

2017 ANNUAL MANAGEMENT REPORT SQM S.A. DIRECTORS COMMITTEE

Pursuant to the provisions of Article 50 bis of the Law 18,046 – on Corporations- and Bulletin No. 1,956 of the Superintendence of Securities and Insurance, the Directors Committee of Sociedad Química y Minera de Chile S.A. (SQM or the Company) has prepared and subsequently unanimously approved this "2017 Annual Management Report" by said Committee so that it may be included entirely or partially in the Company's 2017 Annual Report and also be informed at the Ordinary Annual Shareholders Meeting of SQM to be held on Friday, April 27, 2018.

1. Activities performed

During 2017, the Directors' Committee of SQM (the "Committee") essentially analyzed:

- (i) the Company's Unaudited Financial Statements and Reports
- (ii) the Company's Audited Financial Statements and Reports
- (iii) the Reports and proposals of External Auditors, Accounts Inspectors, and Independent Risk Rating Agencies for the Company
- (iv) the proposal to SQM's Board of Directors about the External Auditors and Independent Rating Agencies that the Board could recommend to the respective Shareholders' Meeting for their subsequent appointment
- (v) the tax and other services, other than audit services, provided by the Company's External Auditors for the Company and its subsidiaries in Chile and abroad
- (vi) the remuneration and compensation plans for the Company's main executives
- (vii) the information related to the Company's operations as referred to in Title XVI of the Corporations Act
- (viii) the Report on Internal Control of the Company, and
- (ix) the various matters referred to in the "Directors Committee" section of SQM's Financial Statements as of December 31, 2017 and which form part of the Company's "2017 Annual Report" that is at the entire disposal of Shareholders.

In this context and regarding the above, the Committee:

- (a) Examined the information regarding the Financial Statements of SQM for the 2017 business year and the Report issued thereon by the External Auditors of SQM. Similarly, it also examined the Company's Interim Consolidated Financial Statements for the 2017 business year.
- (b) Examined at its meeting No. 118 on November 22, 2017, the execution of a bond issue agreement ("Agreement") with BTG Pactual. BTG Pactual is a related party because SQM's director Mr. Massú is a president of that entity. The Director's Committee approved the Agreement. In its meeting No. 746 on November 22, 2017, the Board of Directors was duly informed of such approval and, in turn, also confirmed that the Agreement was on terms, prices and other conditions similar to those prevailing in the respective markets at the pertinent time and approved the execution of the Agreement, by the unanimous vote of directors present at the meeting with the abstention of Mr. Massú.

- (c) Proposed to the Company's Board of Directors the names of the External Auditors and the Independent Risk Rating Agencies for SQM and the Company's Board of Directors, in turn, suggested their appointment to the respective Annual Ordinary Shareholders Meeting of SQM. The Company's Board of Directors approved said suggestions and the Shareholders' Meeting also ratified them.
- (d) Examined the remuneration system and the compensation plans for the Company's employees and Top Executives.

The Committee also (i) authorized to hire on behalf of the Company the services of PwC, (ii) reviewed the expenses of the Chief Executive Officer, and (iii) reviewed the reports from the internal audit and risk and compliance areas of the Company.

Finally, the Directors' Committee also created the Annual Management report, in reference to Chilean Law No. 18,046.

2. Recommendations to Shareholders

The Committee decided to recommend the following to SQM's Ordinary Annual Shareholders Meeting to be held on Friday, April 27, 2018.

- (a) To maintain Pricewaterhousecoopers Consultores, Auditores y Compañía Limitada as the external auditing company for Sociedad Química y Minera de Chile S.A. for the business year running between January 01 and December 31, 2018. In second place, they also considered Deloitte as an alternative recommendation.
- (b) To appoint Riesgo Humphreys Limitada, Fitch Chile Clasificadora de Riesgo Limitada and Feller Rate Clasificadora de Riesgo Limitada as the three Independent Risk Rating Agencies for Sociedad Química y Minera de Chile S.A. for the business year running between January 01 and December 31, 2018.
- (c) To propose Ms. Genoveva del Pilar Cofré Gutierrez and Mr. Ángel Gómez M. as account inspectors for the Company, and Mr. Ricardo Marín Varas and Oscar Alejandro Canales Tapia as replacement account inspectors.

3. Remuneration of the Committee and Expenditures

SQM's Ordinary Annual Shareholders Meeting held on April 27, 2017 approved the following remunerations for members of the Directors Committee:

- 1. (i) the payment of a fixed gross monthly amount of 400 UF (Indexed monetary units) to the Chairman of SQM's Board of Directors (the "Chairman") and 200 UF to each one of the remaining seven SQM Directors, regardless of the number of meetings held or not during the respective month, (ii) the payment of a variable gross monthly amount in Chilean pesos to the Chairman equivalent to 0.15% of the total net income of the Company obtained during 2017, and (iii) the payment to the board members, excluding

the Chairman of a variable gross amount equivalent to 0.06% of the total net income of the Company obtained during 2017.

2. Approve an expense budget for the Board of Directors equivalent to the sum of the annual remuneration of the board members.
3. Maintain the remunerations of the members of the Directors' Committee as they were approved in the 2016 Annual General Shareholders' Meeting, which were: (i) The payment of a fixed gross monthly amount of 75 UF (indexed monetary units) to each of the three Directors who serve on the Directors' Committee regardless of the number of sessions they attend during the month or not, and (ii) The payment of a variable gross monthly amount of 0.02% of the net income of the Company obtained during 2017.
4. Approve the budget for the operating expenses of the Company's Directors Committee equivalent to the sum of the annual remunerations of the Directors Committee members and US\$825,000.
5. Maintain the remunerations of the members of the Company's Safety, Health and Environment Committee and the Corporate Governance Committee as they were approved in the 2016 Annual General Shareholders' Meeting, which were: (i) The payment of a fixed gross monthly amount of 50 UF (indexed monetary units) to each of the three Directors who serve on the Company's Safety, Health and Environment Committee, and (ii) The payment of a fixed gross monthly amount of 50 UF (indexed monetary units) to each of the three Directors who serve on the Company's Corporate Governance Committee, in both cases regardless of the number of sessions they attend during the month.
6. Approve an expense budget for the Company's Safety, Health and Environment Committee, and Corporate Governance Committee equivalent to the total of the annual remunerations of the members of each committee.
7. The fixed and variable amounts indicated shall not be subject to any allocations among them and those expressed in percentages shall be paid immediately after the respective Ordinary General Shareholders Meeting of SQM S.A. approves the Balance Sheet, the Financial Statements, the Annual Report, the Accounts Inspectors Report, and the External Auditors Report of SQM S.A. for the business year ended on December 31, 2018.
8. The amounts expressed in UF shall be paid in Chilean national currency according to the value that the Superintendence of Banks and Financial Institutions, the Central Bank of Chile, or other pertinent institution that replaces them determines for that monetary unit on the last calendar day of the corresponding month.
9. The amounts expressed in United States dollars shall be converted and paid in Chilean national currency to the same exchange rate with which the final dividend from the 2018 business year is set or at the time at which it should have been paid, as applicable.

During 2017, the Directors' Committee incurred US\$167,000 in expenses related to the services of Internal and SOX audit.

SQM S.A. DIRECTORS COMMITTEE

Gerardo Jofré M.
President

Santiago, March 21, 2018.