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**Re: Comments on Proposed New Governance Regime**

On December 19, 2008, the Canadian Securities Administrators (“CSA”) published new national corporate governance rules, including the following revised policies: NP58-201 (*Corporate Governance Principles*), NI58-101 (*Disclosure of Corporate Governance Practices*), NI52-110 (*Audit Committees*) and Companion Policy 52-110CP (collectively the “Proposed New Governance Regime”). The CSA invited comments on the Proposed New Governance Regime (the “Request for Comment”).

Corporate Governance is a key priority for Methanex. Our Board of Directors constantly strives to ensure that we have the appropriate processes and structures in place to ensure that our business is managed in the best interests of our shareholders while keeping in mind the interests of all stakeholders. We believe that good governance is critical to the Company's effective, efficient and prudent operations. We have consistently scored in the top quartile of the Globe and Mail governance survey (Board Games) and have been recognized by the Canadian Coalition for Good Governance ("CCGG") as a company with best practices in governance and innovative disclosure practices.

We are opposed to the implementation of the Proposed New Governance Regime for the following reasons:

1. Existing Regime Achieves Stated Objectives – Sweeping Regime Change Not Required

We believe that the existing Corporate Governance regime in Canada ("Existing Governance Regime") generally achieves the CSA's stated objectives of promoting good governance practices, transparency of issuers' corporate governance practices and the establishment and maintenance of strong, effective and independent audit committees. The CSA indicated in its Request for Comment that some issuers and investors have expressed concerns about the Existing Governance Regime, however it did not explain what those concerns were or who or how many issuers/investors expressed such concerns. Also, if specific concerns were identified (for example with respect to controlled issuers or with respect to the definition of "independence") we believe that it would be more appropriate to address such specific concerns rather than overhaul the entire regime.

In addition, we are concerned about the process that the CSA followed in developing the Proposed New Governance Regime. In particular, we note that there was very little private-sector consultation compared to the process followed for previous revisions to Canadian governance standards. For example, the Dey Report (which provided the foundation for many aspects of the Existing Governance Regime) included public hearings and received significant private sector input.

We believe it is inappropriate and not "good governance" to propose a complete overhaul of the Existing Governance Regime without disclosing the nature of the concerns supposedly expressed, who and how many expressed those concerns, and without having a consultative process that includes significant private sector consultation. In our opinion, the Existing Governance Regime is working well and generally achieves the stated objectives.

2. Will the Proposed New Governance Regime Enhance Governance?

The Existing Governance Regime does not prevent or limit issuers from going beyond the rule-based requirements nor does it limit transparency of disclosure. The rule-based Existing Governance Regime merely provides a baseline for issuers to benchmark against. Many issuers, including Methanex, go well beyond the baseline requirements in response to expectations set by investors, including investor groups such as the CCGG. In addition, national governance surveys rank issuers against a much higher standard than the baseline established by the Existing Governance Regime and this also encourages continuous improvement in governance practices.

We believe that it is important to establish a baseline that all issuers can be measured against – the Existing Governance Regime currently does this. We feel that this baseline is important for investors, particularly US investors, to be able to measure issuers using a common set of rules. The fact that the existing rules are very similar to the US rules gives US investors comfort that Canadian companies are held to a similar standard as US companies. As a dual listed issuer with over half of our investors based in the US, this is particularly important to us. In addition, the Existing Governance Regime, combined with the expectations set by investors and governance surveys (which are constantly evolving and setting the bar higher every year), encourage issuers to go beyond the baseline requirements set out in the rules. Therefore, the current system already encourages issuers to continue to enhance governance and disclosure practices.

We are not convinced that the principles-based approach of the Proposed New Governance Regime will, in practice, promote more flexibility in how issuers design or disclose their corporate governance practices, or enhance the standard of governance or investor confidence in the Canadian capital markets beyond that already achieved by the Existing Governance Regime. Under the Proposed New Governance Regime, the CSA sets out example practices that it believes may support the objectives of each of the stated principles. We believe that these “examples” will be viewed by issuers as “requirements” (similar to the existing system) and therefore this new approach will not actually encourage issuers to adopt alternate governance practices.

Ultimately, regulation is not the main solution to improving governance. Many issuers, including Methanex, have created a culture of good governance which involves constantly seeking opportunities to improve governance practices. We do this because good governance is good business, helps us to attract excellent directors and obtain the trust and confidence of our investors. Compliance with a regulatory framework, whether it is rule-based or principles-based, is not the only ingredient to achieving a culture of good governance.

### 3. This is Not the Right Time

Even if one can support the argument that the Proposed New Governance Regime has merit (which we do not support), 2009/2010 is not an appropriate timeframe for implementing a wholesale change to the Existing Governance Regime. In the current severe recessionary environment, many issuers have undertaken, or are about to undertake, significant cost cutting measures, layoffs and downsizing of operations. The implementation of the Proposed New Governance Regime will require significant financial and human resources – and both are stretched extremely thin right now. In addition, we have only weeks ago filed our Information Circulars complying with extensive new executive compensation rules and staff will be working overtime in 2009/2010 on the implementation of IFRS. Fees to external auditors and consultants in connection with IFRS will also be significant. Therefore, if a wholesale change to the Existing Governance Regime is ultimately deemed necessary, we respectfully request that the implementation occur for the financial year ended 2011, with disclosure under the new regime to be included in annual disclosure documents filed in February/March 2012.

4. Concerns Raised by the Alberta Securities Commission

We agree with all of the concerns raised by the Alberta Securities Commission, some of which we have addressed in this comment letter.

Regards,

**METHANEX CORPORATION**



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Per: Randall M. Milner  
Senior Vice President, General Counsel  
and Corporate Secretary

RM/wb