer of, any entity or organization to which the Company made, or from which the Company received, payments (other than those arising solely from investments in the Company’s securities and payments under non-discretionary charitable contribution matching programs) for property or services in the current or any of the past three fiscal years that exceed 5% of the recipient’s consolidated gross revenues for that year, or US\$200,000, whichever is more;
- (5) a director who is or has been, or has a family member who is or has been, employed as an executive officer of another entity at any time during the past three years where any of the Company’s executives or officers serve on the compensation committee of that other entity; and
- (6) a director who is, or has a family member who is, a current partner of the firm that is the Company’s internal or external auditor or a director who is an employee of such firm or has a family member who is an employee of that firm and who participates in its audit, assurance or tax compliance (but not tax planning) practice or a director who was, or has a family member who was, at any time during the past three years a partner or employee of that firm and personally worked on the audit of the Company within that time.