

METHANEX CORP
Form 40-F
March 10, 2015

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

FORM 40-F

REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2014

Commission File Number 0-20115

METHANEX CORPORATION

(Exact name of Registrant as specified in its charter)

not applicable

(Translation of Registrant's name into English (if applicable))

CANADA

(Province or other jurisdiction of incorporation or organization)

2860

(Primary Standard Industrial Classification Code Number (if applicable))

not applicable

(I.R.S. Employer Identification Number (if applicable))

1800 Waterfront Centre, 200 Burrard Street, Vancouver, British Columbia, Canada V6C 3M1

Telephone: (604) 661-2600

(Address and telephone number of Registrant's principal executive offices)

CT Corporation System, 111 Eighth Avenue, New York, New York 10011

Telephone: 212-894-8940

(Name, address (including zip code) and telephone number

(including area code) of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

| Title of each class | Name of each exchange on which registered |
|----------------------------|--|
| Common Shares | NASDAQ Global Market |

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

6.00% Senior Notes due August 15, 2015

3.25% Senior Notes due December 15, 2019

5.25% Senior Notes due March 1, 2022

4.25% Senior Notes due December 1, 2024

5.65% Senior Notes due December 1, 2044

(Title of Class)

For annual reports, indicate by check mark the information filed with this Form:

Annual Information Form

Audited Annual Financial Statements

Indicate number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

92,506,487 Common Shares were outstanding as of December 31, 2014

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

**ANNUAL INFORMATION FORM, AUDITED FINANCIAL STATEMENTS, AND
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Methanex Corporation (the Registrant or the Company) is a Canadian public company whose common shares are listed on the Toronto Stock Exchange in Canada (trading symbol: MX) and on the NASDAQ Global Market in the United States (trading symbol: MEOH). The Registrant is a foreign private issuer as defined in Rule 3b-4 under Securities Exchange Act of 1934, as amended (the Exchange Act), and is eligible to file this annual report on Form 40-F pursuant to the multi-jurisdictional disclosure system.

The following documents of the Company are filed as exhibits to, and incorporated by reference into, this Annual Report:

| Document | Exhibit No. |
|---|--------------------|
| Annual Information Form of the Company for the year ended December 31, 2014 | 99.1 |
| Management's Discussion and Analysis of the Company for the year ended December 31, 2014 | 99.2 |
| Audited financial statements of the Company for the years ended December 31, 2014 and 2013, including the report of auditor with respect thereto | 99.3 |
| Pursuant to Rule 3a12-3 under the Exchange Act, the Company's equity securities are exempt from sections 14(a), 14(b), 14(c), 14(f) and 16 of the Exchange Act. | |

FORWARD-LOOKING STATEMENTS

This annual report includes or incorporates by reference certain statements that constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. These statements appear in a number of places in this annual report and documents incorporated by reference herein and include statements regarding the Registrant's intent, belief or current expectations and those of the Registrant's management. These forward-looking statements involve known and unknown risks and uncertainties that may cause the Registrant's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this annual report or in documents incorporated by reference in this annual report, words such as believes, expects, may, will, should, potential, estimates, anticipates, aims, goal, or the negative version of those words or other comparable terminology and similar statements of a future or forward-looking nature are intended to identify these forward-looking statements. These forward-looking statements are based on various factors and were derived utilizing numerous assumptions that could cause the Registrant's actual results to differ materially from those in the forward-looking statements. Accordingly, readers are cautioned not to put undue reliance on these forward-looking statements. For additional information, please refer to the disclosure contained under the heading, Caution Regarding Forward-Looking Statements in the Registrant's Annual Information Form filed as Exhibit 99.1 to this report.

NOTE TO UNITED STATES READERS REGARDING DIFFERENCES

BETWEEN UNITED STATES AND CANADIAN REPORTING PRACTICES

The Registrant is permitted to prepare this annual report in accordance with Canadian disclosure requirements, which are different from those of the United States. The Registrant now prepares its consolidated financial statements in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, which principles differ in certain respects from generally accepted accounting principles applicable in the United States (U.S. GAAP) and from practices prescribed by the SEC. Therefore, the Company's financial statements

incorporated by reference in this annual report may not be comparable to financial statements prepared in accordance with U.S. GAAP.

CURRENCY

Unless otherwise indicated, all dollar amounts in this Annual Report are in United States dollars. The exchange rate of United States dollars into Canadian dollars on December 31, 2014, based upon the noon rate published by the Bank of Canada, was U.S.\$1.00=CDN\$1.1601. The exchange rate of United States dollars into Canadian dollars, on March 9, 2015, based upon the noon rate as published by the Bank of Canada, was U.S.\$1.00=CDN\$1.2598.

CONTROLS AND PROCEDURES

Disclosure controls and procedures are defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act to mean controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

At the end of the period covered by this annual report on Form 40-F, being the fiscal year ended December 31, 2014, an evaluation was carried out under the supervision and with the participation of the Registrant's management, including the principal executive and principal financial officers (its Chief Executive Officer and Chief Financial Officer). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Registrant's disclosure controls and procedures are effective as of December 31, 2014.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Internal Control Over Financial Reporting

Internal control over financial reporting is defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act as a process designed by, or under the supervision of, the Registrant's Chief Executive Officer and Chief Financial Officer, and effected by the Registrant's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and preparation of the Registrant's consolidated financial statements for external purposes in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board. Internal control over financial reporting includes policies and procedures that:

- i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Registrant;
- i. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of management and directors of the Registrant; and
- i. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Registrant's assets that could have a material effect on the financial statements.

There have been no changes during the year ended December 31, 2014 to internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

The Company's internal control system is designed to provide reasonable assurance to management and the board of directors regarding the preparation and fair presentation of published financial statements. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness of internal control over financial reporting to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with

the policies or procedures may deteriorate.

Management's Assessment and Auditor's Attestation Report

Management's Annual Report on Internal Control over Financial Reporting is provided on page 39 of the Registrant's Management's Discussion and Analysis, filed as Exhibit 99.2 to this report. KPMG LLP, an independent registered public accounting firm that audited and reported on our consolidated financial statements, has issued an attestation report on the effectiveness of our internal control over financial reporting as of December 31, 2014. The attestation report is included on the third page of our consolidated financial statements filed as Exhibit 99.3 to this report.

AUDIT COMMITTEE

The Registrant's Board of Directors has established a separately-designated Audit, Finance and Risk Committee (the "Audit Committee") in accordance with Section 3(a)(58)(A) of the Exchange Act and NASDAQ Listing Rule 5605(c). As at the date of this annual report, the Registrant's Audit Committee is comprised of the following directors, each of whom is independent as determined under each of Rule 10A-3 under the Exchange Act and NASDAQ Listing Rule 5605(a):

A. Terence Poole, Chair

Howard Balloch

John Reid

Janice Rennie

All members of the Audit Committee are financially literate, meaning they are able to read and understand the Company's financial statements and to understand the breadth and level of complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. The Audit Committee meets the composition requirements set forth by NASDAQ Listing Rule 5605(c)(2).

A description of the mandate of the Audit Committee (the "Audit Committee Charter"), 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 Registrant's Annual Information Form for the year ended December 31, 2014, filed as Exhibit 99.1 to this annual report. The full text of the Audit Committee Charter is attached as Appendix A to the Annual Information Form.

AUDIT COMMITTEE FINANCIAL EXPERT

The Registrant's Board of Directors has determined that Mr. A. Terence Poole is an audit committee financial expert (as that term is defined in paragraph (8)(b) of General Instruction B to Form 40-F under the Exchange Act). The Commission has indicated that the designation of Mr. Poole as an audit committee financial expert does not make Mr. Poole an "expert" for any other purpose, impose any duties, obligations or liability on Mr. Poole that are greater than those imposed on members of the Audit Committee and the board of directors who do not carry this designation, or affect the duties, obligations or liability of any other member of the Audit Committee.

CODE OF ETHICS

The Registrant has adopted a Code of Business Conduct (the "Code of Ethics") that applies to directors, officers and employees, including the Registrant's principal executive officer, principal financial officer and principal accounting officer. The Code of Ethics materially complies with NASDAQ Listing Rule 5610, and meets the requirements for a "code of ethics" within the meaning of that term in Form 40-F. A copy of the Code of Ethics can be found on the Registrant's website at www.methanex.com.

No waivers from or substantive amendments to the provisions of the Code were made in 2014.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

KPMG LLP, Chartered Accountants, Vancouver, are the independent auditors of the Registrant. The holders of the Registrant's common shares have resolved to have the directors of the Registrant determine the auditor's remuneration.

The Registrant's 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 under which permissible services proposed to be performed by KPMG LLP, the Registrant's external auditors, 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 Billed by the Independent Auditors

KPMG LLP's global fees relating to the years ended December 31, 2014 and December 31, 2013 are as follows:

| US\$000s | 2014 | 2013 |
|--------------------|--------------|--------------|
| Audit Fees | 1,594 | 1,653 |
| Audit-Related Fees | 58 | 125 |
| Tax Fees | 91 | 68 |
| Total | 1,743 | 1,846 |

The nature of each category of fees is described below.

Audit Fees

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

Audit fees for professional services rendered by the external auditors for the audit of the Registrant's consolidated financial statements were in respect of an integrated audit performed by KPMG LLP globally. The integrated audit encompasses an opinion on the fairness of presentation of the Registrant's financial statements as well as an opinion on the effectiveness of the Registrant's internal control over financial reporting.

Audit-Related Fees

Audit-related fees for professional services rendered by the auditors for financial audits of employee benefit plans; procedures and audit or attest services not required by statute or regulation; and consultations related to the accounting or disclosure treatment of other transactions.

Tax Fees

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

OFF-BALANCE SHEET ARRANGEMENTS

At December 31, 2014, we did not have any off-balance sheet arrangements, as defined by applicable securities regulators in Canada and the United States that have, or are reasonably likely to have, a current or future material effect on our results of operations or financial condition.

TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

Tabular disclosure of contractual obligations is made on page 21 of the Registrant's Management's Discussion and Analysis for the year ended December 31, 2014, filed as Exhibit 99.2 to this report.

NASDAQ CORPORATE GOVERNANCE

The Company is subject to corporate governance requirements prescribed under applicable Canadian securities laws, rule and policies. The Company is also subject to corporate governance requirements prescribed by the listing standards of the NASDAQ Stock Market, and the rules and regulations promulgated by the SEC under the Exchange Act (including those applicable rules and regulations mandated by the Sarbanes-Oxley Act of 2002).

NASDAQ Listing Rule 5615(a)(3) permits a foreign private issuer to follow its home country practice in lieu of certain corporate governance requirements of the NASDAQ Listing Rules. A foreign private issuer that follows a home country practice in lieu of one or more provisions of the NASDAQ Listing Rules is required to disclose in its annual report filed with the Commission, or on its website, each corporate governance requirement of the NASDAQ Listing Rules that it does not follow and describe the home country practice followed by the issuer in lieu of such NASDAQ corporate governance requirements.

We do not follow NASDAQ Equity Rule 5620(c), but instead follow our home country practice relating to quorum requirements at meetings of shareholders as more fully described on page 21 of the Registrant's Annual Information Form for the year ended December 31, 2014, filed as Exhibit 99.1 to this report.

The Company believes that there are otherwise no significant differences between its corporate governance policies and those required to be followed by United States domestic issuers listed on the NASDAQ Stock Market. In particular, in addition to having a separate Audit Committee, the Registrant's Board of Directors has established a separately-designated Human Resources Committee that materially meets the requirements for a compensation committee under NASDAQ Listing Rule 5605(d), as currently in force.

The Company is required by National Instrument 58-101 of the Canadian Securities Administrators, *Disclosure of Corporate Governance Practices*, to describe its practices and policies with regard to corporate governance in management information circulars that are furnished to the Company's shareholders in connection with annual meetings of shareholders.

UNDERTAKING

The Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities in relation to which the obligation to file an annual report on Form 40-F arises, or transactions in said securities.

CONSENT TO SERVICE OF PROCESS

A Form F-X signed by the Registrant and the Registrant's agents for service of process: (a) with respect to the Common Shares, was filed with the Commission together with the Form 40-F of the Registrant on June 16, 1995; (b) with respect to the 6.0% Senior Notes due August 15, 2015 was filed with the Commission together with the Form F-9 of the Registrant on July 21, 2005; (c) with respect to the 5.25% Senior Notes due March 1, 2022 was filed with the Commission together with the Form F-9 of the Registrant on October 31, 2011; (d) with respect to the 3.25% Senior Notes due December 15, 2019 was filed with the Commission together with the Form F-10 of the Registrant on December 7, 2012; (e) with respect to the 4.25% Senior Notes due December 1, 2024 was filed with the Commission together with the Form F-10 of the Registrant on October 31, 2014; and (f) with respect to the 5.65% Senior Notes due December 1, 2044 was filed with the Commission together with the Form F-10 of the Registrant on October 31, 2014.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereto duly authorized.

METHANEX CORPORATION

Date: March 10, 2015

By: /s/ WENDY BACH
Name: Wendy Bach
Title: Senior Vice President, Corporate Resources &
General Counsel

EXHIBITS

| Exhibit No | Description |
|-----------------------|---|
| 23.1 | Consent of KPMG LLP |
| 31.1 | Certification of President and Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | Certification of Senior Vice President, Finance and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1 | Certification of President and Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 32.2 | Certification of Senior Vice President, Finance and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 99.1 | Annual Information Form of the Registrant dated March 9, 2015 |
| 99.2 | Management's Discussion and Analysis for the Year Ended December 31, 2014 |
| 99.3 | Audited Consolidated Financial Statements of the Registrant for the year ended December 31, 2014 and the Independent Auditor's Report thereon |