



CONSOLIDATED FINANCIAL STATEMENTS

For the period ended

March 31, 2018

Sociedad Química y Minera de Chile S.A. and Subsidiaries

In Thousands of United States Dollars

This document includes:

- Consolidated Classified Statements of Financial Position
- Consolidated Statements of Income by Function
- Consolidated Statements of Comprehensive Income
- Consolidated Statements of Cash Flows
- Consolidated Statements of Changes in Equity
- Notes to the Consolidated Financial Statements



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Sociedad Química y Minera de Chile S.A. and Subsidiaries

Consolidated Classified Statements of Financial Position

Assets	Note	As of March 31, 2018 ThUS\$	As of December 31, 2017 ThUS\$
Current assets			
Cash and cash equivalents	7.1	575,089	630,438
Other current financial assets	10.1	416,040	366,979
Other current non-financial assets	24	39,074	26,883
Trade and other receivables, current	10.2	421,520	446,875
Trade receivables due from related parties, current	9.5	57,889	59,132
Current inventories	8	923,657	902,074
Current tax assets	27.1	43,548	32,291
Current assets other than those classified as held for sale or disposal		2,476,817	2,464,672
Non-current assets or groups of assets classified as held for sale		1,478	1,589
Total current assets		2,478,295	2,466,261
Non-current assets			
Other non-current financial assets	10.1	50,557	42,879
Other non-current non-financial assets	24	15,733	19,262
Trade receivables, non-current	10.2	1,949	1,912
Investments classified using the equity method of accounting	11.1-12.3	153,065	146,425
Intangible assets other than goodwill	13.1	105,403	105,948
Goodwill	13.1	44,177	44,177
Property, plant and equipment	14.1	1,442,253	1,437,193
Tax assets, non-current	27.1	32,179	32,179
Total non-current assets		1,845,316	1,829,975
Total assets		4,323,611	4,296,236

The accompanying notes form an integral part of these consolidated financial statements.





Sociedad Química y Minera de Chile S.A. and Subsidiaries

Consolidated Classified Statements of Financial Position, (continued)

Liabilities and Equity	Note	As of March 31, 2018 ThUS\$	As of December 31, 2017 ThUS\$
Current liabilities			
Other current financial liabilities	10.4	135,888	220,328
Trade and other payables, current	10.5	300,612	196,280
Trade payables due to related parties, current	9.6	2	1,365
Other current provisions	18.1	42,789	63,445
Current tax liabilities	27.2	105,617	75,402
Provisions for employee benefits, current	15.1	8,149	22,421
Other current liabilities	18.3	176,428	168,804
Total current liabilities		769,485	748,045
Non-current liabilities			
Other non-current financial liabilities	10.4	1,037,969	1,031,507
Other non-current provisions	18.1	30,352	30,001
Deferred tax liabilities	27.3	195,870	205,283
Provisions for employee benefits, non-current	15.1	36,962	33,932
Total non-current liabilities		1,301,153	1,300,723
Total liabilities		2,070,638	2,048,768
Equity			
	17		
Share capital		477,386	477,386
Retained earnings		1,717,320	1,724,784
Other reserves		(1,404)	(14,349)
Equity attributable to owners of the Parent		2,193,302	2,187,821
Non-controlling interests		59,671	59,647
Total equity		2,252,973	2,247,468
Total liabilities and equity		4,323,611	4,296,236

The accompanying notes form an integral part of these consolidated financial statements.





Sociedad Química y Minera de Chile S.A. and Subsidiaries

Consolidated Statements of Income by Function

	Note	January to March	
		2018 ThUS\$	2017 ThUS\$
Revenue	26.1	518,724	518,591
Cost of sales	26.2	(326,047)	(340,648)
Gross profit		192,677	177,943
Other income	26.3	4,560	1,395
Administrative expenses	26.4	(25,184)	(22,210)
Other expenses by function	26.5	(6,461)	(5,775)
Other gains (losses)	26.6	(278)	(1,077)
Profit (loss) from operating activities		165,314	150,276
Finance income		4,669	2,372
Finance costs	21-26.8	(12,717)	(12,638)
Share of profit of associates and joint ventures accounted for using the equity method	11-12	4,422	4,655
Foreign currency translation differences	22	(514)	1,668
Profit (loss) before taxes		161,174	146,333
Income tax expense, continuing operations	27.3	(47,291)	(43,291)
Profit for the year		113,883	103,042
Profit attributable to			
Owners of the Parent		113,825	103,232
Non-controlling interests		58	(190)
Profit for the year		113,883	103,042

The accompanying notes form an integral part of these consolidated financial statements.





Sociedad Química y Minera de Chile S.A. and Subsidiaries

Consolidated Statements of Income by Function, (continued)

	Note	January to March 2018 US\$	2017 US\$
Earnings per share			
Common shares			
Basic earnings per share (US\$ per share)	20	0.3945	0.3922
Diluted common shares			
Diluted earnings per share (US\$ per share)	20	0.3945	0.3922

The accompanying notes form an integral part of these consolidated financial statements.

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Sociedad Química y Minera de Chile S.A. and Subsidiaries

Consolidated Statements of Comprehensive Income

Statement of comprehensive income	January to March	
	2018 ThUS\$	2017 ThUS\$
Profit (loss) for the year	113,883	103,042
Other comprehensive income		
Items of other comprehensive income that will not be reclassified to profit for the year, before taxes		
Other comprehensive income, before taxes, gains (losses) from new measurements of defined benefit plans	(425)	(1,274)
Total other comprehensive income that will not be reclassified to profit for the year, before taxes	(425)	(1,274)
Items of other comprehensive income that will be reclassified to profit for the year, before taxes		
Foreign currency exchange difference		
Foreign currency exchange gains l(losses) before taxes	(984)	(1,185)
Other comprehensive income before taxes	(984)	(1,185)
Cash flow hedges on defined benefit plans		
Gains (losses) from cash flow hedges	7,121	4,422
Other comprehensive income before taxes	7,121	4,422
Financial assets measured at fair value with changes in other comprehensive income		
Gains (losses) in financial assets measured at fair value through other comprehensive income	(1,793)	-
Other comprehensive income, before taxes, financial assets measured at fair value	(1,793)	-
Total other comprehensive income that will be reclassified to profit for the year	4,344	3,237
Other items of other comprehensive income before taxes	3,919	1,963
Income taxes related to items of other comprehensive income that will not be reclassified to profit for the year		
Income taxes related to new measurements of defined benefit plans in other comprehensive income	310	246
Accumulated income taxes related to items of other comprehensive income that will not be reclassified to profit for the year	310	246
Income taxes related to items of other comprehensive income that will be reclassified to profit for the year		
Income taxes related to cash flow hedges in other comprehensive income	457	-
Accumulated income taxes related to items of other comprehensive income that will be reclassified to profit for the year	457	-
Total other comprehensive income	4,686	2,209
Total comprehensive income	118,569	105,251
Comprehensive income attributable to		
Owners of the Parent	118,545	105,440
Non-controlling interests	24	(189)
Total comprehensive income	118,569	105,251

The accompanying notes form an integral part of these consolidated financial statements.





Sociedad Química y Minera de Chile S.A. and Subsidiaries

Consolidated Statements of Cash Flows

Consolidated Statements of cash flows	Note	3/31/2018 ThUS\$	3/31/2017 ThUS\$
Cash flows from operating activities			
Cash receipts from sales of goods and rendering of services		535,700	484,011
Cash receipts from premiums and benefits, annuities and other benefits from policies entered		191	-
Cash payments to suppliers for the provision of goods and services (1)		(308,778)	(291,658)
Cash payments to and on behalf of employees		(59,469)	(59,153)
Other payments related to operating activities		(2,322)	(1,438)
Net cash generated from (used in) operating activities		164,427	131,762
Dividends received		5,589	663
Interest paid		(11,267)	(9,787)
Interest received		4,669	2,372
Income taxes paid		(37,469)	(24,330)
Other incomes (outflows) of cash (2)		1,434	18,205
Net cash generated from (used in) operating activities		127,362	118,885
Cash flows from (used in) investing activities			
Payments made to acquire interest in joint ventures		(9,500)	(42)
Proceeds from the sale of property, plant and equipment		352	3,569
Acquisition of property, plant and equipment		(65,119)	(23,321)
Proceeds from sales of intangible assets		2,929	907
Purchases of intangible assets		-	-
Proceeds from the repayment of advances and loans granted to third parties		(511)	46
Other inflows (outflows) of cash (3)		(50,511)	(59,961)
Net cash generated from (used in) investing activities		(122,360)	(78,802)

(1) Includes a payment of ThUS\$30,000 made to the SEC and the DOJ, which was provisioned in 2016.

(2) Other inflows (outflows) of cash from operating activities include increases (decreases) net of Value Added Tax.

(3) Other inflows (outflows) of cash include investments and redemptions of time deposits and other financial instruments that do not qualify as cash and cash equivalent in accordance with IAS 7, paragraph 7, since they mature in more than 90 days from the original investment date.

The accompanying notes form an integral part of these consolidated financial statements.





Sociedad Química y Minera de Chile S.A. and Subsidiaries

Consolidated Statements of Cash Flows, (continued)

	Note	3/31/2018 ThUS\$	3/31/2017 ThUS\$
Cash flows used in financing activities			
Proceeds from short-term borrowings		-	20,000
Repayment of borrowings		(63,000)	(60,726)
Net cash generated used in financing activities		(63,000)	(40,726)
Net increase (decrease) in cash and cash equivalents before the effect of changes in the exchange rate		(57,998)	(643)
Effects of exchange rate fluctuations on cash held		2,649	(2,179)
Net (decrease) increase in cash and cash equivalents		(55,349)	(2,822)
Cash and cash equivalents at beginning of period		630,438	514,669
Cash and cash equivalents at end of period		575,089	511,847

The accompanying notes form an integral part of these consolidated financial statements.





Sociedad Química y Minera de Chile S.A. and Subsidiaries

Consolidated Statements of Changes in Equity

2018	Share capital	Foreign currency translation difference reserves	Cash flow hedge reserves	Reserve for gains (losses) from financial assets measured at fair value through other comprehensive income	Actuarial gains (losses) from defined benefit plans	Other miscellaneous reserves	Other reserves	Retained earnings	Equity attributable to owners of the Parent	Non-controlling interests	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Equity at beginning of the year	477,386	(24,913)	2,248	2,937	(5,953)	11,332	(14,349)	1,724,784	2,187,821	59,647	2,247,468
Profit for the year	-	-	-	-	-	-	-	113,825	113,825	58	113,883
Other comprehensive income	-	(958)	7,121	(1,336)	(107)	-	4,720	-	4,720	(34)	4,686
Comprehensive income	-	(958)	7,121	(1,336)	(107)	-	4,720	113,825	118,545	24	118,569
Dividends	-	-	-	-	-	-	-	(113,825)	(113,825)	-	(113,825)
Increase (decrease) due to transfers and other changes	-	-	-	-	-	8,225	8,225	(7,464)	761	-	761
Increase (decrease) in equity	-	(958)	7,121	(1,336)	(107)	8,225	12,945	(7,464)	5,481	24	5,505
Equity as of March 31, 2018	477,386	(25,871)	9,369	1,601	(6,060)	19,557	(1,404)	1,717,320	2,193,302	59,671	2,252,973

The accompanying notes form an integral part of these consolidated financial statements.

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Sociedad Química y Minera de Chile S.A. and Subsidiaries

Consolidated Statements of Changes in Equity

2017	Share capital	Foreign currency translation difference reserves	Cash flow hedge reserves	Reserve for gains (losses) from financial assets measured at fair value through other comprehensive income	Actuarial gains (losses) from defined benefit plans	Other miscellaneous reserves	Other reserves	Retained earnings	Equity attributable to owners of the Parent	Non-controlling interests	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Equity at beginning of the year	477,386	(19,463)	64	3,513	(4,834)	7,832	(12,888)	1,781,576	2,246,074	61,198	2,307,272
Profit for the year	-	-	-	-	-	-	-	103,232	103,232	(190)	103,042
Other comprehensive income	-	(1,186)	4,422	-	(1,028)	-	2,208	-	2,208	1	2,209
Comprehensive income	-	(1,186)	4,422	-	(1,028)	-	2,208	103,232	105,440	(189)	105,251
Dividends	-	-	-	-	-	-	-	(156,524)	(156,524)	-	(156,524)
Increase (decrease) due to transfers and other changes	-	-	-	-	-	5	5	-	5	-	5
Increase (decrease) in equity	-	(1,186)	4,422	-	(1,028)	5	2,213	(53,292)	(51,079)	(189)	(51,268)
Equity as of March 31, 2017	477,386	(20,649)	4,486	3,513	(5,862)	7,837	(10,675)	1,728,284	2,194,995	61,009	2,256,004

The accompanying notes form an integral part of these consolidated financial statements.

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Note 1 Identification and Activities of the Company and Subsidiaries

1.1 Historical background

Sociedad Química y Minera de Chile S.A. "SQM" is an open stock corporation organized under the laws of the Republic of Chile and its Tax Identification Number is 93.007.000-9.

The Company was incorporated through a public deed dated June 17, 1968 by the notary public of Santiago MR. Sergio Rodríguez Garcés. Its existence was approved by Decree No. 1,164 of June 22, 1968 of the Ministry of Finance, and it was registered on June 29, 1968 in the Registry of Commerce of Santiago, on page 4,537 No. 1,992. SQM's headquarters are located at El Trovador 4285, Fl. 6, Las Condes, Santiago, Chile. The Company's telephone number is +56 2 2425-2000.

The Company is registered with the Securities Registry of the Financial Markets Commission (CMF), which was formerly named the Chilean Superintendence of Securities and Insurance (SVS) under No. 0184 dated March 18, 1983 and is subject to the inspection of the SVS.

1.2 Main domicile where the Company performs its production activities

The Company's main domiciles are: Calle Dos Sur plot No. 5 - Antofagasta; Arturo Prat 1060 - Tocopilla; Administration Building w/n - Maria Elena; Administration Building w/n Pedro de Valdivia - María Elena, Anibal Pinto 3228 - Antofagasta, Kilometer 1378 Ruta 5 Norte Highway - Antofagasta, Coya Sur Plant w/n - Maria Elena, kilometer 1760 Ruta 5 Norte Highway - Pozo Almonte, Salar de Atacama (Atacama Saltpeter deposit) potassium chloride plant s/n - San Pedro de Atacama, potassium sulfate plant at Salar de Atacama s/n - San Pedro de Atacama, Minsal Mining Camp s/n CL Plant CL, Potassium - San Pedro de Atacama, formerly the Iris Saltpeter office S/N, Commune of Pozo Almonte, Iquique.

1.3 Codes of main activities

The codes of the main activities as established by the CMF, as follows:

- 1700 (Mining)
- 2200 (Chemical products)
- 1300 (Investment)

1.4 Description of the nature of operations and main activities

Our products are mainly derived from mineral deposits found in northern Chile. We mine and process caliche ore and brine deposits. The ore deposit in northern Chile contains nitrate and iodine deposits. The brine deposits of the Salar de Atacama, in northern Chile, contain high concentrations of lithium and potassium as well as significant concentrations of sulfate.

Note 1 Identification and Activities of the Company and Subsidiaries (continued)

1.4 Description of the nature of operations and main activities, continued

From our caliche ore deposits located in the north of Chile, we produce a wide range of nitrate-based products used for specialty plant nutrients and industrial applications, as well as iodine and iodine derivatives. At the Salar de Atacama, we extract brines rich in potassium, lithium and sulfate in order to produce potassium chloride, potassium sulfate, lithium solutions, and bischofite (magnesium chloride). We produce lithium carbonate and lithium hydroxide at our plant near the city of Antofagasta, Chile, from the solutions brought from the Salar de Atacama.

We sell our products in over 100 countries worldwide through our global distribution network and generate our revenue mainly from abroad.

Our products are divided into six categories: specialty plant nutrition, iodine and its derivatives, lithium and its derivatives, industrial chemicals, potassium and other products and services, described as follows:

Specialty plant nutrition: SQM produces and sells four types of specialty plant nutrition in this line of business: potassium nitrate, sodium nitrate, sodium potassium nitrate, and specialty mixes. This business is characterized by being closely related to its customers for which it has specialized staff who provide expert advisory in best practices for fertilization according to each type of crop, soil and climate. Within this type of business, potassium derivative products and especially potassium nitrate have had a leading role because of the contribution they make to developing crops, ensuring an improvement in post-crop life, in addition to improving quality, flavor and fruit color. The potassium nitrate, which is sold in multiple formats and as a part of other specialty mixtures, is complemented by sodium nitrate, potassium sodium nitrate, and more than 200 fertilizing mixtures.

Iodine: The Company is a major global producer of iodine. Iodine is widely used in the pharmaceutical industry, technology and nutrition. Additionally, iodine is used as X ray contrast media and polarizing film for LCD displays.

Lithium: The Company's lithium is mainly used for manufacturing rechargeable batteries for cell phones, cameras and notebooks. By manufacturing lithium-based products, SQM provides significant materials for addressing great challenges, such as the efficient use of energy and raw materials. Lithium is not only used for rechargeable batteries for small electrical appliances such as mobile phones, tablets and laptops, but is also used in industrial applications, such as the manufacturing of glass, ceramics and lubricating greases. Other uses include the pharmaceutical and chemical industries.

Note 1 Identification and Activities of the Company and Subsidiaries (continued)

1.4 Description of the nature of operations and main activities, continued

Industrial chemicals: Industrial chemicals are products used as supplies for a number of production processes. SQM participates in this line of business producing sodium nitrate, potassium nitrate and potassium chloride. Industrial nitrates have increased their importance over the last few years due to their use as storage means for thermal energy at solar energy plants, which are widely used in countries such as Spain and the United States in their quest to decrease CO₂ emissions.

Potassium: Potassium is a primary essential macro-nutrient, and even though does not form part of the plant's structure, it has a significant role for the development of its basic functions, ensuring the quality of a crop, increasing post-crop life, improving crop flavor, the amount of vitamins it contains and its physical appearance. Within this business line, SQM also has potassium chlorate and potassium sulfate, both extracted from the salt layer located under the Salar de Atacama (the Atacama Saltpeper Deposit).

Other products and services: This business line includes revenue from commodities, services, interests, royalties and dividends.

1.5 Other background

Staff

As of March 31, 2018, and December 31, 2017, the workforce was as follows:

	3/31/2018			12/31/2017		
	SQM S.A	Other subsidiaries	Total	SQM S.A.	Other subsidiaries	Total
Executives	43	75	118	43	77	120
Professionals	143	970	1,113	143	942	1,085
Technicians and operators	251	3,158	3,409	248	3,177	3,425
Foreign employees	19	286	305	19	272	291
Overall total	456	4,489	4,945	453	4,468	4,921

Note 1 Identification and Activities of the Company and subsidiaries (continued)

1.5 Other background, continued

Main shareholders

The table below establishes certain information about the beneficial property of Series A and Series B shares of SQM as of March 31, 2018 and December 31, 2017 with respect to each shareholder with an interest in excess of 5% of outstanding Series A or B shares.

The information below is taken from our records and reports controlled in the Central Securities Depository and reported to the CMF, and the Chilean Stock Exchange, whose main shareholders are as follows:

Shareholder as of March 31, 2018	No. of Series A with ownership	% of Series A shares	No. of Series B with ownership	% of Series B shares	% of total shares
The Bank of New York Mellon, ADRs	-	-	40,706,250	33.82%	15.47%
Sociedad de Inversiones Pampa Calichera S.A.(*)	44,894,152	31.43%	5,451,688	4.53%	19.13%
Inversiones El Boldo Limitada	29,330,326	20.54%	16,363,546	13.59%	17.36%
Inversiones RAC Chile Limitada	19,200,242	13.44%	2,202,773	1.83%	8.13%
Potasios de Chile S.A.(*)	18,179,147	12.73%	-	-	6.91%
Inversiones PCS Chile Limitada	15,526,000	10.87%	1,600,000	1.33%	6.51%
Inversiones Global Mining (Chile) Limitada (*)	8,798,539	6.16%	-	-	3.34%
Banco de Chile via non-resident third party accounts	-	-	9,312,522	7.74%	3.54%
Banco Itau via investor accounts	19,125	0.01%	7,482,346	6.22%	2.85%
Banco Santander via foreign investor accounts	-	-	5,486,502	4.56%	2.08%

(*) Total Pampa Group 29.97%

Shareholder as of December 31, 2017	No. of Series A with ownership	% of Series A shares	No. of Series B with ownership	% of Series B shares	% of total shares
The Bank of New York Mellon, ADRs	-	-	54,599,961	45.36%	20.74%
Sociedad de Inversiones Pampa Calichera S.A.(*)	44,894,152	31.43%	7,007,688	5.82%	19.72%
Inversiones El Boldo Limitada	29,330,326	20.54%	16,363,546	13.59%	17.36%
Inversiones RAC Chile Limitada	19,200,242	13.44%	2,202,773	1.83%	8.13%
Potasios de Chile S.A.(*)	18,179,147	12.73%	-	-	6.91%
Inversiones PCS Chile Limitada	15,526,000	10.87%	1,600,000	1.33%	6.51%
Inversiones Global Mining (Chile) Limitada (*)	8,798,539	6.16%	-	-	3.34%
Banco de Chile via non-resident third party accounts	-	-	8,394,289	6.97%	3.19%
Banco Itau via Investor Accounts	19,125	0.01%	7,017,504	5.63%	2.67%
Banco Santander via foreign investor accounts	-	-	4,593,336	3.82%	1.75%

(*) Total Pampa Group 29.97%

On March 31, 2018 the total number of shareholders had risen to 1,398.

Note 2 Basis of presentation for the consolidated financial statements

2.1 Accounting period

These consolidated financial statements cover the following periods:

- Consolidated Statements of Financial Position as of March 31, 2018 and, December 31, 2017.
- Consolidated Statements of Changes in Equity as of March 31, 2018 and 2017
- Consolidated Statements of Comprehensive Income as of March 31, 2018 and 2017
- Consolidated Statements of Direct-Method Cash Flows as of March 31, 2018 and 2017.

2.2 Consolidated financial statements

The consolidated financial statements of Sociedad Química y Minera de Chile S.A. and its Subsidiaries were prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS") and represent the full, explicit and unreserved adoption of International Financial Reporting Standards as issued by the International Accounting Standards Board (the "IASB").

These consolidated financial statements fairly reflect the Company's financial position, the comprehensive results of operations, changes in equity and cash flows occurring during the years then ended.

IFRS establish certain alternatives for their application. Those applied by the Company are detailed in this Note.

The accounting policies used in the preparation of these consolidated annual accounts comply with each IFRS in force at their date of presentation.

For the closing date of these consolidated financial statements certain reclassifications have been made for the captions, other non-current financial assets, equity accounted investees, as of December 31, 2017, for consistent presentation and comparability to the figures as of March 31, 2018.

2.3 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- Inventories are recorded at the lower of cost and net realizable value.
- Financial derivatives at fair value; and
- Staff severance indemnities and pension commitments at actuarial value
- Certain financial investments classified as available for sale measured at fair value with an offsetting entry in other comprehensive income.
- Other current and non-current assets and financial liabilities at amortized cost

Note 2 Basis of presentation for the consolidated financial statements (continued)

2.4 Accounting pronouncements

New accounting pronouncements

a) The following standards, interpretations and amendments are mandatory for the first time for annual periods beginning on January 1, 2018:

<i>Amendments and improvements</i>	Mandatory for annual periods beginning on
<i>IFRS 9, "Financial Instruments"- Published in July 2014. The IASB has published a complete new version of IFRS 9, which replaces the guidance in IAS 39. This final version includes requirements regarding the classification and measurement of financial assets and liabilities and a new model for the recognition of expected credit losses that replaces the incurred loss impairment model used today. The part relating to hedge accounting that forms part of this final version of IFRS 9 was published in November 2013.</i>	01/01/2018
<i>IFRS 15, "Revenue from Contracts with Customers" – Published in May 2014. This established the principles that an entity must apply for presenting useful information to users of financial statements with regard to the nature, amount, timing and uncertainty of revenue and cash flows from a contract with a customer. The basic principle is that an entity will recognize revenue representing the transfer of goods or services to customers in an amount that reflects the consideration that the entity expects to receive in exchange for such goods or services. This standard replaces the following standards and interpretations: IAS 11 Construction contracts; IAS 18 Revenue; IFRIC 13 Customer Loyalty Programs; IFRIC 15 Agreements for the Construction of Real Estate; IFRIC 18 Transfers of Assets from Customers; and SIC-31 Revenue - Barter Transactions Involving Advertising Services.</i>	01/01/2018
<i>IFRIC 22, "Transactions in Foreign Currency and Advance Payments" Published in December 2016. This interpretation applies to a foreign currency transaction (or part of one) if an entity recognizes a non-financial asset or non-financial liability arising from the payment or receipt of an advance consideration prior to the entity recognizing the related asset, expense or income (or the applicable portion thereof). The interpretation provides a guideline for the transaction date to be used for both single payments/receipts and situations when there are multiple payments/receipts. Its objective is to reduce diversity in practice.</i>	01/01/2018



Note 2 Basis of presentation for the consolidated financial statements (continued)

2.4 Accounting pronouncements, continued

<i>Amendments and improvements</i>	Mandatory for annual periods beginning on or after
<i>Amendment to IFRS 2, "Share-based Payments" Published in June 2016. The amendment clarifies the measurement of share-based payments liquidated in cash and the accounting of modifications that change these payments to liquidation with equity instruments. In addition, it introduces an exception to the IFRS 2 principles that will require the treatment of awards as if they were all liquidation as an equity instrument, when the employer is required to retain taxes related to share-based payments.</i>	01/01/2018
<i>Amendment to IFRS 15 "Revenue from Contracts with Customers". Published in April 2016. The amendment provides clarifications with regard to identifying performance obligations in contracts with customers, accounting for licensing involving intellectual property and assessing principal versus agent considerations (i.e. recording revenue on a gross basis versus the net amount it retains). It includes new and modified illustrative examples as a guide, along with practical examples related to the transition to the new standard on revenue.</i>	01/01/2018
<i>Amendment to IAS 28 "Investments in Associates and Joint Ventures" in regard to measuring an associate or joint venture at fair value. Published in December 2016.</i>	01/01/2018

The adoption of the standards, amendments and interpretations indicated above had no significant impact on the Company's consolidated financial statements.

Note 2 Basis of presentation for the consolidated financial statements (continued)

2.4 Accounting pronouncements, continued

b) Standards, interpretations and amendments issued that had not become effective for financial statements beginning on January 1, 2018 and which the Company has not adopted early are as follows:

<i>Standards and interpretations</i>	<i>Mandatory for annual periods beginning on</i>
<i>IFRS 16 "Leases" – Published in January 2016, it establishes the principle for recognizing, measuring, presenting and disclosing leases. IFRS 16 replaces IAS 17 and introduces a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases with a lease term of more than 12 months unless the underlying asset has a low value. IFRS 16 applies to annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15 before the initial application date of IFRS 16.</i>	<i>01/01/2019</i>
<i>IFRS 17 "Insurance Contracts". Published in May 2017, this replaces IFRS 4. IFRS 17 will mainly change the accounting for those entities that issue insurance contracts and investment contracts with discretionary participation features. IFRS 17 is effective for annual reporting periods beginning on or after January 1, 2021. Earlier application is permitted if both IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments" have also been applied.</i>	<i>01/01/2021</i>
<i>IFRIC 23 "Uncertainty over Income Tax Treatments". Published in June 2016. This interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments.</i>	<i>01/01/2019</i>



Note 2 Basis of presentation for the consolidated financial statements (continued)

2.4 Accounting pronouncements, continued

<i>Amendments and improvements</i>	Mandatory for annual periods beginning on or after
<i>Amendment to IFRS 9 “Financial Instruments”. Published in October 2017. The amendment permits more assets to be measured at amortized cost than under the previous version of IFRS 9, in particular some prepayable financial assets with negative compensation. The assets affected, which include some loans and debt securities, would otherwise have been measured at fair value through profit and loss (FVTPL). For them to qualify for amortized cost measurement, the negative compensation must be “reasonable compensation for early termination of the contract.”</i>	01/01/2019
<i>Amendment to IAS 28 “Investments in Associates and Joint Ventures”. Published in October 2017. This amendment clarifies that companies should apply IFRS 9 to account for long-term interests in an associate or joint venture to which the equity method is not applied. The Board has published an example that illustrates how companies should apply the requirements of IFRS 9 and IAS 28 to long-term interests in an associate or joint venture.</i>	01/01/2019
<i>Amendment to IFRS 3 “Business Combinations” Published in December 2017. The amendment clarifies that gaining control of a company that is a joint venture is a business combination that is achieved in stages. The acquiring party must remeasure previously held interests in that business at fair value at the date of acquisition.</i>	01/01/2019
<i>Amendment to IFRS 11 “Joint Arrangements”. Published in December 2017. The amendment clarifies that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.</i>	01/01/2019
<i>Amendment to IAS 12 “Income Tax” Published in December 2017. This amendment clarifies that the income tax consequences of dividends on financial instruments classified as equity should be recognized when the past transactions or events that generated distributable profits were originally recognized.</i>	01/01/2019
<i>Amendment to IAS 23 “Borrowing Costs”. Published in December 2017. This amendment clarifies that the borrowing costs of specific borrowings that remain outstanding after the related qualifying asset is ready for intended use or for sale will be considered as part of the general borrowing costs of the entity.</i>	01/01/2019
<i>Amendment to IAS 19 “Employee Benefits” Published in February 2018. The amendment requires that the entities use updated conjectures to determine the cost of the current service and the net interest for the rest of the period after an amendment, reduction or liquidation of the plan; and recognize in profits or losses as part of the cost of the past service, or a profit or loss in the liquidation, any reduction in a surplus, even if this surplus was not previously recognized because it did not exceed the upper threshold of the asset.</i>	01/01/2019



Note 2 Basis of presentation for the consolidated financial statements (continued)

2.4 Accounting pronouncements, continued

The following amendment was issued by the IASB and was originally scheduled to take effect in 2016. However, the organization has changed its position and the mandatory effective date is yet to be determined.

Amendment to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures". Published in September 2014. These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.	Undetermined
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Management believes the adoption of the standards, interpretations and amendments applicable as of January 1, 2018, will have no significant impact on the Company's financial statements. For those standards to be applied as of 2019, the corresponding studies and analysis will be carried out during 2018.

Note 2 Basis of presentation for the consolidated financial statements (continued)

2.5 Basis of consolidation

(a) Subsidiaries

These are all those entities where Sociedad Química y Minera de Chile S.A. has control over directing their financial and operational policies. This is generally accompanied by a share of more than half of the voting rights. Subsidiaries apply the same accounting policies of their Parent.

To account for the acquisition, the Company uses the acquisition method. Under this method the acquisition cost is the fair value of assets delivered, equity securities issued, and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired, and liabilities and contingencies assumed in a business combination are measured initially at fair value at the acquisition date. For each business combination, the Company will measure non-controlling interest of the acquiree either at fair value or as proportional share of net identifiable assets of the acquiree. For more information, please see Note 6.4

Companies included in consolidation:

TAX ID No.	Foreign subsidiaries	Country of origin	Functional currency	Ownership interest			
				Direct	Indirect	3/31/2018 Total	12/31/2017 Total
Foreign	Nitratos Naturais Do Chile Ltda.	Brazil	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	Nitrate Corporation Of Chile Ltd.	United Kingdom	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM North America Corp.	USA	US\$	40.0000	60.0000	100.0000	100.0000
Foreign	SQM Europe N.V.	Belgium	US\$	0.5800	99.4200	100.0000	100.0000
Foreign	Soquimich S.R.L. Argentina	Argentina	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	Soquimich European Holding B.V.	Netherlands	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Corporation N.V.	Netherlands	US\$	0.0002	99.9998	100.0000	100.0000
Foreign	SQI Corporation N.V.	Netherlands	US\$	0.0159	99.9841	100.0000	100.0000
Foreign	SQM Comercial De México S.A. de C.V.	Mexico	US\$	0.0100	99.9900	100.0000	100.0000
Foreign	North American Trading Company	USA	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	Administración y Servicios Santiago S.A. de C.V.	Mexico	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Peru S.A.	Peru	US\$	0.9800	99.0200	100.0000	100.0000
Foreign	SQM Ecuador S.A.	Ecuador	US\$	0.0040	99.9960	100.0000	100.0000
Foreign	SQM Nitratos Mexico S.A. de C.V.	Mexico	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQMC Holding Corporation L.L.P.	USA.	US\$	0.1000	99.9000	100.0000	100.0000
Foreign	SQM Investment Corporation N.V.	Netherlands	US\$	1.0000	99.0000	100.0000	100.0000
Foreign	SQM Brasil Limitada	Brazil	US\$	1.0900	98.9100	100.0000	100.0000
Foreign	SQM France S.A.	France	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Japan Co. Ltd.	Japan	US\$	0.1597	99.8403	100.0000	100.0000
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	US\$	1.6700	98.3300	100.0000	100.0000
Foreign	SQM Oceania Pty Limited	Australia	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	Rs Agro-Chemical Trading Corporation A.V.V.	Aruba	US\$	98.3333	1.6667	100.0000	100.0000
Foreign	SQM Colombia SAS	Colombia	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Australia PTY	Australia	Australian dollar	0.0000	100.0000	100.0000	100.0000
Foreign	SACAL S.A.	Argentina	Argentine peso	0.0000	100.0000	100.0000	100.0000

Note 2 Basis of presentation for the consolidated financial statements (continued)

2.5 Basis of consolidation, continued

TAX ID No.	Foreign subsidiaries	Country of origin	Functional currency	Ownership interest			
				Direct	Indirect	3/31/2018	12/31/2017
						Total	Total
Foreign	SQM Indonesia S.A.	Indonesia	US\$	0.0000	80.0000	80.0000	80.0000
Foreign	SQM Virginia L.L.C.	USA	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Italia SRL	Italy	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	Comercial Caimán Internacional S.A.	Panama	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Africa Pty.	South Africa	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Lithium Specialties LLC	USA	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Iberian S.A.	Spain	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Beijing Commercial Co. Ltd.	China	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Thailand Limited	Thailand	US\$	0.0000	99.996	99.996	99.996
Foreign	SQM Internacional N.V.	Belgium	US\$	0.5800	99.4200	100.0000	0.0000
Foreign	SQM (Shanghai) Chemicals Co. Ltd.	China	US\$	0.0000	100.0000	100.0000	0.0000

TAX ID No.	Domestic subsidiaries	Country of origin	Functional currency	Ownership interest			
				Direct	Indirect	3/31/2018	12/31/2017
						Total	Total
96.801.610-5	Comercial Hydro S.A.	CHILE	US\$	0.0000	60.6383	60.6383	60.6383
96.651.060-9	SQM Potasio S.A.	CHILE	US\$	99.9999	0.0000	99.9999	99.9999
96.592.190-7	SQM Nitratos S.A.	CHILE	US\$	99.9999	0.0001	100.0000	100.0000
96.592.180-K	Ajay SQM Chile S.A.	CHILE	US\$	51.0000	0.0000	51.0000	51.0000
86.630.200-6	SQMC Internacional Ltda.	CHILE	Ch\$	0.0000	60.6381	60.6381	60.6381
79.947.100-0	SQM Industrial S.A.	CHILE	US\$	99.0470	0.9530	100.0000	100.0000
79.906.120-1	Isapre Norte Grande Ltda.	CHILE	Ch\$	1.0000	99.0000	100.0000	100.0000
79.876.080-7	Almacenes y Depósitos Ltda.	CHILE	Ch\$	1.0000	99.0000	100.0000	100.0000
79.770.780-5	Servicios Integrales de Tránsitos y Transferencias S.A.	CHILE	US\$	0.0003	99.9997	100.0000	100.0000
79.768.170-9	Soquimich Comercial S.A.	CHILE	US\$	0.0000	60.6383	60.6383	60.6383
79.626.800-K	SQM Salar S.A.	CHILE	US\$	18.1800	81.8200	100.0000	100.0000
78.053.910-0	Proinsa Ltda.	CHILE	Ch\$	0.0000	60.5800	60.5800	60.5800
76.534.490-5	Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	CHILE	Ch\$	0.0000	100.0000	100.0000	100.0000
76.425.380-9	Exploraciones Mineras S.A.	CHILE	US\$	0.2691	99.7309	100.0000	100.0000
76.064.419-6	Comercial Agrorama Ltda. (a)	CHILE	Ch\$	0.0000	42.4468	42.4468	42.4468
76.145.229-0	Agrorama S.A.	CHILE	Ch\$	0.0000	60.6377	60.6377	60.6377
76.359.919-1	Orcoma Estudios SPA	CHILE	US\$	51.0000	0.0000	51.0000	51.0000
76.360.575-2	Orcoma SPA	CHILE	US\$	100.0000	0.0000	100.0000	100.0000
76.686.311-9	SQM MaG SpA.	CHILE	US\$	0.0000	100.0000	100.0000	100.0000

(a) The Company consolidated Comercial Agrorama Ltda. as it has the control of this company's relevant activities.

Note 2 Basis of presentation for the consolidated financial statements (continued)

2.5 Basis of consolidation, continued

Subsidiaries are consolidated using the line-by-line method, adding the items that represent assets, liabilities, revenues, and expenses of similar content, and eliminating those related to intragroup transactions.

Profit or loss of subsidiaries acquired or divested during the year are included in profit or loss accounts consolidated from the date control is transferred to the Group, or up to the date control is lost, as applicable.

Non-controlling interest represents the equity of a subsidiary not directly or indirectly attributable to the Parent.

Note 3 Significant accounting policies

3.1 Classification of balances as current and non-current

In the attached consolidated statement of financial position, balances are classified in consideration of their recovery (maturity) dates; i.e., those maturing within a period equal to or less than 12 months are classified as current counted from the closing date of the consolidated financial statements and those with maturity dates exceeding the aforementioned period are classified as non-current.

The exception to the foregoing relates to deferred taxes, which are classified as non-current, regardless of the maturity they have.

3.2 Functional and presentation currency

The Company's consolidated financial statements are presented in United States dollars ("U.S. dollars" or "US\$"), which is the Company's functional and presentation currency and is the currency of the main economic environment in which it operates.

Consequently, the term foreign currency is defined as any currency other than the U.S. dollar.

The consolidated financial statements are presented in thousands of United States dollars without decimals.

3.3 Foreign currency translation

(a) Group entities:

The revenue, expenses, assets and liabilities of all entities that have a functional currency other than the presentation currency are converted to the presentation currency as follows:

- Assets and liabilities are converted at the closing exchange rate prevailing on the reporting date.
- Revenues and expenses of each profit or loss account are converted at monthly average exchange rates.
- All resulting foreign currency translation gains and losses are recognized as a separate component in translation reserves.

In consolidation, foreign currency differences arising from the translation of a net investment in foreign entities are recorded in equity (other reserves). At the date of disposal, such foreign currency translation differences are recognized in the statement of income as part of the gain or loss from the sale.

Note 3 Significant accounting policies (continued)

3.3 Foreign currency translation, continued

The main exchange rates and the adjustment unit used to translate monetary assets and liabilities, expressed in foreign currency at the end of each period in respect to U.S. dollars, are as follows:

	3/31/2018	12/31/2017
	US\$	US\$
Brazilian real	3.31	3.02
New Peruvian sol	3.22	3.08
Argentine peso	20.13	18.40
Japanese yen	106.24	113.00
Euro	0.81	0.83
Mexican peso	18.21	19.65
Australian dollar	0.77	0.78
Pound Sterling	0.71	0.74
South African rand	11.84	12.35
Ecuadorian dollar	1.00	1.00
Chilean peso	603.39	614.75
Chinese yuan	6.27	6.51
Indian rupee	65.16	63.84
Thai baht	31.23	32.85
UF (*)	44.69	43.59

(*) The Unidad de Fomento (UF) is an indexed monetary unit used in Chile, calculated based on the variation in the Consumer Price Index (CPI).

(b) Transactions and balances

Non-monetary transactions in currencies other than the functional currency (Dollar) are translated to the respective functional currencies of Group entities at the exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. All differences are recorded in the statement of income except for all monetary items that provide an effective hedge for a net investment in a foreign operation. These items are recognized in other comprehensive income on the divestment, when they are recognized in the statement of income. Charges and credits attributable to foreign currency translation differences on those hedge monetary items are also recognized in other comprehensive income.

Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are retranslated to the functional currency at the historical exchange rate of the transaction. Non-monetary items that are measured based on fair value in a foreign currency are translated using the exchange rate at the date on which the fair value is determined.

Note 3 Significant accounting policies (continued)

3.4 Subsidiaries

SQM S.A. uses the level of control it has in subsidiaries as a basis to determine their share in the consolidated financial statements. This control consists of the Company's ability to exercise power in the subsidiary, exposure, or right, to variable performance from its share in the investee and the ability to use its power on the investee to have an influence on the amount of the investor's performance.

The Company prepares the consolidated financial statements using consistent accounting policies for the entire Group. The consolidation of a subsidiary commences when the Company has control over the subsidiary and stops when control ceases.

3.5 Consolidated statement of cash flows

Cash equivalents correspond to highly-liquid short-term investments that are easily convertible into known amounts of cash. They are subject to insignificant risk of changes in their value and mature in less than three months from the date of acquisition of the instrument.

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash and cash equivalents as defined above.

The statement of cash flows includes movements in cash performed during the year, determined using the direct method.

3.6 Financial assets

Corporate management ("Management") determines the classification of its financial assets at the time of initial recognition, on the basis of the business model for the management of financial assets and the characteristics of contractual cash flows from the financial assets. In accordance with IAS 39, financial assets are measured initially at fair value plus transaction costs that may have been incurred and are directly attributable to the acquisition of the financial asset. Subsequently, financial assets are measured at amortized cost or fair value.

The Company assesses, at each reporting date, whether there is objective evidence that an asset or group of assets is impaired. An asset or group of financial assets is impaired if and only if there is evidence of impairment as a result of one or more events occurring after the initial recognition of the asset or group of assets. For the recognition of impairment, the loss event has to have an impact on the estimate of future cash flows from the asset or groups of financial assets.

Note 3 Significant accounting policies (continued)

3.7 Financial liabilities

Management determines the classification of its financial liabilities at the time of initial recognition. As established in IAS 39, financial liabilities at the time of initial recognition are measured at fair value, less transaction costs that may have been incurred and are directly attributable to the issue of the financial liability. Subsequently, these are measured at amortized cost using the effective interest method. Financial liabilities that have been initially recognized at fair value through profit or loss will be measured subsequently at fair value.

3.8 Financial instruments at fair value through profit or loss

Management will irrevocably determine, at the time of initial recognition, the designation of a financial instrument at fair value through profit or loss. By doing so, this eliminates and/or significantly reduces the measurement or recognition inconsistency that would otherwise have arisen from the measurement of assets or liabilities or from the recognition of gains and losses from them on different bases.

3.9 Financial instrument offsetting

The Company offsets an asset and liability if and only if it presently has a legally enforceable right of setting off the amounts recognized and has the intent of settling for the net amount of realizing the asset and settling the liability simultaneously.

3.10 Reclassification of financial instruments

At such time when the Company changes its business model for managing financial assets, it will reclassify those financial assets affected by the new business model.

Financial liabilities could not be reclassified.

3.11 Derivative and hedging financial instruments

Derivatives are recognized initially at fair value as of the date on which the derivatives contract is signed and, they are subsequently assessed at fair value. The method for recognizing the resulting gain or loss depends on whether the derivative has been designated as an accounting hedge instrument and, if so, it depends on the type of hedging, which may be as follows:

- a) Fair value hedge of assets and liabilities recognized (fair value hedges);
- b) Hedging of a single risk associated with an asset or liability recognized or a highly probable forecast transaction (cash flow hedge).

At the beginning of the transaction, the Company documents the relationship that exists between hedging instruments and those items hedged, as well as their objectives for risk management purposes and the strategy to conduct different hedging operations.

Note 3 Significant accounting policies (continued)

3.11 Derivative and hedging financial instruments, continued

The Company also documents its evaluation both at the beginning and at the end of each period if the derivatives used in hedging transactions are highly effective to offset changes in the fair value or in cash flows of hedged items.

The fair value of derivative instruments used for hedging purposes is shown in Note 10.3 (hedging assets and liabilities). Changes in the cash flow hedge reserve are classified as a non-current asset or liability if the remaining expiration period of the hedged item is more than 12 months, and as a current asset or liability if the remaining expiration period of the entry is less than 12 months.

Derivatives that are not designated or do not qualify as hedging derivatives are classified as current assets or liabilities, and changes in the fair value are directly recognized through profit or loss.

a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps that hedge fixed rate borrowings is recognized in profit or loss within finance costs, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognized in profit or loss within other income or other expenses. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortized to profit or loss over the period to maturity using a recalculated effective interest rate.

b) Cash flow hedges

The effective portion of gains or losses from the hedge instrument is initially recognized with a debit or credit to other comprehensive income, whereas any ineffective portion is immediately recognized with a debit or credit to profit or loss, as applicable.

Amounts taken to equity are transferred to profit or loss when the hedged transaction affects profit or loss, as when the hedged interest income or expense is recognized when a projected sale occurs. When the hedged entry is the cost of a non-financial asset or liability, amounts taken to other reserves are transferred to the initial carrying value of the non-financial asset or liability.

If the expected firm transaction or commitment is no longer expected to occur, the amounts previously recognized in equity are transferred to profit or loss. If a hedge instrument expires, is sold, finished, or exercised without any replacement, or if a rollover is performed or if its designation as hedging is revoked, the amounts previously recognized in other reserves are maintained in equity until the expected firm transaction or commitment occurs.

Note 3 Significant accounting policies (continued)

3.12 Available for sale financial assets

Available for sale financial assets are non-derivative financial assets, which have been designated as available for sale and are not classified in any of the previous categories of financial instruments. Available for sale financial instruments are initially recognized at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are recognized at fair value and changes other than impairment losses are recognized in other comprehensive income and presented in equity in the fair value reserve. If an investment is derecognized, the accumulated gain or loss is reclassified to profit or loss.

3.13 Derecognition of financial instruments

In accordance with IAS 39, the Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred; and the control of the financial assets has not been retained.

The Company derecognizes a financial liability when its contractual obligations or a part of these are discharged, paid to the creditor or legally extinguished.

3.14 Derivative financial instruments

The Company maintains derivative financial instruments to hedge its exposure to foreign currencies. Derivative financial instruments are recognized initially at fair value; attributable transaction costs are recognized when incurred. Subsequent to initial recognition, any changes in the fair value of such derivatives are recognized in profit or loss as part of gains and losses.

The Company permanently assesses the existence of embedded derivatives, both in its contracts and financial instruments. As of March 31, 2018, and December 31, 2017, there were no embedded derivatives.

3.15 Fair value initial measurements

From the initial recognition, the Company measures its assets and liabilities at fair value plus or minus transaction costs incurred that are directly attributable to the acquisition of a financial asset or issuance of a financial liability.

Note 3 Significant accounting policies (continued)

3.16 Deferred acquisition costs from insurance contracts

Acquisition costs from insurance contracts are classified as prepayments and correspond to insurance contracts in force, recognized using the straight-line method and on an accrual basis, and are recognized under other non-financial assets.

(a) Lease - Finance lease

Leases are classified as finance leases when the Company holds substantially all the risks and rewards derived from the ownership of the asset. Finance leases are capitalized at the beginning of the lease, at the lower of the fair value of the leased asset or the present value of minimum lease payments.

Each lease payment is distributed between the liability and the interest expenses to obtain ongoing interest on the pending balance of debt. The respective lease obligations, net of interest expense, are included in other non-current liabilities. The interest element of finance cost is debited in the consolidated statement of income during the lease period so that a regular ongoing interest rate is obtained on the remaining balance of the liability for each year.

(b) Lease – Operating lease

Leases in which the lesser maintains a significant part of the risks and rewards derived from the ownership are classified as operating leases. Operating lease payments (net of any incentive received from the lesser) are debited to the statement of income or capitalized (as applicable) on a straight-line basis over the lease period.

3.17 Trade and other receivables

The Company's trade receivables are maintained to obtain contractual cash flows (charge and collect) and do not contain a significant financing component, being recognized at the transaction price defined in IFRS 15. Meanwhile, the Company is using the simplified approach for recognizing expected credit losses if there is no significant increase in the credit risk since initial recognition and the terms of sale are less than 12 months. Similarly, the Company is using an impairment model for trade receivables based on expected credit losses that considers the credit risk separately from its hedges, generating an effect equal to that established in the previous accounting standard IAS 39. The Company has established the procedures and controls for beginning to apply IFRS 9 as of January 1, 2018.

Note 3 Significant accounting policies (continued)

3.18 Inventory measurement

The Company measures inventories at the lower of production cost and net realizable value. The cost price of finished products and work in progress includes the direct cost of materials and, when applicable, labor costs, the depreciation of goods that are involved in the production process, the indirect costs incurred in transforming raw materials into finished products, and general expenses incurred in carrying inventories to their current location and conditions. The method used to determine the cost of inventories is the weighted average monthly cost and the average cost of warehouse storage.

Commercial discounts, rebates obtained, and other similar entries are deducted when determining the acquisition price.

The net realizable value represents the estimated selling price, less all the estimated costs of completion and the estimated costs necessary to make the sale.

The Company conducts an evaluation of the net realizable value of inventories at the end of each year, recording a debit to profit or loss when the inventory costs exceed the realizable value. This estimate is made for all the finished and intermediate products in the Company's inventory. The valuation of obsolete, impaired or slow-moving products relates to their estimated net realizable value.

The provisions for uncertainties in the technical specifications for the Company's stocks of finished goods and work in progress have been made based on a technical study which covers the different variables that affect products in stock (such as density and humidity). This study is updated periodically to include new measurement technologies and the results from previous financial periods.

Inventories of raw materials, supplies, materials and parts are recorded at the lower of acquisition cost or market value. The acquisition cost is calculated according to the average acquisition price method. Nonetheless, an estimate is made for each financial period of the potential lower value relating to the proportion of inventory that consists of obsolete, defective or slow-moving materials. This provision reduces the value of the Company's raw materials, supplies, materials and parts.

3.19 Investments in associates and joint ventures

Interests in companies over which joint control is exercised (joint venture) or where an entity has a significant influence (associates) are recognized using the equity method of accounting. Significant influence is presumed to exist when interest greater than 20% is held in the capital of an investee.

Under this method, the investment is recognized in the statement of financial position at cost plus changes, subsequent to the acquisition, and considering the proportional share in the equity of the associate. For such purposes, the interest percentage in the ownership of the associate is used. The associated goodwill acquired is included in the carrying amount of the investee and is not amortized. The debit or credit to profit or loss reflects the proportional share in the profit or loss of the associate.

Note 3 Significant accounting policies (continued)

3.19 Investments in associates and joint ventures, continued

Unrealized gains for transactions with affiliates or associates are eliminated according to the Company's interest percentage in such entities. Unrealized losses are also eliminated, except if the transaction provides evidence of impairment loss of the transferred asset.

Changes in the equity of associates are recognized on a proportional basis with a charge or credit to "Other reserves" and classified according to their origin.

Reporting dates of the associate, the Company and related policies are similar for equivalent transactions and events under similar circumstances.

In the event that the significant influence is lost or the investment is sold or is held as available for sale, the equity method is discontinued, suspending the recognition of the proportional share of profit or loss.

If the resulting amount according to the equity method is negative, the share of profit or loss is reflected as zero in the consolidated financial statements, unless a commitment exists by the Company to reinstate the Company's equity position, in which case the related provision for risks and expenses is recorded.

Dividends received by these companies are recorded by reducing the equity value, and the proportional share of profit or loss recognized according to the equity share are included in the consolidated profit or loss accounts in the caption "Equity share of profit (loss) of associates and joint ventures that are accounted for using the equity method of accounting".

3.20 Transactions with non-controlling interests

Non-controlling interests are recorded in the consolidated statement of financial position within equity, but separate from equity attributable to the owners of the Parent.

3.21 Related party transactions

Transactions between the Company and its subsidiaries are part of the Company's normal operations within its scope of business activities. Conditions for such transactions are those normally effective for those types of operations with regard to terms and market prices. These transactions have been eliminated in consolidation. The expiration conditions vary according to the originating transaction.

Note 3 Significant accounting policies (continued)

3.22 Property, plant and equipment

The assets tangible property, plant and equipment assets are stated at acquisition cost, net of the related accumulated depreciation, amortization and impairment losses that they might have experienced.

In addition to the price paid for the acquisition of tangible property, plant and equipment, the Company has considered the following concepts as part of the acquisition cost, as applicable:

1. Accrued interest expenses during the construction period that are directly attributable to the acquisition, construction or production of qualifying assets, which are those that require a substantial period prior to being ready for use. The interest rate used is that related to the project's specific financing or, should this not exist, the average financing rate of the investor company.
2. The future costs that the Company will have to experience, related to the closure of its facilities at the end of their useful life, are included at the present value of disbursements expected to be required to settle the obligation.

Construction-in-progress is transferred to property, plant and equipment in operation once the assets are available for use and the related depreciation and amortization begins on that date.

Extension, modernization or improvement costs that represent an increase in productivity, ability or efficiency or an extension of the useful lives of property, plant and equipment are capitalized as a higher cost of the related assets. All the remaining maintenance, preservation and repair expenses are charged to expense as they are incurred.

The replacement of full assets, which increase the asset's useful life or its economic capacity, are recorded as a higher value of property, plant and equipment with the related derecognition of replaced or renewed elements.

Gains or losses which are generated from the sale or disposal of property, plant and equipment are recognized as income (or loss) in the period, and calculated as the difference between the asset's sales value and its net carrying value.

Costs derived from the daily maintenance of property, plant and equipment are recognized when incurred.

Note 3 Significant accounting policies (continued)

3.23 Depreciation of property, plant and equipment

Property, plant and equipment are depreciated through the straight-line distribution of cost over the estimated technical useful life of the asset, which is the period in which the Company expects to use the asset. When components of one item of property, plant and equipment have different useful lives, they are recorded as separate assets. Useful lives are reviewed on an annual basis.

Fixed assets associated with the Salar de Atacama consider useful life to be the lesser value between the technical useful life and the years remaining until 2030.

In the case of mobile equipment, depreciation is performed depending on the hours of operation

The useful lives used for the depreciation and amortization of assets included in property, plant and equipment in years are presented below.

Classes of property, plant and equipment	Minimum life or rate (years)	Maximum life or rate (years)	life or average rate in years
Mining assets	3	10	7
Energy generating assets	3	16	7
Buildings	3	30	10
Supplies and accessories	2	15	5
Office equipment	3	20	6
Transport equipment	3	20	10
Network and communication equipment	2	15	5
IT equipment	2	15	3
Machinery, plant and equipment	2	20	9
Other property, plant and equipment	1	26	7

3.24 Goodwill

Goodwill acquired represents the excess in acquisition cost on the fair value of the Company's ownership of the net identifiable assets of the subsidiary on the acquisition date. Goodwill acquired related to the acquisition of subsidiaries is included in goodwill, which is subject to impairment tests annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is stated at cost less accumulated impairment losses. Gains and losses related to the sale of an entity include the carrying value of goodwill related to the entity sold.

This intangible asset is assigned to cash-generating units with the purpose of testing impairment losses. It is allocated based on cash-generating units expected to obtain benefits from the business combination from which the aforementioned goodwill acquired arose.

Note 3 Significant accounting policies (continued)

3.25 Intangible assets other than goodwill

Intangible assets mainly relate to water rights, rights issues, electric line easement expenses and software license and development expenses.

(a) Water rights

Water rights acquired by the Company relate to water from natural sources and are recorded at acquisition cost. Given that these assets represent legal rights granted in perpetuity to the Company, they are not amortized, but are subject to annual impairment tests.

(b) Rights of way for electric lines

As required for the operation of industrial plants, the Company has paid rights of way in order to install wires for the different electric lines on third party land. These rights are presented under intangible assets. Amounts paid are capitalized at the date of the agreement and charged to the statement of income, according to the life of the right of way.

(c) Computer software

Licenses for IT programs acquired are capitalized based on their acquisition and customization costs. These costs are amortized over their estimated useful lives.

Expenses related to the development or maintenance of IT programs are recognized as an expense as and when incurred. Costs directly related to the production of unique and identifiable IT programs controlled by the Group, and which will probably generate economic benefits that are higher than its costs during more than a year, are recognized as intangible assets. Direct costs include the expenses of employees who develop information technology software and general expenses in accordance with corporate charges received.

The costs of development for IT programs recognized as assets are amortized over their estimated useful lives.

(d) Mining property and concession rights

The Company holds mining property and concession rights from the Chilean Government. Property rights are usually obtained at no initial cost (other than the payment of mining patents and minor recording expenses) and once the rights on these concessions have been obtained, they are retained by the Company while annual patents are paid. Such patents, which are paid annually, are recorded as prepaid assets and amortized over the following twelve months. Amounts attributable to mining concessions acquired from third parties that are not from the Chilean Government are recorded at acquisition cost within intangible assets.

No impairment of intangible assets exists as of March 31, 2018 and December 31, 2017.

Note 3 Significant accounting policies (continued)

3.26 Research and development expenses

Research and development expenses are charged to profit or loss in the period in which the expenditure was incurred.

3.27 Prospecting expenses

The Company has mining property and concession rights from the Chilean Government and others that it has acquired from third parties other than the Chilean Government, destined to the exploitation of caliche ore and saltpeter deposits and also the exploration of these types of deposits.

Upon obtaining these rights, the Company initially records disbursements directly associated with the exploration and evaluation of deposits (associated with small deposits with trading feasibility) as asset at cost. Such disbursements include the following concepts:

- Disbursements for geological reconnaissance evaluation
- Disbursements for drilling
- Disbursements for drilling work and sampling
- Disbursements for activities related to technical assessment and trading feasibility of drilling work
- And any disbursement directly related to specific projects where its objective is finding mining resources.

Subsequently, the Company distinguishes exploration and evaluation projects according to the economic feasibility of the mineral extracted in the area or exploration, among those that finally will deliver future benefits to the Company (profitable projects) and those projects that are unlikely to bring profit to the Company in the future (i.e., when the ore grade at the site is low and its exploitation is not economically profitable).

If technical studies determine that the ore grade is not economically suitable for exploitation, the asset is directly expensed. Otherwise, it is held in the caption "other non-current assets", reclassifying the portion related to the area to be exploited in the year in the caption inventories and such amount is amortized as production cost on the basis of estimated tons to be extracted.

The technical reasons for this classification correspond to the fact that this is an identifiable non-monetary asset that is owned to be used in the production of our processes as a main raw material.

For this reason and because our disbursements correspond to reserves that have proved to be financially feasible and used as a principal raw material in our production processes, these are presented as inventories that will be exploited within the commercial year and the remainder as development expenses for small deposits and prospecting expenses in the caption "other non-current assets".

Note 3 Significant accounting policies (continued)

3.28 Impairment of non-financial assets

Assets subject to depreciation and amortization are also subject to impairment testing, provided that an event or change in the circumstances indicates that the amounts in the accounting records may not be recoverable. An impairment loss is recognized for the excess of the book value of the asset over its recoverable amount.

The recoverable amount of an asset is the higher between the fair value of an asset or cash generating unit ("CGU") less costs of sales and its value in use, and is determined for an individual asset unless the asset does not generate any cash inflows that are clearly independent from other assets or groups of assets.

When the carrying value of an asset exceeds its recoverable amount, the asset is considered an impaired asset and is reduced to its net recoverable amount.

In evaluating value in use, estimated future cash flows are discounted using a pre-tax discount rate that reflects current market assessment, the value of money over time and the specific asset risks.

To determine the fair value less costs to sell, an appropriate valuation model is used.

Impairment losses from continuing operations are recognized with a debit to profit or loss in the categories of expenses associated with the impaired asset function, except for properties reevaluated previously where the revaluation was taken to equity.

For assets other than acquired goodwill, an annual evaluation is carried out to determine whether any previously recognized impairment losses have already decreased or ceased to exist. If this should be the case, the recoverable amount is estimated. A previously recognized impairment loss is only reversed if there have been changes in the estimates used to determine the asset's recoverable amount since the last time an impairment loss was recognized. If this is the case, the carrying value of the asset is increased to its recoverable amount. This increased amount cannot exceed the carrying value that would have been determined, net of depreciation, if an asset impairment loss had not been recognized in prior years. This reversal is recognized with a credit to profit or loss.

3.29 Minimum dividend

As required by the Law of Corporations (the "Law"), unless otherwise decided by unanimous vote of shareholders, a publicly-held corporation must distribute dividends in accordance with the policy determined in the ordinary general assembly of shareholders held each year, holding a minimum of 30% of profits, except in the case that the corporation has losses not absorbed in previous years. However, the Corporation defines as its policy the distribution of up to 100% of its net profits for the period.

Note 3 Significant accounting policies (continued)

3.30 Earnings per share

The basic earnings per share amounts are calculated by dividing the profit for the year attributable to the ordinary owners of the parent by the weighted average number of ordinary shares outstanding during the year.

The Company has not conducted any type of operation of potential dilutive effect that would entail the disclosure of diluted earnings per share.

3.31 Trade and other payables

Trade and other payables are measured at fair value plus all costs associated with the transaction. Subsequently, these are carried out at amortized cost using the effective interest rate method.

3.32 Interest-bearing borrowings

At initial recognition, interest-bearing borrowings are measured at fair value net of transaction costs incurred. Subsequently, they are measured at amortized cost using the effective interest rate method. Amortized cost is calculated considering any premium or discount from the acquisition and includes costs of transactions which are an integral part of the effective interest rate.

These are recorded as non-current when their expiration period exceeds twelve months and as current when the term is lower than such term. Interest expense is calculated in the year in which it is accrued following a financial criterion.

3.33 Other provisions

Provisions are recognized when:

- The Company has a present obligation or constructive obligation as the result of a past event.
- It is more likely than not that certain resources must be used, including benefits, to settle the obligation.
- A reliable estimate can be made of the amount of the obligation.

In the event that the provision or a portion of it is reimbursed, the reimbursement is recognized as a separate asset solely if there is certainty of income.

In the consolidated statement of income, the expense for any provision is presented net of any reimbursement.

Should the effect of the value of money over time be significant, provisions are discounted using a discount rate before tax that reflects the liability's specific risks. When a discount rate is used, the increase in the provision over time is recognized as a finance cost.

Note 3 Significant accounting policies (continued)

3.33 Other provisions, continued

The Company's policy is to maintain provisions to cover risks and expenses based on a better estimate to deal with possible or certain and quantifiable responsibilities from current litigation, compensations or obligations, pending expenses for which the amount has not yet been determined, collaterals and other similar guarantees for which the Company is responsible. These are recorded at the time the responsibility or the obligation that determines the compensation or payment is generated.

3.34 Obligations related to employee termination benefits and pension commitments

Obligations towards the Company's employees comply with the provisions of the collective bargaining agreements in force, which are formalized through collective employment agreements and individual employment contracts, except for the United States, which is regulated in accordance with employment plans in force up to 2002. (See more details in Note 15.4).

These obligations are valued using actuarial calculations, according to the projected unit credit method which considers such assumptions as the mortality rate, employee turnover, interest rates, retirement dates, effects related to increases in employees' salaries, as well as the effects on variations in services derived from variations in the inflation rate. The criteria in force contained in the revised IAS 19 are also taken into account.

Actuarial gains and losses that may be generated by variations in defined, pre-established obligations are directly recorded in other comprehensive income.

Actuarial losses and gains have their origin in departures between the estimate and the actual behavior of actuarial assumptions or in the reformulation of established actuarial assumptions.

The discount rate used by the Company for calculating the obligation was 5.035% and 5.114% for the periods ended March 31, 2018 and December 31, 2017, respectively.

The Company's subsidiary SQM North America has established pension plans for its retired employees that are calculated by measuring the projected obligation using a net salary progressive rate net of adjustments for inflation, mortality and turnover assumptions, deducting the resulting amounts at present value using a 3.75% interest rate for 2018 and 4.50% for 2017. The net balance of this obligation is presented under the non-current provisions for employee benefits (refer to Note 15.4).

3.35 Compensation plans

Compensation plans implemented through benefits provided in share-based payments settled in cash are recognized in the financial statements at their fair value, in accordance with International Financial Reporting Standards No. 2 "Share-based Payments." Changes in the fair value of options granted are recognized with a charge to payroll on a straight-line basis during the period between the date on which these options are granted and the payment date (see Note 16).

Note 3 Significant accounting policies (continued)

3.36 Revenue recognition

Revenue includes the fair value of considerations received or receivable for the sale of goods and services during the performance of the Company's activities. Revenue is presented net of value added tax, estimated returns, rebates and discounts and after the elimination of sales among subsidiaries.

The company has adopted the method indicated in appendix C.3 (b) of IFRS 15 and therefore has not re-expressed the comparative financial statements.

At the date of closure of the financial statements, there are no effects that amend the company's accumulated results derived from the application of the aforementioned method.

Revenue is recognized when its amount can be stated reliably, it is probable that the future economic rewards will flow to the entity and it meets the specific conditions for each type of activity-related revenue, as follows:

(a) Sale of goods

The sale of goods is recognized when the Company has delivered products to the customer, and there is no obligation pending compliance that could affect the acceptance of products by the customer. The delivery does not occur until products have been shipped to the customer or confirmed as received by the customer, and the related risks of obsolescence and loss have been transferred to the customer and the customer has accepted the products in accordance with the conditions established in the sale, when the acceptance period has ended, or when there is objective evidence that those criteria required for acceptance have been met.

Sales are recognized in consideration of the price set in the sales agreement, net of volume discounts and estimated returns at the date of the sale. Volume discounts are evaluated in consideration of annual foreseen purchases and in accordance with the criteria defined in agreements.

(b) Sale of services

Revenue associated with the rendering of services is recognized considering the degree of completion of the service as of the date of presentation of the consolidated classified statement of financial position, provided that the result from the transaction can be estimated reliably.

(c) Interest income

Interest income is recognized when interest is accrued in consideration of the principal pending payment using the effective interest rate method.

(d) Income from dividends

Income from dividends is recognized when the right to receive the payment is established.

Note 3 Significant accounting policies (continued)

3.37 Finance income and finance costs

Finance income is mainly composed of interest income in financial instruments such as term deposits and mutual fund deposits. Interest income is recognized in profit or loss at amortized cost, using the effective interest rate method.

Finance costs are mainly composed of interest on bank borrowing expenses, interest on bonds issued and interest capitalized for borrowing costs for the acquisition, construction or production or qualifying assets.

Borrowing costs and bonds issued are recognized in profit or loss using the effective interest rate method.

For finance costs accrued during the construction period that are directly attributable to the acquisition, construction or production of qualifying assets, the effective interest rate related to the project's specific financing is used. If none exists, the average financing rate of the subsidiary making the investment is utilized.

Borrowing and financing costs that are directly attributable to the acquisition, construction or production of an asset are capitalized as part of that asset's cost.

3.38 Income tax and deferred taxes

Corporate income tax for the year is determined as the sum of current taxes from the different consolidated companies.

Current taxes are based on the application of the various types of taxes attributable to taxable income for the year.

Differences between the book value of assets and liabilities and their tax basis generate the balance of deferred tax assets or liabilities, which are calculated using the tax rates expected to be applicable when the assets and liabilities are realized.

In conformity with current Chilean tax regulations, the provision for corporate income tax and taxes on mining activity is recognized on an accrual basis, presenting the net balances of accumulated monthly tax provisional payments for the fiscal period and associated credits. The balances of these accounts are presented in current income taxes recoverable or current taxes payable, as applicable.

Tax on companies and variations in deferred tax assets or liabilities that are not the result of business combinations are recorded in the statement of income accounts or equity accounts in the consolidated statement of financial position, considering the origin of the gains or losses which have generated them.

At each reporting period, the carrying amount of deferred tax assets has been reviewed and reduced to the extent where there will not be sufficient taxable income to allow the recovery of all or a portion of the deferred tax assets. Likewise, as of the date of the consolidated financial statements, deferred tax assets that are not recognized were evaluated and not recognized as it was more likely than not that future taxable income will allow for recovery of the deferred tax asset.

likely than not that the temporary differences will be reversed in the near future and that there will be taxable income with which they may be used.

Note 3 Significant accounting policies (continued)

3.38 Income tax and deferred taxes, continued

With respect to deductible temporary differences associated with investments in subsidiaries, associated companies and interest in joint ventures, deferred tax assets are recognized solely provided that it is more likely than not that they will be realized. The deferred income tax related to entries directly recognized in equity is recognized with an effect on equity and not with an effect on profit or loss.

Deferred tax assets and liabilities are offset if there is a legally receivable right of offsetting tax assets against tax liabilities and the deferred tax is related to the same tax entity and authority.

3.39 Segment reporting

IFRS 8 requires that companies adopt a “management approach” to disclose information on the operations generated by its operating segments. In general, this is the information that management uses internally for the evaluation of segment performance and making the decision on how to allocate resources for this purpose.

An operating segment is a group of assets and operations responsible for providing products or services subject to risks and performance that are different from those of other business segments. A geographical segment is responsible for providing products or services in a given economic environment subject to risks and performance that are different from those of other segments operating in other economic environments.

For assets and liabilities, the allocation to each segment is not possible given that these are associated with more than one segment, except for depreciation, amortization and impairment of assets, which are directly allocated to the applicable segments, in accordance with the criteria established in the costing process for product inventories.

The following operating segments have been identified by the Company:

- Specialty plant nutrients
- Industrial chemicals
- Iodine and derivatives
- Lithium and derivatives
- Potassium
- Other products and services

Note 3 Significant accounting policies (continued)

3.40 Responsibility for Information and Estimates Made

The Management of Sociedad Química y Minera de Chile S.A. and its subsidiaries is responsible for the information contained in these consolidated financial statements, which expressly indicate that all the principles and criteria included in IFRS, as issued by the International Accounting Standards Board (IASB), have been applied in full.

In preparing the consolidated financial statements of Sociedad Química y Minera de Chile S.A. and its subsidiaries, Management has made judgments and estimates to quantify certain assets, liabilities, revenues, expenses and commitments included therein. Basically, these estimates refer to:

- Estimated useful lives are determined based on current facts and past experience, and take into consideration the anticipated physical life of the asset, the potential for technological obsolescence, and regulations. See Notes 3.22, 13 and 14.
- Impairment losses of certain assets - Assets, including property, plant and equipment, exploration assets, goodwill and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. If an impairment assessment is required, the assessment of fair value often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance. Changes in such estimates could impact the recoverable values of these assets. Estimates are reviewed regularly by management. See Notes 13 and 14.
- Assumptions used in calculating the actuarial amount of pension-related and severance indemnity payment benefit commitments. See Note 15.
- Contingencies – The amount recognized as a provision, including legal, contractual, constructive and other exposures or obligations, is the best estimate of the consideration required to settle the related liability, including any related interest charges, taking into account the risks and uncertainties surrounding the obligation. In addition, contingencies will only be resolved when one or more future events occur or fail to occur. Therefore, the assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. The Company assesses its liabilities and contingencies based upon the best information available, relevant tax laws and other appropriate requirements. See Notes 18 and 19.
- Provisions on the basis of technical studies that cover the different variables affecting products in stock (density and moisture, among others), and related allowance.
- Obsolescence to ensure that the carrying value of inventory is not in excess of the net realizable Inventory valuation requires judgment to determine obsolescence and estimates of provisions for value. See Note 8.

Despite the fact that these estimates have been made on the basis of the best information available on the date of preparation of these consolidated financial statements, certain events may occur in the future and oblige their amendment (upwards or downwards) over the next few years, which would be made prospectively, recognizing the effects of the change in estimates in the related future consolidated financial statements.

Note 3 Significant accounting policies (continued)

3.41 Environment

In general, the Company follows the criteria of considering amounts used in environmental protection and improvement as environmental expenses. However, the cost of facilities, machinery and equipment used for the same purpose are considered property, plant and equipment, as the case may be.

Note 4 Financial risk management

4.1 Financial risk management policy

The Company's financial risk management policy is focused on safeguarding the stability and sustainability of Sociedad Química y Minera de Chile S.A. and its subsidiaries with regard to all such relevant financial uncertainty components.

The Company's operations are subject to certain financial risk factors that may affect its financial position or results. The most significant risk exposures are market risk, liquidity risk, currency risk, doubtful accounts risk, and interest rate risk, among others.

There could also be additional risks, which are either unknown or known but not currently deemed to be significant, which could also affect the Company's business operations, its business, financial position, or profit or loss.

The financial risk management structure includes identifying, determining, analyzing, quantifying, measuring and controlling these events. Management and, in particular, Finance Management, is responsible for constantly assessing the financial risk. The Company uses derivatives to hedge a significant portion of those risks.

Note 4 Financial risk management, continued

4.2 Risk factors

4.2.1 Market risk

Market risk refers to the uncertainty associated with fluctuations in market variables affecting the Company's assets and liabilities, including:

- a) Price risk: The Company's product prices are affected by the fluctuations in international prices of fertilizers and chemicals, as well as changes in production capacities or market demand, all of which might affect the Company's business, financial position and results of operations.
- b) Commodity price risk: The Company is exposed to changes in commodity prices and energy which may have an impact on its production costs that may cause unstable results.

At present, the SQM Group incurs a quarterly expenditure of approximately US\$31 million associated with fuel, gas, energy and equivalents, of which US\$20 million is related to direct electricity consumption. A change of 10% in the prices of energy required for the Company's operations may involve costs of approximately US\$3 million in short-term movements.

The markets in which the Company operates are unpredictable, exposed to significant fluctuations in supply and demand, and high price volatility. Additionally, the supply of certain fertilizers or chemicals, including certain products in which the Company trades vary, mainly depending on the production of top producers and their related business strategies. Accordingly, the Company cannot forecast with certainty changes in demand, responses from competitors or fluctuations in the final price of its products. These factors can lead to significant impacts on the Company's product sales volumes, financial position and share price.

- c) Quality standards: In the markets in which we operate, customers might impose quality standards on our products and/or governments could enact more stringent standards for the distribution and/or use of our products. Consequently, we might not be able to sell our products if we are not able to meet those new standards. In addition, our production costs might increase to meet such new standards. Not being able to sell our products in one or more markets or to key customers might significantly affect our business, financial position or the results of our operations.

Note 4 Financial risk management, continued

4.2.2 Credit risk

A contraction of the global economy and the potentially adverse effects in the financial position of our customers may extend the receivables recovery period for SQM, increasing its exposure to doubtful account risk. While measures have been taken to minimize such risk, the global economic situation may result in losses that might have a material adverse effect on the Company's business, financial position or results of operations.

To mitigate these risks, SQM actively controls debt collection and has established certain safeguards which include loan insurance, letters of credit, and prepayments for a portion of receivables.

Financial investments correspond to time deposits with maturities exceeding 90 days and less than 360 days from the investment date, so they are not exposed to significant market risks.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Financial institution	Financial assets	Rating Institution			3/31/2018
		Moody's	S&P	Fitch	ThUS\$
Banco BBVA Chile	Time deposits	P-2	A-2	-	30,010
Banco Crédito e Inversiones	Time deposits	P-1	A-1	F1	83,747
Banco Santander - Santiago	Time deposits	P-1	A-1	F1	6,208
BBVA Banco Francés	Time deposits	-	-	-	148
Banco de Chile	Time deposits	P-1	A-1	-	2,300
JP Morgan US dollar Liquidity Fund Institutional	Investment fund deposits	-	-	-	120,020
Legg Mason - Western Asset Institutional Cash Reserves	Investment fund deposits	-	-	-	123,525
Scotiabank Sud Americano	Time deposits	-	-	-	1,101
Nedbank	Time deposits	-	B	F1	3,076
ABN Amro Bank	Time deposits	-	-	-	1,478
Total					371,613

Financial institution	Financial assets	Rating Institution			3/31/2018
		Moody's	S&P	Fitch	ThUS\$
Banco Santander	90 days to 1 year	P-1	A-1	F1	184,897
Banco Crédito e Inversiones	90 days to 1 year	P-1	A-1	F1	96,162
Itau-Corpanca	90 days to 1 year	-	-	-	94,454
Banco Security	90 days to 1 year	P-1	A-2	-	29,313
Banco de Chile	90 days to 1 year	P-1	A-1	-	6,626
Total					411,452

Note 4 Financial risk management, continued

4.2.3 Currency risk

As a result of its influence on price level determination as well as its relationship with cost of sales, and since a significant portion of the Company's business transactions are performed in that foreign currency, the functional currency of SQM is the United States dollar. However, the global business activities of the Company expose it to the foreign exchange fluctuations of several currencies with respect to the value of the U.S. dollar. Accordingly, SQM has entered into hedge contracts to mitigate the exposure generated by its main mismatches (assets, net of liabilities) in currencies other than the U.S. dollar against foreign exchange fluctuation. These contracts are periodically updated depending on the mismatch amount to be hedged in such currencies. Occasionally, and subject to the Board of Directors' approval, in the short-term the Company insures cash flows from certain specific items in currencies other than the U.S. dollar.

A significant portion of the Company's costs, particularly payroll, is denominated in Chilean pesos. Accordingly, an increase or decrease in the exchange rate against the U.S. dollar would affect the Company's profit for the period. Approximately US\$101 million of the Company's costs are denominated in Chilean pesos. A significant portion of the effect of such obligations on the statement of financial position is hedged by derivative instrument transactions on the balance mismatch in such currency.

As of March 31, 2018, the Company recorded derivative instruments classified as currency and interest rate hedges associated with all the bonds payable, denominated in UF, with a fair value of US\$42 million against SQM. As of December 31, 2017, this amounts to US\$5 million against SQM.

As of March 31, 2018, the Chilean peso to U.S. dollar exchange rate was Ch\$603.39 per US\$1.00 (Ch\$ 614.75 per US\$ 1.00 as of December 31, 2017).

Note 4 Financial risk management, continued

4.2.4 Interest rate risk

Interest rate fluctuations, primarily due to the uncertain future behavior of markets, may have a material impact on the financial results of the Company.

The Company has current and non-current debts valued at the LIBOR rate, plus a spread. The Company is partially exposed to fluctuations in this rate, as SQM currently holds hedging derivative instruments to hedge a portion of its liabilities subject to LIBOR rate fluctuations.

As of March 31, 2018, the Company has no financial liabilities linked to variations in the LIBOR rate and, therefore, significant increases in that rate would not impact its financial position.

In addition, as of March 31, 2018, the Company's financial liabilities are mainly concentrated in the long-term and approximately 9% have maturities of less than 12 months, decreasing in the process the exposure to changes in interest rates.

4.2.5 Liquidity risk

Liquidity risk relates to the funds needed to comply with payment obligations. The Company's objective is to maintain financial flexibility through a comfortable balance between fund requirements and cash flows from regular business operations, bank borrowings, bonds, short term investments, and marketable securities, among others.

The Company has an important capital expense program which is subject to change over time.

On the other hand, world financial markets go through periods of contraction and expansion that are unforeseeable in the long-term and may affect SQM's access to financial resources. Such factors may have a material adverse impact on the Company's business, financial position and results of operations.

SQM constantly monitors the matching of its obligations with its investments, taking due care of maturities of both, from a conservative perspective, as part of this financial risk management strategy. As of March 31, 2018, the Company had unused, available revolving credit facilities with banks, for a total of approximately US\$309 million.

The position in other cash and cash equivalents generated by the Company are invested in highly liquid mutual funds with an AAA risk rating.

Note 4 Financial risk management, continued

4.2.5 Liquidity risk, continued

As of March 31, 2018	Nature of undiscounted cash flows				Total
	Carrying amount	Less than 1 year	1 to 5 years	Over 5 years	
(in millions of US\$)					
Other non-derivative financial liabilities					
Bank borrowings	100.96	101.64	-	-	101.64
Unsecured obligations	1,061.70	47.73	533.37	737.8	1,318.90
Subtotal	1,162.66	149.37	533.37	737.8	1,420.54
Other derivative financial liabilities					
Hedging liabilities	(25.48)	1.18	(45.84)	-	(44.66)
Derivative financial instruments	(1.6)	(1.6)	-	-	(1.6)
Subtotal	(27.08)	(0.42)	(45.84)	-	(46.26)
Total	1,135.58	148.95	487.53	737.8	1,374.28

As of December 31, 2017	Nature of undiscounted cash flows				Total
	Carrying amount	Less than 1 year	1 to 5 years	Over 5 years	
(in millions of US\$)					
Other non-derivative financial liabilities					
Bank borrowings	163.57	164.78	-	-	164.78
Unsecured obligations	1,054.89	47.45	522.52	751.67	1,321.64
Subtotal	1,218.46	212.23	522.52	751.67	1,486.42
Other derivative financial liabilities					
Hedging liabilities	28.38	37.01	(9.51)	(18.36)	9.14
Derivative financial instruments	0.80	0.80	-	-	0.80
Subtotal	29.18	37.81	(9.51)	(18.36)	9.94
Total	1,247.64	250.04	513.01	733.31	1,496.36

4.3 Risk measurement

The Company has methods to measure the effectiveness and efficiency of financial risk hedging strategies, both prospectively and retrospectively. These methods are consistent with the risk management profile of the Group.

Note 5 Changes in accounting estimates and policies (consistent presentation)

5.1 Changes in accounting estimates

The Company had no changes in the determination of accounting estimates at the closing date of the consolidated financial statements. (For more information, see Note 3.40).

5.2 Changes in accounting policies

As of March 31, 2018, the Company's consolidated financial statements present no changes in accounting policies or estimates compared to the prior period (for further details refer to Note 3.40).

The consolidated statements of financial position as of March 31, 2018 and December 31, 2017 and the statements of comprehensive income, changes in equity and cash flows for the periods ended March 31, 2018 and 2017, have been prepared in accordance with the IFRS.

The accounting principles and criteria were applied consistently.

Note 6 Background of companies included in consolidation

6.1 Parent's stand-alone assets and liabilities

	3/31/2018 ThUS\$	12/31/2017 ThUS\$
Assets	3,795,232	3,658,528
Liabilities	(1,601,930)	(1,470,707)
Equity	2,193,302	2,187,821

6.2 Parent entity

As provided in the Company's by-laws, no shareholder can concentrate more than 32% of the Company's voting right shares and therefore there is no controlling entity.

6.3 Joint arrangements of controlling interest

Sociedad de Inversiones Pampa Calichera S.A., Potasios de Chile S.A., and Inversiones Global Mining (Chile) Ltda., collectively the Pampa Group, are the owners of a number of shares that as of March 31, 2018 are equivalent to 29.38% of the current total amount of issued, subscribed and fully-paid shares in the Company. In addition, Kowa Company Ltd., Inversiones La Esperanza (Chile) Limitada, Kochi S.A. and La Esperanza Delaware Corporation, collectively the Kowa Group, are the owners of a number of shares equivalent to 2.12% of the total amount of issued, subscribed and fully-paid shares of SQM S.A.

The Pampa Group and the Kowa Group have informed SQM S.A., the CMF, and the relevant stock exchanges in Chile and abroad that they are not and have never been mutually related parties. This is independent of the fact that on December 21, 2006 the two Groups entered into a Joint Action Agreement (JAA) related to those shares. Consequently, neither the Pampa Group nor the Kowa Group individually owns more than 32% of the voting right capital of SQM S.A.

This Joint Action Agreement has not transformed the Pampa and Kowa Groups into mutually related parties. The Joint Action Agreement has only transformed the current controller of SQM S.A., composed of the Pampa Group, and the Kowa Group, into related parties of SQM S.A.

Detail of effective concentration

Tax ID No.	Name	Ownership interest %
96.511.530-7	Sociedad de Inversiones Pampa Calichera S.A.	19.13
76.165.311-5	Potasios de Chile S.A.	6.91
96.863.960-9	Inversiones Global Mining (Chile) Limitada	3.34
Total Pampa Group		29.38
79.798.650-K	Inversiones la Esperanza (Chile) Ltda.	1.43
59.046.730-8	Kowa Co Ltd.	0.30
96.518.570-4	Kochi S.A.	0.30
59.023.690-K	La Esperanza Delaware Corporation	0.09
Total Kowa Group		2.12

Note 6 Background of companies included in consolidation (continued)

6.3 Joint arrangements of controlling interest, continued

On April 30, 2018, Sociedad de Inversiones Pampa Calichera S.A. issued a memo informing the Company that Pampa Group and Kowa Group had finalized the JAA. Until its termination, this JAA enabled shareholders of the Company and of Sociedad de Inversiones Pampa Calichera S.A., Potasios de Chile S.A., Inversiones Global Mining (Chile) Limitada, Kowa Company Ltd., Inversiones la Esperanza (Chile) Ltda., Kochi S.A. and La Esperanza Delaware Corporation to be controlling shareholders of the Company.

Note 6 Background of companies included in consolidation (continued)

6.4 General information on consolidated subsidiaries

As of March 31, 2018 and December 31, 2017, the general information of the companies on which the Company exercises control and significant influence is as follows:

Subsidiary	Tax ID	Address	Country of incorporation	Functional currency	Ownership interest		Total
					Direct	Indirect	
SQM Nitratos S.A.	96.592.190-7	El Trovador 4285 Las Condes	CHILE	US\$	99.9999	0.0001	100.0000
Proinsa Ltda.	78.053.910-0	El Trovador 4285 Las Condes	CHILE	Ch\$	-	60.5800	60.5800
SQMC Internacional Ltda.	86.630.200-6	El Trovador 4285 Las Condes	CHILE	Ch\$	-	60.6381	60.6381
SQM Potasio S.A.	96.651.060-9	El Trovador 4285 Las Condes	CHILE	US\$	99.9999	-	99.9999
Serv. Integrales de Tránsito y Transf. S.A.	79.770.780-5	Arturo Prat 1060, Tocopilla	CHILE	US\$	0.0003	99.9997	100.0000
Isapre Norte Grande Ltda.	79.906.120-1	Anibal Pinto 3228, Antofagasta	CHILE	Ch\$	1.0000	99.0000	100.0000
Ajay SQM Chile S.A.	96.592.180-K	Av. Pdte. Eduardo Frei 4900, Santiago	CHILE	US\$	51.0000	-	51.0000
Almacenes y Depósitos Ltda.	79.876.080-7	El Trovador 4285 Las Condes	CHILE	Ch\$	1.0000	99.0000	100.0000
SQM Salar S.A.	79.626.800-K	El Trovador 4285 Las Condes	CHILE	US\$	18.1800	81.8200	100.0000
SQM Industrial S.A.	79.947.100-0	El Trovador 4285 Las Condes	CHILE	US\$	99.0470	0.9530	100.0000
Exploraciones Mineras S.A.	76.425.380-9	El Trovador 4285 Las Condes	CHILE	US\$	0.2691	99.7309	100.0000
Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	76.534.490-5	Anibal Pinto 3228, Antofagasta	CHILE	Ch\$	-	100.0000	100.0000
Soquimich Comercial S.A.	79.768.170-9	El Trovador 4285 Las Condes	CHILE	US\$	-	60.6383	60.6383
Comercial Agrorama Ltda. (*)	76.064.419-6	El Trovador 4285 Las Condes	CHILE	US\$	-	42.4468	42.4468
Comercial Hydro S.A.	96.801.610-5	El Trovador 4285 Las Condes	CHILE	Ch\$	-	60.6383	60.6383
Agrorama S.A.	76.145.229-0	El Trovador 4285 Las Condes	CHILE	Ch\$	-	60.6377	60.6377
Orcoma Estudios SPA	76.359.919-1	Apoquindo 3721 Of.131 Las Condes	CHILE	US\$	51.0000	-	51.0000
Orcoma SPA	76.360.575-2	Apoquindo 3721 Of.131 Las Condes	CHILE	US\$	100.0000	-	100.0000
SQM MaG SpA.	76.686.311-9	Los Militares 4290, Las Condes	CHILE	US\$	-	100.0000	100.0000
SQM North America Corp.	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA	United States	US\$	40.0000	60.0000	100.0000
RS Agro Chemical Trading Corporation A.V.V.	Foreign	Caya Ernesto O. Petronia 17, Oranjestad	Aruba	US\$	98.3333	1.6667	100.0000
Nitratos Naturais do Chile Ltda.	Foreign	Al. Tocantis 75, 6° Andar, Conunto 608 Edif. West Gate, Alphaville Barueri, CEP 06455-020, Sao Paulo	Brazil	US\$	-	100.0000	100.0000
Nitrate Corporation of Chile Ltd.	Foreign	1 More London Place London SE1 2AF	United Kingdom	US\$	-	100.0000	100.0000
SQM Corporation N.V.	Foreign	Pietermaai 123, P.O. Box 897, Willemstad, Curacao	Netherlands	US\$	0.0002	99.9998	100.0000
SQM Peru S.A.	Foreign	Avenida Camino Real N° 348 of. 702, San Isidro, Lima	Peru	US\$	0.9800	99.0200	100.0000
SQM Ecuador S.A.	Foreign	Av. José Orrantía y Av. Juan Tanca Marengo Edificio Executive Center Piso 2 Oficina 211	Ecuador	US\$	0.0040	99.9960	100.0000

(*) SQM is the Parent of Soquimich Comercial and the latter is the Parent of Comercial Agrorama Ltda. SQM controls the management of Comercial Agrorama Ltda.



Note 6 Background of companies included in consolidation (continued)

6.4 General information on consolidated subsidiaries, continued

Subsidiary	Tax ID	Address	Country of incorporation	Functional currency	Ownership interest		Total
					Direct	Indirect	
SQM Brasil Ltda.	Foreign	Al. Tocantis 75, 6° Andar, Conunto 608 Edif. West Gate, Alphaville Barureri, CEP 06455-020, Sao Paulo	Brazil	US\$	1.0900	98.9100	100.0000
SQI Corporation N.V.	Foreign	Pietermaai 123, P.O. Box 897, Willemstad, Curacao	Netherlands	US\$	0.0159	99.9841	100.0000
SQMC Holding Corporation L.L.P.	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta	United States	US\$	0.1000	99.9000	100.0000
SQM Japan Co. Ltd.	Foreign	From 1 st Bldg 207, 5-3-10 Minami- Aoyama, Minato-ku, Tokyo	Japan	US\$	0.1597	99.8403	100.0000
SQM Europe N.V.	Foreign	Houtdok-Noordkaai 25a B-2030 Antwerp, Belgium	Belgium	US\$	0.5800	99.4200	100.0000
SQM Italia SRL	Foreign	Via A. Meucci, 5 500 15 Grassina Firenze	Italy	US\$	-	100.0000	100.0000
SQM Indonesia S.A.	Foreign	Perumahan Bumi Dirgantara Permai, Jl Suryadarma Blok Aw No 15 Rt 01/09 17436 Jatisari Pondok Gede	Indonesia	US\$	-	80.0000	80.0000
North American Trading Company	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA	United States	US\$	-	100.0000	100.0000
SQM Virginia LLC	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA	United States	US\$	-	100.0000	100.0000
SQM Comercial de México S.A. de C.V.	Foreign	Av. Moctezuma 144-4 Ciudad del Sol. CP 45050, Zapopan, Jalisco México	Mexico	US\$	0.0100	99.9900	100.0000
SQM Investment Corporation N.V.	Foreign	Pietermaai 123, P.O. Box 897, Willemstad, Curacao	Netherlands	US\$	1.0000	99.0000	100.0000
Royal Seed Trading Corporation A.V.V.	Foreign	Caya Ernesto O. Petronia 17, Oranjestad	Aruba	US\$	1.6700	98.3300	100.0000
SQM Lithium Specialties LLP	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA	United States	US\$	-	100.0000	100.0000
Soquimich SRL Argentina	Foreign	Espejo 65 Oficina 6 – 5500 Mendoza	Argentina	US\$	-	100.0000	100.0000
Comercial Caimán Internacional S.A.	Foreign	Edificio Plaza Bancomer Calle 50	Panama	US\$	-	100.0000	100.0000
SQM France S.A.	Foreign	ZAC des Pommiers 27930 FAUVILLE	France	US\$	-	100.0000	100.0000
Administración y Servicios Santiago S.A. de C.V.	Foreign	Av. Moctezuma 144-4 Ciudad del Sol. CP 45050, Zapopan, Jalisco México	Mexico	US\$	-	100.0000	100.0000
SQM Nitratos México S.A. de C.V.	Foreign	Av. Moctezuma 144-4 Ciudad del Sol. CP 45050, Zapopan, Jalisco México	Mexico	US\$	-	100.0000	100.0000
SQM Australia PTY	Foreign	Level 16, 201 Elizabeth Street Sydney	Australia	Australian dollar	-	100.0000	100.0000
SACAL S.A.	Foreign	Av. Leandro N. Alem 882, piso 13 Buenos Aires	Argentina	Argentine peso	-	100.0000	100.0000

SQM S.A.
 El Trovador 4285
 Las Condes, Santiago, Chile
 Tel: (56 2) 2425 2000
www.sqm.com



Note 6 Background of companies included in consolidation (continued)

6.4 General information on consolidated subsidiaries, continued

Subsidiary	Tax ID	Address	Country of incorporation	Functional currency	Ownership interest		Total
					Direct	Indirect	
Soquimich European Holding B.V.	Foreign	Loacalellikade 1 Parnassustoren 1076 AZ Amsterdam	Netherlands	US\$	-	100.0000	100.0000
SQM Iberian S.A	Foreign	Provenza 251 Principal 1a CP 08008, Barcelona	Spain	US\$	-	100.0000	100.0000
SQM Africa Pty Ltd.	Foreign	Tramore House, 3 Wterford Office Park, Waterford Drive, 2191 Fourways, Johannesburg	South Africa	US\$	-	100.0000	100.0000
SQM Oceania Pty Ltd.	Foreign	Level 9, 50 Park Street, Sydney NSW 2000, Sydney	Australia	US\$	-	100.0000	100.0000
SQM Beijing Commercial Co. Ltd.	Foreign	Room 1001C, CBD International Mansion N 16 Yong An Dong Li, Jian Wai Ave Beijing 100022, P.R.	China	US\$	-	100.0000	100.0000
SQM Thailand Limited	Foreign	Unit 2962, Level 29, N° 388, Exchange Tower Sukhumvit Road, Klongtoey Bangkok	Thailand	US\$	-	99.996	99.996
SQM Colombia SAS	Foreign	Cra 7 No 32 – 33 piso 29 Pbx: (571) 3384904 Fax: (571) 3384905 Bogotá D.C. – Colombia	Colombia	US\$	-	100.0000	100.0000
SQM Internacional N.V.	Foreign	Houtdok-Noordkaai 25a B-2030 Amberes	Belgium	US\$	-	100.0000	100.0000
SQM (Shanghai) Chemicals Co. Ltd.	Foreign	Room 4703-33, 47F, No.300 Middle Huaihai Road, Huangpu district, Shanghai	China	US\$	-	100.0000	100.0000

**Note 6 Background of companies included in consolidation (continued)****6.5 Information attributable to non-controlling interests**

Subsidiary	% of interests in the ownership held by non-controlling interests.	Profit (loss) attributable to non-controlling interests		Equity, non-controlling interests		Dividends paid to non-controlling interests	
		3/31/2018	12/31/2017	3/31/2018	12/31/2017	3/31/2018	12/31/2017
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Proinsa Ltda.	0.1%	-	-	-	-	-	-
SQM Potasio S.A.	0.0000001%	-	-	-	-	-	-
Ajay SQM Chile S.A.	49%	366	1,023	8,673	8,306	-	989
SQM Indonesia S.A.	20%	-	-	-	1	-	-
Soquimich Comercial S.A.	39.3616784%	(227)	100	48,988	49,247	-	1,264
Comercial Agrorama Ltda.	30%	(81)	(403)	(267)	(184)	-	-
Agrorama S.A.	0.001%	-	-	-	-	-	-
Orcoma Estudios SPA	49%	-	-	2,277	2,277	-	-
SQM (Thailand) Limited.	0.004%	-	-	-	-	-	-
Total		58	720	59,671	59,647	-	2,253





Note 6 Background of companies included in consolidation (continued)

6.6 Information on consolidated subsidiaries

Subsidiary	Assets		Liabilities		Revenue ThUS\$	Profit (loss) ThUS\$	Comprehensive income (loss) ThUS\$
	3/31/2018						
	Current ThUS\$	Non-current ThUS\$	Current ThUS\$	Non-current ThUS\$			
SQM Nitratos S.A.	394,736	34,553	361,762	2,330	40,811	2,091	2,086
Proinsa Ltda.	60	1	-	-	-	-	-
SQMC Internacional Ltda.	222	-	-	-	-	(1)	(1)
SQM Potasio S.A.	268,866	1,011,056	92,950	22,551	1,030	80,210	80,205
Serv. Integrales de Tránsito y Transf. S.A.	35,135	36,543	65,353	1,815	7,506	(1,090)	(1,114)
Isapre Norte Grande Ltda.	587	848	607	156	917	5	(30)
Ajay SQM Chile S.A.	17,672	1,271	758	485	8,185	748	748
Almacenes y Depósitos Ltda.	306	52	1	-	-	(2)	19
SQM Salar S.A.	786,736	788,528	396,754	200,071	219,265	97,082	97,081
SQM Industrial S.A.	1,022,577	698,422	678,532	86,651	172,058	17,122	17,111
Exploraciones Mineras S.A.	538	31,760	6,226	-	-	46	46
Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	366	625	592	318	596	(60)	(88)
Soquimich Comercial S.A.	163,298	14,528	48,120	5,250	20,605	(578)	(600)
Comercial Agrorrama Ltda.	8,684	1,836	11,375	36	2,550	(270)	(270)
Comercial Hydro S.A.	4,910	39	2	1	6	34	34
Agrorama S.A.	8,570	638	12,579	58	1,872	(302)	(306)
Orcoma SpA	-	2,360	14	-	-	-	-
Orcoma Estudio SpA	306	4,396	55	-	-	-	-
SQM MaG SpA	23	104	122	-	-	(5)	(5)
SQM North America Corp.	142,892	16,803	132,238	4	65,976	4,116	4,935
RS Agro Chemical Trading Corporation A.V.V.	5,158	-	25	-	-	(8)	(8)
Nitratos Naturais do Chile Ltda.	1	140	3,459	-	-	(8)	(8)
Nitrate Corporation of Chile Ltd.	5,076	-	-	-	-	-	-
SQM Corporation N.V.	5,804	148,354	3,579	-	-	17,365	17,439
SQM Perú S.A.	274	-	1,166	-	-	4	4
SQM Ecuador S.A.	16,546	117	14,313	80	9,028	210	210
SQM Brasil Ltda.	185	-	663	2,350	79	(8)	(8)
SQI Corporation N.V.	56	31	65	-	-	(2)	(2)
SQMC Holding Corporation L.L.P.	24,878	15,685	1,611	-	-	1,424	1,424
SQM Japan Co. Ltd.	45,133	323	42,180	666	36,109	271	271

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Note 6 Background of companies included in consolidation (continued)

6.6 Information on consolidated subsidiaries, continued

Subsidiary	Assets		Liabilities		Revenue	Profit (loss)	Comprehensive income (loss)
	Current	Non-current	Current	Non-current			
	ThUS\$	ThUS\$	ThUS\$	ThUS\$			
SQM Europe N.V.	383,605	1,977	318,321	-	236,849	19,177	19,177
SQM Italia SRL	1,267	-	16	-	-	-	-
SQM Indonesia S.A.	3	-	-	-	-	-	-
North American Trading Company	158	145	39	-	-	-	-
SQM Virginia LLC	14,807	14,348	14,807	-	-	-	-
SQM Comercial de México S.A. de C.V.	87,475	2,307	57,956	-	52,735	880	880
SQM Investment Corporation N.V.	53,450	86	12,876	878	-	880	880
Royal Seed Trading Corporation A.V.V.	31,599	-	49,818	-	-	559	559
SQM Lithium Specialties LLP	15,755	3	1,264	-	-	-	-
Soquimich SRL Argentina	156	-	173	-	-	(13)	(13)
Comercial Caimán Internacional S.A.	263	-	1,122	-	-	1	1
SQM France S.A.	345	6	114	-	-	-	-
Administración y Servicios Santiago S.A. de C.V.	325	91	516	216	157	22	22
SQM Nitratos México S.A. de C.V.	69	9	47	8	130	4	4
Soquimich European Holding B.V.	51,826	156,452	73,222	48	-	20,875	20,949
SQM Iberian S.A.	66,314	1,723	54,896	15	35,896	3,064	3,064
SQM Africa Pty Ltd.	94,085	1,461	88,392	-	21,032	(687)	(687)
SQM Oceania Pty Ltd.	5,007	-	2,882	-	582	7	7
SQM Agro India Pvt. Ltd.	-	-	-	-	-	-	-
SQM Beijing Commercial Co. Ltd.	12,189	13	9,879	-	4,418	10	10
SQM Thailand Limited	13,116	4	9,446	-	1,497	685	685
SQM Colombia SAS	268	134	148	-	-	(148)	(148)
SQM Australia Pty	6,653	23,393	4,637	-	5	(2)	(2)
Sacal S.A.	7	-	-	-	-	3	3
SQM Internacional	7,158	574	1,231	-	-	(1,530)	(1,530)
SQM (Shanghai) Chemicals Co. Ltd.	2,512	-	62	-	-	(50)	(50)
Total	3,808,007	3,011,739	2,576,965	323,987	939,894	262,131	262,984

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Note 6 Background of companies included in consolidation (continued)

6.6 Information on consolidated subsidiaries, continued

Subsidiary	Assets		Liabilities		Revenue ThUS\$	Profit (loss) ThUS\$	Comprehensive income (loss) ThUS\$
	12/31/2017						
	Current ThUS\$	Non-current ThUS\$	Current ThUS\$	Non-current ThUS\$			
SQM Nitratos S.A.	353,821	39,144	324,738	4,489	100,626	5,569	5,607
Proinsa Ltda.	59	1	-	-	-	(3)	(3)
SQMC Internacional Ltda.	219	-	-	-	-	(3)	(3)
SQM Potasio S.A.	243,513	951,448	85,279	23,092	4,129	282,442	282,874
Serv. Integrales de Tránsito y Transf. S.A.	27,822	36,606	57,208	1,596	35,210	1,727	1,712
Isapre Norte Grande Ltda.	561	834	590	147	1,952	44	65
Ajay SQM Chile S.A.	17,048	1,143	779	459	23,732	2,088	2,088
Almacenes y Depósitos Ltda.	301	50	1	-	-	(7)	83
SQM Salar S.A.	760,900	785,082	449,049	186,451	985,654	347,790	348,313
SQM Industrial S.A.	982,835	666,097	618,289	94,135	685,294	48,988	49,011
Exploraciones Mineras S.A.	540	31,691	6,206	-	-	(55)	(55)
Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	372	624	551	353	887	43	27
Soquimich Comercial S.A.	159,943	14,395	46,180	4,632	117,745	254	277
Comercial Agrorama Ltda.	9,977	1,852	12,388	54	13,061	(1,342)	(1,341)
Comercial Hydro S.A.	4,944	41	63	11	30	140	140
Agrorama S.A.	11,343	625	14,956	78	14,275	(2,041)	(2,059)
Orcoma SpA	-	2,360	14	-	-	-	-
Orcoma Estudio SpA	341	4,356	50	-	-	-	-
Compañía Minera Arfwedon SPA	10	-	-	-	-	-	-
SQM North America Corp.	131,452	15,442	162,180	782	250,522	(1,384)	(1,652)
RS Agro Chemical Trading Corporation A.V.V.	5,164	-	23	-	-	(30)	(30)
Nitratos Naturais do Chile Ltda.	-	141	3,451	-	-	(111)	(111)
Nitrate Corporation of Chile Ltd.	5,076	-	-	-	-	-	-
SQM Corporation N.V.	668	133,876	3,575	-	-	21,089	21,065
SQM Perú S.A.	270	-	1,166	-	-	24	24
SQM Ecuador S.A.	21,642	116	19,651	80	26,025	622	622
SQM Brasil Ltda.	187	-	663	2,345	336	(42)	(42)
SQI Corporation N.V.	16	26	61	-	-	(1)	(1)
SQMC Holding Corporation L.L.P.	24,600	15,193	1,000	-	-	2,263	2,263
SQM Japan Co. Ltd.	43,656	302	40,992	626	114,006	(2,168)	(2,168)

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Note 6 Background of companies included in consolidation (continued)

6.6 Information on consolidated subsidiaries, continued

Subsidiary	Assets		Liabilities		Revenue	Profit (loss)	Comprehensive income (loss)
	12/31/2017		12/31/2017				
	Current	Non-current	Current	Non-current			
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM Europe N.V.	399,601	2,599	339,910	-	923,087	11,097	11,097
SQM Italia SRL	1,236	-	16	-	-	(3)	(3)
SQM Indonesia S.A.	4	-	1	-	-	-	-
North American Trading Company	158	145	39	-	-	-	-
SQM Virginia LLC	14,807	14,348	14,807	-	-	(8)	(8)
SQM Comercial de México S.A. de C.V.	92,961	2,288	64,318	-	193,523	4,381	4,381
SQM Investment Corporation N.V.	52,639	86	12,955	866	-	(7,198)	(7,198)
Royal Seed Trading Corporation A.V.V.	31,040	-	49,818	-	-	2,348	2,348
SQM Lithium Specialties LLP	15,755	3	1,264	-	-	(8)	(8)
Soquimich SRL Argentina	168	-	173	-	-	(37)	(37)
Comercial Caimán Internacional S.A.	262	-	1,122	-	-	3	3
SQM France S.A.	345	6	114	-	-	-	-
Administración y Servicios Santiago S.A. de C.V.	162	86	531	58	2,813	47	47
SQM Nitratos México S.A. de C.V.	49	8	30	7	301	6	6
Soquimich European Holding B.V.	53,664	137,393	71,761	1,493	-	18,476	18,452
SQM Iberian S.A.	57,241	1,720	48,891	-	175,936	119	119
SQM Africa Pty Ltd.	76,888	1,514	70,561	-	101,152	1,135	1,135
SQM Oceania Pty Ltd.	4,151	-	2,033	-	2,045	301	301
SQM Agro India Pvt. Ltd.	-	-	-	-	-	-	-
SQM Beijing Commercial Co. Ltd.	8,804	16	6,518	-	3,691	151	151
SQM Thailand Limited	12,113	5	9,128	-	5,694	43	43
SQM Colombia SAS	278	131	33	-	-	(271)	(271)
SQM Australia Pty	854	24,800	-	-	-	-	-
Sacal S.A.	6	-	-	-	-	-	-
Total	3,630,466	2,886,593	2,543,126	321,754	3,781,726	736,478	737,264

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Note 6 Background of companies included in consolidation (continued)

6.7 Detail of transactions between consolidated companies

a) Transactions conducted in 2018

On January 30, 2018, in SQM North America there was a capital increase of ThUS\$36,251. All partners met this increase, maintaining share percentages.

On March 28, 2018, in SQI Corporation N.V. there was a capital increase of ThUS\$40. All partners met this increase, maintaining share percentages.

b) Transactions conducted in 2017

On January 1, 2017, the subsidiary SQM Iberian S.A. absorbed the joint venture SQM Vitas Spain.

On January 10, 2017, SQM Japan Co. Ltd. carried out a capital increase of ThUS\$8,676. Only Soquimich European Holding B.V. subscribed shares, thereby increasing its interest from 46.24% to 84.03% and reducing the interest held by SQM S.A. from 0.54% to 0.16% and by SQM Potasio S.A. from 53.22% to 15.81%. This had no impact on the consolidated results of SQM S.A., which continues to hold 100% of SQM Japan Co. Ltd. in its consolidated statement of financial position.

On February 10, 2017, the subsidiary Compañía Minera Arfwedson SpA was created in Chile with a capital contribution from SQM S.A. equivalent to ThUS\$10 for a 100% interest. On August 29, 2017, the company's name was changed to "SQM MAG SpA". The transaction had no impact on the Company's consolidated results.

On April 19, 2017, the subsidiary SACAL S.A. was incorporated with capital of ThUS\$7. The company is owned by SQM Potasio S.A. (95%) and SQM Industrial S.A. (5%). The transaction had no impact on the Company's consolidated results.

On May 4, 2017 SQI Corporation NV carried out a capital increase of ThUS\$15.7, which belongs to SQM S.A. (with a share of 0.01587%) and SQM Potasio S.A. (with a share of 99.98413%).

On July 31, 2017, SQM Trading was legally formed. A capital of ThUS\$3,080 was recorded as of March 31, 2018. The subsidiary is owned by the Company (0.58%) and Soquimich European Holding (99.42%). The transaction had no impact on the Company's consolidated results. Subsequent to its creation, this company changed its name to SQM International N.V.

Note 6 Background of companies included in consolidation (continued)

6.7 Detail of transactions between consolidated companies, continued

b) Transactions conducted in 2017, continued

SQM International N.V. (previously SQM Trading N.V.) was incorporated on July 31, 2017, born from the partial separation of SQM Europe N.V. into SQM Europe N.V. and SQM International N.V., both of which retained the same ownership structure as before. For tax purposes in Belgium, this separation was made effective retroactively as of January 1, 2017. In the annual accounts for 2017 to be presented in 2018 to the local authorities in Belgium, the statement of financial position and transactions are separated as of the effective date. The effects of this corporation are considered in the consolidated financial statements as of March 31, 2018.

During July 2017, the subsidiary SQM Agro India Private Limited was closed. The transaction had no impact on the Company's consolidated results.

On August 14, 2017, SQM Colombia SAS agreed to carry out a capital increase of ThUS\$1,814.64, which was subscribed by its owner SQM Industrial S.A.. To date, it has paid ThUS\$641. The transaction had no impact on the Company's consolidated results.

On August 29, 2017, Compañía Minera Arfwedson SpA, changed its name to SQM MaG SpA.

On August 31, 2017, the subsidiary SQM Australia Pty Ltd. was created with initial capital of ThUS\$7,000 (ThAUD8,729). This subsidiary is fully owned (100%) by SQM Potasio S.A. The functional currency of SQM Australia Pty Ltd, is the Australian dollar (AUD). Later, on December 14 of the same year, additional capital of ThUS\$18,500 (AUD 24,105.5) was invested. These transactions had no impact on the Company's consolidated results.

On November 27, 2017, the corporation ACN 623 090 139 was created in Australia. It later changed its corporate name to Western Australia Lithium Pty with a capital of 10 Australian dollars. The corporation is owned by SQM Australia Pty Ltd (50%) and non-related third parties (50%).

On December 26, 2017, the company SQM (Shanghai) Chemicals Co. Ltd., was legally formed. No capital contributions had been recorded as of March 31, 2018.

Note 7 Cash and cash equivalents

7.1 Types of cash and cash equivalents

As of March 31, 2018 and December 31, 2017, cash and cash equivalents are detailed as follows:

a) Cash	3/31/2018	12/31/2017
	ThUS\$	ThUS\$
Cash on hand	83	60
Cash in banks	199,120	50,137
Other demand deposits	4,273	1,530
Total cash	203,476	51,727
b) Cash equivalents	3/31/2018	12/31/2017
	ThUS\$	ThUS\$
Short-term deposits, classified as cash equivalents	128,068	290,914
Short-term investments, classified as cash equivalents	243,545	287,797
Total cash equivalents	371,613	578,711
Total cash and cash equivalents	575,089	630,438

7.2 Short-term investments, classified as cash equivalents

As of March 31, 2018 and December 31, 2017, the short-term investments classified as cash and cash equivalents relate to mutual funds (investment liquidity funds) for investments in:

Institution	3/31/2018	12/31/2017
	ThUS\$	ThUS\$
Legg Mason - Western Asset Institutional Cash Reserves	123,525	144,464
JP Morgan US dollar Liquidity Fund Institutional	120,020	143,333
Total	243,545	287,797

Short-term investments are highly liquid fund manager accounts that are basically invested in short-term fixed rate notes in the U.S. market.

Note 7 Cash and cash equivalents (continued)

7.3 Information on cash and cash equivalents by currency

As of March 31, 2018 and December 31, 2017, information on cash and cash equivalents by currency is detailed as follows:

Original currency	3/31/2018	12/31/2017
	ThUS\$	ThUS\$
Chilean Peso (*)	7,175	579
US Dollar	539,613	612,727
Euro	13,540	9,782
Mexican Peso	215	258
South African Rand	4,659	4,074
Japanese Yen	-	1,773
Peruvian Sol	8	8
Brazilian Real	25	38
Chinese Yuan	2,061	1,143
Indian Rupee	1,219	-
Thai Baht	4	-
Argentine Peso	4	1
Pound Sterling	216	55
Australian dollar	6,350	-
Total	575,089	630,438

(*)The Company maintains financial derivative policies which allow to minimize the risk of the variation in Chilean pesos exchange rate.

7.4 Amount restricted (unavailable) cash balances

Cash on hand and in current bank accounts are available resources, and their carrying value is equal to their fair value.

As of March 31, 2018 and December 31, 2017, restricted cash balances are presented in Note 10.9.



Note 7 Cash and cash equivalents (continued)

7.5 Short-term deposits, classified as cash equivalents

The detail at the end of each period is as follows:

2018 Receiver of the deposit	Type of deposit	Original Currency	Interest rate	Placement date	Expiration date	Principal ThUS\$	Interest accrued to date ThUS\$	31/03/2018 ThUS\$
Banco BBVA Chile	Fixed term	Ch\$	0.23	3/27/2018	4/3/2018	5,022	2	5,024
Banco BBVA Chile	Fixed term	Ch\$	0.23	3/27/2018	4/3/2018	15,066	5	15,071
Banco Crédito e Inversiones	Fixed term	Ch\$	0.24	3/8/2017	4/9/2018	15,065	28	15,093
Banco Crédito e Inversiones	Fixed term	Ch\$	0.24	3/9/2018	4/12/2018	10,043	18	10,061
Banco Crédito e Inversiones	Fixed term	Ch\$	0.24	3/9/2018	4/12/2018	10,043	18	10,061
Banco Crédito e Inversiones	Fixed term	Ch\$	0.24	3/28/2018	4/26/2018	15,067	4	15,071
Banco Crédito e Inversiones	Fixed term	Ch\$	0.24	3/28/2018	4/26/2018	15,067	4	15,071
Banco Crédito e Inversiones	Fixed term	Ch\$	0.24	3/28/2018	4/26/2018	15,083	4	15,087
Banco BBVA Chile	Fixed term	US\$	1.59	3/28/2018	4/6/2018	2,000	-	2,000
Banco BBVA Chile	Fixed term	US\$	1.75	3/19/2018	4/2/2018	4,100	3	4,103
Banco BBVA Chile	Fixed term	US\$	1.9	1/30/2018	4/30/2018	3,800	12	3,812
Banco Crédito e Inversiones	Fixed term	US\$	1.92	3/1/2018	5/15/2018	2,000	3	2,003
Banco Crédito e Inversiones	Fixed term	US\$	2.1	3/28/2018	4/6/2018	1,300	-	1,300
Banco de Chile	Fixed term	US\$	1.8	2/20/2018	5/15/2018	2,300	-	2,300
Banco Santander - Santiago	Fixed term	US\$	1.94	3/1/2018	5/15/2018	1,300	2	1,302
Banco Santander - Santiago	Fixed term	US\$	1.94	3/1/2018	5/15/2018	2,000	3	2,003
Banco Santander - Santiago	Fixed term	US\$	1.98	3/2/2018	4/10/2018	900	2	902
Banco Santander - Santiago	Fixed term	US\$	2.55	3/28/2018	4/6/2018	2,000	1	2,001
Scotiabank Sud Americano	Fixed term	US\$	1.8	3/2/2018	4/10/2018	600	1	601
Scotiabank Sud Americano	Fixed term	US\$	2.1	3/19/2018	4/2/2018	500	-	500
ABN Amro Bank	On demand	US\$	-	12/31/2017	4/1/2018	1,478	-	1,478
Nedbank	Fixed term	US\$	-	3/31/2018	4/2/2018	3,076	-	3,076
BBVA Banco Francés	Fixed term	US\$	0.19	3/2/2018	4/12/2018	146	2	148
Total						127,956	112	128,068





Note 7 Cash and cash equivalents (continued)

7.5 Short-term deposits, classified as cash equivalents, continued

2017 Receiver of the deposit	Type of deposit	Original Currency	Interest rate	Placement date	Expiration date	Principal ThUS\$	Interest accrued to-date ThUS\$	12/31/2017 ThUS\$
Scotiabank Sud Americano	Fixed term		0.24	11-21-2017	1-2-2018	8,943	30	8,973
Banco Itau Chile	Fixed term	Ch\$	0.24	11-28-2017	1-2-2018	15,652	41	15,693
Banco Itau Chile	Fixed term	Ch\$	0.24	11-28-2017	1-2-2018	15,652	41	15,693
Banco BBVA Chile	Fixed term	Ch\$	0.23	11-28-2017	1-2-2018	15,652	40	15,692
Banco BBVA Chile	Fixed term	Ch\$	0.23	11-28-2017	1-2-2018	15,652	40	15,692
Banco Itau Chile	Fixed term	Ch\$	0.25	11-29-2017	2-27-2018	18,857	50	18,907
Banco Crédito e Inversiones	Fixed term	Ch\$	0.26	12-12-2017	1-11-2018	15,982	26	16,008
Banco Crédito e Inversiones	Fixed term	Ch\$	0.26	12-12-2017	1-11-2018	8,524	14	8,538
Banco Itau Chile	Fixed term	Ch\$	0.24	12-12-2017	1-11-2018	15,982	24	16,006
Banco Itau Chile	Fixed term	Ch\$	0.24	12-12-2017	1-11-2018	7,458	11	7,469
Banco Crédito e Inversiones	Fixed term	Ch\$	0.26	12-14-2017	1-16-2018	19,780	29	19,809
Banco Crédito e Inversiones	Fixed term	Ch\$	0.26	12-14-2017	1-16-2018	15,665	23	15,688
Banco Crédito e Inversiones	Fixed term	Ch\$	0.26	12-14-2017	1-16-2018	11,488	17	11,505
Banco Crédito e Inversiones	Fixed term	Ch\$	0.26	12-15-2017	1-16-2018	15,568	22	15,590
Banco Crédito e Inversiones	Fixed term	Ch\$	0.26	12-15-2017	1-16-2018	15,568	22	15,590
Banco Crédito e Inversiones	Fixed term	Ch\$	0.26	12-15-2017	1-16-2018	15,568	22	15,590
Banco BBVA Chile	Fixed term	Ch\$	0.24	12-29-2017	1-10-2018	4,107	1	4,108
Banco BBVA Chile	Fixed term	Ch\$	0.24	12-29-2017	1-10-2018	2,765	-	2,765
Banco Santander - Santiago	Fixed term	US\$	0.28	12-27-2017	1-18-2018	700	-	700
Banco Santander - Santiago	Fixed term	US\$	0.4	12-15-2017	2-13-2018	15,000	27	15,027
Banco Santander - Santiago	Fixed term	US\$	0.4	12-15-2017	2-13-2018	14,000	25	14,025
Corpbanca	Fixed term	Ch\$	0.22	12-28-2017	1-4-2018	1,301	-	1,301
Scotiabank Sud Americano	Fixed term	Ch\$	0.21	12-29-2017	1-5-2018	976	-	976
Scotiabank Sud Americano	Fixed term	Ch\$	0.21	12-29-2017	1-5-2018	569	-	569
Banco Santander - Santiago	Fixed term	US\$	2.45	12-6-2017	1-5-2018	3,500	6	3,506
Scotiabank Sud Americano	Fixed term	US\$	3.40	12-15-2017	1-16-2018	2,000	3	2,003
Banco BBVA Chile	Fixed term	US\$	2.80	12-26-2017	1-26-2018	2,200	1	2,201
Banco Crédito e Inversiones	Fixed term	US\$	2.3	12-27-2017	1-4-2018	2,300	1	2,301
Banco Santander - Santiago	Fixed term	US\$	2.88	12-27-2017	1-4-2018	2,300	1	2,301
Banco BBVA Chile	Fixed term	US\$	2.80	12-27-2017	1-4-2018	1,400	-	1,400
BBVA Banco Francés	Fixed term	US\$	0.19	12-11-2017	1-31-2018	163	-	163
Nedbank	On demand	US\$	-	12-1-2017	1-31-2018	3,686	-	3,686
ABN Amro Bank	Fixed term	US\$	-	12-31-2017	1-2-2018	1,439	-	1,439
Total						290,397	517	290,914



Note 7 Cash and cash equivalents (continued)

7.6 Other information

Net Debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

Net debt	3/31/2018	12/31/2017
	ThUS\$	ThUS\$
Cash and cash equivalents	575,089	630,438
Liquid investments	411,452	360,941
Borrowings - repayable within one year (including overdraft)	(115,207)	(177,062)
Borrowings - repayable after one year	(1,037,969)	(1,031,507)
Net debt	(166,635)	(217,190)
Cash and liquid investments	986,541	991,379
Gross debt - fixed interest rates	(1,153,176)	(1,208,569)
Net debt	(166,635)	(217,190)

	Other Assets		Liabilities from financing activities		
	Cash/bank overdraft	Liquid Investments	Borrow. Due within 1 year	Borrow. Due after 1 year	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Net debt as at 1 January 2017	514,669	284,160	(160,243)	(1,059,706)	(421,120)
Cash flows	98,285	59,326	(16,288)	54,275	195,598
Foreign exchange adjustments	17,484	17,455	(531)	(26,287)	8,121
Other non - cash movements	-	-	-	211	211
Net debt as of 31 December 2017	630,438	360,941	(177,062)	(1,031,507)	(217,190)
Cash flows	(57,998)	41,616	61,855	(410)	45,063
Foreign exchange adjustments	2,649	8,895	-	(6,052)	5,492
Other non - cash movements	-	-	-	-	-
Net debt as at 31 March 2018	575,089	411,452	(115,207)	(1,037,969)	(166,635)

Note 8 Inventories

The composition of inventory at each period-end is as follows:

Type of inventory	3/31/2018 ThUS\$	12/31/2017 ThUS\$
Raw material reserves	10,483	9,364
Supplies for production reserves	25,901	22,257
Products-in-progress reserves	452,727	456,333
Finished product reserves	434,546	414,120
Total	923,657	902,074

As of March 31, 2018, the Company has inventory of caliche ore (in piles or undergoing leaching process) available for processing valued at ThUS\$72,366 (ThUS\$ 62,476 as of December 31, 2017), (included in work in progress).

Inventory reserves recognized as of March 31, 2018 amount to ThUS\$102,748, and ThUS\$96,284 as of December 31, 2017. Inventory reserves have been made based on a technical study that covers the different variables affecting products in stock (density and humidity, among others).

In the case of inventories of raw materials, supplies, materials and parts, provisions have been made at the lower value associated with the proportion of obsolete, defective or slow-moving materials.

The breakdown of inventory reserves is detailed as follows:

Type of inventory	3/31/2018 ThUS\$	12/31/2017 ThUS\$
Raw material reserves	93	93
Products-in-progress reserves	85,480	80,249
Finished product reserves	17,175	15,942
Total	102,748	96,284

The Company has not delivered inventory as collateral for the periods indicated above.

Note 8 Inventories, continued

As of March 31, 2018 and December 31, 2017, movements in provisions are detailed as follows:

Reconciliation	3/31/2018	12/31/2017
	ThUS\$	ThUS\$
Opening balance	96,284	81,295
Changes		
Additional provisions	5,184	15,682
Provision used	(721)	(4,921)
Increase (decrease) in existing provisions	2,001	4,228
Total changes	6,464	14,989
Final Balance	102,748	96,284

Note 9 Related party disclosures

9.1 Related party disclosures

Balances pending at period-end are not guaranteed, accrue no interest and are settled in cash. No guarantees have been delivered or received for trade and other receivables due from related parties or trade and other payables due to related parties.

9.2 Relationships between the parent and the entity

According to the Company's by-laws the indicated in the Note 6.3, no shareholder can own more than 32% of the Company's voting right shares.

As of March 31, 2018, Pampa Group is owner of a number of shares equivalent to 29.38% of all Company shares currently issued, signed and paid. Kowa Group is owner of a number of shares equivalent to 2.12% of all Company shares currently issued, signed and paid.

Pampa Group and Kowa Group have notified the Company, the CMF, and the pertinent stock markets in Chile and abroad that they are not nor have they ever been interrelated. This is irrespective of whether these two groups have signed the JAA regarding these shares. In consequence, Pampa Group does not concentrate more than 32% of the Company's voting capital, and likewise Kowa Group does not concentrate more than 32% of the Company's voting capital.

On April 30, 2018, Sociedad de Inversiones Pampa Calichera S.A. issued a memo informing the Corporation that Pampa Group and Kowa Group had finalized the JAA. Until its termination, this JAA enabled shareholders of the Company and of Sociedad de Inversiones Pampa Calichera S.A., Potasios de Chile S.A., Inversiones Global Mining (Chile) Limitada, Kowa Company Ltd., Inversiones la Esperanza (Chile) Ltda., Kochi S.A. and La Esperanza Delaware Corporation to be controlling shareholders of the Company.



Note 9 Related party disclosures (continued)

9.2 Relationships between the parent and the entity, continued

Detail of effective concentration

Tax ID No.	Name	Ownership interest %
96.511.530-7	Sociedad de Inversiones Pampa Calichera S.A.	19.13
76.165.311-5	Potasios de Chile S.A.	6.91
96.863.960-9	Inversiones Global Mining (Chile) Ltda.	3.34
Total Pampa Group		29.38
79.798.650-K	Inversiones la Esperanza (Chile) Ltda.	1.43
59.046.730-8	Kowa Co Ltd.	0.30
96.518.570-4	Kochi S.A.	0.30
59.023.690-K	La Esperanza Delaware Corporation	0.09
Total Kowa Group		2.12



Note 9 Related party disclosures (continued)

9.3 Detailed identification of the link between the Parent and subsidiary

As of March 31, 2018 and December 31, 2017, the detail of entities that are related parties of the SQM S.A. Group is as follows:

Tax ID No.	Name	Country of origin	Functional currency	Nature
Foreign	Nitratos Naturais Do Chile Ltda.	Brazil	US\$	Subsidiary
Foreign	Nitrate Corporation Of Chile Ltd.	United Kingdom	US\$	Subsidiary
Foreign	SQM North America Corp.	United States	US\$	Subsidiary
Foreign	SQM Europe N.V.	Belgium	US\$	Subsidiary
Foreign	Soquimich S.R.L. Argentina	Argentina	US\$	Subsidiary
Foreign	Soquimich European Holding B.V.	The Netherlands	US\$	Subsidiary
Foreign	SQM Corporation N.V.	The Netherlands	US\$	Subsidiary
Foreign	SQI Corporation N.V.	The Netherlands	US\$	Subsidiary
Foreign	SQM Comercial De México S.A. de C.V.	Mexico	US\$	Subsidiary
Foreign	North American Trading Company	United States	US\$	Subsidiary
Foreign	Administración y Servicios Santiago S.A. de C.V.	Mexico	US\$	Subsidiary
Foreign	SQM Peru S.A.	Peru	US\$	Subsidiary
Foreign	SQM Ecuador S.A.	Ecuador	US\$	Subsidiary
Foreign	SQM Nitratos Mexico S.A. de C.V.	Mexico	US\$	Subsidiary
Foreign	SQMC Holding Corporation L.L.P.	United States	US\$	Subsidiary
Foreign	SQM Investment Corporation N.V.	The Netherlands	US\$	Subsidiary
Foreign	SQM Brasil Limitada	Brazil	US\$	Subsidiary
Foreign	SQM France S.A.	France	US\$	Subsidiary
Foreign	SQM Japan Co. Ltd.	Japan	US\$	Subsidiary
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	US\$	Subsidiary
Foreign	SQM Oceania Pty Limited	Australia	US\$	Subsidiary
Foreign	Rs Agro-Chemical Trading Corporation A.V.V.	Aruba	US\$	Subsidiary
Foreign	SQM Indonesia S.A.	Indonesia	US\$	Subsidiary
Foreign	SQM Virginia L.L.C.	United States	US\$	Subsidiary
Foreign	SQM Italia SRL	Italy	US\$	Subsidiary
Foreign	Comercial Caiman Internacional S.A.	Panamá	US\$	Subsidiary
Foreign	SQM Africa Pty. Ltd.	South Africa	US\$	Subsidiary
Foreign	SQM Colombia SAS	Colombia	US\$	Subsidiary
Foreign	SQM Internacional N.V.	Belgium	US\$	Subsidiary
Foreign	SQM (Shanghai) Chemicals Co. Ltd.	China	US\$	Subsidiary
Foreign	SQM Lithium Specialties LLC	United States	US\$	Subsidiary
Foreign	SQM Iberian S.A.	Spain	US\$	Subsidiary
Foreign	SQM Beijing Commercial Co. Ltd.	China	US\$	Subsidiary
Foreign	SQM Thailand Limited	Thailand	US\$	Subsidiary
Foreign	SQM Australia PTY	Australia	Australian dollar	Subsidiary
Foreign	SACAL S.A.	Argentina	Argentine peso	Subsidiary
96.801.610-5	Comercial Hydro S.A.	CHILE	US\$	Subsidiary
96.651.060-9	SQM Potasio S.A.	CHILE	US\$	Subsidiary
96.592.190-7	SQM Nitratos S.A.	CHILE	US\$	Subsidiary
96.592.180-K	Ajay SQM Chile S.A.	CHILE	US\$	Subsidiary

Note 9 Related party disclosures (continued)

9.3 Detailed identification of the link between the Parent and subsidiary, continued

As of March 31, 2018 and December 31, 2017, the detail of entities that are related parties of the SQM S.A. Group is as follows:

Tax ID No.	Name	Country of origin	Functional currency	Nature
86.630.200-6	SQMC Internacional Ltda.	CHILE	Chilean peso	Subsidiary
79.947.100-0	SQM Industrial S.A.	CHILE	US\$	Subsidiary
79.906.120-1	Isapre Norte Grande Ltda.	CHILE	Chilean peso	Subsidiary
79.876.080-7	Almacenes y Depósitos Ltda.	CHILE	Chilean peso	Subsidiary
79.770.780-5	Servicios Integrales de Tránsitos y Transferencias S.A.	CHILE	US\$	Subsidiary
79.768.170-9	Soquimich Comercial S.A.	CHILE	US\$	Subsidiary
79.626.800-K	SQM Salar S.A.	CHILE	US\$	Subsidiary
78.053.910-0	Proinsa Ltda.	CHILE	Chilean peso	Subsidiary
76.534.490-5	Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	CHILE	Chilean peso	Subsidiary
76.425.380-9	Exploraciones Mineras S.A.	CHILE	US\$	Subsidiary
76.064.419-6	Comercial Agrorama Ltda.	CHILE	Chilean peso	Subsidiary
76.145.229-0	Agrorama S.A.	CHILE	Chilean peso	Subsidiary
76.359.919-1	Orcoma Estudios SPA	CHILE	US\$	Subsidiary
76.360.575-2	Orcoma SPA	CHILE	US\$	Subsidiary
76.686.311-9	SQM MaG SpA	CHILE	US\$	Subsidiary
Foreign	Abu Dhabi Fertilizer Industries WWL	Arab Emirates	Arab Emirates dirham	Associate
Foreign	Doktor Tarsa Tarim Sanayi AS	Turkey	Turkish lira	Associate
Foreign	Ajay North America	United States	US\$	Associate
Foreign	Ajay Europe SARL	France	Euro	Associate
Foreign	SQM Eastmed Turkey	Turkey	Euro	Associate
Foreign	Charlee SQM Thailand Co. Ltd.	Thailand	Thai baht	Associate
Foreign	Sichuan SQM Migao Chemical Fertilizers Co Ltda.	China	US\$	Joint venture
Foreign	Coromandel SQM India	India	Indian rupee	Joint venture
Foreign	SQM Vitas Fzco.	Arab Emirates	Arab Emirates dirham	Joint venture
Foreign	SQM Star Qingdao Corp Nutrition Co., Ltd.	China	US\$	Joint venture
Foreign	SQM Vitas Holland B.V.	Dutch Antilles	Euro	Joint venture
Foreign	Minera Exar S.A.	Argentina	US\$	Joint control
Foreign	Kowa Company Ltd.	Japan	US\$	Joint control
96.511.530-7	Sociedad de Inversiones Pampa Calichera	CHILE	US\$	Joint control
96,529,340-k	Norte Grande S.A.	CHILE	Chilean peso	Other related parties
79.049.778-9	Callegari Agricola S.A.	CHILE	Chilean peso	Other related parties
Foreign	Coromandel Internacional	India	Indian rupee	Other related parties
Foreign	Vitas Roullier SAS	France	Euro	Other related parties
Foreign	SQM Vitas Brazil Agroindustria	Brazil	US\$	Other related parties
Foreign	SQM Vitas Peru S.A.C.	Peru	US\$	Other related parties
Foreign	SQM Vitas Plantacote B.V	Dutch Antilles	Euro	Other related parties
Foreign	Terra Tarsa B.V..	Holland	Euro	Other related parties
Foreign	Plantacote N.V	Belgium	Euro	Other related parties
Foreign	Doktolab Tarim Arastima San. Tic As	Turkey	Turkish Lira	Other related parties
Foreign	Terra Tarsa Ukraine LLC	Ukraine	Ukrainian Grivna	Other related parties
Foreign	Terra Tarsa Don LLC	Russian Federation	Russian ruble	Other related parties
Foreign	Kore Potash Ltd.	Australia	US\$	Other related parties



Note 9 Related party disclosures (continued)

9.4 Detail of related parties and related party transactions

Transactions between the Parent and its subsidiaries, associated businesses, joint ventures and other related parties are part of the Company's common transactions. Their conditions are those customary for this type of transactions in respect of terms and market prices. In addition, these have been eliminated in consolidation and are not detailed in this note.

Maturity terms for each case vary by virtue of the transaction giving rise to them.

As of March 31, 2018 and December 31, 2017, the detail of significant transactions with related parties is as follows:

Tax ID No.	Company	Nature	Country of origin	Transaction	3/31/2018 ThUS\$	12/31/2017 ThUS\$
Foreign	Doktor Tarsa Tarim Sanayi As	Associate	Turkey	Sale of products	4,823	17,538
Foreign	Ajay Europe S.A.R.L.	Associate	France	Sale of products	4,792	15,706
Foreign	Ajay Europe S.A.R.L.	Associate	France	Dividends	858	969
Foreign	Ajay North America LLC.	Associate	United States	Sale of products	4,357	13,206
Foreign	Ajay North America LLC.	Associate	United States	Dividends	702	1,123
Foreign	Abu Dhabi Fertilizer Industries WWL	Associate	United Arab Emirates	Sale of products	1,642	4,351
Foreign	Abu Dhabi Fertilizer Industries WWL	Associate	Emirates	Dividends	4,029	-
Foreign	Charlee SQM Thailand Co. Ltd.	Associate	Thailand	Sale of products	940	5,102
77.557.430-5	Sales de Magnesio Ltda.	Associate	CHILE	Sale of products	-	45
Foreign	Kowa Company Ltd.	Other related parties	Japan	Sale of products	41,061	132,495
Foreign	SQM Vitas Brasil Agroindustria	Joint control or significant influence	Brazil	Sale of products	9,914	31,137
Foreign	SQM Vitas Peru S.A.C.	Joint control or significant influence	Peru	Sale of products	220	23,058
Foreign	SQM Vitas Fzco.	Joint venture	United Arab Emirates	Sale of products	-	85
Foreign	Sichuan SQM Migao Chemical Fertilizers Co Ltda.	Joint venture	China	Sale of services	-	252
Foreign	Coromandel SQM India	Joint venture	India	Sale of products	971	8,011
Foreign	SQM Star Qingdao Corp Nutrition Co., Ltd.	Joint venture	China	Sale of products	-	200
Foreign	SQM Star Qingdao Corp Nutrition Co., Ltd.	Joint venture	China	Sale of services	49	-
79.049.778-9	Callegari Agricola S.A.	Other related parties	CHILE	Sale of products	-	210
Foreign	Minera Exar S.A.	Joint venture	Argentina	Loans	-	11,000
Foreign	Minera Exar S.A.	Joint venture	Argentina	Loan interest	718	-
Foreign	Terra Tarsa Ukraine LLC	Associate	Turkey	Sale of services	27	1,218
Foreign	Terra Tarsa Don LLC	Joint venture	Russian Federation	Sale of products	203	423
Foreign	Plantacote N.V.	Associate	Belgium	Sale of products	1,391	2,108



Note 9 Related party disclosures (continued)

9.5 Trade receivables due from related parties, current:

Tax ID N°	Company	Nature	Country of origin	Currency	3/31/2018 ThUS\$	12/31/2017 ThUS\$
Foreign	Charlee SQM Thailand Co. Ltd.	Associate	Thailand	US\$	1,191	1,204
Foreign	Ajay Europe S.A.R.L.	Associate	France	Euro	6,174	4,689
Foreign	Ajay North America LLC.	Associate	United States	US\$	2,958	2,005
Foreign	Abu Dhabi Fertilizer Industries WWL	Associate	United Arab Emirates	Arab Emirates dirham	842	73
Foreign	Kowa Company Ltd.	Jointly controlled entity	Japan	US\$	5,048	5,008
96.511.530-7	Soc.de Inversiones Pampa Calichera	Jointly controlled entity	CHILE	US\$	6	6
Foreign	SQM Vitas Brasil	Joint venture	Brazil	US\$	18,326	17,293
Foreign	Agroindustria SQM Vitas Peru S.A.C.	Joint venture	Peru	US\$	6,836	13,766
Foreign	Coromandel SQM India	Joint venture	India	Indian rupee	1,902	3,804
Foreign	Sichuan SQM Migao Chemical Fertilizers Co Ltda.	Joint venture	China	US\$	1,112	-
Foreign	SQM Vitas Fzco.	Joint venture	United Arab Emirates	Arab Emirates dirham	134	-
Foreign	SQM Star Qingdao Corp	Joint venture	China	US\$	72	50
Foreign	Nutrition Co., Ltd.	Associate	Belgium	Euro	1,064	190
Foreign	Plantacote N.V.	Associate	Belgium	Euro	64	44
Foreign	Terra Tarsa Don LLC	Associate	Russian Federation	Russian ruble	64	44
Foreign	Minera Exar S.A.	Joint venture	Argentina	US\$	11,733	11,000
Foreign	SQM Eastmed Turkey	Associate	Turkey	YTL	29	-
Foreign	Terra Tarsa Ukraine LLC	Associate	Ukraine	Ukrainian Grivna	398	-
Total					57,889	59,132

9.6 Trade payables due to related parties, current:

Tax ID No.	Company.	Nature	Country of origin	Currency	3/31/2018 ThUS\$	12/31/2017 ThUS\$
Foreign	Doktor Tarsa Tarim Sanayi AS	Associate	Turkey	YTL	2	11
Foreign	Terra Tarsa Ukraine LLC	Other related parties	Ukraine	Ukrainian Grivna	-	7
Foreign	SQM Star Qingdao Corp Nutrition Co., Ltd.	Joint venture	China	US\$	-	725
Foreign	Sichuan SQM Migao Chemical Fertilizers Co Ltda.	Joint venture	China	US\$	-	584
Foreign	SQM Vitas Fzco.	Joint venture	United Arab Emirates	Arab Emirates dirham	-	38
Current Total					2	1,365



Note 9 Related party disclosures (continued)

9.7 Board of Directors and Senior Management

1) Board of directors

SQM S.A. is managed by a Board of Directors which is composed of 8 regular directors, 2 of whom are independent directors, who are elected for a three-year period. The present Board of Directors was elected by the shareholders at the Ordinary Shareholders' Meeting of April 28, 2017.

In the Board of Directors' session held on January 24, 2018, Mrs. Joanne L. Boyes and Mr. Robert A. Kirkpatrick presented their resignation from their positions on the Company Board of Directors. In the same session, the Company Board of Directors agreed to designate Mr. Darryl Stann in replacement of Mrs. Boyes. Mr. Stann will also form part of the directors' committee and the Corporate Governance Committee.

In the extraordinary Board of Directors' session held on February 19, 2018, the Company Board of Directors agreed to designate Mr. Mark F. Fracchia in replacement of Mr. Robert A. Kirkpatrick.

As of March 31, 2018, the Company has the following Committees:

- Directors' Committee: composed of Juan Gerardo Jofré Miranda, Fernando Massú Taré and Darryl Stann. Such Committee performs the duties contained in Article 50 bis of Law No. 18.046, the Chilean "Securities Act".
- Health, Safety and Environmental Matters Committee: composed of Arnfinn F. Prugger, Gonzalo Guerrero Y. and Hernán Büchi Buc.
- Corporate Governance Committee: composed of Darryl Stann, Hernán Büchi Buc and Juan Gerardo Jofré Miranda.

During the periods covered by these financial statements, there are no pending balances receivable and payable between the Company, its directors or members of Senior Management, other than those related to remuneration, fee allowances and profit-sharing. In addition, there were no transactions conducted between the Company, its directors or members of Senior Management.

Note 9 Related party disclosures (continued)

9.7 Board of Directors and Senior Management, continued

2) Directors' Compensation

Directors' compensation is detailed as follows:

- a) The payment of a fixed, gross and monthly amount of four hundred UF in favor of the Chairman of the Board of Directors of SQM S.A. and of two hundred UF in favor of the remaining seven Directors of SQM S.A. and regardless of the number of Board of Directors' Meetings held or not held during the related month.
- b) A payment in domestic currency in favor of the Chairman of the Company's Board of Directors consisting of a variable and gross amount equivalent to 0.15% of profit for the period effectively earned by the Company during the 2017 fiscal year.
- c) A payment in domestic currency in favor of each Company's directors excluding the Chairman of the Board, consisting of a variable and gross amount equivalent to 0.06% of profit for the period effectively earned by the Company during the 2017 fiscal year.
- d) The fixed and variable amounts indicated above cannot be altered and those expressed in percentages will be paid after the related General Shareholders' Meeting of SQM S.A. approves the Balance Sheet, Financial Statements, Annual Report, the Account Inspectors' Report and Independent Auditor's Report of SQM S.A. for the commercial year ended March 31, 2018.
- e) The amounts expressed in UF will be paid in accordance with the value determined by the Chilean Superintendence of Banks and Financial Institutions (SBIF), the Central Bank of Chile (Banco Central de Chile) or another relevant institution replacing them during the last day of the calendar year applicable. The amounts reflected in or referred to in U.S. dollars will be converted to Chilean pesos and paid in Chilean pesos in accordance with the exchange rate in force when the dividend for the 2017 fiscal year is paid.
- f) Therefore, the remunerations and profit sharing paid to members of the Board of Directors and Audit Committee during 2017 amount to ThUS\$273 (ThUS\$ 3,231 as of December 31, 2017).

3) Directors' Committee

The remuneration of the Directors Committee comprises:

- a) The payment of a fixed, gross and monthly amount of UF 75 in favor of each of the 3 directors that are members of the Directors' Committee, regardless of the number of meetings of the Directors' Committee that have or have not been held during the month concerned.
- b) The payment in domestic currency and in favor of each of the 3 directors of a variable and gross amount equivalent to 0.02% of total net profit that the Company effectively obtains during the 2017 fiscal year.

Note 9 Related party disclosures (continued)

9.7 Board of Directors and Senior Management, continued

- c) The fixed and variable amounts indicated above cannot be altered and those expressed in percentages will be paid after the related General Shareholders' Meeting of SQM S.A. approves the Balance Sheet, Financial Statements, Annual Report, the Account Inspectors' Report and Independent Auditor's Report of SQM S.A. for the commercial year ended March 31, 2018.
 - d) The amounts expressed in UF will be paid in accordance with the value determined by the Chilean Superintendence of Banks and Financial Institutions (SBIF), the Central Bank of Chile (Banco Central de Chile) or another relevant institution replacing them during the last day of the calendar year applicable. The amounts reflected in or referred to in U.S. dollars will be converted to Chilean pesos and paid in Chilean pesos in accordance with the exchange rate in force when the dividend for the 2017 fiscal year is paid.
- 4) Health, Safety and Environmental Matters Committee:
- The remuneration for this committee is composed of the payment of a fixed, gross and monthly amount of UF 50 for each of the 3 Directors on the committee, regardless of the number of meetings it has held.
- 5) Corporate Governance Committee
- The remuneration for this committee is composed of the payment of a fixed, gross and monthly amount of UF 50 for each of the 3 Directors on the committee regardless of the number of meetings it has held.
- 6) No guarantees have been constituted in favor of the directors.
- 7) Senior management compensation:
- a) As of March 31, 2018, the global compensation paid to the 109 main executives amounts to ThUS\$13,511, the global compensation paid to the 109 main executives as of March 31, 2017 amounted to ThUS\$11,680 and the global compensation paid to the 105 main executives as of December 31, 2017 amounted to ThUS\$27,367. This includes monthly fixed salary and variable performance bonuses.
 - b) SQM S.A. has an annual bonus plan based on goal achievement and individual contribution to the Company's results. These incentives are structured as a minimum and maximum number of gross monthly salaries and are paid once a year.
 - c) The Company also has retention bonuses for its executives. The value of these bonuses is linked to the Company's stock price and is payable in cash during the first quarter of 2021 (see Note 16).

Note 9 Related party disclosures (continued)

9.7 Board of Directors and Senior Management, continued

- 8) No guarantees have been constituted in favor of the Company's management.
- 9) The Company's Managers and Directors do not receive or have not received any benefit during the period ended March 31, 2018 and the year ended December 31, 2017 or compensation for the concept of pensions, life insurance, paid time off, profit sharing, incentives, or benefits due to disability other than those mentioned in the preceding points.

9.8 Key management personnel compensation

As of March 31, 2018, there are 109 people occupying key management personnel posts (there were 105 as of December 31, 2017).

	3/31/2018	12/31/2017
	ThUS\$	ThUS\$
Key management personnel compensation (1)	13,511	27,367

(1) Corresponds to a number of executives (see Note 9.7 7) a).

Note 10 Financial instruments

Financial instruments in accordance with IAS 39 are detailed as follows:

10.1 Types of other financial assets

Description of other financial assets	3/31/2018 ThUS\$	12/31/2017 ThUS\$
Other current financial assets (1)	411,452	360,941
Derivatives (2)	4,491	6,038
Hedging assets	97	-
Total other current financial assets	416,040	366,979
Other non-current financial assets (3)	50,557	42,879
Total other non-current financial assets	50,557	42,879

- (1) Relates to term deposits with maturities exceeding 90 days and less than 360 days from the investment date.
 (2) Relates to forwards and options that were not classified as hedging instruments (see detail in Note 10.3).
 (3) The detail of other financial assets, non-current is as follows:

	3/31/2018 ThUS\$	12/31/2017 ThUS\$
Non-current investments not accounted for using the equity accounting method, classified as available for sale	7,386	9,179
Hedging assets	43,123	8,910
Contribution for constitution of Joint Venture (1)	-	24,745
Other financial assets, non-current	48	45
Total other financial assets, non-current	50,557	42,879

- (1) SQM Potasio S.A. contributed ThUS\$24,745 to SQM Australia.

Detail of other current financial assets

Institution	3/31/2018 ThUS\$	12/31/2017 ThUS\$
Banco Santander	184,897	163,269
Banco de Crédito e Inversiones	96,162	71,748
Banco Itaú - Corpbanca	94,454	77,527
Banco Security	29,313	28,592
Scotiabank Sud Americano	-	13,764
Banco Chile	6,626	4,834
Banco BBVA Chile	-	1,207
Total	411,452	360,941



Note 10 Financial instruments, (continued)

10.2 Trade and other receivables

	3/31/2018			12/31/2017		
	Current ThUS\$	Non-current ThUS\$	Total ThUS\$	Current ThUS\$	Non-current ThUS\$	Total ThUS\$
Trade receivables	376,177	-	376,177	412,321	-	412,321
Prepayments	20,057	-	20,057	16,177	-	16,177
Other receivables	25,286	1,949	27,235	18,377	1,912	20,289
Total trade and other receivables	421,520	1,949	423,469	446,875	1,912	448,787

	3/31/2018			12/31/2017		
	Assets before allowances ThUS\$	Allowance for doubtful trade receivables ThUS\$	Assets for trade receivables, net ThUS\$	Assets before allowances ThUS\$	Allowance for doubtful trade receivables ThUS\$	Assets for trade receivables, net ThUS\$
Receivables related to credit operations, current	394,214	(18,037)	376,177	427,400	(15,079)	412,321
Trade receivables, current	394,214	(18,037)	376,177	427,400	(15,079)	412,321
Prepayments, current	20,757	(700)	20,057	16,877	(700)	16,177
Other receivables, current	29,689	(4,403)	25,286	23,409	(5,032)	18,377
Current trade and other receivables	50,446	(5,103)	45,343	40,286	(5,732)	34,554
Other receivables, non-current	1,949	-	1,949	1,912	-	1,912
Non-current receivables	1,949	-	1,949	1,912	-	1,912
Total trade and other receivables	446,609	(23,140)	423,469	469,598	(20,811)	448,787



Note 10 Financial instruments, (continued)

10.2 Trade and other receivables, continued

Portfolio stratification, continued

The Company's policy is to require guarantees (such as letters of credit, guarantee clauses and others) and/or maintaining insurance policies for certain accounts as deemed necessary by management.

Uncollateralized portfolio

As of March 31, 2018 the detail of the uncollateralized portfolio is as follows:

2018				
Total uncollateralized portfolio				
Past due segments	Number of customers non-renegotiated portfolio	Gross non-renegotiated portfolio ThCh\$	Number of customers renegotiated portfolio	Gross renegotiated portfolio ThCh\$
Current	617	258,027	22	773
1-30 days	1,331	8,816	580	1,498
31-60 days	865	3,483	245	653
61-90 days	616	3,147	393	543
91-120 days	420	2,099	27	63
121-150 days	68	800	25	38
151-180 days	41	159	21	22
181-210 days	15	1,583	13	29
211-250 days	11	108,956	20	51
>250 days	1,839	1,332	226	2,142
Total	5,823	388,402	1,572	5,812

As of December 31, 2017 the detail of the uncollateralized portfolio is as follows:

2017				
Total uncollateralized portfolio				
Past due segments	Number of customers non-renegotiated portfolio	Gross non-renegotiated portfolio ThCh\$	Number of customers renegotiated portfolio	Gross renegotiated portfolio ThCh\$
Current	3,039	288,896	23	706
1-30 days	1,598	14,323	376	924
31-60 days	824	8,665	130	272
61-90 days	756	3,287	50	119
91-120 days	548	6,919	22	54
121-150 days	182	2,855	22	56
151-180 days	443	7,484	45	75
181-210 days	365	215	27	45
211-250 days	682	88	29	138
>250 days	1,837	89,648	350	2,631
Total	10,274	422,380	1,074	5,020

Note 10 Financial instruments, (continued)

10.2 Trade and other receivables, continued

As of March 31, 2018 and 2016, movements in provisions are as follows:

	31/03/2018	12/31/2017
	ThUS\$	ThUS\$
Provision	20,612	18,225
Non-renegotiated provision	2,528	2,586
Total	23,140	20,811
Penalties	(933)	(13,434)
Recoveries	-	126

Credit risk concentration

Credit risk concentration with respect to trade receivables is reduced due to the great number of entities in the Company's client base and their distribution throughout the world.

Note 10 Financial instruments (continued)

10.3 Hedging assets and liabilities

The balance represents derivative instruments measured at fair value which have been classified as hedges from exchange and interest rate risks related to the total obligations associated with bonds in Chilean pesos and UF . As of March 31, 2018, the notional amount of cash flows in Cross Currency Swap contracts agreed upon in US dollars amounted to ThUS\$266,335 and as of December 31, 2017 such contracts amounted to ThUS\$266,335.

Hedging assets with underlying debt	Derivative instruments (Fwds)	Effect on profit or loss for the period	Hedging reserve in gross equity	Deferred tax hedging reserve in equity	Hedging reserve in equity
		Derivative instruments		ThUS\$	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
March 31, 2018	43,123	16,482	10,337	-	10,337
Hedging liabilities with underlying debt	Derivative instruments (CCS)	Effect on profit or loss for the period	Hedging reserve in gross equity	Deferred tax hedging reserve in equity	Hedging reserve in equity
		Derivative instruments		ThUS\$	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
March 31, 2018	1,162	-	-	-	-
Hedging liabilities with underlying investments	Derivative instruments (CCS)	Effect on profit or loss for the period	Hedging reserve in gross equity	Deferred tax hedging reserve in equity	Hedging reserve in equity
		Derivative instruments		ThUS\$	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
March 31, 2018	(16,482)	(15,573)	(909)	-	(909)
Hedging assets with underlying debt	Derivative instruments (Fwds)	Effect on profit or loss for the period	Hedging reserve in gross equity	Deferred tax hedging reserve in equity	Hedging reserve in equity
		Derivative instruments		ThUS\$	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
December 31, 2017	8,910	5,641	2,170	-	2,170
Hedging liabilities with underlying debt	Derivative instruments (CCS)	Effect on profit or loss for the period	Hedging reserve in gross equity	Deferred tax hedging reserve in equity	Hedging reserve in equity
		Derivative instruments		ThUS\$	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
December 31, 2017	17,128	33,696	41	-	41

Note 10 Financial instruments (continued)

10.3 Hedging assets and liabilities, continued

Hedging liabilities with underlying investments	Derivative instruments (CCS)	Effect on profit or loss for the period Derivative instruments	Hedging reserve in gross equity	Deferred tax hedging reserve in equity	Hedging reserve in equity
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
December 31, 2017	(20,159)	(20,256)	97	-	97

The balances in the “effect on profit or loss” column consider the interim effects of the contracts in force As of March 31, 2018 and 2016.

Derivative contract maturities are detailed as follows:

Series	Contract amount ThUS\$	Currency	Maturity date
H	155,214	UF	01/05/2023
O	58,748	UF	02/01/2022

The Company uses cross currency swap derivative instruments to hedge the possible financial risk associated with the volatility of the exchange rate associated with Chilean pesos and UF. The objective is to hedge the exchange rate financial risks associated with bonds payable. Hedges are documented and tested to measure their effectiveness.

Based on a comparison of critical terms, hedging is highly effective, given that the hedged amount is consistent with obligations maintained for bonds denominated in Chilean pesos and UF. Likewise, hedging contracts are denominated in the same currencies and have the same expiration dates of bond principal and interest payments.

Hedge Accounting

The Company classifies derivative instruments as hedging that may include derivative or embedded derivatives either as fair value hedge derivative instruments, cash flow hedge derivative instruments, or hedge derivative instruments for net investment in a business abroad.

a) Fair value hedge

Changes in fair values of derivative instruments classified as fair value hedge derivative instruments are accounted for in gains and losses immediately along with any change in the fair value of the hedged item that is attributable to the risk being hedged.

The Company documents the relationship between hedge instruments and the hedged item along with the objectives of its risk management and strategy to carry out different hedging transactions. In addition, upon commencement of the period hedged and then on a quarterly basis, the Company documents whether hedge instruments have been efficient and met the objective of hedging market fluctuations. For this purpose, we use the effectiveness test. A hedge instrument is deemed effective if the effectiveness test result is between 80% and 125%.

Note 10 Financial instruments (continued)

10.3 Hedging assets and liabilities, continued

The hedge instruments are classified as effective or not effective on the basis of the effectiveness test results. At present, hedges are classified as effective on the basis of the effectiveness tests. This note includes the detail of fair values of derivatives classified as hedging instruments.

b) Cash flow hedges

Cash flow hedges cover exposure to the cash flow variations attributable to a risk associated with a specific transaction that is very likely to be executed, which may have material effects on the results of the Company.

10.4 Financial liabilities

Other current and non-current financial liabilities

As of March 31, 2018 and December 31, 2017, the detail is as follows:

	3/31/2018			12/31/2017		
	Current ThUS\$	Non-current ThUS\$	Total ThUS\$	Current ThUS\$	Non-current ThUS\$	Total ThUS\$
Bank borrowings	100,957	-	100,957	163,568	-	163,568
Obligations with the public (bonds)	14,250	1,037,969	1,052,219	13,494	1,031,507	1,045,001
Derivatives	2,940	-	2,940	5,979	-	5,979
Hedging liabilities	17,741	-	17,741	37,287	-	37,287
Total	135,888	1,037,969	1,173,857	220,328	1,031,507	1,251,835

10.4 Financial liabilities, continued

Current and non-current bank borrowings

As of March 31, 2018 and December 31, 2017, the detail is as follows:

	3/31/2018 ThUS\$	12/31/2017 ThUS\$
Long-term bank borrowings	-	-
Short-term bank borrowings	100,957	163,568
Short-term borrowings and current portion of long-term borrowings	100,957	163,568
Total bank borrowings	100,957	163,568



Note 10 Financial instruments (continued)

10.4 Financial liabilities, continued

a) Bank borrowings, current:

As of March 31, 2018 and December 31, 2017, the detail of this caption is as follows:

Debtor		Creditor		Currency or adjustment index	Repayment	Effective rate	Nominal rate
Tax ID No	Company	Country	Tax ID No.	Financial institution	Country		
93.007.000-9	SQM.S.A.	CHILE	97.018.000-1	Scotiabank Sud Americano	CHILE	US\$	Upon maturity 1.73%
93.007.000-9	SQM.S.A.	CHILE	97.018.000-1	Scotiabank Sud Americano	CHILE	US\$	Upon maturity 1.73%
93.007.000-9	SQM.S.A.	CHILE	97.018.000-1	Scotiabank Sud Americano	CHILE	US\$	Upon maturity 1.63%
79.626.800-K	SQM Salar S.A.	CHILE	97.018.000-1	Banco Estado	CHILE	US\$	Upon maturity 1.91%
79.626.800-K	SQM Salar S.A.	CHILE	97.018.000-1	Scotiabank Sud Americano	CHILE	US\$	Upon maturity 1.94%
79.947.100-0	SQM Industrial S.A.	CHILE	97.030.000-7	Banco Estado	CHILE	US\$	Upon maturity 1.74%

Debtor	Creditor	3/31/2018 Nominal amounts			3/31/2018 Current amounts				
		Up to 90 days ThUS\$	90 days to 1 year ThUS\$	Total ThUS\$	Up to 90 days ThUS\$	90 days to 1 year ThUS\$	Subtotal ThUS\$	Borrowing costs ThUS\$	Total ThUS\$
Company	Financial institution								
SQM,S,A,	Scotiabank Sud Americano	-	20,000	20,000	-	20,218	20,218	-	20,218
SQM,S,A,	Scotiabank Sud Americano	-	17,000	17,000	-	17,214	17,214	-	17,214
SQM,S,A,	Scotiabank Sud Americano	-	3,000	3,000	-	3,038	3,038	-	3,038
SQM Salar S,A,	Banco Estado	-	20,000	20,000	-	20,167	20,167	-	20,167
SQM Salar S,A,	Scotiabank Sud Americano	-	20,000	20,000	-	20,169	20,169	-	20,169
SQM Industrial S,A,	Banco Estado	-	20,000	20,000	-	20,151	20,151	-	20,151
Total		-	100,000	100,000	-	100,957	100,957	-	100,957





Note 10 Financial instruments (continued)

10.4 Financial liabilities, continued

Debtor			Creditor			Currency or adjustment index	Repayment	Effective rate	Nomin al rate
Tax ID No	Company	Country	Tax ID No.	Financial institution	Country				
93.007.000-9	SQM.S.A.	CHILE	97.018.000-1	Scotiabank Sud Americano	CHILE	US\$	Upon maturity	1.63%	1.63%
93.007.000-9	SQM.S.A.	CHILE	97.018.000-1	Scotiabank Sud Americano	CHILE	US\$	Upon maturity	1.73%	1.73%
93.007.000-9	SQM.S.A.	CHILE	97.018.000-1	Scotiabank Sud Americano	CHILE	US\$	Upon maturity	1.73%	1.73%
93.007.000-9	SQM S.A.	CHILE	97.018.000-1	Banco Estado	CHILE	US\$	Upon maturity	1.64%	1.64%
93.007.000-9	SQM S.A.	CHILE	97.018.000-1	Banco Estado	CHILE	US\$	Upon maturity	1.67%	1.67%
93.007.000-9	SQM S.A.	CHILE	97.018.000-1	Banco Estado	CHILE	US\$	Upon maturity	1.67%	1.67%
79.626.800-K	SQM Salar S.A.	CHILE	97.018.000-1	Banco Estado	CHILE	US\$	Upon maturity	1.91%	1.91%
79.626.800-K	SQM Salar S.A.	CHILE	97.018.000-1	Scotiabank Sud Americano	CHILE	US\$	Upon maturity	1.94%	1.94%
79.947.100-0	SQM Industrial S.A.	CHILE	97.030.000-7	Banco Estado	CHILE	US\$	Upon maturity	1.74%	1.74%
79.947.100-0	SQM Industrial S.A.	CHILE	97.030.000-7	Banco Estado	CHILE	US\$	Upon maturity	1.65%	1.65%

Debtor	Creditor	12/31/2017 Nominal amounts			12/31/2017 Current amounts				
		Up to 90 days	90 days to 1 year	Total	Up to 90 days	90 days to 1 year	Subtotal	Borrowin g costs	Total
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Company	Financial institution								
SQM,S,A,	Scotiabank Sud Americano	-	20,000	20,000	-	20,137	20,137	-	20,137
SQM,S,A,	Scotiabank Sud Americano	-	17,000	17,000	-	17,140	17,140	-	17,140
SQM,S,A,	Scotiabank Sud Americano	-	3,000	3,000	-	3,025	3,025	-	3,025
SQM,S,A,	Banco Estado	15,000	-	15,000	15,011	-	15,011	-	15,011
SQM,S,A,	Banco Estado	15,000	-	15,000	15,011	-	15,011	-	15,011
SQM,S,A,	Banco Estado	15,000	-	15,000	15,011	-	15,011	-	15,011
SQM Salar S,A,	Banco Estado	-	20,000	20,000	-	20,071	20,071	-	20,071
SQM Salar S,A,	Scotiabank Sud Americano	-	20,000	20,000	-	20,072	20,072	-	20,072
SQM Industrial S,A,	Banco Estado	-	20,000	20,000	-	20,064	20,064	-	20,064
SQM Industrial S,A,	Banco Estado	18,000	-	18,000	18,026	-	18,026	-	18,026
Total		63,000	100,000	163,000	63,059	100,509	163,568	-	163,568

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Note 10 Financial instruments (continued)

10.4 Financial liabilities, continued

b) Unsecured obligations, current:

As of March 31, 2018 and December 31, 2017, the detail of current unsecured interest-bearing obligations is composed of promissory notes and bonds, as follows:

Bonds

Debtor	Number of registration or ID of the instrument	Series	Maturity date	Currency or adjustment index	Periodicity	Effective rate	Nominal rate			
Tax ID No.	Company	Country			Payment of interest	Repayment				
93.007.000-9	SQM S.A.	CHILE	-	ThUS\$250,000	4/21/2018	US\$	Semiannual	Upon maturity	1.47%	5.50%
93.007.000-9	SQM S.A.	CHILE	-	ThUS\$250,000	7/28/2018	US\$	Semiannual	Upon maturity	2.96%	4.38%
93.007.000-9	SQM S.A.	CHILE	-	ThUS\$300,000	4/03/2018	US\$	Semiannual	Upon maturity	2.12%	3.63%
93.007.000-9	SQM S.A.	CHILE	564	H	7/05/2018	UF	Semiannual	Semiannual	2.04%	4.90%
93.007.000-9	SQM S.A.	CHILE	699	O	8/01/2018	UF	Semiannual	Upon maturity	2.70%	3.80%

Company	Country	Series	3/31/2018 Nominal maturities			3/31/2018 Current maturities				
			Up to 90 days	91 days to 1 year	Total	Up to 90 days	91 days to 1 year	Subtotal	Bond issuance costs	Total
			ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM S.A.	CHILE	ThUS\$250,000	-	-	-	6,111	-	6,111	(385)	5,726
SQM S.A.	CHILE	ThUS\$250,000	-	-	-	-	1,914	1,914	(433)	1,481
SQM S.A.	CHILE	ThUS\$300,000	-	-	-	5,377	-	5,377	(615)	4,762
SQM S.A.	CHILE	H	-	-	-	-	2,067	2,067	(139)	1,928
SQM S.A.	CHILE	O	-	-	-	-	420	420	(67)	353
Total			-	-	-	11,488	4,401	15,889	(1,639)	14,250

effective rates of bonds in Chilean pesos and UF are expressed and calculated in U.S. dollars based on the flows agreed in Cross Currency Swap Agreements.

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Note 10 Financial instruments (continued)

10.4 Financial liabilities, continued

Debtor		Number of registration or ID of the instrument	Series	Maturity date	Currency or adjustment index	Periodicity	Effective rate	Nominal rate		
Tax ID No.	Company	Country				Payment of interest	Repayment			
93.007.000-9	SQM S.A.	CHILE	-	ThUS\$250,000	04/21/2018	US\$	Semiannual	Upon maturity	1.47%	5.50%
93.007.000-9	SQM S.A.	CHILE	-	ThUS\$250,000	01/28/2018	US\$	Semiannual	Upon maturity	3.17%	4.38%
93.007.000-9	SQM S.A.	CHILE	-	ThUS\$300,000	04/03/2018	US\$	Semiannual	Upon maturity	2.12%	3.63%
93.007.000-9	SQM S.A.	CHILE	564	H	01/05/2018	UF	Semiannual	Semiannual	2.18%	4.90%
93.007.000-9	SQM S.A.	CHILE	699	O	02/01/2018	UF	Semiannual	Upon maturity	2.80%	3.80%

Company	Country	Series	12/31/2017 Nominal maturities			12/31/2017 Current maturities				Total
			Up to 90 days	91 days to 1 year	Total	Up to 90 days	91 days to 1 year	Subtotal	Bond issuance costs	
			ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM S.A.	CHILE	ThUS\$250,000	-	-	-	-	2,674	2,674	(385)	2,289
SQM S.A.	CHILE	ThUS\$250,000	-	-	-	4,648	-	4,648	(433)	4,215
SQM S.A.	CHILE	ThUS\$300,000	-	-	-	-	2,658	2,658	(615)	2,043
SQM S.A.	CHILE	H	-	-	-	4,127	-	4,127	(139)	3,988
SQM S.A.	CHILE	O	-	-	-	1,026	-	1,026	(67)	959
Total			-	-	-	9,801	5,332	15,133	(1,639)	13,494

Effective rates of bonds in Chilean pesos and UF are expressed and calculated in U.S. dollars based on the flows agreed in Cross Currency Swap Agreements.



Note 10 Financial instruments (continued)

10.4 Financial liabilities, continued

c) Non-current unsecured interest-bearing bonds

The breakdown of non-current unsecured interest-bearing bonds as of March 31, 2018 and December 31, 2017 is detailed as follows:

Tax ID No.	Company	Country	Number of registration or ID of the instrument	Series	Maturity date	Currency or adjustment index	Periodicity		Effective rate	Nominal rate
							Payment of interest	Repayment		
93.007.000-9	SQM S.A.	CHILE	-	ThUS\$250,000	04/21/2020	US\$	Semiannual	Upon maturity	5.50%	5.50%
93.007.000-9	SQM S.A.	CHILE	-	ThUS\$250,000	01/28/2025	US\$	Semiannual	Upon maturity	4.38%	4.38%
93.007.000-9	SQM S.A.	CHILE	-	ThUS\$300,000	04/03/2023	US\$	Semiannual	Upon maturity	3.63%	3.63%
93.007.000-9	SQM S.A.	CHILE	564	H	01/05/2030	UF	Semiannual	Semiannual	4.90%	6.01%
93.007.000-9	SQM S.A.	CHILE	699	O	02/01/2033	UF	Semiannual	Upon maturity	3.80%	3.80%

Series	Nominal non-current maturities 3/31/2018					Total	Non-current maturities 3/31/2018					Subtotal	Bond issuance costs	Total	
	Over 1 year to 2	Over 2 years to 3	Over 3 Years to 4	Over 4 Years to 5	Over 5 years		Over 1 year to 2	Over 2 years to 3	Over 3 Years to 4	Over 4 Years to 5	Over 5 years				
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
MUS\$250	250,000	-	-	-	-	250,000	250,000	-	-	-	-	250,000	(421)	249,579	
MUS\$250	-	-	-	-	250,000	250,000	-	-	-	-	250,000	250,000	(2,527)	247,473	
MUS\$300	-	-	-	-	300,000	300,000	-	-	-	-	300,000	300,000	(2,465)	297,535	
H	-	-	-	-	178,769	178,769	-	-	-	-	178,769	178,769	(1,497)	177,272	
O	-	-	-	-	67,038	67,038	-	-	-	-	67,038	67,038	(928)	66,110	
Total	250,000	-	-	-	795,807	1,045,807	250,000	-	-	-	795,807	1,045,807	(7,838)	1,037,969	

Note 10 Financial instruments (continued)

10.4 Financial liabilities, continued

d) Non-current unsecured interest-bearing bonds, continued

As of March 31, 2018 and December 31, 2017, the breakdown of unsecured interest-bearing liabilities, non-current is as follows:

Tax ID No.	Company	Country	Number of registration or ID of the instrument	Series	Maturity date	Currency or adjustment index	Periodicity		Effective rate	Nominal rate
							Payment of interest	Repayment		
93.007.000-9	SQM S.A.	CHILE	-	ThUS\$250,000	04/21/2020	US\$	Semiannual	Upon maturity	5.50%	5.50%
93.007.000-9	SQM S.A.	CHILE	-	ThUS\$250,000	01/28/2025	US\$	Semiannual	Upon maturity	4.38%	4.38%
93.007.000-9	SQM S.A.	CHILE	-	ThUS\$300,000	04/03/2023	US\$	Semiannual	Upon maturity	3.63%	3.63%
93.007.000-9	SQM S.A.	CHILE	564	H	01/05/2030	UF	Semiannual	Semiannual	4.90%	6.01%
93.007.000-9	SQM S.A.	CHILE	699	O	02/01/2033	UF	Semiannual	Upon maturity	3.80%	3.80%

Series	Nominal non-current maturities 12/31/2017						Total	Non-current maturities 3/31/2017					Subtotal	Bond issuance costs ThUS\$	Total ThUS\$
	Over 1 year to 2	Over 2 years to 3	Over 3 Years to 4	Over 4 Years to 5	Over 5 years	Over 1 year to 2		Over 2 years to 3	Over 3 Years to 4	Over 4 Years to 5	Over 5 years				
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$			
MUS\$250	250,000	-	-	-	-	250,000	250,000	-	-	-	-	250,000	250,000	(517)	249,483
MUS\$250	-	-	-	-	250,000	250,000	-	-	-	-	250,000	250,000	(2,636)	247,364	
MUS\$300	-	-	-	-	300,000	300,000	-	-	-	-	300,000	300,000	(2,618)	297,382	
H	-	-	-	-	174,367	174,367	-	-	-	-	174,367	174,367	(1,532)	172,835	
O	-	-	-	-	65,388	65,388	-	-	-	-	65,388	65,388	(945)	64,443	
Total	250,000	-	-	-	789,755	1,039,755	250,000	-	-	-	789,755	1,039,755	(8,248)	1,031,507	

Note 10 Financial instruments (continued)

10.4 Financial liabilities, continued

e) Additional information

On December 15, 2017, the Company filed a request with the CMF to modify the bond line registered in the FMC Securities Registry on December 31, 2008, under number 563. The main objective of this change is to adapt the obligations and grounds for early payment and default to the Company's current circumstances. If the modified line is approved by the CMF, a series of bonds denominated Series P will be issued for a nominal value of up to UF 3 million, with a maturity date of January 15, 2028.

Once these bonds have been approved by the CMF, they are expected to be placed through direct sale to investors.

Bonds

On March 31, 2018 and December 31, 2017, short term bonds of ThUS\$4,250 and ThUS\$13,494 respectively were classified as short-term, consisting of the current portion due plus accrued interest to date; debt is presented net of bond issuance costs. The non-current portion consisted of ThUS\$1,037,969 on March 31, 2018 and ThUS\$1,031,507 on December 31, 2017, corresponding to the issuance series H bonds second issue single series bonds (ThUS\$250), series M bonds, series O bonds, third issue single series bonds (ThUS\$300) and fourth issue single series bonds (ThUS\$250) excluding debt issue costs.

As of March 31, 2018 and December 31, 2017, the details of each issuance are as follows:

Series "C" bonds

On January 24, 2006, the Company placed Series C bonds for UF 3,000,000 (ThUS\$101,918) at an annual rate of 4.00%.

On July 5, 2017, the Series C bond was prepaid.

As of March 31, 2018, December 31 and 2016, the Company has made the following payments with a charge to the Series C bonds:

Payments made	3/31/2018	12/31/2017
	ThUS\$	ThUS\$
Principal payment	-	57,290
Interest payment	-	1,515

**Note 10 Financial instruments (continued)****10.4 Financial liabilities, continued****Series “G” and “H” bonds**

On January 13, 2009, the Company placed two bond series in the domestic market. The first was Series H for UF 4,000,000 (ThUS\$139,216) at an annual interest rate of 4.9%, with a term of 21 years and payment of the principal beginning in 2019. The second was Series G for ThCh\$21,000,000 (ThUS\$34,146), which was placed at a term of 5 years with a single payment at the maturity of the term and an annual interest rate of 7%.

As of March 31, 2018, December 31 and 2016, the Company has made the following payments with a charge to the Series H bonds:

Payments made	3/31/2018	12/31/2017
	ThUS\$	ThUS\$
Payments of interest, Series H bonds	4,297	7,691

Single series bonds, second issue ThUS\$250,000

On April 21, 2010, the Company informed the CMF of its placement in international markets of an unsecured bond of ThUS\$250,000 with a maturity of 10 years beginning on the aforementioned date with an annual interest rate of 5.5% and destined to refinance long-term liabilities.

As of March 31, 2018, December 31 and 2017, the detail of payments charged to the line of single series bonds, second issue is as follows:

Payments made	3/31/2018	12/31/2017
	ThUS\$	ThUS\$
Interest payment	-	13,750



**Note 10 Financial instruments (continued)****10.4 Financial liabilities, continued****Series “M” and “O” bonds**

On April 4, 2012, the Company placed two bond series in the domestic market. Series M for UF 1,000,000 (ThUS\$46,601) was placed at a term of 5 years with a single payment at the maturity of the term and an annual interest rate of 3.3%. Series O for UF 1,500,000 (ThUS\$69,901) was placed at a term of 21 years with a single payment at the maturity of the term and an annual interest rate of 3.80%

As of March 31, 2018, December 31 and 2016 the Company has made the following payments with a charge to the Series M and O bonds:

Payments made	3/31/2018	12/31/2017
	ThUS\$	ThUS\$
Principal payment Series M bonds	-	40,726
Payment of interest, Series M bonds	-	667
Payment of interest, Series O bonds	1,255	2,301

Single series bonds, third issue ThUS\$300,000

On April 3, 2013, the Company issued a non-guaranteed bond in the United States with a value of US\$300 million. The bond is for a 10-year term with an annual coupon rate of 3.625% and an annual yield of 3.716%. This rate equates to a difference of 180 basis points to comparable US Treasury bonds. The funds raised will be used to refinance long term liabilities and finance general corporate objectives.

As of March 31, 2018, December 31 and 2016, the following payments have been made with a debit to the line of single-series bonds, third issue:

Payments made	3/31/2018	12/31/2017
	ThUS\$	ThUS\$
Payment of interest	-	10,875





Note 10 Financial instruments (continued)**10.4 Financial liabilities, continued****Single series bonds, fourth issuance ThUS\$250**

On October 23, 2014, the Company informed the CMF that Sociedad Química y Minera de Chile S.A. had agreed to issue and place unsecured bonds of ThUS\$250,000 in international markets. These mature in 2025 and have annual interest rate of 4.375%, equivalent to a spread of 215 basis points on comparable US Treasury bonds, which were offered to investors at a price of 99.410% with respect to capital. The aforementioned agreement was agreed on October 23, 2014 and the issuance and placement of such bonds was performed in conformity with the provisions of Rule 144A of the US Securities Act of 1933 and these bonds will not be publicly offered in Chile.

As of March 31, 2018, December 31 and 2017, the following payments have been made.

Payments made	3/31/2018	12/31/2017
	ThUS\$	ThUS\$
Payment of interest	5,469	10,938



**Note 10 Financial instruments (continued)****10.5 Trade and other payables**

	3/31/2018			12/31/2017		
	Current	Non-current	Total	Current	Non-current	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Accounts payable	189,741	-	189,741	195,858	-	195,858
Other accounts payable	110,871	-	110,871	422	-	422
Total	300,612	-	300,612	196,280	-	196,280

As of March 31, 2018 and December 31, 2017, the balance of current and past due suppliers is as follows:

Suppliers current on all payments

Amounts according to payment periods as of 03/31/2018

Type of Supplier	Up to 30 days	31 - 60 days	61 - 90 days	91 - 120 days	121 - 365 days	366 and more days	Total ThUS\$
Goods	59,062	-	-	-	-	-	59,062
Services	42,588	-	-	-	-	3	42,591
Others	60,499	-	-	-	-	-	60,499
Total	162,149	-	-	-	-	3	162,152

Amounts according to payment periods as of 31/12/2017

Type of Supplier	Up to 30 days	31 - 60 days	61 - 90 days	91 - 120 days	121 - 365 days	366 and more days	Total ThUS\$
Goods	72,567	-	-	-	-	-	72,567
Services	36,855	-	-	-	-	3	36,858
Others	45,134	-	-	-	-	-	45,134
Total	154,556	-	-	-	-	3	154,559

Suppliers past due on payments

Amounts according to payment periods as of 03/31/2018

Type of Supplier	Up to 30 days	31 - 60 days	61 - 90 days	91 - 120 days	121 - 365 days	366 and more days	Total ThUS\$
Goods	9,792	1,213	493	242	1,270	13	13,023
Services	11,525	546	480	217	986	72	13,826
Others	603	21	19	10	43	77	773
Total	21,920	1,780	992	469	2,299	162	27,622

Amounts according to payment periods as of 12/31/2017

Type of Supplier	Up to 30 days	31 - 60 days	61 - 90 days	91 - 120 days	121 - 365 days	366 and more days	Total ThUS\$
Goods	16,693	448	3,965	1,784	1,602	42	24,534
Services	11,704	1,913	547	681	1,325	17	16,187
Others	479	9	13	20	46	41	608
Total	28,876	2,370	4,525	2,485	2,973	100	41,329

Purchase commitments held by the Company are recognized as liabilities when the goods and services are received by the Company. As of March 31, 2018, the Company has purchase orders amounting to ThUS\$23,470 (ThUS\$41,601 as of December 31, 2017).



Note 10 Financial instruments (continued)

10.6 Financial liabilities at fair value through profit or loss

As of March 31, 2018 and December 31, 2017 there are no balances corresponding to derivative instruments measured at their fair value.

10.7 Financial asset and liability categories

a) Financial Assets

Description of financial assets	Financial instruments	3/31/2018			12/31/2017		
		Current Amount ThUS\$	Non-current Amount ThUS\$	Total Amount ThUS\$	Current Amount ThUS\$	Non-current Amount ThUS\$	Total Amount ThUS\$
Cash and cash equivalent		575,089	-	575,089	630,438	-	630,438
Trade receivables due from related parties		57,889	-	57,889	59,132	-	59,132
Financial assets measured at amortized cost	Term deposits	411,452	48	411,500	360,941	45	360,986
Loans and receivables measured at amortized cost	Trade and other receivables	421,520	1,949	423,469	446,875	1,912	448,787
Total financial assets measured at amortized cost		1,465,950	1,997	1,467,947	1,497,386	1,957	1,499,343
Financial assets at fair value through profit or loss	Derivative instruments	4,588	43,123	47,711	6,038	8,910	14,948
Financial assets classified as available for sale at fair value through equity	Other investments	-	7,386	7,386	-	33,924	33,924
Total financial assets at fair value		4,588	50,509	55,097	6,038	42,834	48,872
Total financial assets		1,470,538	52,506	1,523,044	1,503,424	44,791	1,548,215

**Note 10 Financial instruments (continued)****10.7 Financial asset and liability categories (continued)**

b) Financial liabilities

Description of financial liabilities	Financial instruments	3/31/2018			12/31/2017		
		Current Amount ThUS\$	Non-current Amount ThUS\$	Total Amount ThUS\$	Current Amount ThUS\$	Non-current Amount ThUS\$	Total Amount ThUS\$
Trade payables due to related parties		2	-	2	1,365	-	1,365
Financial liabilities at fair value through profit or loss	Derivative instruments	20,681	-	20,681	43,266	-	43,266
Financial liabilities at fair value through profit or loss		20,683	-	20,683	44,631	-	44,631
Financial liabilities measured at amortized cost	Bank borrowings	100,957	-	100,957	163,568	-	163,568
Financial liabilities measured at amortized cost	Obligations with the public	14,250	1,037,969	1,052,219	13,494	1,031,507	1,045,001
Financial liabilities measured at amortized cost	Trade and other payables	300,612	-	300,612	196,280	-	196,280
Total financial liabilities measured at amortized cost		415,819	1,037,969	1,453,788	373,342	1,031,507	1,404,849
Total financial liabilities		436,502	1,037,969	1,474,471	417,973	1,031,507	1,449,480



Note 10 Financial instruments (continued)

10.8 Fair value measurement of assets and liabilities

Financial assets and liabilities measured at fair value consist of Options and Forwards hedging the mismatch in the balance sheet and cash flows, Cross Currency Swaps (CCS) to hedge bonds issued in local currency (\$/UF), and Interest Rate Swaps (IRS) to hedge LIBOR rate debt issued.

The value of the Company's assets and liabilities recognized by CCS contracts is calculated as the difference between the present value of discounted cash flows of the asset (pesos/UF) and liability (US\$) parts of the derivative. In the case of the IRS, the asset value recognized is calculated as the difference between the discounted cash flows of the asset (variable rate) and liability (fixed rate) parts of the derivative. Forwards: Are calculated as the difference between the strike price of the contract and the spot price plus the forwards points at the date of the contract. Options: The value recognized is calculated using the Black-Scholes method.

In the case of CCS, the entry data used for the valuation models are UF, peso, USD and basis swap rates. In the case of fair value calculations for IRS, the FRA (Forward Rate Agreement) rate and ICVS 23 Curve (Bloomberg: cash/deposits rates, futures, swaps). In the case of forwards, the forwards curve for the currency in question is used. Finally, with options, the spot price, risk-free rate and volatility of exchange rate are used, all in accordance with the currencies used in each valuation. The financial information used as entry data for the Company's valuation models is obtained from Bloomberg, the well-known financial software company. Conversely, the fair value provided by the counterparties of derivatives contracts is used only as a control and not for valuation.

The effects on profit or loss of movements in these amounts may be recognized in the caption Finance costs, foreign currency translation gain (loss) or cash flow hedges in the statement of comprehensive income, depending on each particular case.

The fair value measurement of debt is only performed to determine the present market value of secured and unsecured long-term obligations; bonds denominated in local currency (Ch\$/UF) and foreign currency (US\$), credits denominated in foreign currency (US\$), which is classified under Level 2 in the fair value hierarchy established by IFRS.

The value of the Company's reported liabilities is calculated as the present value of discounted cash flows at market rates at the time of valuation, taking into account the maturity date and exchange rate. The entry data used for the model includes the UF and peso rates, which are obtained using Bloomberg, the well-known financial software company and the 'Asociación de Bancos e Instituciones Financieras' (ABIF) (Association of Banks and Financial Institutions').

Note 10 Financial instruments (continued)

10.8 Fair value measurement of assets and liabilities, continued

Fair value hierarchy

The fair value hierarchy is detailed as follows:

- a) **Level 1:** using quoted prices (unadjusted) only in active markets.
- b) **Level 2:** when in any phase in the valuation process inputs other than quoted prices have been used in Level 1 that are observable directly in markets.
- c) **Level 3:** inputs for the asset or liability that are not based on observable market data.

The valuation technique used for determining fair value of our hedging instruments is that indicated in Level 2.

	Fair value 3/31/2018 ThUS\$	Measurement methodology		
		Level 1 ThUS\$	Level 2 ThUS\$	Level 3 ThUS\$
Financial assets				
Investment				
Shares	7,366	7,366	-	-
Non-hedging derivatives				
Forwards	628	-	628	-
Options	3,856	-	3,856	-
Hedging derivatives				
Swaps	42,057	-	42,057	-
Deposits, more than 90 days	411,452	-	411,452	-
Other	1,238	-	1,238	-
Financial liabilities				
Non-hedging derivatives				
Forwards	696	-	696	-
Options	1,994	-	1,994	-
Hedging derivatives				
Swaps	17,741	-	17,741	-
Bank loans	100,957	-	100,957	-
Non-guaranteed bonds	1,045,808	-	1,045,808	-
Other	6,661	-	6,661	-

Note 10 Financial instruments (continued)

10.8 Fair value measurement of assets and liabilities, continued

	Fair value 12/31/2017 ThUS\$	Measurement methodology		
		Level 1 ThUS\$	Level 2 ThUS\$	Level 3 ThUS\$
Financial assets				
Investment				
Investment SQM Australia	24,746	24,746	-	-
Shares	9,159	9,159	-	-
Non-hedging derivatives				
Forwards	2,744	-	2,744	-
Options	110	-	110	-
Swaps	3,184	-	3,184	-
Hedging derivatives				
Swaps	8,726	-	8,726	-
Deposits, more than 90 days	360,941	-	360,941	-
Other	249	-	249	-
Financial liabilities				
Non-hedging derivatives				
Forwards	5,534	-	5,534	-
Options	445	-	445	-
Hedging derivatives				
Swaps	37,287	-	37,287	-
Bank loans	163,568	-	163,568	-
Non-guaranteed bonds	1,039,956	-	1,039,956	-
Other	5,945	-	5,945	-

10.9 Financial assets pledged as a guarantee

On November 4, 2004, Isapre Norte Grande maintains a guarantee equivalent to the total amount owed to its members and healthcare providers, which is managed and maintained by Banco de Chile.

As of March 31, 2018 and December 31, 2017, assets pledged as guarantees are as follows:

Restricted cash	3/31/2018 ThUS\$	12/31/2017 ThUS\$
Isapre Norte Grande Ltda.	798	771
Total	798	771

Note 10 Financial instruments (continued)

10.10 Estimated fair value of financial instruments and financial derivatives

As required by IFRS 7, the following information is presented for the disclosure of the estimated fair value of financial assets and liabilities.

Although inputs represent Management's best estimate, they are subjective and involve significant estimates related to the current economic and market conditions, as well as risk features.

Methodologies and assumptions used depend on the risk terms and characteristics of instruments and include the following as a summary:

- Cash equivalent approximates fair value due to the short-term maturities of these instruments.
- The fair value of trade receivables, current is considered to be equal to the carrying amount due to the maturity of such accounts at short-term.
- The fair value of other current financial liabilities is considered to be equal to their carrying values.
- For interest-bearing liabilities with original maturity of more than a year, fair values are calculated by discounting contractual cash flows at their original current market rates with similar terms.
- The fair value of debt is considered in Level 2.
- For forward and swap contracts, fair value is determined using quoted market prices of financial instruments with similar characteristics.

Note 10 Financial instruments (continued)

10.10 Estimated fair value of financial instruments and financial derivatives, continued

The detail of the Company's instruments at carrying value and estimated fair value is as follows:

	3/31/2018		12/31/2017	
	Carrying value ThUS\$	Fair value ThUS\$	Carrying value ThUS\$	Fair value ThUS\$
Cash and cash equivalents	575,089	575,089	630,438	630,438
Current trade and other receivables	421,520	421,520	446,875	446,875
Receivables due from related parties, current	57,889	57,889	59,132	59,132
Other financial assets, current:				
- Time deposits	411,452	411,452	360,941	360,941
- Derivative instruments	4,588	4,588	6,038	6,038
- Hedging assets	-	-	-	-
Total other current financial assets	416,040	416,040	366,979	366,979
Non-Current Trade Receivables	1,949	1,949	1,912	1,912
Other non-current financial assets:	50,557	50,557	42,879	42,879
Total other non-current financial assets:	50,557	50,557	42,879	42,879
Other financial liabilities, current:				
- Bank loans	100,957	100,957	163,568	163,568
- Derivative instruments	2,940	2,940	5,979	5,979
- Hedging liabilities	17,741	17,741	37,287	37,287
- Unsecured obligations	14,250	14,250	13,494	13,494
Other financial liabilities, current	135,888	135,888	220,328	220,328
Current and non-current accounts payable	300,612	300,612	196,280	196,280
Payables due to related parties, non-current	2	2	1,365	1,365
Other non-current financial liabilities:				
- Bank loans	-	-	-	-
- Unsecured obligations	1,037,969	1,138,910	1,031,507	1,131,639
- Non-current hedging liabilities	-	-	-	-
Other non-current financial liabilities:	1,037,969	1,138,910	1,031,507	1,131,639

All the fair value estimates are included in levels 1 and 2.

Note 10 Financial instruments (continued)

10.11 Nature and scope of risks arising from financing instruments

As indicated in paragraphs 33 to 42 of IFRS 7 the disclosure of information associated with the nature and scope of risks arising from financial instruments is presented in Note 4 - Financial Risk Management.

**Note 11 Equity-accounted investees****11.1 Investments in associates recognized according to the equity method of accounting**

As of March 31, 2018 and December 31, 2017, in accordance with criteria established in Note 3.19, investment in associates recognized according to the equity method of accounting and joint ventures are as follows:

Associates	Equity-accounted investees		Share in profit (loss) of associates and joint ventures accounted for using the equity method		Share in other comprehensive income of associates and joint ventures accounted for using the equity method, net of tax		Share in total other comprehensive income of associates and joint ventures accounted for using the equity method	
	3/31/2018	12/31/2017	3/31/2018	12/31/2017	3/31/2018	12/31/2017	3/31/2018	12/31/2017
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Abu Dhabi Fertilizer Industries WWL	12,136	15,936	262	1,483	-	-	262	1,483
Doktor Tarsa Tarim Sanayi AS	24,536	21,788	1,756	6,427	-	-	1,756	6,427
Ajay North America	14,616	14,432	1,193	3,677	-	-	1,193	3,677
Ajay Europe SARL	8,061	8,144	359	1,049	(4)	26	355	1,075
Charlee SQM Thailand Co. Ltd,	2,584	2,301	139	393	-	-	139	393
SQM Eastmed Turkey.	-	-	-	(25)	-	-	-	(25)
Kore Potash Ltd.	23,000	20,000	-	-	-	-	-	-
Total	84,933	82,601	3,709	13,004	(4)	26	3,705	13,030





Note 11 Equity-accounted investees (continued)

11.1 Investments in associates recognized according to the equity method of accounting, continued

Associate	Description of the nature of the relationship	Domicile	Country of incorporation	Share of ownership in associates	Dividends received	
					3/31/2018 ThUS\$	12/31/2017 ThUS\$
Abu Dhabi Fertilizer Industries WWL	Distribution and commercialization of specialty plant nutrients in the Middle East.	PO Box 71871, Abu Dhabi	United Arab Emirates	37%	4,029	-
Doktor Tarsa Tarim Sanayi AS	Distribution and commercialization of specialty plant nutrients in Turkey.	Organize Sanayi Bolgesi, Ikinci Kisim, 22 cadde TR07100 Antalya	Turkey	50%	-	-
Ajay North America	Production and distribution of iodine derivatives.	1400 Industry RD Power Springs GA 30129	United States	49%	702	1,123
Ajay Europe SARL	Production and commercialization of iodine derivatives.	Z.I. du Grand Verger BP 227 53602 Evron Cedex	France	50%	858	968
SQM Eastmed Turkey	Production and commercialization of specialty products.	Organize Sanayi Bolgesi, Ikinci Kisim, 22 cadde TR07100 Antalya	Turkey	50%	-	-
Charlee SQM Thailand Co. Ltd.	Distribution and commercialization of specialty plant nutrients.	31 Soi 138 (Meesuk) LLapdrawrd, Bangkok, 10240 Bangkok	Thailand	40%	-	-
Kore Potash Ltd.	Prospecting, exploration and mining development.	L 3 88 William St Perth, was 6000	Australia	18.02%	-	-

The companies described in the table below are related parties of the following associates:

- (1) Doktor Tarsa Tarim Sanayi AS
- (2) Terra Tarsa B.V.

Associate	Description of the nature of the relationship	Domicile	Country of incorporation	Share of ownership in associates	Dividends received	
					3/31/2018 ThUS\$	12/31/2017 ThUS\$
Terra Tarsa B.V. (1)	Distribution and trading of specialty plant nutrients.	Herikerbergweg 238, Luna Arena, 1101CM Amsterdam PO Box 23393, 1100DW Amsterdam Zuidoost	Holland	50%	-	-
Plantacote N.V. (1)	Sale of CRF and production and sales of WSNPK	Houtdok-Noordkaai 25a, 2030 Antwerpen, Belgium	Belgium	100%	-	-
Doktolab Tarim Arastima San. Tic As (1)	Laboratory services	27. Cd. No:2, 07190 Aosb 2. Kısım/Döşemealti, Antalya, Turkey	Turkey	100%	-	-
Terra Tarsa Ukraine LLC (2)	Distribution and trading of specialty plant nutrients.	74800 Ukraine, Kakhovka, 4 Yuzhnaya Str. Zorge Street, house 17, 344090, Rostov-on-Don	Ukraine	100%	-	-
Terra Tarsa Don LLC (2)	Distribution and sale of specialty fertilizers		Russian Federation	100%	-	-

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Note 11 Equity-accounted investees (continued)

11.2 Assets, liabilities, revenue and expenses of associates

	3/31/2018				Revenue	Gain (loss) from continuing operations	Other comprehensive income	Comprehensive income
	Assets		Liabilities					
	Current	Non-current	Current	Non-current				
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	
Abu Dhabi Fertilizer Industries WWL	34,183	2,060	3,443	-	8,403	707	-	707
Doktor Tarsa Tarim Sanayi AS	88,676	11,448	50,127	3,009	18,206	1,430	-	1,430
Ajay North America	21,827	12,578	4,576	-	11,063	2,436	-	2,436
Ajay Europe SARL	25,040	1,307	10,226	-	11,188	719	9	728
Charlee SQM Thailand Co. Ltd.	8,924	749	2,946	266	3,719	348	-	348
SQM Eastmed Turkey	4,071	2,732	4,588	2,311	-	-	-	-
Total	182,721	30,874	75,906	5,586	52,579	5,640	9	5,649

	12/31/2017				Revenue	Gain (loss) from continuing operations	Other comprehensive income	Comprehensive income
	Assets		Liabilities					
	Current	Non-current	Current	Non-current				
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	
Abu Dhabi Fertilizer Industries WWL	44,801	2,032	3,764	-	35,131	4,008	-	4,008
Doktor Tarsa Tarim Sanayi AS	81,057	10,731	36,960	11,251	75,269	12,854	-	12,854
Ajay North America	19,426	12,498	2,470	-	36,185	7,505	-	7,505
Ajay Europe SARL	23,555	1,266	8,534	-	32,310	2,098	52	2,150
Charlee SQM Thailand Co. Ltd.	8,585	712	3,292	255	13,618	981	-	981
SQM Eastmed Turkey	3,981	2,671	4,487	2,260	2,389	(49)	-	(49)
Total	181,405	29,910	59,507	13,766	194,902	27,397	52	27,449



Note 11 Investment in Associates (continued)

11.3 Other information

The Company has no participation in unrecognized losses in investments in associates.

The Company has no investments that are not accounted for according to the equity method.

The equity method was applied to the Statement of Financial Position as of March 31, 2018 and December 31, 2017.

The basis of preparation of the financial information of associates corresponds to the amounts included in the financial statements in conformity with the entity's IFRS.

11.4 Disclosures on interest in associates

a) Transactions conducted in 2018:

During the first quarter, SQM S.A. increased its capital in Kore Potash Ltd. by ThUS\$3,000.

b) Transactions conducted in 2017:

As of December 31, 2017, a capital increase was registered for Plantacote N.V. in a sum of ThUS\$4,208 (equivalent to Th€3,500), which is 100% owned by the associate company Doktor Tarsa Tarim. The functional currency of Plantacote N.V. is the Euro. The contribution was made under the heading "Subordinated loan from Dr. Tarsa". This contribution had no impact on the Company's consolidated results.

Note 12 Joint Ventures

12.1 Policy for the accounting of equity accounted investment in joint ventures

The method for recognizing joint ventures is that in which participation is initially recorded at cost, and subsequently adjusted, considering changes after the acquisition in the portion of the entity's net assets that correspond to the investor. Profit or loss for the period will include the portion of the entity's entire profit or loss that correspond to the investor. For these joint ventures there is no quoted market price to measure these investments.

There are no significant restrictions on these joint ventures for the transfer of funds as payment of dividends or others.

At the date of issuance of these financial statements, SQM is not aware of the existence of any significant contingent liabilities associated with the partnerships in joint ventures.

12.2 Disclosures of interest in joint ventures

a) Operations conducted in 2018

During the first quarter of 2018, Minera Exar S.A. increased its capital by ThUS\$13,000. The entity is a joint venture and contributions were made on January 25, 2018 (ThUS\$6,000) and February 14, 2018 (ThUS\$7,000) by SQM Potasio S.A. and Lithium Americas Corporation (LAC). Both partners share 50% ownership of the respective company, each contributing the same share in these capital increases.

b) Operations conducted in 2017

On June 30, 2017, SQM Potasio S.A. recognized the goodwill value generated by the acquisition of 50% of the joint venture Minera Exar S.A. in the amount ThUS\$6,205.

On October 6, 2017, a capital contribution of ThUS\$13,300 (ThARS230,422.5) was made in mining company EXAR S.A., which is 50% owned by the subsidiary SQM Potasio S.A. The functional currency of EXAR S.A. is the Argentine peso (ARS). This contribution had no impact on the Company's consolidated results.



Note 12 Joint Ventures (continued)

12.3 Investment in joint ventures accounted for under the equity method of accounting

Joint venture	Description of the nature of the relationship	Domicile	Country of incorporation	Share of interest in ownership	Dividends received	
					3/31/2018 ThUS\$	12/31/2017 ThUS\$
Sichuan SQM Migao Chemical Fertilizers Co. Ltda.	Production and distribution of soluble fertilizers.	Huangjing Road, Dawan Town, Qingbaijiang District, Chengdu Municipality, Sichuan Province	China	50%	-	-
Coromandel SQM India	Production and distribution of potassium nitrate.	1-2-10, Sardar Patel Road, Secunderabad – 500003 Andhra Pradesh	India	50%	-	-
SQM Vitas Fzco.	Production and commercialization of specialty plant and animal nutrition and industrial hygiene.	Jebel ALI Free Zone P.O. Box 18222, Dubai	United Arab Emirates	50%	-	-
SQM Star Qingdao Corp Nutrition. Co. Ltd.	Production and distribution of nutrient plant solutions with specialties NPK soluble	Longquan Town, Jimo City, Qingdao Municipality, Shangdong Province	China	50%	-	-
SQM Vitas Holland B.V (1)	Without information	Herikerbergweg 238, 1101 CM Amsterdam Zuidoost	Holland	50%	-	-
Minera Exar S.A.	Exploration and exploitation of minerals, processing and trading of such minerals	Dr. Sabín 1082 Ciudad de Nieva – San Salvador de Jujuy- Jujuy- República Argentina	Argentina	50%	-	-

(1) During May 2016, SQM Vitas Holland B.V. sold its interest in SQM Vitas Spain, to SQM Iberian S.A. resulting in the latter obtaining 100% in this transaction generating a loss of ThUS\$ 104.

The companies described in the following table are related to the following joint ventures:

- (1) SQM Vitas Fzco.
- (2) SQM Vitas Holland B.V.

	Description of the nature of the relationship	Domicile	Country of incorporation	Share of interest in ownership	Dividends received	
					3/31/2018 ThUS\$	12/31/2017 ThUS\$
SQM Vitas Brazil Agroindustria (1)	Production and commercialization of specialty plant and animal nutrition and industrial hygiene.	Via Cndeias, Km. 01 Sem Numero, Lote 4, Bairro Cia Norte, Candeias, Bahia.	Brazil	49.99%	-	-
SQM Vitas Peru S.A.C (1).	Production and commercialization of specialty plant and animal nutrition and industrial hygiene	Av. Juan de Arona 187, Torre B, Oficina 301-II, San Isidro, Lima	Peru	50%	-	-
SQM Vitas Plantacote B.V.(2)	Production and commercialization of controlled-released fertilizers	Herikerbergweg 238, 1101 CM Amsterdam Zuidoost	Holland	50%	-	-

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 El Trovador 4285,
 Las Condes, Santiago, Chile
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www.sqm.com



Note 12 Joint Ventures (continued)

12.3 Investment in joint ventures accounted for under the equity method of accounting, continued:

Joint Venture	Final reporting period date	Accounting method	Share in profit (loss) of associates and joint ventures accounted for using the equity method		Share on other comprehensive income of associates and joint ventures accounted for using the equity method, net of tax		Share on total other comprehensive income of associates and joint ventures accounted for using the equity method	
Joint Venture	Equity-accounted investees		3/31/2018 ThUS\$	12/31/2017 ThUS\$	3/31/2018 ThUS\$	12/31/2017 ThUS\$	3/31/2018 ThUS\$	12/31/2017 ThUS\$
Sichuan SQM Migao Chemical Fertilizers Co Ltda.	March 31, 2018	Equity method	11,553	11,444	109	(535)	-	-
Coromandel SQM India	March 31, 2018	Equity method	1,827	1,633	36	165	-	-
SQM Vitas Fzco.	March 31, 2018	Equity method	20,399	19,478	511	1,502	-	(5)
SQM Star Qingdao Corp Nutrition Co., Ltd.	March 31, 2018	Equity method	3,139	2,980	159	361	-	-
SQM Vitas Brazil Agroindustria	March 31, 2018	Equity method	1,457	1,429	(3)	(18)	-	-
SQM Vitas Southern Africa Pty.	March 31, 2018	Equity method	29,757	26,860	(95)	(27)	-	-
SQM Vitas Perú S.A.C.	March 31, 2018	Equity method					(3)	(18)
SQM Vitas Holland B.V.	March 31, 2018	Equity method					(95)	(27)
SQM Vitas Plantacote B.V.	March 31, 2018	Equity method						
Minera Exar S.A.	March 31, 2018	Equity method						
Total			68,132	63,824	717	1,448	-	(5)
							717	1,443



Note 12 Joint Ventures (continued)

12.3 Investment in joint ventures accounted for under the equity method of accounting, continued:

Joint Venture	Equity-accounted investees		Share in profit (loss) of associates and joint ventures accounted for using the equity method		Share in other comprehensive income of associates and joint ventures accounted for using the equity method, net of tax		Share in total other comprehensive income of associates and joint ventures accounted for using the equity method	
	3/31/2018	12/31/2017	3/31/2018	12/31/2017	3/31/2018	12/31/2017	3/31/2018	12/31/2017
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM Vitas Brazil Agroindustria(1)	11,171	11,003	148	1,753	(9)	(51)	83	826
SQM Vitas Peru S.A.C (1)	6,070	5,961	76	(216)	-	-	38	(108)
SQM Vitas Plantacote B.V. (2)	-	669	-	(1)	-	-	(3)	(1)
Total	17,241	17,633	224	1,536	(9)	(51)	118	717

The following companies are subsidiaries of

- (1) SQM Vitas Fzco.
- (2) SQM Vitas Holland



Note 12 Joint Ventures (continued)

12.4 Assets, liabilities, revenue and expenses from joint ventures:

Joint Venture	3/31/2018							
	Assets		Liabilities		Revenue	Gain (loss) from continuing operations	Other comprehensive income	Comprehensive income
	Current	Non-current	Current	Non-current				
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Sichuan SQM Migao Chemical Fertilizers Co. Ltda.	29,699	6,470	13,062	-	-	218	-	218
Coromandel SQM India	4,406	874	1,572	55	2,047	73	-	73
SQM Vitas Fzco,	25,815	17,581	2,597	-	4,498	1,023	(1)	1,022
SQM Star Qingdao Corp. Nutrition Co. Ltd.	7,085	156	963	-	2,556	318	-	318
SQM Vitas Brazil Agroindustria	30,217	8,693	27,738	-	13,821	148	17	165
SQM Vitas Peru S.A.C	15,123	8,472	11,657	5,867	8,418	76	-	76
SQM Vitas Holland B.V	2,916	-	1	-	-	(7)	-	(7)
SQM Vitas Plantacote B.V.	689	-	11	-	-	(5)	-	(5)
Minera Exar S.A.	13,880	82,915	34,747	2,534	-	(191)	-	(191)
Total	129,830	125,161	92,348	8,456	31,340	1,653	16	1,669

Joint Venture	12/31/2017							
	Assets		Liabilities		Revenue	Gain (loss) from continuing operations	Other comprehensive income	Comprehensive income
	Current	Non-current	Current	Non-current				
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Sichuan SQM Migao Chemical Fertilizers Co. Ltda.	31,461	6,656	15,228	-	13,326	(1,070)	-	(1,070)
Coromandel SQM India	6,659	862	4,205	53	10,381	332	-	332
SQM Vitas Fzco,	23,699	17,479	2,221	-	15,518	3,003	(9)	2,994
SQM Star Qingdao Corp. Nutrition Co. Ltd.	6,941	171	1,152	-	12,631	721	-	721
SQM Vitas Brazil Agroindustria	30,303	8,453	27,752	-	60,131	1,753	(101)	1,652
SQM Vitas Peru S.A.C	20,933	8,534	17,380	6,126	35,299	(216)	-	(216)
SQM Vitas Holland B.V	2,190	669	-	-	-	(36)	-	(36)
SQM Vitas Plantacote B.V.	679	-	10	-	-	(1)	-	(1)
Minera Exar S.A.	19,277	73,114	38,670	-	-	(53)	-	(53)
Total	142,142	115,938	106,618	6,179	147,286	4,433	(110)	4,323



Note 12 Joint Ventures (continued)

12.5 Other Joint Venture disclosures:

	Cash and cash equivalents		Other current financial liabilities		Other non-current financial liabilities	
	3/31/2018	12/31/2017	3/31/2018	12/31/2017	3/31/2018	12/31/2017
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Sichuan SQM Migao Chemical Fertilizers Co. Ltda.	174	6,198	-	-	-	-
Coromandel SQM India	643	1,118	-	-	-	-
SQM Vitas Fzco,	14,445	15,307	-	-	-	-
SQM Star Qingdao Corp. Nutrition Co. Ltd.	3,132	3,675	-	-	-	-
SQM Vitas Brazil Agroindustria	1,358	5,139	6,994	7,342	-	-
SQM Vitas Peru S.A.C.	650	687	2,981	2,215	990	1,372
SQM Vitas Holland B.V	2,227	2,190	-	-	-	-
SQM Vitas Plantacote B.V	689	679	-	-	-	-
Minera Exar S.A.	3,819	9,189	-	-	-	-
Total	27,137	44,182	9,975	9,557	990	1,372

	Depreciation and amortization expense		Interest expense		Income tax expense, continuing operations	
	3/31/2018	12/31/2017	3/31/2018	12/31/2017	3/31/2018	12/31/2017
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Sichuan SQM Migao Chemical Fertilizers Co. Ltda.	(174)	(696)	(1)	(25)	62	303
Coromandel SQM India	(23)	-	(6)	(16)	(38)	(485)
SQM Vitas Fzco.	(173)	(553)	(2)	(19)	-	-
SQM Star Qingdao Corp. Nutrition Co. Ltd.	(17)	(68)	-	-	(42)	(174)
SQM Vitas Brazil Agroindustria	(121)	(453)	(191)	(1,253)	(18)	(283)
SQM Vitas Peru S.A.C.	(91)	(375)	(106)	(432)	(76)	(214)
SQM Vitas Holland B.V	-	-	-	-	-	-
SQM Vitas Plantacote B.V	-	-	-	(1)	-	-
Minera Exar S.A.	-	(523)	-	(32)	-	(620)
Total	(599)	(2,668)	(306)	(1,778)	(112)	(1,473)

The basis of preparation of the financial information of joint ventures corresponds to the amounts included in the financial statements in conformity with the entity's IFRS.

Note 13 Intangible assets and goodwill

13.1 Balances

	3/31/2018	12/31/2017
	ThUS\$	ThUS\$
Intangible assets other than goodwill	105,403	105,948
Goodwill (1)	44,177	44,177
Total	149,580	150,125

- (1) The recoverable amount of the cash-generating unit has been determined based on a calculation of the value in use which used cash flow projections for a 5-year period, plus perpetuity.

The present value of the future cash flows generated by these assets has been estimated given a variance in sales volumes, market prices and costs, discounted at weighted average cost of capital (WACC) of 8.04%.

13.2 Disclosures on intangible assets and goodwill

Intangible assets relate to goodwill, water rights, trademarks, industrial patents, rights of way, software, and mining claims which correspond to exploitation rights acquired from third-parties.

Balances and movements in the main classes of intangible assets as of March 31, 2018 and December 31, 2017 are detailed as follows:

Intangible assets and goodwill	Useful life	Gross amount ThUS\$	3/31/2018 Accumulated Amortization ThUS\$	Net Value ThUS\$
Software	Finite	25,141	(20,476)	4,665
Intellectual property rights, patents and other industrial property rights, service	Finite	1,250	(1,069)	181
Intellectual property rights, patents and other industrial property rights, service	Indefinite	98,519	-	98,519
Other intangible assets	Indefinite	2,038	-	2,038
Intangible assets other than goodwill		126,948	(21,545)	105,403
Goodwill	Indefinite	44,177	-	44,177
Total intangible assets and goodwill		171,125	(21,545)	149,580

**Note 13 Intangible assets and goodwill (continued)****13.2 Disclosures on intangible assets and goodwill, continued**

Intangible assets and goodwill	Useful life	Gross amount ThUS\$	12/31/2017 Accumulated Amortization ThUS\$	Net Value ThUS\$
Software	Finite	25,060	(19,769)	5,291
Intellectual property rights, patents and other industrial property rights, service	Finite	1,250	(1,061)	189
Intellectual property rights, patents and other industrial property rights, service	Indefinite	98,518	-	98,518
Other intangible assets	Indefinite	1,950	-	1,950
Intangible assets other than goodwill		126,778	(20,830)	105,948
Goodwill	Indefinite	44,177	-	44,177
Total intangible assets and goodwill		170,955	(20,830)	150,125

a) Estimated useful lives or amortization rates used for finite identifiable intangible assets

Finite useful life measures the lifetime or the number of productive units or other similar variables which constitute its useful life.

The estimated useful life for software is 3 and 6 years. For other finite useful life assets, the period in which they are amortized relates to periods defined by contracts or the rights which generate them.

Intellectual property rights, patents and other industrial property rights, service and exploitation rights, mainly relate to water rights and have a finite useful life to the extent to which they are subject to a fixed-term contract or otherwise they are considered to be indefinite.

b) Method used to express the amortization of identifiable intangible assets (life or rate)

The method used to express the amortization is useful life, and estimated tons to be extracted in the case of mining claims.



Note 13 Intangible assets and goodwill (continued)

13.2 Disclosures on intangible assets and goodwill, continued

c) Minimum and maximum amortization lives or rates of intangible assets:

Estimated useful lives or amortization rate	Minimum life or rate	Maximum life or rate
Intellectual property rights, patents and other industrial property rights, service and exploitation rights	Indefinite	Indefinite
Intangible assets other than goodwill	Indefinite	Indefinite
Intellectual property rights, patents and other industrial property rights, service and exploitation rights	1 year	16 years
Trademarks	1 year	5 years
Software	2 years	6 years

d) Information to be disclosed on assets generated internally

The Company has no intangible assets generated internally.

e) Other information to be disclosed on intangible assets

SQM has property rights and mining concessions from the Chilean Government that are intended for the exploration and exploitation of saltpeter and brine. Such rights incur no initial cost other than registration costs.

Also, SQM has acquired mining concessions from third-parties other than the Chilean Government, which have been recognized at acquisition cost and are amortized as the corresponding area is exploited based on the tons estimated to be extracted.

Expenses prior to obtaining the mining concessions are recognized in profit or loss for the year as incurred.

Note 13 Intangible assets and goodwill (continued)

13.2 Disclosures on intangible assets and goodwill, continued

f) Movements in identifiable intangible assets as of March 31, 2018:

Movements in identifiable intangible assets, gross	Trademarks	Software	Intellectual property rights, patents and other industrial property rights, service, rights of way	Intellectual property rights, patents and other industrial property rights, service, rights of way	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	-	25,060	1,250	98,518	1,950	44,177	170,955
Additions	-	78	-	-	11	-	89
Impairment	-	-	-	-	-	-	-
Increases (decreases) for transfers	-	-	-	-	-	-	-
Other increases (decreases)	-	3	-	1	77	-	81
Final balance	-	25,141	1,250	98,519	2,038	44,177	171,125

Movements in identifiable intangible assets, accumulated amortization	Trademarks	Software	Intellectual property rights, patents and other industrial property rights, service, rights of way	Intellectual property rights, patents and other industrial property rights, service, rights of way	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	-	(19,769)	(1,061)	-	-	-	(20,830)
Additions	-	-	-	-	-	-	-
Amortization	-	(639)	(8)	-	-	-	(647)
Other increases (decreases)	-	(68)	-	-	-	-	(68)
Final balance	-	(20,476)	(1,069)	-	-	-	(21,545)



Note 13 Intangible assets and goodwill (continued)

13.2 Disclosures on intangible assets and goodwill, continued

f) Movements in identifiable intangible assets as of March 31, 2018, continued

Movements in identifiable intangible assets, net	Trademarks	Software	Intellectual property rights, patents and other industrial property rights, service, rights of way	Intellectual property rights, patents and other industrial property rights, service, rights of way	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	-	5,291	189	98,518	1,950	44,177	150,125
Additions	-	78	-	-	11	-	89
Amortization	-	-	-	-	-	-	-
Impairment	-	(639)	(8)	-	-	-	(647)
Increases (decreases) for transfers	-	-	-	-	-	-	-
Other increases (decreases)	-	(65)	-	1	77	-	13
Final balance	-	4,665	181	98,519	2,038	44,177	149,580

g) Movements in identifiable intangible assets as of December 31, 2017:

Movements in identifiable intangible assets, gross	Trademarks	Software	Intellectual property rights, patents and other industrial property rights, service, rights of way	Intellectual property rights, patents and other industrial property rights, service, rights of way	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	-	23,280	1,483	98,596	3,337	37,972	164,668
Additions	-	939	8	-	204	6,205	7,356
Impairment	-	-	-	(205)	-	-	(205)
Increases (decreases) for transfers	-	-	-	-	(1,164)	-	(1,164)
Other increases (decreases)	-	841	(241)	127	(427)	-	300
Final balance	-	25,060	1,250	98,518	1,950	44,177	170,955



Note 13 Intangible assets and goodwill (continued)

13.2 Disclosures on intangible assets and goodwill, continued

g) Movements in identifiable intangible assets as of December 31, 2017:

Movements in identifiable intangible assets, accumulated amortization	Trademarks	Software	Intellectual property rights, patents and other industrial property rights, service, rights of way	Intellectual property rights, patents and other industrial property rights, service, rights of way	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	-	(16,234)	(1,023)	-	-	-	(17,257)
Additions	-	-	-	-	-	-	-
Amortization	-	(2,653)	(38)	-	-	-	(2,691)
Other increases (decreases)	-	(882)	-	-	-	-	(882)
Final balance	-	(19,769)	(1,061)	-	-	-	(20,830)

Movements in identifiable intangible assets, net	Trademarks	Software	Intellectual property rights, patents and other industrial property rights, service, rights of way	Intellectual property rights, patents and other industrial property rights, service rights of way	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	-	7,046	460	98,596	3,337	37,972	147,411
Additions	-	939	8	-	204	6,205	7,356
Amortization	-	-	-	(205)	-	-	(205)
Impairment	-	(2,653)	(38)	-	-	-	(2,691)
Increases (decreases) for transfers	-	-	-	-	(1,164)	-	(1,164)
Other increases (decreases)	-	(41)	(241)	127	(427)	-	(582)
Final balance	-	5,291	189	98,518	1,950	44,177	150,125

Note 14 Property, plant and equipment

As of March 31, 2018 and December 31, 2017, the detail of property, plant and equipment is as follows:

14.1 Types of property, plant and equipment

Description of types of property, plant and equipment	3/31/2018 ThUS\$	12/31/2017 ThUS\$
Property, plant and equipment, net		
Land	32,749	32,739
Buildings	224,041	230,319
Other property, plant and equipment	28,401	24,862
Transport equipment	2,875	3,257
Supplies and accessories	1,886	1,872
Office equipment	517	487
Network and communication equipment	871	1,050
Mining assets	14,240	16,237
IT equipment	3,768	3,401
Energy generating assets	7,534	7,861
Constructions in progress	214,869	165,054
Machinery, plant and equipment (1)	910,502	950,054
Total	1,442,253	1,437,193
Property, plant and equipment, gross		
Land	32,749	32,739
Buildings	611,012	610,264
Other property, plant and equipment	244,447	244,831
Transport equipment	11,199	11,195
Supplies and accessories	19,821	19,498
Office equipment	11,187	11,105
Network and communication equipment	7,362	7,356
Mining assets	129,028	129,028
IT equipment	27,664	27,038
Energy generating assets	36,870	36,643
Constructions in progress	214,869	165,054
Machinery, plant and equipment	2,940,045	2,938,287
Total	4,286,253	4,233,038
Accumulated depreciation and value impairment of property, plant and equipment, total		
Accumulated depreciation and impairment of buildings	(386,971)	(379,945)
Accumulated depreciation and impairment of other property, plant and equipment	(216,046)	(219,969)
Accumulated depreciation and impairment of transport equipment	(8,324)	(7,938)
Accumulated depreciation and impairment of supplies and accessories	(17,935)	(17,626)
Accumulated depreciation and impairment of office equipment	(10,670)	(10,618)
Accumulated depreciation and impairment of network and communication equipment	(6,491)	(6,306)
Accumulated depreciation and impairment of mining assets	(114,788)	(112,791)
Accumulated depreciation and impairment of IT equipment	(23,896)	(23,637)
Accumulated depreciation and impairment of energy generating assets	(29,336)	(28,782)
Accumulated depreciation and impairment of machinery, plant and equipment	(2,029,543)	(1,988,233)
Total	(2,844,000)	(2,795,845)

**Note 14 Property, plant and equipment, (continued)****14.1 Types of property, plant and equipment, continued**

(1) The detail of machinery, plant and equipment is as follows:

Description of classes of property, plant and equipment	3/31/2018 ThUS\$	12/31/2016 ThUS\$
Property, plant and equipment, net		
Pumps	30,021	33,614
Conveyor belt	24,001	24,832
Crystallizer	15,093	15,519
Plant equipment	179,191	186,885
Water tanks	10,811	11,296
Filter	17,782	18,572
Facilities/electrical equipment	100,802	105,600
Other machinery, plant and equipment	64,043	72,812
Piping	108,300	113,641
Pond	271,517	275,731
Well	44,411	46,802
Parts	44,530	44,750
Total	910,502	950,054



Note 14 Property, plant and equipment (continued)

14.2 Reconciliation of changes in property, plant and equipment by type:

Reconciliation of changes in property, plant and equipment by class as of March 31, 2018 and December 31, 2017:

Reconciliation of changes in property, plant and equipment by class as of March 31, 2018, gross amount	Land ThUS\$	Buildings ThUS\$	Other property, plant and equipment ThUS\$	Transport equipment ThUS\$	Supplies and accessories ThUS\$	Equipment office ThUS\$	Network and communication equipment ThUS\$	Mining assets ThUS\$	IT equipment ThUS\$	Energy generating assets ThUS\$	Assets under construction ThUS\$	Machinery, plant and equipment ThUS\$	Property, plant and equipment ThUS\$
Opening balance	32,739	610,264	244,831	11,195	19,498	11,105	7,356	129,028	27,038	36,643	165,054	2,938,287	4,233,038
Changes													
Additions	-	2	165	-	128	-	-	-	242	212	71,256	6,490	78,495
Disposals	-	-	(5,726)	-	-	-	-	-	-	-	(5,353)	(19)	(11,098)
Increase (decrease) in foreign currency translation difference	10	24	1	4	3	-	-	-	2	-	-	24	68
Reclassifications	-	725	89	-	258	79	6	-	382	15	(4,440)	2,886	-
Other increases (decreases) (*)	-	(3)	5,087	-	(66)	3	-	-	-	-	(11,648)	(7,623)	(14,250)
Decreases for classification as held for sale (1)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total changes	10	748	(384)	4	323	82	6	-	626	227	49,815	1,758	53,215
Closing balance	32,749	611,012	244,447	11,199	19,821	11,187	7,362	129,028	27,664	36,870	214,869	2,940,045	4,286,253

Reconciliation of changes in property, plant and equipment by class as of March 31, 2018, accumulated depreciation	Land ThUS\$	Buildings ThUS\$	Other property, plant and equipment ThUS\$	Transport equipment ThUS\$	Supplies and accessories ThUS\$	Equipment office ThUS\$	Network and communication equipment ThUS\$	Mining assets ThUS\$	IT equipment ThUS\$	Energy generating assets ThUS\$	Assets under construction ThUS\$	Machinery, plant and equipment ThUS\$	Property, plant and equipment ThUS\$
Opening balance	-	(379,945)	(219,969)	(7,938)	(17,626)	(10,618)	(6,306)	(112,791)	(23,637)	(28,782)	-	(1,988,233)	(2,795,845)
Changes													
Disposals	-	-	5,726	-	-	-	-	-	-	-	-	-	5,726
Depreciation expense	-	(7,293)	(1,438)	(203)	(237)	(75)	(129)	(1,997)	(283)	(561)	-	(42,652)	(54,868)
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in foreign currency translation difference	-	(10)	(1)	(1)	(2)	2	-	-	(3)	-	-	(13)	(28)
Reclassifications	-	249	(95)	(213)	(83)	(15)	(60)	-	13	1	-	203	-
Other increases (decreases) (*)	-	28	(269)	31	13	36	4	-	14	6	-	1,152	1,015
Decreases for classification as held for sale (1)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total changes	-	(7,026)	3,923	(386)	(309)	(52)	(185)	(1,997)	(259)	(554)	-	(41,310)	(48,155)
Closing balance	-	(386,971)	(216,046)	(8,324)	(17,935)	(10,670)	(6,491)	(114,788)	(23,896)	(29,336)	-	(2,029,543)	(2,844,000)



Note 14 Property, plant and equipment (continued)

14.2 Reconciliation of changes in property, plant and equipment by type, continued:

Reconciliation of changes in property, plant and equipment by class as of March 31, 2018, net amount	Land ThUS\$	Buildings ThUS\$	Other property, plant and equipment ThUS\$	Transport equipment ThUS\$	Supplies and accessories ThUS\$	Equipment office ThUS\$	Network and communication equipment ThUS\$	Mining assets ThUS\$	IT equipment ThUS\$	Energy generating assets ThUS\$	Assets under construction ThUS\$	Machinery, plant and equipment ThUS\$	Property, plant and equipment ThUS\$
Opening balance	32,739	230,319	24,862	3,257	1,872	487	1,050	16,237	3,401	7,861	165,054	950,054	1,437,193
Changes													
Additions	-	2	165	-	128	-	-	-	242	212	71,256	6,490	78,495
Disposals	-	-	-	-	-	-	-	-	-	-	(5,353)	(19)	(5,372)
Depreciation expense	-	(7,293)	(1,438)	(203)	(237)	(75)	(129)	(1,997)	(283)	(561)	-	(42,652)	(54,868)
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in foreign currency translation difference	10	14	-	3	1	2	-	-	(1)	-	-	11	40
Reclassifications	-	974	(6)	(213)	175	64	(54)	-	395	16	(4,440)	3,089	-
Other increases (decreases) (*)	-	25	4,818	31	(53)	39	4	-	14	6	(11,648)	(6,471)	(13,235)
Decreases for classification as held for sale (1)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total changes	10	(6,278)	3,539	(382)	14	30	(179)	(1,997)	367	(327)	49,815	(39,552)	5,060
Closing balance	32,749	224,041	28,401	2,875	1,886	517	871	14,240	3,768	7,534	214,869	910,502	1,442,253

(*) The net balance of other increases (decreases) corresponds to all those items that are reclassified to or from property, plant and equipment. They can have the following origin: 1) work in progress which is expensed to profit or loss, forming part of operating costs or other expenses per function, as appropriate, 2) the variation representing the purchase and use of materials and spare parts, 3) projects corresponding mainly to exploration expenditures and ground studies that are reclassified to the item other non-current financial assets, 4) Software that is reclassified to Intangibles.

(1) Any property, plant and equipment (disposal group) that, at the closing date of the financial statements, is subject to a commitment for sale or where the sales process has been initiated and where the sale is expected to occur within twelve months of that date, is classified by the Company as non-current assets held for sale.

These assets or disposal groups are valued at the lower of carrying amount or the estimated sales value less the costs to sell and stop being amortized from the moment they are classified as non-current assets held for sale.





Note 14 Property, plant and equipment (continued)

14.2 Reconciliation of changes in property, plant and equipment by type, continued:

Reconciliation of changes in property, plant and equipment by class as of December 31, 2017, gross amount	Land ThUS\$	Buildings ThUS\$	Other property, plant and equipment ThUS\$	Transport equipment ThUS\$	Supplies and accessories ThUS\$	Equipment office ThUS\$	Network and communication equipment ThUS\$	Mining assets ThUS\$	IT equipment ThUS\$	Energy generating assets ThUS\$	Assets under construction ThUS\$	Machinery, plant and equipment ThUS\$	Property, plant and equipment ThUS\$
Opening balance	32,702	582,082	253,555	10,819	18,259	17,731	7,522	158,514	20,316	34,812	170,710	2,833,819	4,140,841
Changes													
Additions	-	189	541	-	115	42	12	-	899	122	158,797	26,067	186,784
Disposals	-	(59)	(11,623)	(321)	-	(23)	-	(30,082)	(57)	-	(16,761)	(3,374)	(62,300)
Increase (decrease) in foreign currency translation difference	45	103	3	1	-	-	-	-	(2)	-	1	118	269
Reclassifications	-	23,336	8,255	696	1,044	172	123	596	122	1,709	(120,668)	84,424	(191)
Other increases (decreases) (*)	403	4,669	(5,900)	-	80	(6,817)	(301)	-	5,760	-	(27,025)	(2,767)	(31,898)
Decreases for classification as held for sale (1)	(411)	(56)	-	-	-	-	-	-	-	-	-	-	(467)
Total changes	37	28,182	(8,724)	376	1,239	(6,626)	(166)	(29,486)	6,722	1,831	(5,656)	104,468	92,197
Closing balance	32,739	610,264	244,831	11,195	19,498	11,105	7,356	129,028	27,038	36,643	165,054	2,938,287	4,233,038

Reconciliation of changes in property, plant and equipment by class as of December 31, 2017, accumulated depreciation	Land ThUS\$	Buildings ThUS\$	Other property, plant and equipment ThUS\$	Transport equipment ThUS\$	Supplies and accessories ThUS\$	Equipment office ThUS\$	Network and communication equipment ThUS\$	Mining assets ThUS\$	IT equipment ThUS\$	Energy generating assets ThUS\$	Assets under construction ThUS\$	Machinery, plant and equipment ThUS\$	Property, plant and equipment ThUS\$
Opening balance	-	(344,497)	(227,138)	(7,464)	(16,486)	(14,089)	(5,836)	(133,871)	(19,950)	(26,621)	-	(1,812,179)	(2,608,131)
Changes													
Disposals	-	58	11,622	312	-	3	-	30,083	25	-	-	3,210	45,313
Depreciation expense	-	(33,306)	(6,759)	(730)	(1,047)	(357)	(665)	(10,638)	(909)	(2,184)	-	(175,770)	(232,365)
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in foreign currency translation difference	-	(35)	(3)	(2)	-	-	-	-	(11)	-	-	(58)	(109)
Reclassifications	-	(62)	38	(32)	(110)	(69)	(25)	-	(46)	26	-	344	64
Other increases (decreases) (*)	-	(2,102)	2,271	(22)	17	3,894	220	1,635	(2,746)	(3)	-	(3,780)	(616)
Decreases for classification as held for sale (1)	-	(1)	-	-	-	-	-	-	-	-	-	-	(1)
Total changes	-	(35,448)	7,169	(474)	(1,140)	3,471	(470)	21,080	(3,687)	(2,161)	-	(176,054)	(187,714)
Closing balance	-	(379,945)	(219,969)	(7,938)	(17,626)	(10,618)	(6,306)	(112,791)	(23,637)	(28,782)	-	(1,988,233)	(2,795,845)



Note 14 Property, plant and equipment (continued)

14.2 Reconciliation of changes in property, plant and equipment by type, continued:

Reconciliation of changes in property, plant and equipment by class as of December 31, 2017, net amount	Land ThUS\$	Buildings ThUS\$	Other property, plant and equipment ThUS\$	Transport equipment ThUS\$	Supplies and accessories ThUS\$	Equipment office ThUS\$	Network and communicati on equipment ThUS\$	Mining assets ThUS\$	IT equipment ThUS\$	Energy generating assets ThUS\$	Assets under construction ThUS\$	Machinery, plant and equipment ThUS\$	Property, plant and equipment ThUS\$
Opening balance	32,702	237,585	26,417	3,355	1,773	3,642	1,686	24,643	366	8,191	170,710	1,021,640	1,532,710
Changes													
Additions	-	189	541	-	115	42	12	-	899	122	158,797	26,067	186,784
Disposals	-	(1)	(1)	(9)	-	(20)	-	1	(32)	-	(16,761)	(164)	(16,987)
Depreciation expense	-	(33,306)	(6,759)	(730)	(1,047)	(357)	(665)	(10,638)	(909)	(2,184)	-	(175,770)	(232,365)
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in foreign currency translation difference	45	68	-	(1)	-	-	-	-	(13)	-	1	60	160
Reclassifications	-	23,274	8,293	664	934	103	98	596	76	1,735	(120,668)	84,768	(127)
Other increases (decreases) (*)	403	2,566	(3,629)	(22)	97	(2,923)	(81)	1,635	3,014	(3)	(27,025)	(6,547)	(32,515)
Decreases for classification as held for sale (1)	(411)	(56)	-	-	-	-	-	-	-	-	-	-	(467)
Total changes	37	(7,266)	(1,555)	(98)	99	(3,155)	(636)	(8,406)	3,035	(330)	(5,656)	(71,586)	(95,517)
Closing balance	32,739	230,319	24,862	3,257	1,872	487	1,050	16,237	3,401	7,861	165,054	950,054	1,437,193

(*) The net balance of other increases (decreases) corresponds to all those items that are reclassified to or from property, plant and equipment. They can have the following origin: 1) work in progress which is expensed to profit or loss, forming part of operating costs or other expenses per function, as appropriate, 2) the variation representing the purchase and use of materials and spare parts, 3) projects corresponding mainly to exploration expenditures and ground studies that are reclassified to the item other non-current financial assets, 4) assets for retirement obligations and 5) Software that is reclassified to Intangibles.

(1) Any property, plant and equipment (disposal group) that, at the closing date of the financial statements, is subject to a commitment for sale or where the sales process has been initiated and where the sale is expected to occur within twelve months of that date, is classified by the Company as non-current assets held for sale.

These assets or disposal groups are valued at the lower of carrying amount or the estimated sales value less the costs to sell and stop being amortized from the moment they are classified as non-current assets held for sale.



Note 14 Property, plant and equipment (continued)

14.3 Detail of property, plant and equipment pledged as guarantee

There are no restrictions in title or guarantees for compliance with obligations that affect property, plant and equipment.

14.4 Impairment of assets

As indicated in Note 3.28 to the financial statements, the recoverable amount of property, plant and equipment is measured provided that there is an indication that the asset could be impaired. As of March 31, 2018, there were no impairment adjustments and as of December 31, 2017 there were impairment adjustments associated with the closure of railway facilities for the transportation of products.

14.5 Additional information

Interest capitalized in construction-in-progress:

The amount capitalized for this concept amounted to ThUS\$1,095 as of March 31, 2018 and ThUS\$ 4,382 as of December 31, 2017.

Financing costs are not capitalized for periods which exceed the normal term of acquisition, construction or installation of the asset, such as occur with delays, interruptions or a temporary suspension of the project due to technical, financial or other issues, which prevent the asset from being maintained in good condition for its use.

Assets held for sale

The non-current assets held for sale and the components of the disposal groups classified as held for sale are presented in the Consolidated Statement of Financial Position as a line for the following concept: "Non-current assets or groups of assets classified as held for sale".

The following table shows the main classes of non-current assets held for sale:

Assets held for sale	3/31/2018	12/31/2017
	ThUS\$	ThUS\$
Land	1,369	1,480
Facilities and fixtures	109	109
Total	1,478	1,589



Note 15 Employee benefits

15.1 Provisions for employee benefits

Classes of benefits and expenses by employee	3/31/2018 ThUS\$	12/31/2017 ThUS\$
Current		
Profit sharing and bonuses	8,149	22,421
Total	8,149	22,421
Non-current		
Profit sharing and bonuses	8,180	6,487
Severance indemnity payments	28,782	27,445
Total	36,962	33,932



Note 15 Employee benefits (continued)

15.2 Policies on defined benefit plan

This policy is applied to all benefits received for services provided by the Company's employees.

Short-term benefits for active employees are represented by salaries, social welfare benefits, paid time off, sickness and other types of leave, profit sharing and incentives and non-monetary benefits; e.g., healthcare service, housing, subsidized or free goods or services. These will be paid in a term which does not exceed twelve months.

The Company only provides compensation and benefits to active employees, with the exemption of SQM North America, which applies the definitions under 15.4 below.

SQM maintains incentive programs for its employees based on their personal performance, the Company's performance and other short-term and long-term indicators.

For each incentive bonus delivered to the Company's employees, there will be a disbursement in the first quarter of the following year and this will be calculated based on profit for the period at the end of each period applying a factor obtained subsequent to each employee's appraisal process.

Employee benefits include retention bonuses for the Company's executives, which are linked to the Company's share price and are paid in cash. The short-term portion is presented as a provision for current employee benefits and the long-term portion as non-current.

Staff severance indemnities are agreed and payable based on the final salary, calculated in accordance with each year of service to the Company, with certain maximum limits in respect of either the number of years or in monetary terms. In general, this benefit is payable when the employee or worker ceases to provide his/her services to the Company and there are a number of different circumstances through which a person can be eligible for it, as indicated in the respective agreements; e.g., retirement, dismissal, voluntary retirement, incapacity or disability, death, etc.

Law No. 19,728 published on May 14, 2001 which became effective on October 1, 2002 required "Compulsory Unemployment Insurance" in favor of all dependent employees regulated by the Chilean Labor Code. Article 5 of this law established that this insurance is paid through monthly contribution payments by both the employee and the employer.

Note 15 Employee benefits (continued)

15.3 Other long-term benefits

The other long-term benefits relate to staff severance indemnities and are recorded at their actuarial value, and an executive compensation plan (see Note 16).

Staff severance indemnities at actuarial value	3/31/2018	12/31/2017
	ThUS\$	ThUS\$
Staff severance indemnities, Chile	27,808	25,893
Executive severance plan	8,180	6,487
Severance for foreigners	974	1,552
Total other non-current liabilities	36,962	33,932

The actuarial assessment method has been used to calculate the Company's obligations with respect to staff severance indemnities, which relate to defined benefit plans consisting of days of remuneration per year served at the time of retirement under conditions agreed in the respective agreements established between the Company and its employees.

Under this benefit plan, the Company retains the obligation to pay staff severance indemnities related to retirement, without establishing a separate fund with specific assets, which is referred to as not funded. The discount interest rate of expected flows to be used was 4.89%.

Benefit payment conditions

The staff severance indemnity benefit relates to remuneration days for years worked for the Company without a limit being imposed in regard of amount of salary or years of service. It applies when employees cease to work for the Company because they are made redundant or in the event of their death. This benefit is applicable up to a maximum age of 65 for men and 60 for women, which are the usual retirement ages according to the Chilean pensions system as established in Decree Law 3,500 of 1.980.

Methodology

The Company's benefits obligation under IAS 19 Projected Benefit Obligation (PBO) is determined as follows:

To determine the Company's total liability, we used computer software to develop a mathematical simulation model using the data for each individual employee.

Note 15 Employee benefits (continued)

15.3 Other long-term benefits, continued

This model considered months as discrete time; i.e., the Company determined the age of each person and his/her salary on a monthly basis according to the growth rate. Thus, information on each person was simulated from the beginning of his/her employment contract or when he/she started earning benefits up to the month in which he/she reaches normal retirement age, generating in each period the possible retirement according to the Company's turnover rate and the mortality rate according to the age reached. When he/she reaches the retirement age, the employee finishes his/her service for the Company and receives a retirement indemnity.

The methodology followed to determine the accrual for all the employees covered by agreements took account of the turnover rates and the mortality rate RV-2009 established by the CMF to calculate pension-related life insurance reserves in Chile according to the Accumulated Benefit Valuation or Accrued Cost of Benefit Method. This methodology is established in IAS 19 on Retirement Benefit Costs.

15.4 Post-employment benefit obligations

Our subsidiary SQM North America, together with its employees established a pension plan until 2002 called the "SQM North America Retirement Income Plan". This obligation is calculated measuring the expected future forecast staff severance indemnity obligation using a net salary gradual rate of restatements for inflation, mortality and turnover assumptions, discounting the resulting amounts at present value using the interest rate defined by the authorities.

Since 2003, SQM North America offers to its employees benefits related to pension plans based on the 401-K system, which do not generate obligations for the Company.

15.5 Staff severance indemnities

As of March 31, 2018 and 2016, severance indemnities calculated at the actuarial value are as follows:

	3/31/2018	12/31/2017
	ThUS\$	ThUS\$
Opening balance	(27,445)	(22,532)
Current cost of service	628	(934)
Interest cost	(477)	(1,488)
Actuarial gain/loss	(1,106)	(1,144)
Exchange rate difference	(474)	(2,284)
Benefits paid during the year	92	937
Balance	(28,782)	(27,445)

Note 15 Employee benefits (continued)

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15.5 Staff severance indemnities, continued

a) Actuarial assumptions

The liability recorded for staff severance indemnity is valued at the actuarial value method, using the following actuarial assumptions:

	3/31/2018	12/31/2017	
Mortality rate	RV - 2014	RV - 2009	
Actual annual interest rate	5.035%	5.114%	
Voluntary retirement rate:			
Men	6.49%	6.49%	annual
Women	6.49%	6.49%	annual
Salary increase	3.00%	3.00%	annual
Retirement age:			
Men	65	65	years
Women	60	60	years

b) Sensitivity analysis of assumptions

As of March 31, 2018 and December 31, 2017, the Company has conducted a sensitivity analysis of the main assumptions of the actuarial calculation, determining the following:

Sensitivity analysis 3/31/2018	Effect + 100 basis points	Effect - 100 basis points
	ThUS\$	ThUS\$
Discount rate	(2,157)	2,639
Employee turnover rate	(272)	304
Sensitivity analysis 12/31/2017	Effect + 100 basis points	Effect - 100 basis points
	ThUS\$	ThUS\$
Discount rate	(1,991)	2,436
Employee turnover rate	(252)	281

Sensitivity relates to an increase/decrease of 100 basis points.



Note 16 Executive compensation plan

The Company currently has a compensation plan with the purpose of motivating the Company's executives and encouraging them to remain with the Company, by granting payments based on the change in the price of SQM's shares.

Average Share Price Spread

Plan characteristics

This compensation plan is related to the Company's performance through the SQM Series B share price (Santiago Stock Exchange).

Plan participants

A total of 39 Company executives are entitled to this plan, provided that they continue to work for the Company through to the end of 2020. The payment dates, if applicable, will be during the first quarter of 2021.

Compensation

The compensation payable to each executive is calculated by multiplying a) by b):

- a) The average price of Series B shares on the Santiago Stock Exchange during the fourth quarter of 2020, at its equivalent amount in dollars (with a maximum amount or limit amount of US\$54 per share),
- b) By a number equal to the quantity of shares that have been individually assigned to each executive included in the plan.

This compensation plan was approved by the Company's Board of Directors and its application started on January 1, 2017.

The effect of the plan considers 533,476 shares with an impact of ThUS\$1,693 on results for the period ending March 31, 2018. Through December 31, 2017, this amount was ThUS\$6,487 in accrued values.

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Note 17 Disclosures on equity

The detail and movements in the funds of equity accounts are shown in the consolidated statement of changes in equity.

17.1 Capital management

The main object of capital management relative to the administration of the Company's financial debt and equity is to ensure the regular conduct of operations and business continuity in the long term, with the constant intention of maintaining an adequate level of liquidity and in compliance with the financial safeguards established in the debt contracts in force. Within this framework, decisions are made in order to maximize the value of SQM.

Capital management must comply with, among others, the limits contemplated in the Financing Policy approved by the Shareholders' Meeting, which establish a maximum consolidated indebtedness level of 1.5 times the debt to equity ratio. This limit can be exceeded only if the Company's management has first obtained express approval at an Extraordinary Shareholders' Meeting.

In addition, capital management must comply with the external capital requirements (or covenants) imposed in its financial obligations, which regulate the indebtedness level to 1.2 times, its strictest level.

In conjunction with the level of indebtedness, it is also important for the Company to maintain a comfortable profile of maturities for its financial obligations, in order to oversee the relation between its short-term financial obligations and the long-term maturities, and the relation they have with the Company's asset distribution. Consequently, the Company has maintained a liquidity level of 3 times during the last periods.

The Company's management controls capital management based on the following ratios:

CAPITAL MANAGEMENT	3/31/2018	12/31/2017	Description (1)	Calculation (1)
Net Financial Debt ThUS\$	139.606	245.508	Financial Debt – Financial Resources	Other current Financial Liabilities + Other Non-Current Financial Liabilities – Cash and Cash Equivalents – Other Current Financial Assets – Hedging Assets, non-current
Liquidity	3.22	3.29	Current Asset divided by Current Liability	Total Current Assets / Total Current Liabilities
Net Debt / Capitalization	0.06	0.10	Net Financial Debt divided by Total Equity	Net financial debt / (Net financial debt + Total Equity)
ROE	19.5%	19.1%	Income divided by Total Equity	Total Income / Equity (UH 12 months)
EBITDA (THUS\$)	899.677	894.588	EBITDA	Gross Profit-Administrative Expenses + Adjustments for depreciation and amortization expenses.
ROA	21.5%	21.3%	EBITDA – Depreciation divided by Net Total Assets of financial resources less related parties' investments	(Gross Income – Administrative Expenses) / (Total Assets – Cash and Cash Equivalents – Other Current Financial Assets – Other Non-Current Financial Assets – Equity-accounted Investees) (UH 12 months)
Indebtedness	0.92	0.91	Total Liability on Equity	Total Liabilities / Total Equity

(1) Assumes the absolute value of the accounting records

Note 17 Disclosures on equity (continued)

17.1 Capital management, continued

The Company's capital requirements change according to variables such as working capital needs, new investment financing and dividends, among others. The Company manages its capital structure and makes adjustments on the basis of the predominant economic conditions so as to mitigate the risks associated with adverse market conditions and take advantage of the opportunities there may be to improve the liquidity position.

There have been no changes in the capital management objectives or policy within the years reported in this document. No breaches of external requirements of capital imposed (or covenants) have been recorded.

17.2 Disclosures on preferred share capital

Issued share capital is divided into 263,196,524 fully paid and subscribed shares composed of 142,819,552 Series "A" shares and 120,376,972 Series "B" shares, where both series are preferred shares.

The preferential voting rights for each series are detailed as follows:

Series "A":

If the election of the Company's President results in a tie vote, the Company's directors may vote once again, without the vote of the director elected by the Series B shareholders.

Series "B":

- 1) A general or extraordinary shareholders' meeting may be called at the request of shareholders representing 5% of the Company's Series B shares.
- 2) An extraordinary meeting of the Board of Directors may be called with or without the agreement of the Company's President, at the request of the director elected by Series B shareholders.

As of March 31, 2018 and December 31, 2017, the Group does not maintain shares in the parent either directly or through those companies in which it has investments.

Note 17 Disclosures on equity (continued)

17.2 Disclosures on preferred share capital, continued

Detail of types of capital in preference shares:

Type of capital in preferred shares Description of type of capital in preferred shares	3/31/2018		12/31/2017	
	Series A	Series B	Series A	Series B
Number of authorized shares	142,819,552	120,376,972	142,819,552	120,376,972
Number of fully subscribed and paid shares	142,819,552	120,376,972	142,819,552	120,376,972
Number of subscribed, partially paid shares	-	-	-	-
Par value of shares in ThUS\$	0.9435	2.8464	0.9435	2.8464
Increase (decrease) in the number of current shares	-	-	-	-
Number of current shares	142,819,552	120,376,972	142,819,552	120,376,972
Number of shares owned by the entity or its subsidiaries or associates	-	-	-	-
Number of shares whose issuance is reserved due to the existence of options or agreements to dispose shares	-	-	-	-
Capital amount in shares ThUS\$	134,750	342,636	134,750	342,636
Amount of premium issuance ThUS\$	-	-	-	-
Amount of reserves ThUS\$	-	-	-	-
Total number of subscribed shares, total	142,819,552	120,376,972	142,819,552	120,376,972

As of March 31, 2018 and December 31, 2017, the Company has not placed any new issuances of shares on the market.

Note 17 Disclosures on equity (continued)

17.3 Disclosures on reserves in equity

As of March 31, 2018 and December 31, 2017, this caption comprises the following:

	3/31/2018	12/31/2017
	ThUS\$	ThUS\$
Reserve for currency exchange conversion	(25,871)	(24,913)
Reserve for cash flow hedges	9,369	2,248
Reserve for gains and losses from financial assets measured at fair value through other comprehensive income	1,601	2,937
Reserve for actuarial gains or losses in defined benefit plans	(6,060)	(5,953)
Other reserves	19,557	11,332
Total other reserves	<u>(1,404)</u>	<u>(14,349)</u>

Reserves for foreign currency translation differences

This balance reflects retained earnings for changes in the exchange rate when converting the financial statements of subsidiaries whose functional currency is that of each company's origin country and the presentation currency is the US dollar.

Reserve for cash flow hedges

The Company maintains, as hedge instruments, financial derivatives related to obligations with the public issued in UF and Chilean pesos. Changes from the fair value of derivatives designated and classified as hedges are recognized under this classification.

Reserve for gains and losses from financial assets measured at fair value through other comprehensive income

This caption includes investments in shares where the Company has no significant influence and these have accordingly been measured at fair value through equity. In the event that such equity instruments are fully or partially disposed of, the proportional accumulated effect of accumulated fair value will be transferred to profit or loss.

Reserve for actuarial gains or losses in defined benefit plans

For domestic subsidiaries the effects of changes in assumptions are considered, mainly changes in the discount rate.

The subsidiary SQM North America has established pension plans for its retired employees that are calculated by measuring the projected obligation of staff severance indemnities using a net salary progressive rate net of adjustments to inflation, mortality and turnover assumptions, deducting the resulting amounts at present value using a 5.5% interest rate for 2017 and 2016.

Note 17 Disclosures on equity (continued)

17.3 Disclosures on reserves in equity, continued

Movements in other reserves and changes in interest were as follows:

Movements	Foreign currency translation difference	Reserve for cash flow hedges		Reserve for actuarial gains and losses from defined benefit plans		Reserve for gains (losses) from financial assets measured at fair value through other comprehensive income		Other reserves	Total reserves		
	Before taxes	Before taxes	Tax	Before taxes	Deferred taxes	Before taxes	Deferred taxes	Before taxes	Reserves	Deferred taxes	Total reserves
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance as of 1/1/2017	(19,463)	89	(25)	(5,446)	612	4,813	(1,300)	7,832	(12,175)	(713)	(12,888)
Increase (decrease) in reserves	(5,450)	2,159	-	(1,401)	-	(26)	-	3,500	(1,218)	-	(1,218)
Deferred taxes	-	-	25	-	282	-	(550)	-	-	(243)	(243)
Reclassification of loss in reserves	-	-	-	-	-	-	-	-	-	-	-
Closing balance as of 12/31/2017	(24,913)	2,248	-	(6,847)	894	4,787	(1,850)	11,332	(13,393)	(956)	(14,349)
Increase (decrease) in reserves	(958)	7,121	-	(260)	-	(1,793)	-	8,225	12,335	-	12,335
Deferred taxes	-	-	-	-	153	-	457	-	-	610	610
Reclassification of loss in reserves	-	-	-	-	-	-	-	-	-	-	-
Closing balance as of 3/31/2018	(25,871)	9,369	-	(7,107)	1,047	2,994	(1,393)	19,557	(1,058)	(346)	(1,404)



**Note 17 Disclosures on equity (continued)****17.3 Disclosures on reserves in equity, continued****Other reserves**

This caption corresponds to the legal reserves reported in the individual financial statements of the subsidiaries that are mentioned below and that have been recognized in SQM's equity through the application of the equity method.

(*) In the case of SQM Iberian S.A., the balance corresponds to the results obtained in the previous financial year which are presented as forming part of other reserves because of local regulations.

(**) Special reserve corresponding to profits generated by Abu Dhabi Fertilizer Industries between 6/09/2004 and 21/12/2014. According to the court-ordered ruling, these should only be distributed among partners of SQM Corporation N.V. (Subsidiary of the Company) and Yousef Al Taweel, in 50% for each, respectively. The owners of Abu Dhabi Fertilizers are: SQM Corporation NV (37%), Al Meheiri (51%) and Yousef Al Taweel (12%).

	3/31/2018	12/31/2017
	ThUS\$	ThUS\$
Subsidiary - Associate		
SQM Iberian S.A. (*)	9,464	9,464
SQM Europe NV	1,957	1,957
Soquimich European holding B.V.	828	828
Abu Dhabi Fertilizer Industries WWL(**)	7,919	455
Doktor Tarsa Tarim Sanayi AS	908	305
Other companies	158	-
Total	21,234	13,009
Corresponds to the acquisition of the subsidiary SQM Iberian S.A., which was already under Company ownership at the acquisition date (IAS 27 R).	(1,677)	(1,677)
Total Other reserves	19,557	11,332



Note 17 - Disclosures on equity (continued)

17.4 Dividend policies

As required by Article 79 of the Chilean Companies Act, unless otherwise decided by unanimous vote of the holders of issued and subscribed shares, we must distribute a cash dividend in an amount equal to at least 30% of our consolidated profit for the year ended as of December 31, unless and except to the extent it has a deficit in retained earnings (losses not absorbed in prior years).

At an extraordinary meeting held on April 11, 2017, the Company's Board of Directors made a recommendation for discussion at the Ordinary Shareholders' Meeting (the Meeting), which was held on April 28, 2017, that the Company should distribute and pay dividends based on 100% of the Company's net profit for distribution for the financial year 2016. This recommendation was accepted by the Meeting.

For 2017, the Company has defined the following dividend policy: (a) To distribute and pay a dividend to the respective shareholders a percentage of the profits to be determined as follows:

(i) 100% of the profit for 2017 if all the following financial parameters are met: (a) that the total of cash and cash equivalents and other current financial assets ("Cash") divided by the addition of other current financial liabilities (the "Short-term Financial Liabilities") is equal to or more than 2.5 times, and (b) the total of current liabilities and non-current liabilities ("Total Liabilities") divided by total equity ("Equity") is equal to or less than 1.1 times.

(ii) 80% of profit for 2017 if all the following financial parameters are met: (a) that Cash divided by Short-term Financial Liabilities is equal to or more than 2.0 times, and (b) Total Liabilities divided by Total Equity is equal to or less than 1.2 times.

(iii) 60% of profit for 2017 if all the following financial parameters are met: (a) that Cash divided by Short-term Financial Liabilities is equal to or more than 1.5 times, and (b) Total Liabilities divided by Total Equity is equal to or less than 1.3 times. Should none of these parameters be met, the Company will distribute and pay as dividend 50% of the profit for 2017 to the respective shareholders.

For the year ended December 31, 2017, the foregoing financial parameters are met for the Company to distribute and pay as a final dividend 100% of the profits for the year 2017.



Note 17 Disclosures on equity (continued)

17.5 Interim and provisional dividends

On November 22, 2017, the Company's Board of Directors agreed to pay a provisional dividend equivalent to US\$0.42879 per share with a charge to profit for 2017. Such amount will be paid in its equivalent in Chilean pesos, the domestic currency, according to the observed U.S. dollar exchange rate published in the Official Gazette on November 30, 2017.

This dividend will be paid to shareholders, in person or through their duly authorized representatives, starting at 9:00 a.m. on December 14, 2017. The shareholders who are registered in the Shareholders' Registry five business days prior to the date of payment will be entitled to the dividend.

On August 23, 2017, the Company's Board of Directors agreed to pay a provisional dividend equivalent to US\$0.38432 per share with a charge to profit for 2017. Such amount will be paid in its equivalent in Chilean pesos, the domestic currency, according to the observed U.S. dollar exchange rate published in the Official Gazette on August 31, 2017.

On May 17, 2017, the Board of Directors unanimously agreed to pay a provisional dividend equivalent to US\$0.39222 per share with a debit to the profit for 2017. Such amount will be paid in its equivalent in Chilean pesos, the domestic currency, according to observed U.S. dollar exchange rate published in the Official Gazette on May 31, 2017.

At the General Ordinary Shareholders' Meeting of April 28, 2017, the shareholders agreed to the payment of a dividend of US\$1.05735 per share from the net profit for distribution obtained during the 2016 fiscal year, from which must be discounted the sum of US\$0.85487 per share, which was already paid as a provisional dividend, resulting in a remaining balance of US\$0.20248 per share.





Note 17 - Disclosures on equity (continued)

17.5 Interim and provisional dividends, continued

The dividends presented as deducted from equity are as follows:

	3/31/2018	12/31/2017
	ThUS\$	ThUS\$
Dividends attributable to owners of the parent	-	55,501
Provisional dividend	-	317,243
Dividend payable	<u>113,825</u>	<u>110,529</u>
Total	<u>113,825</u>	<u>483,273</u>



Note 18 Provisions and other non-financial liabilities

18.1 Types of provisions

	3/31/2018			12/31/2017		
	Current	Non-current	Total	Current	Non-current	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Provision for legal complaints (*)	13,824	3,000	16,824	16,419	3,000	19,419
Provision for dismantling, restoration and rehabilitation cost (**)	-	27,304	27,304	-	26,954	26,954
Other provisions(***)	28,965	48	29,013	47,026	47	47,073
Total	42,789	30,352	73,141	63,445	30,001	93,446

(*) These provisions correspond to legal processes that are pending resolution or that have not yet been disbursed. These provisions are mainly related to litigation involving the subsidiaries located in Chile, Brazil and the United States (see note 19.1).

(**) The commitments related to Sernageomin have been incorporated through the issuance of the guarantee for the restoration of the place where the production sites are located.

(***) See Note 18.2



Note 18 Provisions and other non-financial liabilities (continued)

18.2 Description of other provisions

Current provisions, other short-term provisions	3/31/2018	12/31/2017
	ThUS\$	ThUS\$
Provision for tax loss in fiscal litigation	736	739
Rent under Lease contract with CORFO(*)	12,424	32,331
Provision for additional tax related to foreign loans	567	416
End of agreement bonus	1,665	4,522
Directors' per diem allowance	3,437	2,630
Provision for subsidiary restructuring	6,000	6,000
Foreign mining company property tax provision	3,726	-
Miscellaneous provisions	410	388
Total	28,965	47,026
Other long-term provisions		
Investments with negative equity	48	47
Total	48	47

(*)Rent for the lease contract with CORFO: This relates to the lease of mining properties that SQM Salar S.A. pays on a quarterly basis to the state entity "Corporación de Fomento" (CORFO). The amount payable is calculated based on the sales of products extracted from the Atacama Saltpeter Deposit. It includes US\$20.4 million corresponding to the estimation made by management for the settlement with CORFO (See Notes 19.1.8 25.5 and 32.2).

**Note 18 Provisions and other non-financial liabilities (continued)****18.3 Other current liabilities**

These amounts are paid on a quarterly basis.

Other liabilities non-financial current

Description of other liabilities	3/31/2018	12/31/2017
	ThUS\$	ThUS\$
Tax withholdings	4,711	7,404
VAT payable	4,251	3,344
Guarantees received	2,638	2,638
Accrual for dividend	113,883	110,529
Monthly tax provisional payments	11,904	11,684
Deferred income	10,032	5,301
Withholdings from employees and salaries payable	8,196	6,725
Accrued vacations (*)	18,208	19,042
Other current liabilities	2,605	2,137
Total	176,428	168,804

(*) Vacation benefit (short-term benefits to employees, current) is in line with the provisions established in Chile's Labor Code, which indicates that employees with more than a year of service will be entitled to annual vacation for a period of at least fifteen paid business days. The Company provides the benefit of two additional vacation days



Note 18 Provisions and other non-financial liabilities (continued)

18.4 Changes in provisions

Description of items that gave rise to variations as of 3/31/2018	Legal complaints	Provision for dismantling, restoration and rehabilitation cost	Other provisions	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Total provisions, initial balance	19,419	26,954	47,073	93,446
Changes in provisions:				
Additional provisions	66	-	3,900	3,966
Provision used	(2,661)	(191)	(21,957)	(24,809)
Increase(decrease) in foreign currency exchange	-	-	-	-
others	-	541	(3)	538
Total provisions, final balance	16,824	27,304	29,013	73,141

Description of items that gave rise to variations as of 12/31/2017	Legal complaints	Provision for dismantling, restoration and rehabilitation cost	Other provisions	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Total provisions, initial balance	23,867	5,890	21,089	50,846
Changes in provisions:				
Additional provisions	6,352	21,064	33,507	60,923
Provision used	(10,800)	-	(7,538)	(18,338)
Increase(decrease) in foreign currency exchange	-	-	9	9
Others	-	-	6	6
Total provisions, final balance	19,419	26,954	47,073	93,446



Note 19 Contingencies and restrictions

In accordance with note 18.1, the Company has only registered a provision for those lawsuits in which there is a probability that the judgments will be unfavorable to the Company. The Company is party to the following lawsuits and other relevant legal actions:

19.1 Lawsuits and other relevant events

1. Plaintiff : Nancy Erika Urrea Muñoz.
 Defendants : Fresia Flores Zamorano, Duratec-Vinilit S.A. and the Company and their Insurers.
 Date : December 2008.
 Court : 1st Civil Court of Santiago.
 Reason : Labor Accident.
 Status : Judgment favorable for the Company. Appeal filed by the plaintiff.
 Nominal value : ThUS\$550.

2. Plaintiff : City of Pomona, California USA.
 Defendant : SQM North America Corporation.
 Date : December 2010.
 Court : United States District Court Central District of California.
 Reason : Payment of expenses and other amounts related to the treatment of groundwater to allow for its consumption by removing the existing perchlorate in such groundwater that allegedly comes from Chilean fertilizers.
 Status : On May 17, 2018 a jury determined that SQM North America Corporation is not responsible for the payment of expenses and other values related to water treatment. This ruling is subject to potential appeals.
 Nominal value : ThUS\$32,000.

3. Plaintiff : City of Lindsay, California USA.
 Defendant : SQM North America Corporation and the Company (still not noticed)
 Date : December 2010.
 Court : United States District Court Eastern District of California.
 Reason : Payment of expenses and other amounts related to the treatment of groundwater to allow for its consumption by removing the existing perchlorate in such groundwater that allegedly comes from Chilean fertilizers.
 Status : Filing of the case. Processing suspended.
 Nominal value : Not possible to determine.

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Note 19 Contingencies and restrictions (continued)

19.1 Lawsuits and other relevant events, continued

4. Plaintiff : H&V Van Mele N.V.
 Defendant : :NV Euroports, SQM Europe N.V. and its insurance companies.
 Date : July 2013.
 Court : Commercial Court of Dendermonde.
 Reason : Alleged indirect responsibility for the absence of adequate specifications for the SOP-WS by the Belgian distributor.
 Status : Sentencing against NV Euroports and subsidiary SQM Europe N.V., for EUR 206,675.91. Appeal presented in November 2017.
 Nominal value : ThUS\$430.
5. Plaintiff : Carlos Aravena Carrizo et al.
 Defendant : SQM Nitratos S.A. and its insurers.
 Date : May 2014.
 Court : 18th Civil Court of Santiago.
 Reason : Lawsuit seeking compensation for damages for alleged civil liability under tort as a result of an explosion that occurred during 2010 near Baquedano, causing the death of 6 employees.
 Status : Evidence.
 Nominal value : ThUS\$1,235.
6. Plaintiff : Evt Consulting SpA.
 Defendant : SQM Nitratos S.A.
 Date : October 2014.
 Court : 23th Civil Court of Santiago.
 Reason : Lawsuit seeking compensation for damages related to the termination of the purchase and sale agreement for metallic structures.
 Status : On November 13, 2017, the Santiago Appeals Court sentenced SQM Nitratos S.A. to pay US\$304,620. Cassation in form and substance presented before the Supreme Court in December 2017.

Note 19 Contingencies and restrictions (continued)

19.1 Lawsuits and other relevant events, continued

7. Plaintiff : SQM Salar and the Company.
Defendant : Seguros Generales Suramericana S.A. (formerly - RSA Seguros Chile S.A.)
Date : August 29, 2016
Court : Arbitration Court – Arbitrator Mr. Gonzalo Fernández.
Reason : Complaint for forced compliance and collection of indemnification for insurance claim of February 7 and 8, 2013.
Status : Evidence stage
Nominal value : ThUS\$20,658.
8. Plaintiff : Tyne and Wear Pension Fund as represented by the Council of the Borough of South Tyneside acting as Lead Plaintiff.
Defendant : The Company
Date : January 2016.
Court : United States District Court – Southern District of New York.
Reason : Alleged damage to ADS holders of the Company resulting from alleged noncompliance with the securities regulations in the United States by the Company.
Status : Initial stage of disclosure of background information.
Nominal value : Not determined.
9. Plaintiff : Ernesto Saldaña González et al.
Defendant : SQM Salar S.A., SQM Industrial S.A. (“SQM Industrial”) and their insurance companies
Date : May 2016.
Court : 13th Civil Court of Santiago.
Reason : Lawsuit seeking compensation for damages for alleged civil liability under tort law arising from the accident that occurred in July 2014 in the María Elena location.
Status : Evidence stage
Nominal value : ThUS\$515.

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Note 19 Contingencies and restrictions (continued)

19.1 Lawsuits and other relevant events, continued

10. Plaintiff : María Yolanda Achiardi Tapia et al.
Defendant : SQM Salar and its insurance companies and other 5 defendants
Date : February 2015.
Court : 1st Civil Court of Antofagasta.
Reason : Lawsuit seeking compensation for damages for alleged civil liability under tort law arising from a traffic accident that occurred in April 2011 in the city of Antofagasta.
Status : Evidence stage.
Nominal value : ThUS\$1,265.
11. Plaintiff : The Company
Defendants : AES Gener S.A. and Empresa Eléctrica Cochrane SpA.
Date : May 11, 2017
Court : Arbitration award in accordance with the arbitration rules established by the Center for Arbitration and Mediation of the Santiago Chamber of Commerce.
Reason : Request for the interpretation of an electricity supply agreement alleging the right by the plaintiff to receive a collection in conformity with such agreement.
Instance : Conciliation stage
Nominal value : Not determined
12. Plaintiff : AES Gener S.A. and Empresa Eléctrica Cochrane SpA.
Defendant : The Company
Date : May 2017
Court : Arbitration award in accordance with the Arbitration Rules established by the Center for Arbitration and Mediation of the Santiago Chamber of Commerce
Reason : Discrepancy with respect to the amount of an alleged right by the plaintiff to receive a collection in conformity with the agreement entered into by the parties.
Instance : Deliberation stage
Nominal value : Not determined

Note 19 Contingencies and restrictions (continued)

19.1 Lawsuits and other relevant events, continued

13. Plaintiffs : Araya Oses, Antonio et al.
Defendants : Transportes Buen Destino S.A. and SQM Salar.
Date : February 17, 2017
Court : 1st Civil Court of Santiago
Reason : Lawsuit for several or subsidiary liability for unfair dismissal, seeking the avoidance of the dismissal and collection of labor benefits.
Instance : Compliance stage. On April 17, the Supreme Court rejected the petition to unify jurisprudence, and the sentencing was set at ThUS\$153.
Nominal value : ThUS\$153.
14. Plaintiffs : Employee Union No. 2 of SQN Nitratos Nueva Victoria.
Defendant : SQM Nitratos S.A.
Date : November 23, 2016.
Court : Labor Court of Iquique.
Reason : Lawsuit alleging differences in the calculation of the bonus payable under the Collective Bargaining Agreement.
Instance : At the evidence stage
Nominal value : ThUS\$385
15. Plaintiff : TBD
Reason : Voluntary Winding up Statement (Law No. 20.720)
Court : Civil Court of Colina
Instance : On January 4, 2017 the voluntary winding up process began. On March 8, 2017, SQM Industrial verified credits in ordinary period associated with the sale of fuel of Ch\$217,193,666 with express reserve as to the legal compensation applicable.
Nominal value : Ch\$217,193,666

Note 19 Contingencies and restrictions (continued)

19.1 Lawsuits and other relevant events, continued

16. Plaintiffs : TBD
Defendant : SQM Salar S.A.
Date : None
Court : Arbitration Court Arbitrator Mr. Jaime Martínez Tejada.
Reason : Discrepancies generated in the performance of the (i) lithium brine transportation agreement; and (ii) salt transportation agreement entered into between TBD and SQM Salar.
Instance : The case has not been presented yet.
Nominal value : Not determined
17. Plaintiffs : Castillo, Hernán et al.
Defendants : Servicios Integrales de Tránsitos y Transferencias S.A. and SQM Industrial S.A.
Date : September 15, 2017.
Court : 1st Labor Court of Santiago.
Reason : Lawsuit to assert labor rights, seeking collection of wages owed and other amounts.
Instance : Evidence stage.
Nominal value : ThUS\$1,940

Note 19 Contingencies and restrictions (continued)

19.1 Lawsuits and other relevant events, continued

- 18 Plaintiffs : Vargas Guerra, Vicente Ignacio.
 Defendants : SQM Nitratos S.A.
 Date : January 17, 2018.
 Court : 1st Labor Court of Santiago.
 Reason : Lawsuit for damages related to pain and suffering and lost earnings resulting from occupational illness.
 Instance : Finalized by transaction dated May 14, 2018.
- 19 Plaintiffs : Acosta Tapia, Eloisa del Tránsito and others as successors and assigns of Araya Castillo, Raimundo del Rosario.
 Defendants : SQM Salar S.A.
 Date : January 19, 2018.
 Court : 2nd Labor Court of Santiago.
 Reason : Lawsuit for damages for pain and suffering as a result of occupational illness.
 Instance : Evidence stage.
 Nominal value : ThUS\$472
- 20 Plaintiffs : Roa Maluenda, Rosa del Carmen as successor and assign of Sánchez Gamboa, Gerónimo Iván.
 Defendants : SQM S.A., SQM Nitratos S.A. and SQM Industrial S.A.
 Date : January 23, 2018.
 Court : 1st Labor Court of Santiago.
 Reason : Lawsuit for damages for pain and suffering as a result of occupational illness.
 Instance : Evidence stage.
 Nominal value : ThUS\$472
21. Plaintiffs : Asociación Indígena Consejo Pueblos Atacameños and others.
 Defendants : Corporación de Fomento de la Producción, the Company, SQM Salar and SQM Potasio S.A.
 Date of appeal : February 15, 2018
 Court : Santiago Court of Appeals
 Reason : Appeal requesting annulment of amendments to contracts signed by the defendants on January 17, 2018.
 Instance : Case in the process of appeal.
 Nominal value : Indeterminate.

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Note 19 Contingencies and restrictions (continued)

19.1 Lawsuits and other relevant events, continued

The Company and its subsidiaries have been involved and will probably continue to be involved either as plaintiffs or defendants in certain judicial proceedings that have been and will be heard by the arbitration or ordinary courts of justice that will make the final decision. Those proceedings that are regulated by the appropriate legal regulations are intended to exercise or oppose certain actions or exceptions related to certain mining claims either granted or to be granted and that do not or will not affect in an essential manner the development of the Company and its subsidiaries.

Soquimich Comercial S.A. has been involved and will probably continue being involved either as plaintiff or defendant in certain judicial proceedings through which it intends to collect and receive the amounts owed, the total nominal value of which is approximately US\$1.2 million.

The Company has made efforts and continues making efforts to obtain payment of certain amounts that are still owed it on occasion of their activities. Such amounts will continue to be required using judicial or non-judicial means by the plaintiffs, and the actions and exercise related to these are currently in full force and effect.

The Company and its subsidiaries have received no legal notice on lawsuits other than those indicated above, which exceed US\$0,2 million.

Note 19 Contingencies and restrictions (continued)

19.2 Restrictions to management or financial limits

Contracts subscribed the issuance of bonuses in the local and international market require the Company to comply with the following level of consolidated financial indicators, calculated for a moving period that considers the last twelve months:

- To maintain a Total Indebtedness Ratio not higher than 1.2 times at its strictest level. The total Indebtedness level is defined as the Total Liabilities divided by Total Equity.

As of March 31, 2018, the aforementioned financial indicators are as follows:

Indicator	3/31/2018	12/31/2017
Equity ThUS\$	2,252,973	2,247,468
Net Financial Debt/ EBITDA	0.16	0.27
Indebtedness	0.92	0.91
SQM Industrial and SQM Salar debt / Current assets	0.02	0.03

Bond issue agreements issued abroad require the Company to neither merge or dispose of the whole or a substantial part of its assets, unless all the following conditions are met: (i) the legal successor company is an entity subject to either Chilean or United States law, and assumes SQM S.A.'s obligations under a complimentary contract, (ii) the Issuer does not fail to comply immediately after the merger or disposal, and (iii) the Issuer delivers a legal opinion stating that the merger or disposal and the complimentary contract meet the requirements described in the original contract.

In addition, SQM S.A. is committed to disclosing financial information on quarterly basis.

The Company and its subsidiaries have complied and are fully complying with all the aforementioned limitations, restrictions and obligations.

Note 19 Contingencies and restrictions (continued)

19.3 Environmental contingencies

On June 6, 2016, the Superintendence of the Environment (the “SMA”) filed charges against the Company with respect to the Pampa Hermosa project for possible noncompliance with RCA 890/2010.

This relates to charges regarding certain variables in the follow-up plan and through the implementation of a mitigation measure contemplated in the related environmental impact assessment. The Company submitted a Compliance Program to the SMA for its approval. This program details the actions and commitments that the Company will perform to overcome the objections filed by the environmental authority. On June 29, 2017, the SMA rejected the Compliance Program submitted by the Company. On July 10, the Company presented the defense against the charges filed by the SMA. On December 13, 2017, the First Environmental Court of Antofagasta ordered the temporary and partial closure of the water extraction wells located in the Salar de Llamara. These wells allow the Company to extract around 124 liters/second of water, which is approximately 15% of the water used in Chile’s First Region.

Through a ruling dated November 28, 2016, which was modified by a ruling dated December 23, 2016, the SMA filed charges against SQM Salar for extracting brine in excess of authorized amounts, progressively impacting the vitality of algarrobo trees, delivering incomplete information, modifying variables and other matters.

SQM Salar has presented a compliance program detailing the actions and commitments it will carry out to address the SMA’s objections. The SMA is reviewing the compliance program.

In keeping with the monitoring plans established in the active environmental qualification resolution for the operation in the Salar de Atacama, SQM Salar maintains periodical monitoring of flora, fauna, hydrogeological and meteorological variables, together with 225 monitoring points and 48 ongoing measurement points for brine and water levels in different parts of the Salar basin, which are reported periodically to the corresponding authority. In the event that any of the monitoring points drops below predefined levels, diverse actions are contemplated, which form part of the environmental monitoring plan.

On May 20, 2018, 2 of the 228 points showed 1 cm below the predefined level for these points. These were points located along the route of one of the outlets of a lagoon located on the eastern edge of the Salar de Atacama. Historically, flows from the Saltpeter Deposit lagoons have suffered variations in their location and route. This was the case, where flow relocated in relation to the location of the monitoring well in question. Both the levels and flow from the lagoons have maintained normal behavior and no changes have been observed in the ecosystem that is subject to monitoring in the zone.

Note 19 Contingencies and restrictions (continued)

19.3 Environmental contingencies, continued

Following the protocol established for these cases, total pumping flow from SQM Salar operations in the Salar de Atacama has been reduced for a 6-month period, from a maximum annual average of 1,500 liters per second to an average annual flow of 1,250 liters per second. In addition, within the next few weeks, SQM Salar will send a complete analysis to authorities, and if so determined, will require the relocation of the monitoring points analyzed. During this period, SQM Salar and authorities must assess and agree on the causes behind the reduction in the level of the points in question and must define any potentially necessary measures.

The Company estimates that an average annual reduction of 250 l/s will not have an impact on current and projected lithium carbonate and hydroxide production levels. For potassium chloride, the company estimates that the reduction in pumping would imply a reduction in production and sales of approximately 170 thousand tons annually.

19.4 Tax contingency

During 2015, the Company, SQM Salar and SQM Industrial submitted to the Chilean IRS four tax amendments (two by the Company, one by SQM Salar and one by SQM Industrial).

The first two (one for SQM and one for SQM Salar), after being approved by the SII, generated payments for taxes, interests and other charges for US\$8.1 million. A provision for such amount was made in the profit or loss for the first quarter of 2015.

Additionally, during August 2015, the Chilean IRS was provided, for its review and approval, with the documentation necessary for amending the annual tax returns of the Company and SQM Industrial. As a result of such amendments, the Company paid an approximate sum of US\$1.4 million for taxes, interests and other charges. This amount was recorded in a provision in the profit or loss for the second quarter of 2015.

Finally, during 2016, the last 12 invoices were amended with a payment of approximately US\$50,000.

Accordingly, the SQM Group understands the internal analysis they have been performing has ended, the purpose of which was the identification of the expenses incurred by them during the fiscal years 2008 to 2014 and which could be a matter of tax amendment.

Because of the aforementioned amendments, the Company, SQM Salar and SQM Industrial might be affected by additional penalties established in the first subparagraph, No. 4 of Article 97 of the Tax Code, for an amount ranging between 50% and 300% of the taxes paid. The Company has not considered it necessary to make any provisions related to this possible additional penalty.



Note 19 Contingencies and restrictions (continued)

19.4 Tax contingency, continued

On August 26, 2016, SQM Salar filed with the Third Tax and Customs Court of the Metropolitan Region a tax claim against tax assessments Nos. 169, 170, 171 and 172, which seek to expand the application of the specific tax on mining activities for the exploitation of lithium. The amount involved is approximately ThUS\$17,809. This claim is at the deliberation stage.

On March 24, 2017, SQM Salar filed with the Third Tax and Customs Court of the Metropolitan Region a tax claim against tax assessment No. 207 of 2016 and ruling No. 156 of 2016, both issued by the Chilean IRS, which seek to expand application of the specific tax on mining activities to include lithium exploitation for tax years 2015 and 2016. The amount involved is approximately US\$14.4 million. This claim is at the deliberation stage.

The aforementioned amounts are classified as current tax assets, non-current as of March 31, 2018.

Of the US\$32.2 million under dispute, approximately US\$25,2 million correspond to the potential specific tax on mining activities related to lithium and US\$7.0 million correspond to an excess charge levied by the Chilean IRS.

The Chilean IRS has not issued an assessment claiming differences in the specific tax on mining activities filed for the years 2016 and 2017. As of the date of these financial statements, SQM has not made any provisions for these possible differences.

If the Chilean IRS uses criteria similar to that used in previous years, it may issue an assessment in the future for the 2016 and 2017 financial years. It is reasonable to expect that should these assessments occur during the period that extends from to the first quarter of 2018, they would correspond to an approximate value of US\$36 million (excluding potential interest and fines).





Note 19 Contingencies and restrictions (continued)

19.5 Restricted or pledged cash

The subsidiary Isapre Norte Grande Ltda., in compliance with the provisions established by the Chilean Superintendence of Healthcare, which regulates the running of pension-related health institutions, maintains a guarantee in financial instruments delivered in deposits, custody and administration to Banco de Chile.

This guarantee, according to the regulations issued by the Chilean Superintendence of Healthcare is equivalent to the total sum owed to its members and medical providers. Banco de Chile reports the present value of the guarantee to the Chilean Superintendence of Healthcare and Isapre Norte Grande Ltda. on a daily basis. As of March 31, 2018, the guarantee amounts to ThUS\$798.



**Note 19 Contingencies and restrictions (continued)****19.6 Securities obtained from third parties**

The main security received (exceeding ThUS\$100) from third parties to guarantee Soquimich Comercial S.A.'s compliance with obligations in contracts of commercial mandates for the distribution and sale of fertilizers amounted to ThUS\$12,154 and ThUS\$12,103 on March 31, 2018 and December 31, 2017 respectively; which is detailed as follows:

Grantor	Relationship	3/31/2018 ThUS\$	12/31/2017 ThUS\$
Ferosor Agrícola S.A.	Unrelated third party	4,142	4,067
Tattersall Agroinsumos S.A.	Unrelated third party	2,000	2,000
Contador Frutos S.A.	Unrelated third party	1,787	1,743
Agrícola Lobert Ltda.	Unrelated third party	1,296	1,264
Covepa SPA	Unrelated third party	829	813
Johannes Epple Davanzo	Unrelated third party	370	363
Hortofrutícola La Serena	Unrelated third party	331	323
Juan Luis Gaete Chesta	Unrelated third party	267	262
Arena Fertilizantes y Semillas	Unrelated third party	249	244
Vicente Oyarce Castro	Unrelated third party	250	244
Soc. Agrocom. Julio Polanco	Unrelated third party	-	163
Bernardo Guzmán Schmidt	Unrelated third party	142	138
Gilberto Rivas Y Cia. Ltda.	Unrelated third party	142	138
Lemp Martin Julian	Unrelated third party	127	124
Comercial Agrosal Ltda.	Unrelated third party	119	116
Soc. Comercial el Mimbral	Unrelated third party	103	101
Total		12,154	12,103

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Note 19 Contingencies and restrictions (continued)

19.7 Indirect guarantees

Guarantees in which there is no pending balance indirectly reflect that the respective guarantees are in force, have been approved by the Company's Board of Directors and have not been used by the respective subsidiary.

The bonds which disclose a balance as of March 31, 2018 and December 31, 2017 are detailed below:

Creditor of the guarantee	Debtor		Type of guarantee	Balances as of the closing date of the financial statements	
	Name	Relationship		3/31/2018 ThUS\$	12/31/2017 ThUS\$
Australian and New Zealand Bank	SQM North America Corp	Subsidiary	Bond	-	-
Australian and New Zealand Bank	SQM Europe N.V.	Subsidiary	Bond	-	-
Generale Bank	SQM North America Corp	Subsidiary	Bond	-	-
Generale Bank	SQM Europe N.V.	Subsidiary	Bond	-	-
Kredietbank	SQM North America Corp	Subsidiary	Bond	-	-
Kredietbank	SQM Europe N.V.	Subsidiary	Bond	-	-
Banks and financial institutions	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-
Banks and financial institutions	SQM Europe N.V.	Subsidiary	Bond	-	-
Banks and financial institutions	SQM North America Corp	Subsidiary	Bond	-	-
Banks and financial institutions	Nitratos Naturais do Chile Ltda.	Subsidiary	Bond	-	-
Banks and financial institutions	SQM México S.A. de C.V.	Subsidiary	Bond	-	-
Banks and financial institutions	SQM Brasil Ltda.	Subsidiary	Bond	-	-
"BNP"	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-
Sociedad Nacional de Minería A.G.	SQM Potasio S.A.	Subsidiary	Bond	-	-
Scotiabank & Trust (Cayman) Ltd.	Royal Seed Trading A.V.V.	Subsidiary	Bond	-	-
Scotiabank & Trust (Cayman) Ltd.	Royal Seed Trading A.V.V.	Subsidiary	Bond	-	-
Bank of America	Royal Seed Trading A.V.V.	Subsidiary	Bond	-	-
Export Development Canada	Royal Seed Trading A.V.V.	Subsidiary	Bond	-	-
The Bank of Tokyo-Mitsubishi UFJ Ltd.	Royal Seed Trading A.V.V.	Subsidiary	Bond	-	-
JP Morgan Chase Bank	SQM Industrial S.A.	Subsidiary	Bond	-	-
The Bank of Nova Scotia	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-





Note 19 Contingencies and restrictions (continued)

19.8 Indirect guarantees, continued

Creditor of the guarantee	Debtor		Type of guarantee	Pending balances as of the closing date of the financial statements	
	Name	Relationship		3/31/2018 ThUS\$	12/31/2017 ThUS\$
Credit Suisse International	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-
Morgan Stanley Capital Services	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-
The Bank of Tokyo-Mitsubishi UFJ Ltd.	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-
HSBC	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-
Deutsche Bank AG	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-



Note 20 Earnings per share

Basic earnings per share are calculated by dividing net income attributable to the Company's shareholders by the weighted average of the number of shares in circulation during that period.

As expressed, earnings per share are detailed as follows:

Basic earnings per share	3/31/2018 ThUS\$	3/31/2017 ThUS\$
Earnings (losses) attributable to owners of the parent	113,825	103,232
	3/31/2018 Units	12/31/2017 Units
Number of common shares in circulation	263,196,524	263,196,524
	3/31/2018	3/31/2017
Basic earnings per share (US\$ per share)	0.3945	0.3922

The Company has not made any operations with a potential dilutive effect that assumes diluted earnings per share are different from the basic earnings per share.

Note 21 Borrowing costs

The cost of interest is recognized as an expense in the year in which it is incurred, except for interest that is directly related to the acquisition and construction of tangible property, plant and equipment assets and that complies with the requirements of IAS 23. As of March 31, 2018, total interest expenses incurred amount to ThUS\$12,717 (ThUS\$12,638 as of March 31, 2017).

The Company capitalizes all interest costs directly related to the construction or to the acquisition of property, plant and equipment, which require a substantial time to be suitable for use.

**Note 21 Borrowing costs (continued)****21.1 Costs of capitalized interest, property, plant and equipment**

The cost of capitalized interest is determined by applying the average or weighted average of all financing costs incurred by the Company to the monthly end balances of works-in-progress meeting the requirements of IAS 23.

The rates and costs for capitalized interest of property, plant and equipment are detailed as follows:

	3/31/2018	3/31/2017
Capitalization rate of costs for capitalized interest, property, plant and equipment	4%	4%
Amount of costs for interest capitalized in ThUS\$	1,095	1,380

Note 22 Effect of fluctuations in foreign currency exchange rates**a) Foreign currency exchange differences recognized in profit or loss except for financial instruments measured at fair value through profit or loss:**

	3/31/2018 ThUS\$	3/31/2017 ThUS\$
Conversion foreign exchange gains (losses) recognized in the result of the year.	(514)	1,668
Conversion foreign exchange reserves attributable to the owners of the controlling entity	(958)	(1,186)
Conversion foreign exchange reserves attributable to the non-controlling entity	4	1



**Note 22 Effect of fluctuations in foreign currency exchange rates (continued)****b) Reserves for foreign currency exchange differences:**

As of March 31, 2018 and 2016, foreign currency exchange differences are detailed as follows:

Detail	3/31/2018 ThUS\$	12/31/2017 ThUS\$
Changes in equity generated by conversion of equity value:		
Comercial Hydro S.A.	1,004	1,004
SQMC Internacional Ltda.	-	(2)
Proinsa Ltda.	(6)	(7)
Comercial Agrorama Ltda.	(49)	(44)
Isapre Norte Grande Ltda.	(74)	(74)
Almacenes y Depósitos Ltda.	131	97
Sales de Magnesio Ltda.	-	-
Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	-	-
Agrorama S.A.	(134)	(98)
Doktor Tarsa	(13,207)	(14,447)
SQM Vitas Fzco	(1,779)	(1,779)
Ajay Europe	(627)	(831)
SQM Eastmed Turkey	(93)	(92)
Charlee SQM (Thailand) Co. Ltd.	(171)	(285)
Coromandel SQM India	(271)	(234)
SQM Italia SRL	(173)	(154)
SQM Oceania Pty Ltd.	(634)	(634)
SQM Indonesia S.A.	(124)	(124)
Abu Dhabi Fertilizers Industries WWL.	(436)	(435)
SQM Vitas Holland	(69)	(101)
SQM Thailand Limited	(68)	(68)
SQM Europe N.V.	(1,550)	(1,550)
Minera Exar S.A.	(7,452)	(5,209)
SQM Australia Pty Ltd.	(89)	154
Total	(25,871)	(24,913)

Note 22 Effect of fluctuations in foreign currency exchange rates (continued)**c) Functional and presentation currency**

The functional currency of these companies corresponds to the currency of the country of origin of each entity, and its presentation currency is the U.S. dollar.

d) Reasons to use one presentation currency and a different functional currency

- The total revenues of these subsidiaries are associated with the local currency.
- The commercialization cost structure of these companies is affected by the local currency.
- The equities of these companies are expressed in local currency (Chilean peso).

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Note 23 Environment

23.1 Disclosures of disbursements related to the environment

The Company is continuously concerned with protecting the environment both in its production processes and with respect to products manufactured. This commitment is supported by the principles indicated in the Company's Sustainable Development Policy. The Company is currently operating under an Environmental Management System (EMS) that has allowed it to strengthen its environmental performance through the effective application of the Company's Sustainable Development Policy.

Operations that use caliche as a raw material are carried out in desert areas with climatic conditions that are favorable for drying solids and evaporating liquids using solar energy. Operations involving the open-pit extraction of minerals, due to their low waste-to-mineral ratio, generate remaining deposits that slightly alter the environment. A portion of the ore extracted is crushed, a process in which particle emissions occur. Currently this operation is conducted only at the Pedro de Valdivia worksite and no ore crushing process is conducted in the María Elena sector.

Many of the Company's products are shipped in bulk at the Port of Tocopilla. In 2007, the city of Tocopilla was declared a zone saturated with MP10 Particles mainly due to the emissions from the electric power plants that operate in that city. In October 2010, the Decontamination Plan for Tocopilla was put in place. Accordingly, the Company has committed to taking several measures to mitigate the effects derived from bulk product movements in the port. These measures have been successfully implemented since 2007.

The Company carries out environmental follow-up and monitoring plans based on specialized scientific studies. Within this context, the Company entered into a contract with the National Forestry Corporation (CONAF) aimed at researching the activities of flamingo groups that live in the Salar de Atacama (Atacama Saltpeter Deposit) lagoons. Such research includes a population count of the birds, as well as breeding research. Environmental monitoring activities carried out by the Company at the Salar de Atacama and other systems in which it operates are supported by a number of studies that have integrated diverse scientific efforts from prestigious research centers, including Dictuc from the Pontificia Universidad Católica in Santiago and the School of Agricultural Science of the Universidad de Chile.

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Note 23 Environment (continued)

23.1 Disclosures of disbursements related to the environment, continued

Furthermore, within the framework of the environmental studies which the Company is conducting, the Company performs significant activities in relation to the recording of Pre-Columbian and historical cultural heritage, as well as the protection of heritage sites, in accordance with current Chilean laws. These activities have been especially performed in the areas surrounding Maria Elena and the Nueva Victoria plants. This effort is being accompanied by cultural initiatives within the community and the organization of exhibits in local and regional museums.

As emphasized in its Sustainable Development Policy, the Company strives to maintain positive relationships with the communities surrounding the locations in which it carries out its operations, as well as to participate in communities' development by supporting joint projects and activities which help to improve the quality of life for residents. For this purpose, the Company has focused its efforts on activities involving the rescue of historical heritage, education and culture, as well as development.

In order to do so, it acts both individually and in conjunction with private and public entities.

23.2 Detail of information on disbursements related to the environment

The cumulative disbursements which the Company had incurred as of March 31, 2018 for the concept of investments in production processes, verification and control of compliance with ordinances and laws relative to industrial processes and facilities, including prior year disbursements related to these projects amounted to ThUS\$2,619 and are detailed as follows:

Note 23 Environment (continued)

23.2 Detail of information on disbursements related to the environment, continued

Accumulated expenses as of 3/31/2018

Identification of the Parent or subsidiary	Name of the project with which expenditure is associated	Concept for which the expenditure was made or will be made	Asset / Expense	Description of the asset or expense Item	Amount of expenditure ThUS\$	Actual or estimated date on which expenditure was or will be made
Miscellaneous	Environment - Operating Area	Not classified	Expense	Not classified	1.810	3/31/2018
SQM S.A.	01-I005500 - Standardization of SO2 Plants	Environmental processing	Assets	Not classified	13	3/31/2018
SQM S.A.	01-I007300 - Compliance with Iodine Gas Exposure Standard	Environmental processing	Assets	Not classified	29	3/31/2018
SQM Industrial S.A.	04-J007000 - Environmental Impact Statement	Environmental processing	Expense	Not classified	30	3/31/2018
SQM Industrial S.A.	04-J010200 - NK CS (KNO3-NaNO3 Salt Production at NPT2 Plant)	Sustainability: Environment and Risk Prevention	Assets	Not classified	8	3/31/2018
SQM S.A.	01-I013800 - Increase Height of Absorber Tower	Sustainability: Environment and Risk Prevention	Assets	Not classified	66	3/31/2018
SIT S.A.	03-T003400 - 2016 Port Maintenance Capex	Sustainability: Environment and Risk Prevention	Assets	Not classified	18	3/31/2018
SIT S.A.	03-T001900 - Storage Warehouse Cover	Sustainability: Environment and Risk Prevention	Assets	Not classified	-	3/31/2018
SIT S.A.	03-T001800 - Mechanization of Shipment from Ca	Sustainability: Environment and Risk Prevention	Assets	Not classified	27	3/31/2018
SIT S.A.	03-T003200 - Mechanization of Shipment from Ca	Sustainability: Environment and Risk Prevention	Assets	Not classified	30	3/31/2018
SIT S.A.	03-T003600 - Improved P Bulk Storage	Sustainability: Environment and Risk Prevention	Assets	Not classified	32	3/31/2018
SQM Salar S.A.	19-L012200 - Installation of Flow Meters as per Environmental Standard	Sustainability: Environment and Risk Prevention	Assets	Not classified	76	3/31/2018
SQM Salar S.A.	19-C002300 - Extension of LIOH 7,000 TPA Plant	Sustainability: Environment and Risk Prevention	Assets	Not classified	26	3/31/2018
SIT S.A.	03-T004200 - Encapsulation and Collectors Yards 8 and 9	Sustainability: Environment and Risk Prevention	Assets	Not classified	-	3/31/2018
SIT S.A.	03-T004500 - Belt 5 Extension and Overhaul	Environmental processing	Assets	Not classified	55	3/31/2018
SQM Nitratos S.A.	12-I012700 - Mine Site Workshop Water Recovery Plant	Sustainability: Environment and Risk Prevention	Assets	Not classified	2	3/31/2018
SQM Industrial S.A.	04-I015600 - Recovery of Reject Water from Osmosis Plant, NV Iodine Plant	Sustainability: Environment and Risk Prevention	Assets	Not classified	7	3/31/2018
SQM S.A.	01-I017200 - CEDAM at Puquios de Llamara	Sustainability: Environment and Risk Prevention	Expense	Not classified	3	3/31/2018
SQM S.A.	01-I017400 - Development of Pintados and Surrounding Area	Sustainability: Environment and Risk Prevention	Expense	Not classified	-	3/31/2018
SIT S.A.	03-T005000 - Ground Leveling and Paving of Warehouse	Sustainability: Environment and Risk Prevention	Assets	Not classified	92	3/31/2018
SQM Salar S.A.	19-L014700 - Management of Industrial Waste	Sustainability: Environment and Risk Prevention	Not classified	Not classified	2	3/31/2018
SQM S.A.	01-I018300 - Cultural Heritage Baseline Environmental Impact Statement (DIA) Mina Oeste N.V.	Environmental processing	Assets	Not classified	38	3/31/2018
SQM S.A.	01-I018700 - Penalization Process for Salar de Llamara	Environmental processing	Assets	Not classified	131	3/31/2018
SQM S.A.	01-I019400 - EIA Expansion of TEA and Seawater Impulsion	Environmental processing	Assets	Not classified	103	3/31/2018
SQM Industrial S.A.	04-J012200 - DIA and Regularization of CS Ponds	Environmental processing	Assets	Not classified	21	3/31/2018
Total					2,619	

Note 23 Environment (continued)

23.2 Detail of information on disbursements related to the environment, continued

Future expenses as of 3/31/2018

Identification of the Parent or subsidiary	Name of the project with which expenditure is associated	Concept for which the expenditure was made or will be made	Asset / Expense	Description of the asset or expense item	Amount of expenditure ThUS\$	Actual or estimated date on which expenditure was or will be made
Miscellaneous	Environment - Operating Area	Not classified	Expense	Not classified	8,640	12/31/2018
SQM S.A.	01-I005500 - Standardization of SO2 Plants	Environmental processing	Assets	Not classified	23	12/31/2018
SQM S.A.	01-I013800 - Increase Height of Absorber Tower	Sustainability: Environment and Risk Prevention	Assets	Not classified	45	12/31/2018
SIT S.A.	03-T001900 - Storage Warehouse Cover	Sustainability: Environment and Risk Prevention	Assets	Not classified	10	3/31/2018
SIT S.A.	03-T001800 - Mechanization of Shipment from Ca	Sustainability: Environment and Risk Prevention	Assets	Not classified	75	5/31/2018
SIT S.A.	03-T003200 - Mechanization of Shipment from Ca	Sustainability: Environment and Risk Prevention	Assets	Not classified	225	5/31/2018
SIT S.A.	03-T003600 - Improved P Bulk Storage	Sustainability: Environment and Risk Prevention	Assets	Not classified	2	3/31/2018
SQM Salar S.A.	19-C002300 - Extension of LIOH 7,000 TPA Plant	Sustainability: Environment and Risk Prevention	Assets	Not classified	2	12/31/2018
SIT S.A.	03-T004200 - Encapsulation and Collectors Yards 8 and 9	Sustainability: Environment and Risk Prevention	Assets	Not classified	854	8/30/2018
SIT S.A.	03-T004500 - Belt 5 Extension and Overhaul	Environmental processing	Assets	Not classified	280	8/30/2018
SQM Nitratos S.A.	12-I012700 - Mine Site Workshop Water Recovery Plant	Sustainability: Environment and Risk Prevention	Assets	Not classified	158	12/31/2018
SQM Industrial S.A.	04-I015600 - Recovery of Reject Water from Osmosis Plant, NV Iodine Plant	Sustainability: Environment and Risk Prevention	Assets	Not classified	123	12/31/2018
SQM S.A.	01-I017200 - CEDAM at Puquios de Llamara	Environmental processing	Expense	Not classified	257	12/31/2018
SQM S.A.	01-I017400 - Development of Pintados and Surrounding Area	Sustainability: Environment and Risk Prevention	Expense	Not classified	124	12/31/2018
SIT S.A.	03-T005000 - Ground Leveling and Paving of Warehouse	Sustainability: Environment and Risk Prevention	Assets	Not classified	118	12/31/2018
SQM S.A.	01-I018300 - Cultural Heritage Baseline Environmental Impact Statement (DIA) Mina Oeste N.V.	Environmental processing	Assets	Not classified	82	12/31/2018
SQM S.A.	01-I018700 - Penalization Process for Salar de Llamara	Environmental processing	Assets	Not classified	1769	3/31/2018
SQM S.A.	01-I019400 - EIA Expansion of TEA and Seawater Impulsion	Environmental processing	Assets	Not classified	1497	5/31/2018
SQM Industrial S.A.	04-J012200 - DIA and Regularization of CS Ponds	Environmental processing	Assets	Not classified	399	12/31/2018
Total					14,683	



Note 23 Environment (continued)

23.2 Detail of information on disbursements related to the environment, continued

Accumulated expenses as of 12/31/2017

Identification of the Parent or subsidiary	Name of the project with which expenditure is associated	Concept for which the expenditure was made or will be made	Asset / Expense	Description of the asset or expense Item	Amount of expenditure ThUS\$	Actual or estimated date on which expenditure was or will be made
Miscellaneous	Environment - Operating Area	Not classified	Expense	Not classified	9,552	12/31/2017
SQM Industrial S.A.	04-IQWZ00 - Normalization TK NV liquid fuels	Environmental processing	Assets	Not classified	37	4/1/2014
SQM Industrial S.A.	04-PPZU00 - Standardize and Certify Plant Fuel Tanks	Environmental processing	Assets	Not classified	48	7/1/2018
SQM Industrial S.A.	04-J007000 - Environmental Impact Statement	Environmental processing	Expense	Not classified	151	12/31/2017
SQM Industrial S.A.	04-P003600 - Opening of NPT IV Project (NK engineering studies)	Sustainability: Environment and Risk Prevention	Assets	Not classified	181	12/31/2017
SQM Industrial S.A.	04-I012400 - Acquisition of Power Generator to Back up the Injection System at Puquios in Salar de Llamara	Sustainability: Environment and Risk Prevention	Assets	Not classified	34	12/31/2016
SQM Industrial S.A.	04-J004300 - Energy efficiency study	Sustainability: Environment and Risk Prevention	Expense	Not classified	56	12/31/2017
SQM Industrial S.A.	04-J010200 - NK CS (KNO3-NaNO3 salt production at NPT2 plant)	Sustainability: Environment and Risk Prevention	Assets	Not classified	1	4/30/2019
SQM Industrial S.A.	04-I015600 - Recovery of Reject Water from Osmosis Plant, NV Iodine Plant	Sustainability: Environment and Risk Prevention	Assets	Not classified	12	12/31/2018
SQM S.A.	01-I005500 - Standardization of SO2 plants	Environmental processing	Assets	Not classified	81	12/31/2018
SQM S.A.	01-I007100 - Environmental Follow-up Plan for Pampa del Tamarugal for 2015-2016	Environmental processing	Expense	Not classified	2	1/31/2018
SQM S.A.	01-I007200 - Environmental Follow-up Plan for Salar de Llamara for 2015-2016	Sustainability: Environment and Risk Prevention	Expense	Not classified	2	1/31/2018
SQM S.A.	01-I013800 - Increase height of Absorber Tower	Sustainability: Environment and Risk Prevention	Assets	Not classified	62	12/31/2018
SQM S.A.	01-I007300 - Compliance with Iodine Gas Exposure Standard	Environmental processing	Assets	Not classified	961	12/31/2017
SQM S.A.	01-I012200 - Repair or replacement of well	Sustainability: Environment and Risk Prevention	Assets	Not classified	41	12/31/2018
SQM Salar S.A.	19-L008100 - EIS Salar 2015	Environmental processing	Expense	Not classified	488	12/31/2017
SQM Salar S.A.	19-L012200 - Installation of flow meters per environmental standard	Sustainability: Environment and Risk Prevention	Assets	Not classified	240	6/1/2018
SQM Salar S.A.	19-C002300 - Extension of LIOH 7,000 TPA Plant	Sustainability: Environment and Risk Prevention	Assets	Not classified	230	12/31/2018
SQM Salar S.A.	19-L012100 - Renovation of equipment which must be certified in order to gain environmental approval (RCA)	Sustainability: Environment and Risk Prevention	Assets	Not classified	13	6/1/2018
SIT S.A.	03-T003400 - 2016 Port maintenance Capex	Sustainability: Environment and Risk Prevention	Assets	Not classified	42	3/31/2018
SIT S.A.	03-T001900 - Storage Warehouse Cover	Sustainability: Environment and Risk Prevention	Assets	Not classified	37	3/31/2018
SIT S.A.	03-T001800 - Mechanization of Shipment from Ca	Sustainability: Environment and Risk Prevention	Assets	Not classified	982	5/31/2018
SIT S.A.	03-T003200 - Mechanization of Shipment from Ca	Sustainability: Environment and Risk Prevention	Assets	Not classified	1,296	5/31/2018
SIT S.A.	03-T004200 - Encapsulation and Collectors Yards 8 and 9	Sustainability: Environment and Risk Prevention	Assets	Not classified	58	8/30/2018
SIT S.A.	03-T004500 - Belt 5 Extension and Overhaul	Environmental processing	Assets	Not classified	180	8/30/2018
Total					14,787	





Note 23 Environment (continued)

23.2 Detail of information on disbursements related to the environment, continued

Future expenses as of 12/31/2017

Identification of the Parent or subsidiary	Name of the project with which expenditure is associated	Concept for which the expenditure was made or will be made	Asset / Expense	Description of the asset or expense item	Amount of expenditure ThUS\$	Actual or estimated date on which expenditure was or will be made
Miscellaneous	Environment - Operating Area	Not classified	Expense	Not classified	10,450	12/31/2018
SQM Industrial S.A.	04-J010200 - NK CS (KNO3-NaNO3 salt production at NPT2 plant)	Sustainability: Environment and Risk Prevention	Assets	Not classified	140	4/30/2019
SQM Industrial S.A.	04-I015600 - Recovery of Reject Water from Osmosis Plant, NV Iodine Plant	Sustainability: Environment and Risk Prevention	Assets	Not classified	130	12/31/2018
SQM S.A.	01-I005500 - Standardization of SO2 plants	Environmental processing	Assets	Not classified	37	12/31/2018
SQM S.A.	01-I012200 - Repair or replacement of well	Sustainability: Environment and Risk Prevention	Assets	Not classified	76	12/31/2018
SQM S.A.	01-I013800 - Increase height of Absorber Tower	Sustainability: Environment and Risk Prevention	Assets	Not classified	111	12/31/2018
SQM S.A.	01-I017200 - CEDAM at Puquios (ponds) at Llamara	Sustainability: Environment and Risk Prevention	Assets	Not classified	260	12/31/2018
SQM S.A.	01-I017400 - Development of Pintados and surrounding area	Sustainability: Environment and Risk Prevention	Assets	Not classified	124	12/31/2018
SIT S.A.	03-T001900 - Storage Warehouse Cover	Sustainability: Environment and Risk Prevention	Assets	Not classified	10	3/31/2018
SIT S.A.	03-T001800 - Mechanization of Shipment from Ca	Sustainability: Environment and Risk Prevention	Assets	Not classified	103	5/31/2018
SIT S.A.	03-T003200 - Mechanization of Shipment from Ca	Sustainability: Environment and Risk Prevention	Assets	Not classified	254	5/31/2018
SIT S.A.	03-T004200 - Encapsulation and Collectors Yards 8 and 9	Sustainability: Environment and Risk Prevention	Assets	Not classified	854	8/30/2018
SIT S.A.	03-T004500 - Belt 5 Extension and Overhaul	Environmental processing	Assets	Not classified	336	8/30/2018
SIT S.A.	03-T005000 - Ground leveling and paving of warehouse	Sustainability: Environment and Risk Prevention	Assets	Not classified	210	9/30/2018
SQM Salar S.A.	19-L012100 - Renovation of equipment which must be certified in order to gain environmental approval (RCA)	Sustainability: Environment and Risk Prevention	Assets	Not classified	52	6/1/2018
SQM Salar S.A.	19-L012200 - Installation of flow meters per environmental standard	Sustainability: Environment and Risk Prevention	Assets	Not classified	10	6/1/2018
SQM Salar S.A.	19-C002300 - Extension of LIOH 7,000 TPA Plant	Sustainability: Environment and Risk Prevention	Assets	Not classified	28	12/31/2018
SQM Nitratos S.A	12-I012700 - Mine Site Workshop Water Recovery Plant	Sustainability: Environment and Risk Prevention	Assets	Not classified	160	12/31/2018
Total					13,345	





Note 23 Environment (continued)

23.3 Description of each project, indicating whether these are in process or have been finished

SQM Industrial S.A.

I0156: The reject water from the osmosis plant is currently discarded into the plant's afa pond, diluting the afa brine and increasing the area needed for evaporation in the Sur Viejo ponds.

J0043: Form a strategic partnership with a company linked to new technologies and energy efficiency. Search for new and alternative technologies. Carry out engineering studies for alternatives.

J0070: This project relates to the preparation and processing of an Environmental Impact Statement (EIS), for the purpose of obtaining environmental authorization (RCA) for the yards. The information to be presented includes the air quality baseline, and therefore a PM 2.5 and gas monitoring station has been installed to complement the existing stations at ME. This project is in progress.

J0102: Construction of a new PTS plant integrated into the NPT 2 crystallization process is proposed. The engineering design of this plant considers the reuse of the equipment already acquired for the NK PV plant. The plant includes a new raw materials yard, a crusher (sizer) stage, a wet mill, a dissolution stage with reactors and a thickener and a filtration and centrifuge unit for discarded salt. The crystallization from the NPT1 and NPT2 plants, as well as the refining plant at the NPT2 plant, will be reused.

J0122: The project consists of submitting the Coya Sur ponds into the SEIA, as well as sectoral permitting of the Coya Sur ponds with the DGA.



Note 23 Environment (continued)

23.3 Description of each project, indicating whether these are in process or have been finished, continued

SQM S.A.

I0055: In the SO₂ plant, the gas/liquid ratio is deficient, preventing the absorption of SO₂; producing a loss of free iodine through inadequate stripping of kerosene and prilling air. This also causes the ducts and furnaces to be blocked (unplanned shutdowns), a very polluted environment for people (aberration in health and hygiene), excessive acid rain (corrosion of facilities) and a high sulfur and sodium metabisulfite consumption factor. By changing the gas extractors to increase air flows and the SO₂ absorption towers for prilling, the diameter of the ducts will be increased. This will ensure that the gas/liquid ratio is increased and sustained. In order to decrease SO₂ emissions, a scrubber unit (tower, pump, gas extractor and piping) needs to be installed following the same concept as was developed at the ME Iodine SO₂ plant.

I0073: The system for capturing iodine gases is operating very inefficiently. The iodine steam levels are between 150% and 4,900% above the levels allowed for jobs at iodine plants and warehouses as established in Article 61 of Supreme Decree No. 594/1999, approving Basic Sanitary and Environmental Conditions in Workplaces. This project is in progress.

I0138: This project is to increase the height of each SO₂ absorber tower (regular and stand-by towers) by 2.5 meters. The towers' additional height will allow the height of the packing to be increased by 2.5, thereby improving the efficiency of the SO₂ absorption. The main activities are: Basic and detailed engineering; supply of the bodies of the absorber towers (frp), liquid distributors, tower brine pump pad, tri-pack packing type, polyethylene pipes and fitting; gas measurement service; metallic structure manufacturing and installation services; and project start-up.

I0172: The commitments of the Pampa Hermosa project for the Salar de Llamara include the Tamarugos Environmental Management Plan (PMAT), which contemplates an Environmental Education Program that includes the design, construction and start-up of an Environmental Education Center (CEDAM) at Puquios de Llamara. Conceptual design, detailed design, construction and start-up are necessary for the Humberstone deposit, which is subject to approval by the authorities, and therefore its duration and costs are subject to third-party approval.

I0174: One of the commitments of the Pampa Hermosa project involves developing the former Pintados station. The development proposal was presented to the authorities and once approved, it needs to be implemented (parking, footpath, shade and information panels). One of the commitments for the Nueva Victoria and Pampa Hermosa mining area projects is to prepare a storage place in Humberstone for storing the archaeological materials that are recovered. This is part of the archaeological compensation measures involved in these projects. A proposal needs to be developed and subsequently developed for the Humberstone deposit, which is subject to approval by the authorities so its duration and costs are subject to the approval of third parties.



Note 23 Environment (continued)

23.3 Description of each project, indicating whether these are in process or have been finished, continued

I0183: A heritage baseline will be taken for the eastern mine sector, required for the DIA

I0187: The project involves the implementation of measures that were committed to during the penalty process, including urgent and transitory measures. Actions to be implemented include monthly biotic monitoring, quarterly landscape monitoring, metagenomic analysis, study accrediting the nonexistence of environmental effects in puquios (aquatic biota) and study accrediting the implementation of adequate water quality control of water injected into the system, both accredited by a center for excellence in a state or state-recognized university.

I0194: Tender and awarding of environmental permits, implement archeology, biota, human environment campaigns, etc., develop marine studies, prepare reports and enter study into the assessment system, monitor and respond to addenda until the system is approved. Prepare and submit claims to third parties associated with the request for rights of way.

SIT S.A.

T0018: The project consists of the installation of an underground conveyor belt running outside of the storage boxes in yards Nos. 8 and 9, connected to belt 5 and subsequently to the shipment system. While this is an operating improvement, the project has an environmental component in the form of an emissions mitigation measure, because it involves the implementation and acquisition of belt covers (to control internal emissions), in order to improve compliance with the Tocopilla EDP. This project is in progress.

T0019: This project consists of the installation of covers (ceiling and side cover) in the 4 new storage boxes, which will be built in the zone of current yard No. 9. While this is an operating improvement, the project has an environmental component as the project involves the building of a warehouse as an emissions control measure to improve compliance with the Tocopilla EDP and reduce dust emissions. This project has been completed.

T0032: The project consists of the installation of an underground conveyor belt running outside of the storage boxes in Yard No. 6, with feeding points of access directly connected to belt 6 and subsequently to the shipment system. While this is an operating improvement, the project has an environmental component as it includes the implementation of conveyor belt No. 6 from Yard No. 6, which is an action to control emissions as per the commitments within the Tocopilla EDP. This project is at the start-up stage.

T0034: The project seeks to make all the investments associated with maintaining the port's operating capacity, guaranteeing high equipment availability for shipment purposes. While this is an operating improvement, the project also has an environmental component. The project consists of the replenishment and/or replacement of the impaired wind barrier membranes in Yard No. 3, which is an action to control emissions, as committed to in the Tocopilla EDP. This project has been completed.



Note 23 Environment (continued)

23.3 Description of each project, indicating whether these are in process or have been finished, continued

T0036: The project involves the installation of rainwater collection channels in the storage warehouses and engineering that studies the possibility of storing multiple products in a single silo and the possibility of installing vibrating floors that enable free runoff of the product, thereby preventing the risks of manual operation and the effect that this provokes in shipments. This project has been completed.

T0042: To comply with Article 13 of Supreme Decree No. 70/2010, Tocopilla EDP must incorporate dust collectors on the TV-1 and TV-2 hoppers in yard Nos.8 and 9.

T0045: The conveyor belts in yard numbers 8 and 9 will be completed by being connected to conveyor belt no. 5 and thus forming part of the shipment system. This involves the extension, connection and overhaul of conveyor belt no. 5, together with the connection to pan feeder 3 and the corresponding improvements to become an integral part of the shipment system. This will be done in compliance with the environmental regulations established in the Tocopilla Decontamination Plan. Atmospheric Decontamination Plan for the City of Tocopilla and surrounding area Supreme Decree No. 70/2010, Art.13 II.3. This project is in progress.

T0050: The loose earth soil around the storage warehouse in yard 17 is uneven, which creates operational difficulties and poses a risk both for the warehouse and operationally. The area of land to be paved measures 2100 m². Construction of a hazardous waste yard is also considered. This project is in progress.

SQM Nitratos S.A.

I0127: By installing a reverse osmosis system or a process that enables the recovery of industrial water and that reduces the hardness of the water for cleaning the equipment, we can reuse this water to wash equipment again, thereby reducing the damage to the electrical systems of the equipment as a result of corrosion.

SQM Salar S.A.

C0023: A new plant extension is to be built with the capacity for 7,000 TPA of product. This project is in progress.

L0122: The project considers the change in flow meters to the new standard in addition to adding standby flow meters. This project is in progress.

L0147: This project contemplates the elimination of these unauthorized industrial waste storage points. This work will be undertaken with an external company that works in separation, organization and packaging of different industrial waste according to the RCA and legislation in force, to be removed from the same points until final disposal offsite.

**Note 24 Other current and non-current non-financial assets**

As of March 31, 2018, and December 31, 2017, the detail of other current and non-current assets is as follows:

Other non-financial assets, current	3/31/2018	12/31/2017
	ThUS\$	ThUS\$
Domestic Value Added Tax	10,651	7,488
Foreign Value Added Tax	5,945	5,122
Prepaid mining licenses	8,068	1,205
Prepaid insurance	4,754	2,446
Other prepayments	2,016	1,443
Refund of Value Added Tax to exporters	3,540	4,937
Other taxes	3,550	4,027
Other assets	550	215
Total	39,074	26,883

Other non-financial assets, non-current	3/31/2018	12/31/2017
	ThUS\$	ThUS\$
Stain development expenses and prospecting expenses (1)	14,195	17,721
Guarantee deposits	798	771
Other assets	740	770
Total	15,733	19,262

1) Reconciliation of changes in assets for exploration and mineral resource evaluation, by type

Movements in assets for the exploration and evaluation of mineral resources as of March 31, 2018, and December 31, 2017:

Reconciliation	3/31/2018	12/31/2017
	ThUS\$	ThUS\$
Opening balance	17,721	23,008
Changes		
Additions, other than business combinations	-	-
Increase (decrease) due to transfers and other charges	(3,526)	(5,287)
Total changes	(3,526)	(5,287)
Total	14,195	17,721

As of the presentation date, no reevaluations of assets for exploration and assessment of mineral resources have been conducted.



Note 25 Reportable segments

25.1 Reportable segments

General information:

The amount of each item presented in each operating segment is equal to that reported to the maximum authority that makes decisions regarding the operation, in order to decide on the allocation of resources to the defined segments and to assess its performance.

These operating segments mentioned are consistent with the way the Company is managed and how results will be reported by the Company. These segments reflect separate operating results that are regularly reviewed by the person responsible for operational decisions in order to make decisions about the resources to be allocated to the segment and assess its performance (See Note 25.2).

The performance of each segment is measured based on net income and revenues. Sales between segments are conducted using terms and conditions at current market rates.

Factors used to identify segments on which a report should be presented:

The segments covered in the report are strategic business units that offer different products and services. These are managed separately because each business requires different technology and marketing strategies.

Description of the types of products and services from which each reportable segment obtains its income from ordinary activities

The operating segments, which obtain income from ordinary activities, generate expenses and whose operating results are reviewed on a regular basis by the maximum authority who makes decisions regarding operations, relate to the following groups of products:

1. Specialty plant nutrients
2. Iodine and its derivatives
3. Lithium and its derivatives
4. Industrial chemicals
5. Potassium
6. Other products and services

Description of income sources for all the other segments

Information regarding assets, liabilities, profits and expenses that cannot be assigned to the segments indicated above, due to the nature of production processes, is included under the "Unassigned amounts" category of the disclosed information.

Basis of accounting for transactions between reportable segments

Sales between segments are made under the same conditions as those made to third parties, and how they are presented in the income statement is constantly monitored.



Note 25 Reportable segments (continued)

25.1 Reportable segments, continued

Description of the nature of the differences between measurements of results of reportable segments and the result of the entity before the expense or income tax expense of incomes and discontinued operations.

The information reported in the segments is extracted from the Company's consolidated financial statements and therefore there is no need to prepare reconciliations between the data mentioned above and those reported in the respective segments, according to what is stated in paragraph 28 of IFRS 8, "Operating Segments".

For the process of cost allocation in inventory valuation, we identify the direct costs (can be assigned directly to a product) and the common costs (belong to processes of co-production, for example costs of common leaching for the production of iodine and nitrates). The direct costs are directly associated with the product and the common costs are allocated using percentages of sales, prices and inventory rotation.

The allocation of other common costs that are not included in the inventory valuation process, but go straight to the cost of sales, use similar criteria: the costs associated with a product or sales in particular are assigned to that particular product or sales, and the common costs associated with different products or business lines are allocated according to the sales.

Description of the nature of the differences between measurements of assets of reportable segments and the Company's assets

Assets are not shown classified by segments, as this information is not readily available, Some of these assets are not separable by the type of activity by which they are affected since this information is not used by management in decision-making with respect to resources to be allocated to each defined segment, All assets are disclosed in the "unallocated amounts" category.

Description of the nature of the differences between measurements of liabilities of reportable segments and the Company's liabilities

Liabilities are not shown classified by segments, as this information is not readily available, Some of these liabilities are not separable by the type of activity by which they are affected, since this information is not used by management in decision-making regarding resources to be allocated to each defined segment. All liabilities are disclosed in the "unallocated amounts" category.



Note 25 Reportable segments (continued)

25.2 Reportable segment disclosures:

3/31/2018											
Operating segment items	Specialty plant nutrients	Iodine and its derivatives	Lithium and its derivatives	Industrial chemicals	Potassium	Other products and services	Reportable segments	Operating segments	Elimination of inter-segments amounts	Unallocated amounts	Total 3/31/2018
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revenue	187,871	74,718	164,208	29,472	52,222	10,233	518,724	518,724	-	-	518,724
Revenues from transactions with other operating segments of the same entity	109,679	105,710	163,034	21,520	46,028	48,986	494,957	494,957	(494,957)	-	-
Revenues from external customers and transactions with other operating segments of the same entity	297,550	180,428	327,242	50,992	98,250	59,219	1,013,681	1,013,681	(494,957)	-	518,724
Costs of sales	(150,928)	(52,586)	(46,320)	(21,876)	(44,456)	(9,881)	(326,047)	(326,047)	-	-	(326,047)
Administrative expenses	-	-	-	-	-	-	-	-	1,385	(26,569)	(25,184)
Interest expense	-	-	-	-	-	-	-	-	11,851	(24,568)	(12,717)
Depreciation and amortization expense	(26,427)	(9,170)	(8,271)	(3,852)	(7,820)	(1,713)	(57,253)	(57,253)	-	(23)	(57,275)
The entity's interest in the profit or loss of associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	-	-	-	4,422	4,422
Income tax expense, continuing operations	-	-	-	-	-	-	-	-	(4,454)	(42,837)	(47,291)
Other items other than significant cash	36,943	22,132	117,888	7,596	7,766	352	192,677	192,677	(255,862)	224,359	161,174
Income (loss) before taxes	36,943	22,132	117,888	7,596	7,766	352	192,677	192,677	(260,316)	181,522	113,883
Net income (loss) from continuing operations	36,943	22,132	117,888	7,596	7,766	352	192,677	192,677	(260,316)	181,522	113,883
Net income (loss) from discontinued operations	-	-	-	-	-	-	-	-	-	-	-
Net income (loss)	-	-	-	-	-	-	-	-	(6,292,629)	10,616,240	4,323,611
Assets	-	-	-	-	-	-	-	-	(3,612,786)	3,765,851	153,065
Equity-accounted investees	-	-	-	-	-	-	-	-	-	(5,110)	(5,110)
Increase of non-current assets	-	-	-	-	-	-	-	-	-	-	-
Liabilities	-	-	-	-	-	-	-	-	(2,434,287)	4,504,925	2,070,638
Impairment loss recognized in profit or loss	(4,612)	(1,825)	(334)	(961)	(337)	2	(8,067)	(8,067)	-	598	(7,469)
Reversal of impairment losses recognized in profit or loss for the period	-	-	-	-	-	-	-	-	-	-	-
Cash flows from (used in) operating activities	-	-	-	-	-	-	-	-	-	127,362	127,362
Cash flows from (used in) investing activities	-	-	-	-	-	-	-	-	-	(122,360)	(122,360)
Cash flows from (used in) financing activities	-	-	-	-	-	-	-	-	-	(63,000)	(63,000)



Note 25 Reportable segments (continued)

25.2 Reportable segment disclosures, continued

Operating segment items	3/31/2017										
	Specialty plant nutrients ThUS\$	Iodine and its derivatives ThUS\$	Lithium and its derivatives ThUS\$	Industrial chemicals ThUS\$	Potassium ThUS\$	Other products and services ThUS\$	Reportable segments ThUS\$	Operating segments ThUS\$	Unallocated amounts ThUS\$	Elimination of inter-segments amounts ThUS\$	Total 3/31/2017 ThUS\$
Revenue	137,825	66,006	146,422	51,777	107,979	8,582	518,591	518,591	-	-	518,591
Revenues from transactions with other operating segments of the same entity	33,097	54,734	124,998	74,536	72,319	47,863	407,547	407,547	(407,547)	-	-
Revenues from external customers and transactions with other operating segments of the same entity	170,922	120,740	271,420	126,313	180,298	56,445	926,138	926,138	(407,547)	-	518,591
Costs of sales	(109,627)	(57,019)	(39,417)	(33,532)	(93,913)	(7,140)	(340,648)	(340,648)	-	-	(340,648)
Administrative expenses	-	-	-	-	-	-	-	-	1,285	(23,495)	(22,210)
Interest expense	-	-	-	-	-	-	-	-	16,075	(28,713)	(12,638)
Depreciation and amortization expense	(20,147)	(10,926)	(8,967)	(6,151)	(17,410)	(1,308)	(64,909)	(64,909)	-	(23)	(64,934)
The entity's interest in the profit or loss of associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	-	-	(179)	4,834	4,655
Income tax expense, continuing operations	-	-	-	-	-	-	-	-	(1,073)	(42,218)	(43,291)
Other items other than significant cash	28,198	8,987	107,005	18,245	14,066	1,442	177,943	177,943	(182,789)	151,179	146,333
Income (loss) before taxes	28,198	8,987	107,005	18,245	14,066	1,442	177,943	177,943	(183,862)	108,961	103,042
Net income (loss) from continuing operations	28,198	8,987	107,005	18,245	14,066	1,442	177,943	177,943	(183,862)	108,961	103,042
Net income (loss) from discontinued operations	28,198	8,987	107,005	18,245	14,066	1,442	177,943	177,943	(183,862)	108,961	103,042
Net income (loss)	-	-	-	-	-	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	(6,648,912)	10,898,409	4,247,497
Equity-accounted investees	-	-	-	-	-	-	-	-	(2,834,535)	2,962,923	128,388
Increase of non-current assets	-	-	-	-	-	-	-	-	-	-	-
Liabilities	-	-	-	-	-	-	-	-	(3,536,186)	5,529,679	1,993,493
Impairment loss recognized in profit or loss	45	(218)	(276)	28	(399)	(21)	(841)	(841)	-	(2,657)	(3,498)
Reversal of impairment losses recognized in profit or loss for the period	-	-	-	-	-	-	-	-	-	-	-
Cash flows from (used in) operating activities	-	-	-	-	-	-	-	-	118,885	-	118,885
Cash flows from (used in) investing activities	-	-	-	-	-	-	-	-	(78,802)	-	(78,802)
Cash flows from (used in) financing activities	-	-	-	-	-	-	-	-	(40,726)	-	(40,726)



Note 25 Reportable segments (continued)

25.3 Statement of comprehensive income classified by reportable segments based on groups of products

Items in the statement of comprehensive income	3/31/2018							
	Specialty plant nutrients ThUS\$	Iodine and its derivatives ThUS\$	Lithium and its derivatives ThUS\$	Industrial chemicals ThUS\$	Potassium ThUS\$	Other products and services ThUS\$	Corporate Unit ThUS\$	Total segments and Corporate unit ThUS\$
Revenue	187,871	74,718	164,208	29,472	52,222	10,233	-	518,724
Cost of sales	(150,928)	(52,586)	(46,320)	(21,876)	(44,456)	(9,881)	-	(326,047)
Gross profit	36,943	22,132	117,888	7,596	7,766	352	-	192,677
Other incomes by function	-	-	-	-	-	-	4,560	4,560
Administrative expenses	-	-	-	-	-	-	(25,184)	(25,184)
Other expenses by function	-	-	-	-	-	-	(6,461)	(6,461)
Other gains (losses)	-	-	-	-	-	-	(278)	(278)
Financial income	-	-	-	-	-	-	4,669	4,669
Financial costs	-	-	-	-	-	-	(12,717)	(12,717)
interest in the profit or loss of associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	4,422	4,422
Exchange differences	-	-	-	-	-	-	(514)	(514)
Profit (loss) before taxes	36,943	22,132	117,888	7,596	7,766	352	(31,503)	161,174
Income tax expense	-	-	-	-	-	-	(47,291)	(47,291)
Profit (loss) from continuing operations	36,943	22,132	117,888	7,596	7,766	352	(78,794)	113,883
Profit (loss) from discontinued operations	-	-	-	-	-	-	-	-
Profit (loss)	36,943	22,132	117,888	7,596	7,766	352	(78,794)	113,883
Profit (loss), attributable to								
Profit (loss) attributable to the controller's owners	-	-	-	-	-	-	-	113,825
Profit (loss) attributable to the non-controllers	-	-	-	-	-	-	-	58
Profit (loss)	-	-	-	-	-	-	-	113,883



Note 25 Reportable segments (continued)

25.3 Statement of comprehensive income classified by reportable segments based on groups of products, continued

Items in the statement of comprehensive income	3/31/2017							
	Specialty plant nutrients ThUS\$	Iodine and its derivatives ThUS\$	Lithium and its derivatives ThUS\$	Industrial chemicals ThUS\$	Potassium ThUS\$	Other products and services ThUS\$	Corporate Unit ThUS\$	Total segments and Corporate unit ThUS\$
Revenue	137,825	66,006	146,422	51,777	107,979	8,582	-	518,591
Cost of sales	(109,627)	(57,019)	(39,417)	(33,532)	(93,913)	(7,140)	-	(340,648)
Gross profit	28,198	8,987	107,005	18,245	14,066	1,442	-	177,943
Other incomes by function	-	-	-	-	-	-	1,395	1,395
Administrative expenses	-	-	-	-	-	-	(22,210)	(22,210)
Other expenses by function	-	-	-	-	-	-	(5,775)	(5,775)
Other gains (losses)	-	-	-	-	-	-	(1,077)	(1,077)
Financial income	-	-	-	-	-	-	2,372	2,372
Financial costs	-	-	-	-	-	-	(12,638)	(12,638)
interest in the profit or loss of associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	4,655	4,655
Exchange differences	-	-	-	-	-	-	1,668	1,668
Profit (loss) before taxes	28,198	8,987	107,005	18,245	14,066	1,442	(31,610)	146,333
Income tax expense	-	-	-	-	-	-	(43,291)	(43,291)
Profit (loss) from continuing operations	28,198	8,987	107,005	18,245	14,066	1,442	(74,901)	103,042
Profit (loss) from discontinued operations	-	-	-	-	-	-	-	-
Profit (loss)	28,198	8,987	107,005	18,245	14,066	1,442	(74,901)	103,042
Profit (loss), attributable to								
Profit (loss) attributable to the controller's owners	-	-	-	-	-	-	-	103,232
Profit (loss) attributable to the non-controllers	-	-	-	-	-	-	-	(190)
Profit (loss)	-	-	-	-	-	-	-	103,042

Note 25 Reportable segments (continued)

25.4 Revenue from transactions with other Company's operating segments

Items in the statement of comprehensive income	3/31/2018						Total segments and Corporate unit ThUS\$
	Specialty plant nutrients ThUS\$	Iodine and its derivatives ThUS\$	Lithium and its derivatives ThUS\$	Industrial chemicals ThUS\$	Potassium ThUS\$	Other products and services ThUS\$	

Revenue	36,943	22,132	117,888	7,596	7,766	352	192,677
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Items in the statement of comprehensive income	3/31/2017						Total segments and Corporate unit ThUS\$
	Specialty plant nutrients ThUS\$	Iodine and its derivatives ThUS\$	Lithium and its derivatives ThUS\$	Industrial chemicals ThUS\$	Potassium ThUS\$	Other products and services ThUS\$	

Revenue	28,198	8,987	107,005	18,245	14,066	1,442	177,943
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25.5 Disclosures on geographical areas

As indicated in paragraph 33 of IFRS 8, the entity discloses geographical information on its revenue from operating activities with external customers and from non-current assets that are not financial instruments, deferred income tax assets, assets related to post-employment benefits or rights derived from insurance contracts.

25.6 Disclosures on main customers

With respect to the degree of dependency of the Company on its customers, in accordance with paragraph N° 34 of IFRS N° 8, the Company has no external customers who individually represent 10% or more of its revenue, Credit risk concentrations with respect to trade and other accounts receivable are limited due to the significant number of entities in the Company's portfolio and its worldwide distribution, The Company's policy requires guarantees (such as letters of credit, guarantee clauses and others) and/or to maintain insurance policies for certain accounts as deemed necessary by the Company's Management.

Note 25 Reportable segments (continued)

25.7 Segments by geographical areas as of March 31, 2018 and 2017

Items	3/31/2018					Total ThUS\$
	CHILE ThUS\$	Latin America and the Caribbean ThUS\$	Europe ThUS\$	North America ThUS\$	Asia and others ThUS\$	
Revenue	27,986	29,378	123,772	118,285	219,303	518,724
Investment accounted for under the equity method	(5,564)	30,116	35,988	15,685	76,840	153,065
Intangible assets other than goodwill	104,772	-	458	173	-	105,403
Goodwill	23,731	6,290	11,374	724	2,058	44,177
Property, plant and equipment, net	1,410,595	320	3,810	2,613	24,915	1,442,253
Investment property	-	-	-	-	-	-
Other non-current assets	15,706	27	-	-	-	15,733
Non-current assets that are not financial instruments	1,549,240	36,753	51,630	19,195	103,813	1,760,631

Items	3/31/2017					Total ThUS\$
	CHILE ThUS\$	Latin America and the Caribbean ThUS\$	Europe ThUS\$	North America ThUS\$	Asia and others ThUS\$	
Revenue	28,690	57,412	100,398	120,802	211,289	518,591
Investment accounted for under the equity method	(5,014)	17,311	30,123	13,305	72,663	128,388
Intangible assets other than goodwill	108,600	-	544	206	-	109,350
Goodwill	23,731	6,290	11,374	724	2,058	44,177
Property, plant and equipment, net	1,482,256	230	3,551	2,536	1,456	1,490,029
Investment property	-	-	-	-	-	-
Other non-current assets	23,229	144	-	3	-	23,376
Non-current assets that are not financial instruments	1,632,802	23,975	45,592	16,774	76,177	1,795,320

Note 25 Reportable segments (continued)

25.8 Property, plant and equipment classified by geographical areas

The company's main production facilities are located near their mines and extraction facilities in northern Chile, The following table presents the main production facilities as of March 31, 2018 and December 31, 2017:

Location	Products
- Pedro de Valdivia	: Production of iodine and nitrate salts
- María Elena	: Production of iodine and nitrate salts
- Coya Sur	: Production of nitrate salts
- Nueva Victoria	: Production of iodine and nitrate salts
- Salar de Atacama	: Potassium chloride, lithium chloride, boric acid and potassium sulfate
- Salar del Carmen	: Production of lithium carbonate and lithium hydroxide
- Tocopilla	: Port facilities

**Note 26 Gains (losses) from operating activities in the statement of income by function of expenses, included according to their nature****26.1 Revenue**

	3/31/2018 ThUS\$	3/31/2017 ThUS\$
Products	517,114	516,935
Services	1,610	1,656
Total	518,724	518,591

26.2 Cost of sales

	3/31/2018 ThUS\$	3/31/2017 ThUS\$
Raw materials and consumables used	<u>(61,615)</u>	<u>(55,055)</u>
Classes of employee benefit expenses		
Personnel expenses	(49,676)	(36,448)
Depreciation expense	(54,868)	(60,647)
Amortization expense	(664)	(680)
Ground study amortization expense	(1,720)	(469)
Variation in inventory provision	(8,058)	317
Operating leases	(20,764)	(17,793)
Investment plan expenses	(8,001)	(2,899)
Contractors	(19,982)	(17,272)
Mining concessions	(1,320)	(1,857)
Operations transport	(14,567)	(16,428)
Freight and product transport costs	(11,356)	(14,655)
Purchase of products from third parties	(48,268)	(35,495)
Insurance	(1,900)	(2,915)
CORFO rights	(12,404)	(12,008)
Export costs	(22,421)	(21,880)
Variation in inventory	21,583	(33,732)
Other expenses, by nature	(10,046)	(10,732)
Total	(326,047)	(340,648)

**Note 26 Gains (losses) from operating activities in the statement of income by function of expenses, included according to their nature, (continued)****26.3 Other income**

	3/31/2018	3/31/2017
	ThUS\$	ThUS\$
Discounts obtained from suppliers	174	82
Fines charged to suppliers	147	13
Amounts recovered from insurance	191	-
Overestimate of provisions for third-party obligations	-	22
Sale of property, plant and equipment	331	200
Sale of materials, spare parts and supplies	2	(35)
Overestimate of inventory provision	-	6
Options on mining claims	2,928	872
Interest charged to direct customers	32	-
Easements, pipelines and roads	1	1
Non-conventional renewable energy	-	35
Reimbursement mining licenses and notary expenses	-	7
Miscellaneous services	-	4
Other operating income	754	188
Total	4,560	1,395

26.4 Administrative expenses

	3/31/2018	3/31/2017
	ThUS\$	ThUS\$
Employee benefit expenses by nature		
Remuneration and benefits to employees	(13,910)	(11,614)
Amortization expenses	(3)	(2)
Advisory services	(279)	(340)
Audit fees	(554)	(22)
Marketing costs	(750)	(310)
Rent buildings and facilities	(290)	(145)
Advertising expenses	(149)	(4)
Other expenses, by nature	(9,249)	(9,773)
Total	(25,184)	(22,210)



Note 26 Gains (losses) from operating activities in the statement of income by function of expenses, included according to their nature (continued)

26.5 Other expenses by function

	12/31//2017 ThUS\$	3/31/2017 ThUS\$
Classes of Employee Benefit Expenses		
Depreciation and amortization expense		
Depreciation of assets not in use	(22)	(21)
Subtotal	(22)	(21)
Impairment losses (reversals of impairment losses) recognized in profit (loss) for the year		
Impairment of doubtful accounts	599	(2,657)
Subtotal	599	(2,657)
Other expenses, by nature		
Legal expenses	(1,372)	(523)
VAT and other unrecoverable taxes	(322)	(246)
Fines, interest and VAT	(146)	(631)
Advisory services	(19)	(18)
Investment plan expenses	(3,666)	(1,113)
Donations not accepted as tax credit	(1,080)	(418)
Provision for inventory of materials, spare parts and supplies	-	134
Termination benefits paid	-	(153)
Other operating expenses	(433)	(129)
Subtotal	(7,038)	(3,097)
Total	(6,461)	(5,775)

26.6 Other income (expenses)

	3/31/2018 ThUS\$	3/31/2017 ThUS\$
Adjust previous year application method of participation	(1,505)	258
Termination expenses	-	192
Other gains (losses)	1,227	(1,527)
Total	(278)	(1,077)



Note 26 Gains (losses) from operating activities in the statement of income by function of expenses, included according to their nature (continued)

This table corresponds to the summary required by the CMF and considers notes 26.2, 26.4 and 26.5.

26.7 Summary of expenses by nature

	January to March	
	2018	2017
	ThUS\$	ThUS\$
Raw materials and consumables	(61,615)	(55,055)
Classes of Employee Benefit Expenses		
Personnel expenses	(63,586)	(48,062)
Depreciation and amortization expense		
Depreciation expense	(54,890)	(60,669)
Amortization expense	(667)	(682)
Ground study amortization expense	(1,720)	(469)
Variation in inventory provision	(8,058)	317
Impairment of uncollectible debts	599	(2,657)
Operating leases	(20,764)	(17,793)
Fines paid	(146)	(631)
Investment plan expenses	(11,667)	(4,012)
Contractors	(19,982)	(17,272)
Mining concessions	(1,320)	(1,857)
Operation transport	(14,567)	(16,428)
Freight and product transport costs	(11,356)	(14,655)
Purchase of products from third parties	(48,268)	(35,495)
Insurance	(1,900)	(2,915)
CORFO rights	(12,404)	(12,008)
Export costs	(22,421)	(21,880)
Advisory services	(279)	(340)
Audit fees	(554)	(22)
Marketing costs	(750)	(310)
Lease of offices and facilities	(290)	(145)
Advertising costs	(149)	(4)
Variation in inventory	21,583	(33,732)
Other expenses, by nature	(22,521)	(21,858)
Other expenses by nature	(357,692)	(368,633)



Note 26 Gains (losses) from operating activities in the statement of income by function of expenses, included according to their nature (continued)

26.8 Finance expenses

	January to March	
	2017	2016
	THUS\$	THUS\$
Interest expense from bank borrowings and overdrafts	(410)	(421)
Interest expense from bonds	(12,312)	(12,895)
Interest expense from loans	(528)	(283)
Capitalized interest expenses	1,095	1,380
Other finance costs	(562)	(419)
Total	(12,717)	(12,638)

**Note 27 Income tax and deferred taxes**

Accounts receivable from taxes as of March 31, 2018 and December 31, 2017, are as follows:

27.1 Current and non-current tax assets

a) Current tax assets

	3/31/2018 ThUS\$	12/31/2017 ThUS\$
Monthly provisional income tax payments, Chilean companies	26,593	17,613
Monthly provisional payment Royalty	1,119	588
Monthly provisional income tax payments, foreign companies	1,701	1,644
Corporate tax credits (1)	1,729	944
Taxes in recovery process	12,406	11,502
Total	43,548	32,291

b) Non-current tax assets

	3/31/2018 ThUS\$	12/31/2017 ThUS\$
Monthly provisional income tax payments, Chilean companies	6,398	6,398
Specific tax on mining activities paid (on consignment)	25,781	25,781
Total	32,179	32,179

- (1) These credits are available to companies and relate to the corporate tax payment in April of the following year. These credits include, amongst other items, training expense credits (SENCE) and property, plant and equipment acquisition credits that are equivalent to 4% of the property, plant and equipment purchases made during the year. In addition, some credits relate to the donations the Group has made during 2017 and 2016.

**Note 27 Income tax and deferred taxes (continued)****27.1 Current and non-current tax assets, continued****27.2 Current tax liabilities**

Current tax liabilities	3/31/2018	12/31/2017
	ThUS\$	ThUS\$
1st Category income tax	68,670	45,479
Foreign company income tax	36,307	28,996
Article 21 single tax	640	927
Total	105,617	75,402

Income tax is calculated based on the profit or loss for tax purposes that is applied to the effective tax rate applicable in Chile. As established by Law No.20,780, an income tax rate of 21% was set starting from 2014, a rate of 22.5% for 2015, a rate of 24% for 2016, a rate of 25.5% for 2017, and a rate of 27% starting from 2018.

The income tax rate for the main countries where the Company operates is presented below:

Country	Income tax 2017	Income tax 2016
Spain	25%	25%
Belgium	33.99%	33.99%
Mexico	30%	30%
United States	21% + 6%	34%+6%
South Africa	28%	28%

For 2018, the applicable Royalty rate ranges from an average of 5% to 14% on the mine operational margin (14% for margins above 96.77% of the mine operating margin on revenues). For 2017, the applicable rate was 5%.



Note 27 Income tax and deferred taxes (continued)

27.3 Income tax and deferred taxes

Assets and liabilities recognized in the statement of financial position are offset if and only if:

- 1 The Company has legally recognized before the right of the tax authority to offset the amounts recognized in these entries; and
- 2 Deferred income tax assets and liabilities are derived from income tax related to the same tax authority on:
 - (i) the same entity or tax subject; or
 - (ii) different entities or tax subjects who intend either to settle current fiscal assets and liabilities for their net amount, or to realize assets and pay liabilities simultaneously in each of the future periods in which the Company expects to settle or recover significant amounts of deferred tax assets or liabilities.

Recognized deferred income tax assets are the income taxes that are to be recovered in future periods, related to:

- a) deductible temporary differences.
- b) the offsetting of losses obtained in prior periods and not yet subject to tax deduction; and
- c) the offsetting of unused credits from prior periods.

The Company recognizes a deferred tax asset when there is certainty that these can be offset with tax income from subsequent periods, losses or fiscal credits not yet used, but solely as long as it is more likely than not that there will be tax earnings in the future against which to charge these losses or unused fiscal credits.

Recognized deferred tax liabilities refer to the amounts of income taxes payable in future periods related to taxable temporary differences.

**Note 27 Income tax and deferred taxes (continued)****27.3 Income tax and deferred taxes, continued**

d.1) Income tax assets and liabilities as of March 31, 2018 are detailed as follows:

Description of deferred tax assets and liabilities	Net liability position	
	Assets	Liabilities
	ThUS\$	ThUS\$
Unrealized loss	-	(72,892)
Property, plant and equipment and capitalized interest	204,840	-
Facility closure provision	-	(3,854)
Manufacturing expenses	105,296	-
Staff severance indemnities ,unemployment insurance	6,753	-
Vacation accrual	-	(4,653)
Inventory provision	-	(26,726)
Materials provision	-	(7,504)
Forwards	-	(2,546)
Employee benefits	-	(2,926)
Research and development expenses	2,859	-
Accounts receivable	-	(4,746)
Provision for legal complaints and expenses	-	(4,029)
Loan approval expenses	2,559	-
Junior mining companies (valued based on stock price)	2,017	-
Royalty	4,337	-
Tax loss benefit	-	(1,524)
Other	380	-
Foreign items (other)	-	(1,771)
Balances to date	329,041	(133,171)
Net balance	195,870	-

**Note 27 Income tax and deferred taxes (continued)****27.3 Income tax and deferred taxes, continued**

d.2) Income tax assets and liabilities as of December 31, 2017 are detailed as follows

Description of deferred tax assets and liabilities	Net liability position	
	Assets	Liabilities
	ThUS\$	ThUS\$
Unrealized loss	-	(68,544)
Property, plant and equipment and capitalized interest	211,435	-
Facility closure provision	-	(3,469)
Manufacturing expenses	102,748	-
Staff severance indemnities ,unemployment	6,792	-
Vacation accrual	-	(4,887)
Inventory provision	-	(25,098)
Materials provision	-	(7,107)
Forwards	-	(624)
Employee benefits	-	(2,317)
Research and development expenses	3,501	-
Accounts receivable	-	(4,222)
Provision for legal complaints and expenses	-	(10,750)
Loan approval expenses	2,670	-
Junior mining companies (valued based on stock price)	2,474	-
Royalty	4,084	-
Tax loss benefit	-	(1,437)
Other	544	-
Foreign items (other)	-	(510)
Balances to date	334,248	(128,965)
Net balance	205,283	-



Note 27 Income tax and deferred taxes (continued)

27.3 Income tax and deferred taxes, continued

d.3) Reconciliation of changes in deferred tax liabilities (assets) as of March 31, 2018

	Deferred tax liability (asset) at beginning of period	Deferred tax expense (benefit) recognized in profit (loss) for the year	Deferred taxes related to items credited (charged) directly to equity	Total increases (decreases) in deferred tax liabilities (assets)	Deferred tax liability (asset) at end of period
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Unrealized loss	(68,544)	(4,348)	-	(4,348)	(72,892)
Property, plant and equipment and capitalized interest	211,435	(6,595)	-	(6,595)	204,840
Facility closure provision	(3,469)	(385)	-	(385)	(3,854)
Manufacturing expenses	102,748	2,548	-	2,548	105,296
Individual savings plans, unemployment insurance	6,792	271	(310)	(39)	6,753
Vacation accrual	(4,887)	234	-	234	(4,653)
Inventory provision	(25,098)	(1,628)	-	(1,628)	(26,726)
Materials provision	(7,107)	(397)	-	(397)	(7,504)
Forwards	(624)	(1,922)	-	(1,922)	(2,546)
Employee benefits	(2,317)	(609)	-	(609)	(2,926)
Research and development expenses	3,501	(642)	-	(642)	2,859
Accounts receivable	(4,222)	(524)	-	(524)	(4,746)
Provision for legal complaints and expenses	(10,750)	6,721	-	6,721	(4,029)
Loan approval expenses	2,670	(111)	-	(111)	2,559
Junior mining companies (valued based on stock price)	2,474	-	(457)	(457)	2,017
Royalty	4,084	253	-	253	4,337
Tax loss benefit	(1,437)	(87)	-	(87)	(1,524)
Other	544	(164)	-	(164)	380
Foreign items (other)	(510)	(1,261)	-	(1,261)	(1,771)
Total temporary differences, unused losses and unused tax credits	205,283	(8,646)	(767)	(9,413)	195,870



Note 27 Income tax and deferred taxes (continued)

27.3 Income tax and deferred taxes, continued

d.4) Reconciliation of changes in deferred tax liabilities (assets) as of December 31, 2017

	Deferred tax liability (asset) at beginning of period	Deferred tax expense (benefit) recognized in profit (loss) for the year	Deferred taxes related to items credited (charged) directly to equity	Total increases (decreases) in deferred tax liabilities (assets)	Deferred tax liability (asset) at end of period
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Unrealized loss	(86,156)	17,612	-	17,612	(68,544)
Property, plant and equipment and capitalized interest	225,124	(13,689)	-	(13,689)	211,435
Facility closure provision	(1,590)	(1,879)	-	(1,879)	(3,469)
Manufacturing expenses	110,630	(7,882)	-	(7,882)	102,748
Individual savings plans, unemployment insurance	5,214	1,876	(298)	1,578	6,792
Vacation accrual	(4,061)	(826)	-	(826)	(4,887)
Inventory provision	(20,608)	(4,490)	-	(4,490)	(25,098)
Materials provision	(7,776)	669	-	669	(7,107)
Forwards	(10,206)	9,582	-	9,582	(624)
Employee benefits	(6,783)	4,466	-	4,466	(2,317)
Research and development expenses	4,641	(1,140)	-	(1,140)	3,501
Accounts receivable	(4,273)	51	-	51	(4,222)
Provision for legal complaints and expenses	(7,686)	(3,064)	-	(3,064)	(10,750)
Loan approval expenses	3,115	(445)	-	(445)	2,670
Junior mining companies (valued based on stock price)	1,300	624	550	1,174	2,474
Royalty	6,457	(2,389)	16	(2,373)	4,084
Tax loss benefit	(1,302)	(135)	-	(135)	(1,437)
Other	79	465	-	465	544
Foreign items (other)	(664)	154	-	154	(510)
Total temporary differences, unused losses and unused tax credits	205,455	(440)	268	(172)	205,283

During the period ended March 31, 2018 and December 31, 2017, the Company calculated and accounted for taxable income considering a rate of 24% and 22.5% respectively, in conformity with Law No, 20,780, Tax Reform, published in the Official Gazette on September 29, 2014.

The main amendments include a gradual increase in the corporate income tax rate up to 27% starting from 2018.

**Note 27 Income tax and deferred taxes (continued)****27.3 Income tax and deferred taxes, continued**

d.5) Deferred taxes related to benefits for tax losses

The Company's tax loss carryforwards (NOL carryforwards) were mainly generated by losses in Chile, which in accordance with current Chilean tax regulations have no expiration date.

As of March 31, 2018 and December 31, 2017, tax loss carryforwards (NOL carryforwards) are detailed as follows:

	3/31/2018	12/31/2017
	ThUS\$	ThUS\$
CHILE	1,524	1,437
Total	<u>1,524</u>	<u>1,437</u>

Tax losses as of March 31, 2018 correspond mainly to SQM S.A., Exploraciones Mineras S.A., SQMC S.A., Comercial Agrorama S.A., Agrorama and Orcoma SpA.

d.6) Unrecognized deferred income tax assets and liabilities

Unrecognized deferred tax assets and liabilities as of March 31, 2018 and December 31, 2017 are as follows:

	3/31/2018	12/31/2017
	ThUS\$	ThUS\$
	Assets (liabilities)	Assets (liabilities)
Tax losses (NOLs)	37	37
Doubtful accounts impairment	48	48
Inventory impairment	1,347	1,347
Pensions plan	1	1
Accrued vacations	19	19
Depreciation	(139)	(139)
Other	(36)	(36)
Balances to date	<u>1,277</u>	<u>1,277</u>



Note 27 Income tax and deferred taxes (continued)

27.3 Income tax and deferred taxes, continued

d.7) Movements in deferred tax assets and liabilities

Movements in deferred tax assets and liabilities as of March 31, 2018 and December 31, 2017 are detailed as follows:

	3/31/2018	12/31/2017
	ThUS\$	ThUS\$
	Liabilities	Liabilities
	(assets)	(assets)
Deferred tax assets and liabilities, net opening balance	205,283	205,455
Increase (decrease) in deferred taxes in profit or loss	(8,646)	(440)
Increase (decrease) in deferred taxes in equity	(767)	268
Balances to date	195,870	205,283

d.8) Disclosures on income tax expense (income)

The Company recognizes current and deferred taxes as income or expenses, and they are included in profit or loss, unless they arise from:

- (a) a transaction or event recognized in the same period or in a different period, outside profit or loss either in other comprehensive income or directly in equity; or
- (b) a business combination

Current and deferred tax expenses (income) are detailed as follows:

	3/31/2018	3/31/2017
	ThUS\$	ThUS\$
	Income	Income
	(expenses)	(expenses)
Current income tax expense		
Current income tax expense	(53,493)	(35,128)
Adjustments to prior year current income tax	(2,444)	13,560
Current income tax expense, net, total	(55,937)	(21,568)
Deferred tax expense		
Deferred tax expense (income) relating to the creation and reversal of temporary differences	8,646	(21,723)
Deferred tax expense, net, total	8,646	(21,723)
Tax expense (income)	(47,291)	(43,291)

**Note 27 Income tax and deferred taxes (continued)****27.3 Income tax and deferred taxes, continued**

Tax expenses (income) for foreign and domestic parties are detailed as follows:

	3/31/2018	3/31/2017
	ThUS\$	ThUS\$
	Income (expenses)	Income (expenses)
Current income tax expense by foreign and domestic parties, net		
Current income tax expense, foreign parties, net	(10,019)	(2,847)
Current income tax expense, domestic, net	(45,918)	(18,721)
Current income tax expense, net, total	(55,937)	(21,568)
Deferred tax expense by foreign and domestic parties, net		
Deferred tax expense, foreign parties, net	1,261	(27)
Deferred tax expense, domestic, net	7,385	(21,696)
Deferred tax expense, net, total	8,646	(21,723)
Income tax expense	(47,291)	(43,291)

d.9) Equity interest in taxation attributable to equity-accounted investees

The Company does not recognize any deferred tax liability in all cases of taxable temporary differences associated with investments in subsidiaries, branches and associated companies or interest in joint ventures, because as indicated in the standard, the following two conditions are jointly met:

- (a) the parent, investor or interest holder is able to control the time for reversal of the temporary difference; and
- (b) It is more likely than not that the temporary difference will not be reversed in the foreseeable future.

In addition, the Company does not recognize deferred income tax assets for all deductible temporary differences from investments in subsidiaries, branches and associated companies or interests in joint ventures because it is unlikely that they will meet the following requirements:

- (a) Temporary differences are reversed in a foreseeable future; and
- (b) The Company has tax earnings, against which temporary differences can be used.



Note 27 Income tax and deferred taxes (continued)

27.3 Income tax and deferred taxes, continued

d.10) Disclosures on the tax effects of other comprehensive income components:

Income tax related to other income and expense components with a charge or credit to net equity	Amount before taxes (expense) gain 3/31/2018 ThUS\$	(Expense) income for income taxes 3/31/2018 ThUS\$	Amount after taxes 3/31/2018 ThUS\$
Gain (loss) from defined benefit plans	(425)	310	(115)
Cash flow hedge	7,120	-	7,120
Reserve for gains (losses) from financial assets measured at fair value through other comprehensive income	(1,793)	457	(1,336)
Total	4,902	767	5,669

Income tax related to other income and expense components with a charge or credit to net equity	Amount before taxes (expense) gain 3/31/2017 ThUS\$	(Expense) income for income taxes 3/31/2017 ThUS\$	Amount after taxes 3/31/2017 ThUS\$
Gain (loss) from defined benefit plans	(1,274)	246	(1,028)
Total	(1,274)	246	(1,028)

d.11) Explanation of the relationship between expense (income) for tax purposes and accounting income.

Based on IAS 12, paragraph 81, letter “c”, the company has estimated that the method that reveals the most significant information for users of the financial statements is the numeric conciliation between the tax expense (income) and the result of multiplying the accounting profit by the current rate in Chile. The aforementioned election is based on the fact that the main office and subsidiaries established in Chile generate a large part of the company’s tax expense (income).

**Note 27 Income tax and deferred taxes (continued)****27.3 Income tax and deferred taxes, continued**

Reconciliation of numbers in income tax expenses (income) and the result of multiplying financial gain by the rate prevailing in Chile,

	Income (expense)	
	3/31/2018	3/31/2017
	ThUS\$	ThUS\$
Consolidated income before taxes	161,174	146,333
Income tax rate in force in Chile	27%	25.5%
Tax expense using the legal rate	(43,517)	(37,315)
Effect of royalty tax expense and passive income	(1,315)	(1,242)
Tax effect of non-taxable revenue	691	1,187
Effect of taxable rate of non-deductible expenses for determination of taxable income (loss)	(767)	(971)
Tax effect of tax rates borne abroad	(2,220)	(2,197)
Other tax effects from the reconciliation between the accounting income and tax expense	(163)	(2,753)
Tax expense using the effective rate	(47,291)	(43,291)

d.12) Tax periods potentially subject to verification:

The Group's Companies are potentially subject to income tax audits by tax authorities in each country, These audits are limited to a number of interim tax periods, which, in general, when they elapse, give rise to the expiration of these inspections,

Tax audits, due to their nature, are often complex and may require several years, Below, we provide a summary of tax periods that are potentially subject to verification, in accordance with the tax regulations in force in the country of origin:

CHILE

According to article 200 of Decree Law No 830, the taxes will be reviewed for any deficiencies in terms of payment and to generate any taxes that might arise. There is a 3-year prescriptive period for such review, dating from the expiration of the legal deadline when payment should have been made, This prescriptive period can be extended to 6 years for the revision of taxes subject to declaration, when such declaration has not been filed or has been presented with maliciously false information.

Note 27 Income tax and deferred taxes (continued)

27.3 Income tax and deferred taxes, continued

United States

In the United States, the tax authority may review tax returns for up to 3 years from the expiration date of the tax return, In the event that an omission or error is detected in the tax return of sales or cost of sales, the review can be extended for a period of up to 6 years.

SQM North America Corp., a subsidiary of the Company, is being reviewed by the United States' tax authorities. This review could lead to adjustments to the tax declarations made by the subsidiary in the United States.

Mexico:

In Mexico, the tax authority can review tax returns up to 5 years from the expiration date of the tax return.

Spain:

In Spain, the tax authority can review tax returns up to 4 years from the expiration date of the tax return.

Belgium:

In Belgium, the tax authority may review tax returns for up to 3 years from the expiration date of the tax return if no tax losses exist, In the event of detecting an omission or error in the tax return, the review can be extended for a period of up to 5 years.

South Africa:

In South Africa, the tax authority may review tax returns for up to 3 years from the expiration date of the tax return, In the event that an omission or error in the tax return is detected, the review can be extended for a period of up to 5 years.



Note 28 Disclosures on the effects of fluctuations in foreign currency exchange rates

Assets held in foreign currency subject to fluctuations in exchange rates are detailed as follows:

Class of assets	Currency	3/31/2018 ThUS	12/31/2017 ThUS\$
Current assets:			
Cash and cash equivalents	ARS	4	1
Cash and cash equivalents	BRL	25	38
Cash and cash equivalents	CLP	7,175	579
Cash and cash equivalents	CNY	2,061	1,143
Cash and cash equivalents	EUR	13,540	9,782
Cash and cash equivalents	GBP	216	55
Cash and cash equivalents	AUD	6,350	-
Cash and cash equivalents	INR	1,219	-
Cash and cash equivalents	MXN	215	258
Cash and cash equivalents	PEN	8	8
Cash and cash equivalents	THB	4	-
Cash and cash equivalents	YEN	-	1,773
Cash and cash equivalents	ZAR	4,659	4,074
Subtotal cash and cash equivalents		35,476	17,711
Other current financial assets	CLF	-	-
Other current financial assets	CLP	31,508	39,126
Subtotal other current financial assets		31,508	39,126
Other current non-financial assets	ARS	1	-
Other current non-financial assets	AUD	355	-
Other current non-financial assets	BRL	4	1
Other current non-financial assets	COP	-	30
Other current non-financial assets	CLF	48	46
Other current non-financial assets	CLP	15,005	12,172
Other current non-financial assets	CNY	53	12
Other current non-financial assets	EUR	999	235
Other current non-financial assets	MXN	1,516	1,429
Other current non-financial assets	THB	19	279
Other current non-financial assets	PEN	22	20
Other current non-financial assets	YEN	26	18
Other current non-financial assets	ZAR	1,965	2,941
Subtotal other current non-financial assets		20,013	17,183
Trade and other receivables	ARS	-	6
Trade and other receivables	BRL	23	23
Trade and other receivables	CLF	607	427
Trade and other receivables	CLP	67,649	85,837
Trade and other receivables	CNY	12,588	10,426
Trade and other receivables	EUR	59,167	49,627
Trade and other receivables	GBP	748	90
Trade and other receivables	MXN	290	195
Trade and other receivables	AED	3,446	546
Trade and other receivables	THB	1,875	791
Trade and other receivables	YEN	42,783	41,582
Trade and other receivables	ZAR	18,351	23,825
Subtotal trade and other receivables		207,527	213,375
Receivables from related parties	EUR	227	58
Receivables from related parties	THB	-	74
Receivables from related parties	CNY	217	-
Subtotal receivables from related parties		444	132



Note 28 Disclosures on the effects of fluctuations in foreign currency exchange rates
(continued)

Class of assets	Currency	3/31/2018	12/31/2017
		ThUS\$	ThUS\$
Current tax assets	ARS	-	4
Current tax assets	CLP	2,122	1,413
Current tax assets	EUR	182	183
Current tax assets	BRL	58	-
Current tax assets	ZAR	450	431
Current tax assets	MXN	51	-
Current tax assets	PEN	202	201
Subtotal current tax assets		3,065	2,232
Subtotal current assets		298,033	289,759
Non-current assets			
Other non-current financial assets	CLP	20	20
Other non-current financial assets	YEN	45	42
Subtotal other non-current financial assets		65	62
Other non-current non-financial assets	BRL	27	27
Other non-current non-financial assets	CLP	849	822
Subtotal other non-current non-financial assets		876	849
Non-current right receivable	CLF	455	209
Non-current right receivable	COP	44	47
Non-current right receivable	CLP	1,106	1,256
Subtotal non-current rights receivable		1,605	1,512
Equity-accounted investees	AED	32,536	35,414
Equity-accounted investees	EUR	8,061	8,144
Equity-accounted investees	INR	1,827	1,632
Equity-accounted investees	THB	2,728	2,491
Equity-accounted investees	TRY	24,520	21,741
Subtotal equity-accounted investees		69,672	69,422
Intangible assets other than goodwill	CLP	73	48
Intangible assets other than goodwill	CNY	-	-
Subtotal intangible assets other than goodwill		73	48
Property, plant and equipment	CLP	3,605	3,574
Subtotal property, plant and equipment		3,605	3,574
Total non-current assets		75,896	75,467
Total assets		373,929	365,226

Note 28 Disclosures on the effects of fluctuations in foreign currency exchange rates (continued)

Liabilities held in foreign currencies are detailed as follows:

Class of liability	Currency	3/31/2018		Total ThUS\$	Up to 90 days ThUS\$	12/31/2017		Total ThUS\$
		91 days to 1 year ThUS\$	91 days to 1 year ThUS\$			91 days to 1 year ThUS\$	91 days to 1 year ThUS\$	
Current liabilities								
Other current financial liabilities	CLF	-	2,283	2,283	4,947	-	-	4,947
Subtotal other current financial liabilities		-	2,283	2,283	4,947	-	-	4,947
Trade and other payables	BRL	36	-	36	37	-	-	37
Trade and other payables	THB	62	-	62	91	-	-	91
Trade and other payables	CLP	68,810	7,575	76,385	61,310	4,361	-	65,671
Trade and other payables	CNY	-	-	-	-	-	-	-
Trade and other payables	EUR	96,615	-	96,615	32,896	-	-	32,896
Trade and other payables	GBP	-	-	-	11	-	-	11
Trade and other payables	INR	-	-	-	1	-	-	1
Trade and other payables	MXN	10	-	10	13	-	-	13
Trade and other payables	PEN	8	-	8	3	-	-	3
Trade and other payables	ZAR	2,469	-	2,469	2,541	-	-	2,541
Subtotal trade and other payables		168,010	7,575	175,585	96,903	4,361	-	101,264
Other current provisions	ARS	-	-	-	-	12	-	12
Other current provisions	BRL	736	-	736	739	-	-	739
Other current provisions	CLP	25	79	104	-	80	-	80
Other current provisions	EUR	6	-	6	243	-	-	243
Subtotal other current provisions		767	79	846	982	92	-	1,074
Current tax liabilities	CLP	-	2	2	-	326	-	326
Current tax liabilities	BRL	-	-	-	-	6	-	6
Current tax liabilities	CNY	-	3	3	3	-	-	3
Current tax liabilities	EUR	-	-	-	-	644	-	644
Current tax liabilities	ZAR	276	-	276	264	-	-	264
Current tax liabilities	MXN	-	1,255	1,255	3	3,071	-	3,074
Subtotal current tax liabilities		276	1,260	1,536	270	4,047	-	4,317



Note 28 Disclosures on the effects of fluctuations in foreign currency exchange rates (continued)

Class of liability	Currency	Up to 90 days ThUS\$	3/31/2018 over 90 days to 1 year ThUS\$	Total ThUS\$	Up to 90 days ThUS\$	12/31/2017 Over 90 days to 1 year ThUS\$	Total ThUS\$
Other current non-financial liabilities	BRL	3	-	3	15	-	15
Other current non-financial liabilities	CLP	13,089	2,600	15,689	8,708	1,824	10,532
Other current non-financial liabilities	CNY	6	-	6	7	-	7
Other current non-financial liabilities	EUR	426	1,726	2,152	2,955	-	2,955
Other current non-financial liabilities	MXN	118	51	169	346	34	380
Other current non-financial liabilities	YEN	-	5	5	-	-	-
Other current non-financial liabilities	PEN	70	-	70	70	-	70
Other current non-financial liabilities	AUD	-	14	14	-	-	-
Other current non-financial liabilities	ZAR	-	-	-	12	-	12
Subtotal other current non-financial liabilities		13,712	4,396	18,108	12,113	1,858	13,971
Total current liabilities		182,765	15,593	198,358	115,215	10,358	125,573





Note 28 Disclosures on the effects of fluctuations in foreign currency exchange rates (continued)

Class of liability	Currency	3/31/2018					Total ThUS\$
		1 to 2 years ThUS\$	2 to 3 years ThUS\$	3 to 4 years ThUS\$	4 to 5 years ThUS\$	Over 5 years ThUS\$	
Non-current liabilities							
Other non-current financial liabilities	CLF	-	-	-	-	243,382	243,382
Subtotal other non-current financial liabilities		-	-	-	-	243,382	243,382
Non-current provisions for employee benefits	CLP	-	-	-	-	567	567
Non-current provisions for employee benefits	MXN	-	-	-	-	224	224
Non-current provisions for employee benefits	YEN	-	-	-	-	666	666
Subtotal non-current provisions for employee benefits		-	-	-	-	1,457	1,457
Total non-current liabilities		-	-	-	-	244,839	244,839

Class of liability	Currency	12/31/2017					Total ThUS\$
		1 to 2 years ThUS\$	2 to 3 years ThUS\$	3 to 4 years ThUS\$	4 to 5 years ThUS\$	Over 5 years ThUS\$	
Non-current liabilities							
Other non-current financial liabilities	CLF	-	-	-	-	237,279	237,279
Subtotal other non-current financial liabilities		-	-	-	-	237,279	237,279
Non-current provisions for employee benefits	CLP	-	-	-	-	601	601
Non-current provisions for employee benefits	MXN	-	-	-	-	65	65
Non-current provisions for employee benefits	YEN	-	-	-	-	626	626
Subtotal non-current provisions for employee benefits		-	-	-	-	1,292	1,292
Total non-current liabilities		-	-	-	-	238,571	238,571



Note 29 Mineral resource exploration and evaluation expenditure

Because of the nature of the operations of Sociedad Química y Minera de Chile S.A. and its subsidiaries and the type of exploration they conduct (which is different from other mining businesses, where the exploration process takes a significant amount of time), the exploration process and the definition of economic feasibility normally occur within the year. Accordingly, although expenditure is initially capitalized, it could be recognized in profit or loss for the same year should it not be technically and commercially feasible. This means that there is no significant expenditure that lacks a feasibility study at the end of the year.

Prospecting expenditure can be found in 4 different stages: execution, economically feasible, not economically feasible and under exploitation:

1. Execution: prospecting expenditures that are under execution and where the economic feasibility is not yet known are classified in the caption property, plant and equipment. As of March 31, 2018 and December 31, 2017, the balance amounted to ThUS\$17,278 and ThUS\$ 21,013, respectively,
2. Economically feasible: prospecting expenditure, which upon completion, has been determined to be economically feasible is classified in the caption non-current assets in other non-current non-financial assets. As of March 31, 2018 and December 31, 2017, this totaled ThUS\$14,195 and ThUS\$ 17,721 respectively,
3. Not economically feasible: Prospecting disbursements, which were concluded not to be economically feasible once finalized, are applied to the results. As of March 31, 2018, the amount is ThUS\$68 and as of December 31, 2017, there are no disbursements for this concept.
4. Under exploitation: Prospecting expenditure under exploitation is classified in the caption current assets in current inventories. These are amortized considering the exploited material. As of March 31, 2018 and December 31, 2017, the balance amounted to ThUS\$2,327 and ThUS\$ 521 respectively.

For the amount of capitalized expenditure, the total amount disbursed in exploration and evaluation of mineral resources as of March 31, 2018 was ThUS\$2,048, and corresponded to non-metallic projects, Such expenditure mainly corresponds to research, including topographical, geological, exploratory drilling and sampling studies.

With respect to this expenditure, the Company classifies it in accordance with paragraph 9 IFRS 6.

Exploration expenditure where the mineral has low ore grade that is not economically exploitable is debited directly to profit or loss.

If studies determine that the ore grade is economically exploitable, it is classified in other non-current assets in the caption ground studies and prospecting expenses. At the time of making the decision to exploit the zone, it is classified in the caption inventories as part of the cost of raw materials required for production purposes.

Note 30 Lawsuits and complaints

Lawsuits and complaints

During 2015, the Chilean IRS has filed several lawsuits and complaints against a number of individuals related to the so-called “SQM Case”, which are associated with the irregular financing of politicians. Amongst those affected by these legal claims are the legal representatives of the Company: the CEO, Patricio de Sominihac T. and the Vice President of Corporate Services, Ricardo Ramos R. Basically, those lawsuits and complaints relate to alleged tax crimes associated with a possible undue decrease in the taxable net income of the Company and two of its subsidiaries over the last seven years by recording as expenses in their accounting records invoices and fee receipts, which could be considered to be ideologically false. Such legal actions are also filed against the taxpayers who provided the tax documents that allowed the alleged performance of the related illicit acts. In December 2017, the Public Prosecutor confirmed that no charges will be brought against the CEO or Vice President of Corporate Services.

Actions performed by the Authority

The Public Ministry and the Chilean IRS (Servicio de Impuestos Internos (SII)) have performed a number of actions within the framework of the so-called “SQM Case”, where the Company and its executives have provided their cooperation. Several of the Company’s executives have granted access to their computers and made several statements at the request of the Prosecutors responsible for the investigation. Additionally, SQM has provided physical and digital copies of its accounting records and its subsidiaries’ accounting records. In addition, SQM has also provided the Public Ministry with its email files and all the documentation that has been required by the related authority.

Note 30 Lawsuits and complaints, (continued)

Shearman & Sterling and Ad-Hoc Committee

On February 26, 2015, the Board of Directors of SQM established an ad-hoc committee comprised of three directors (the “Ad-hoc Committee”), which was authorized to conduct an investigation on the matters described in the preceding paragraph and to request any external advisory services it deemed necessary. The original members of the Ad-hoc Committee were José María Eyzaguirre B., Juan Antonio Guzmán M. and Wolf von Appen B.

The Ad-hoc Committee hired its own legal counsel in Chile and the United States as well as forensic accountants in the United States to support its internal investigation. The U.S. attorneys hired by the Ad-hoc Committee were mainly charged with reviewing the important facts and analyzing them in the context of the United States Foreign Corrupt Practices Act (“FCPA”). However, the Ad-hoc Committee’s factual conclusions were shared with both Chilean authorities and U.S. authorities.

On December 15, 2015, the Ad-hoc Committee presented the conclusions of its investigation to the Board of Directors of SQM. In addition to discussing the facts related to the referenced payments, the Ad-hoc Committee concluded that, for the purposes of the FCPA:

- a. payments were identified that had been authorized by the former CEO of SQM for which the Company did not find sufficient supporting documentation;
- b. no evidence was identified that demonstrated that such payments were made in order to prompt a public official to act or abstain from acting in order to help SQM obtain economic benefits;
- c. in relation to the cost centers managed by the former CEO of SQM, it was concluded that the Company's books did not accurately reflect the transactions in question but that these transactions were determined to be quantitatively immaterial in comparison to SQM's equity, sales, expenses and profits during that period; and that
- d. SQM's internal controls were insufficient to supervise the expenses within the cost center managed by the former CEO of SQM and relied on the proper use of resources by Patricio Contesse G. himself.

After the Ad-hoc Committee presented its conclusions to the Board of Directors, the Company voluntarily shared these conclusions with the Chilean and U.S. Authorities (including the SEC and the U.S. Department of Justice (“DOJ”)) and has since collaborated by handing over documents and additional information requested by these authorities regarding this investigation.”

Note 30 Lawsuits and complaints, (continued)

Investigation by the Department of Justice and the Securities Exchange Commission

SQM informed the US regulating entities (Department of Justice and Securities and Exchange Commission) about the investigation being performed by Shearman & Sterling, in conformity with the standards effective in the United States of America. The outcome of the investigation was delivered to these regulating entities, which have started investigations to determine the existence of possible noncompliance with FCPA (Foreign Corruption Practices Act) or internal control standards.

On January 13, 2017, the Company entered into agreements with the Department of Justice (the “DOJ”) and the Securities and Exchange Commission (the “SEC”), both based in the United States of America (the “United States”), with respect to the investigations that those agencies had conducted as a result of payments to suppliers and entities that might have been related to politically exposed persons during the years from 2008 through 2015, which resulted in the performance of an internal investigation at the Company through an Ad-hoc Committee from its Board of Directors and which was led by the law firm Shearman & Sterling (the “Investigated Facts”). Because the Company’s securities are traded in the United States, the Company is subject to U.S. legislation. The Company has voluntarily provided the results of its internal investigation and supporting documentation to the DOJ, the SEC and the relevant Chilean authorities.

In conformity with the terms of the agreement entered into with the DOJ, referred to as Deferred Prosecution Agreement (the “DPA”), the Company has accepted that the DOJ presents (i) a charge for the infractions referred to the absence of implementation of effective internal accounting systems and internal accounting controls and (ii) a charge for infractions related to failure to properly maintain accounting ledgers, records and sections with respect to the Investigated Facts. By virtue of the DPA, the DOJ has agreed not to prosecute those charges against the Company for a period of 3 years, releasing the Company from such responsibility after such period to the extent that within such term the Company complies with the terms in the DPA, which include the payment of a fine of US\$15,487,500 (“U.S. dollars”) and the acceptance of an external monitor for a term of 24 months (the “Monitor”) who will evaluate the Company’s compliance program and a subsequent independent report by the Company for an additional year.

With respect to the agreement entered into with the SEC, the Company has agreed to (i) pay a fine of US\$15 million and (ii) maintain the Monitor for the aforementioned term.

The SEC has issued a Cease and Desist Order which does not identify any other events of noncompliance with the standards applicable in the United States.

The aforementioned amounts of approximately US\$30.5 million were reflected in the profit or loss of SQM during the fourth quarter of 2016 in the line item Other expenses by function.



Note 31 Sanction proceedings

On April 1, 2015, the SVS started an administrative proceeding against five Directors of the Company for allegedly not having provided to the market on a timely and truthful basis information which could be significant for making investment decisions. Such information mainly relates to the preliminary estimate of the impact on the Company's financial statements of certain expenses paid by the Company between 2008 and 2014 and which might not qualify as expenses under current Chilean tax regulations because of the absence of supporting documentation.

On December 31, 2015, Sociedad Química y Minera de Chile S.A. informed the CMF that it had decided to penalize Patricio Contesse Fica, Julio Ponce Lerou, Juan Antonio Guzmán Molinari and Wolf von Appen Berhmann, all former directors of the Company, and Hernan Büchi Buc – a current director – for not having informed the market in a timely manner in March 2015 in the form of an essential event as directors of the Company at that time regarding the expenses SQM incurred during certain years for which the Company did not have sufficient supporting documentation or that could be considered expenses not necessary for producing income. This penalty, consisting of a fine of UF 1,000 for each person, can be appealed by the affected parties before the CMF or the courts of law.

On April 03, 2018, the National Directorate of the 'Dirección Nacional del Servicio Nacional de Geología y Minería' (National Geology and Mining Service) filed charges against SQM Industrial for the alleged violation of Article 40 letter c) of Law No. 20.551 that regulates the closure of mining works and facilities for Pampa Blanca, located in the district of Sierra Gorda. On April 26, 2018, SQM Industrial gave its deposition. According to current regulations, the National Geology and Mining Service can impose fines of up to 10 UTM's (monthly tax units) for each day of infringement, with a total maximum of 10,000 UTM's per month.

SQM

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Note 33 Events occurred after the reporting date

33.1 Authorization of the financial statements

The consolidated financial statements of Sociedad Química y Minera de Chile S.A. and subsidiaries, prepared in accordance with International Financial Reporting Standards for the period ended March 31, 2018, were approved and authorized for issuance by the Board of Directors at their meeting held on May 23, 2018.

33.2 Disclosures on events occurring after the reporting date

On April 5, 2018, the Chilean Financial Market Commission (CMF) was informed that on March 29, 2018, the company had authorized the placement of general securities in the market in an amount of UF 3,000,000 of the Series P bonds (the "Bonds"). These were issued with a charge to the 10 years Bonds Line registered in the Securities Registry of this commission on December 31, 2008 under number 563.

The Bonds (i) mature on January 15, 2028; (ii) accrue an annual interest of 3.25% on the unpaid capital, expressed in UF as of January 15, 2018; and (iii) may be redeemed in advance by the Company as of the placement date, i.e., as of April 5, 2018.

As of this date, all the Bonds have been placed and sold to: (i) Banco Santander Chile, for a total sum of Ch\$ 40,734,242,948, which was paid in full and in cash by Banco Santander Chile to the Company; and (ii) BTG Pactual Chile SpA, for a total sum of Ch\$ 40,734,242,948, which was paid in full and in cash by BTG Pactual Chile SpA to the Company.

On April 23, the Company signed a Market Maker contract with Banchile Corredores de Bolsa S.A. for the Company's Series A shares, to authorize the latter party to act as a market maker in accordance with the provisions of General Regulation No. 327 of the Chilean Financial Market Commission.

On April 27, the Company's 43rd ordinary general shareholders' meeting was held to agree upon the following matters, among others:

- (a) Approval of the balance sheet, annual report, financial statements and external auditors' report of the Company for the fiscal year ended December 31, 2017;
- (b) Designation of PricewaterhouseCoopers Consultores, Auditores y Compañía Limitada as external auditors of the Company for the fiscal year from January 1 to December 31, 2018;
- (c) Distribution of a definitive dividend and an potential dividend in the terms recommended by the Company Board of Directors (the "Board of Directors"), which was communicated as a material event on March 28, 2018;
- (d) Election of the Board of Directors, which has been made up of: Arnfinn F. Prugger, Hernán Büchi Buc, Gonzalo Guerrero Yamamoto, Patricio Contesse Fica, Mark F. Fracchia, Darryl Stann, Laurence Golborne Riveros and Alberto Salas Muñoz, the latter two of which are independent; and

Note 33 Events occurred after the reporting date (continued)

32.2 Disclosures on events occurring after the reporting date, continued

(e) Approval of the remuneration structure of the Company Board of Directors, members of its various committees and their expenses.

1) Board of Directors' Remunerations:

- (i) payment of a fixed gross monthly amount of UF 400 to the Chairman and UF 350 to each of the remaining seven directors, irrespective of the number of Board meetings that are held or not held during the respective month;
- (ii) payment in national currency to the Chairman and Vice Chairman of a variable gross amount equal to 0.12% of the total net profit actually obtained by the Company during the 2018 fiscal year;
- (iii) payment in national currency to each Company director, excluding the Chairman and the Vice Chairman, of a variable gross amount equal to 0.06% of the total net profit actually obtained by the Company during the 2018 business year.

2) Directors' Committee:

- (i) payment of a fixed gross monthly amount of UF 113 to each of the three directors who form part of the Directors' Committee, irrespective of the number of Directors' Committee meetings that are held or not held during the respective month;
- (ii) payment in national currency to each of the three directors of a variable gross amount equal to 0.02% of the total net profit actually obtained by the Company during the 2018 fiscal year;
- (iii) approval of a budget of operating expenses for the Directors Committee equivalent to the sum of their annual remunerations plus the amount of ThUS\$825.

3) Health, Safety and Environmental Committee:

- (i) payment of a fixed gross monthly amount of UF 50 to each of the three directors who form part of the Health, Safety and Environmental Committee, irrespective of the number of committee meetings held.

4) Corporate Governance Committee:

- (i) payment of a fixed gross monthly amount of UF 50 to each of the three directors who form part of the Company's Corporate Governance Committee, irrespective of the number of committee meetings held.

Note 33 Events occurred after the reporting date (continued)

32.2 Disclosures on events occurring after the reporting date, continued

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Likewise, in this meeting the recommendation made by the Company's Board of Directors was approved in the extraordinary session held on March 28, 2018, to distribute and pay as a final dividend 100% of distributable net income obtained by the Company during the 2018 business year.

For 2018, the Company has defined the following dividend policy: (a) Distribute and pay as final dividend and to the respective shareholders a percentage of profits that will be determined according to the following financial parameters:

(i) 100% of profits from the 2018 fiscal year when the following financial parameters are copulatively fulfilled: (a) that the sum of cash and cash equivalents and other current financial assets ("Cash") divided by the sum of other current financial liabilities ("Short-term Financial Liabilities") is equal to or greater than 2.5 times, and (b) the sum of current liabilities and non-current liabilities ("Total Liabilities") divided by total equity ("Equity") is 1.1 times or less.

(ii) 80% of profits from the 2018 fiscal year when the following financial parameters are copulatively fulfilled: (a) that Cash divided by Short-term Financial Liabilities is equal to or greater than 2.0 times, and (b) Total Liabilities divided by Total Equity is equal to or less than 1.2 times.

(iii) 60% of profits from the 2018 fiscal year when the following financial parameters are copulatively fulfilled: (a) that Cash divided by Short-term Financial Liabilities is equal to or greater than 1.5 times, and (b) Total Liabilities divided by Total Equity is equal to or less than 1.3 times. In the event that none of the aforementioned financial parameters are met, 50% of the profits for the 2018 fiscal year will be distributed and paid as final dividend to the respective shareholders.

An extraordinary session was held on the same date, wherein the Board of Directors agreed on the appointment of Mr. Alberto Salas Muñoz as Chairman of the Board of Directors and the appointment of Mr. Patricio Contesse Fica as Vice Chairman of the Board.

Likewise, the committees of the Board of Directors are as follows:

- (a) Directors' Committee: Hernán Büchi Buc, Laurence Golborne Riveros and Alberto Salas Muñoz;
- (b) Corporate Governance Committee: Mark F. Fracchia, Darryl Stann and Hernán Büchi Buc;
- (c) Health, Safety and Environmental Committee: Arnfinn F. Prugger, Patricio Contesse Fica and Gonzalo Guerrero Yamamoto.

Note 33 Events occurred after the reporting date (continued)

32.2 Disclosures on events occurring after the reporting date, continued

On April 30, 2018, the Company has become aware that Sociedad de Inversiones Pampa Calichera S.A. and Kowa Company Ltd. have terminated the Joint Action Agreement signed between the parties on December 21, 2006, which was subject to subsequent amendments (the "Agreement").



Until its termination, this Agreement enabled shareholders of the Company and of Sociedad de Inversiones Pampa Calichera S.A., Potasios de Chile S.A., Inversiones Global Mining (Chile) Limitada, Kowa Company Ltd., Inversiones La Esperanza (Chile) Limitada, Kochi S.A. and Kowa Holdings America Inc. to be controlling shareholders of SQM.

On May 17, the Company's 28th extraordinary general shareholders' meeting was held to agree upon the following amendments to corporate bylaws:

- (a) Amend Article Twenty-Seven, Article Twenty-Eight, Article Twenty-Nine and Article Thirty-Six, replacing the mention to the "Chilean Superintendence of Securities and Insurance" with "Chilean Financial Market Commission".
- (b) Amend Article Forty-One, replacing the mention of the "Chilean Superintendent of Securities and Insurance" with "Chairman of the Board of the Chilean Financial Market Commission".
- (c) Amend the title of the current Transitory Article of the bylaws to the new "first transitory article".

Note 33 Events occurred after the reporting date (continued)

32.2 Disclosures on events occurring after the reporting date, continued

(d) Introduce a new second transitory article expressing the following:

"FOR THE ENTIRE PERIOD BETWEEN THE DATE OF THE EXTRAORDINARY ASSEMBLY OF SHAREHOLDERS THAT APPROVED THE INCORPORATION OF THIS TRANSITORY ARTICLE AND DECEMBER 31, 2030, THE RESTRICTION OF NOT VOTING MORE THAN 37.5% OF ANY SERIES THIRTY-ONE OF THE BYLAWS RECOGNIZES THE FOLLOWING EXCEPTION, WHICH WILL ONLY BE APPLICABLE FOR THE ELECTION OF THE MEMBERS OF THE BOARD OF DIRECTORS OF SERIES A OF THE COMPANY: If two or more people, irrespective of whether they are related to each other, and irrespective of whether they have a joint action agreement or not, acquire between this date and December 31, 2030 ("incoming shareholders") an amount of Series A shares in the company that allows them to exercise the effective right to vote in the election of the board of directors of the company, in an amount greater than 37.5% of the series, then any shareholder or group of shareholders registered in the respective registry as of this date, who is holder of a number of Series A shares of the company in an amount greater than 37.5% of this series, will be entitled to vote in the election of the board of directors of the company, in a percentage equal to the number of Series A shares in the company that it holds, equivalent to the lesser amount between the number of shares in said series in respect of which (i) the shareholders existing at this date were owners and (ii) the incoming shareholders may exercise the right to vote. Likewise, if for any reason, a shareholder of the company registered in the respective registry as of this date and holder of a number of Series A shares of the company greater than 37.5% of this series, acquires between this date and December 31, 2030, the ability to exercise the effective right to vote in the election of the board directors of the company, in an amount greater than 37.5% of Series A shares in the company, either as a result of a joint action agreement with other shareholders, including existing shareholders, or in any other way, then any other shareholder or group of shareholders of the company not related to them and holder of a number of shares in the company's Series A shares exceeding 37.5% of this series, including both existing and incoming shareholders, shall have the right to vote in the election of the board of directors of the company in a percentage equal to the number of shares they own in this series equivalent to the lesser amount between the amount of shares of this series in respect of which (i) the latter shareholder or shareholders are owners and (ii) the existing shareholder has the ability to exercise voting rights in excess of the 37.5% restriction.

On May 17, 2018, Sociedad Química y Minera de Chile S.A. communicated that Nutrien reported this morning that Tianqi Lithium has agreed to acquire 62,556,568 shares of SQM Series A from Nutrien Ltd. ("Nutrien") at a value of Ch\$65 per effective share. The announced transaction represents the total of the Nutrien Series A shares at a gross valuation of approximately US\$4.07 billion. Nutrien maintains ownership of its Series B shares and hopes to dispose of these shares in due course.

As of April 2018, SQM Salar began to pay CORFO a lease under the methodology contemplated in the amendment to the lease agreement, signed between SQM Salar and CORFO on January 17, 2018.



Note 33 Events occurred after the reporting date (continued)

Management is not aware of any other significant events that occurred between March 31, 2018 and the date of issuance of these consolidated financial statements that may significantly affect them.

32.3 Detail of dividends declared after the reporting date

At the Ordinary General Meeting of Shareholders held on April 27, 2018, the following was approved:

Distribute and pay as final dividend for 2017 100% of the distributable net profit obtained by the Company during the 2017 fiscal year. This definitive dividend, calculated on net income for 2017 of US\$427,697,034, corresponds to an amount of US\$1.62501 per share. However, the amount of US\$1.20533 per share must be subtracted from the final dividend, as this was already paid for interim dividends during 2017, leaving a balance of US\$0.41968 per share.

Amend the Company's Dividend Policy for 2017 that was presented to the ordinary shareholders' meeting held on April 28, 2017, incorporating in this policy the payment of a potential dividend for US\$100,000,000.- equivalent to the amount of US\$0.3799 per share, which will be paid out of the Company's retained earnings.

Such amounts will be paid in their equivalent in Chilean pesos, the domestic currency, according to the observed U.S. dollar exchange rate published in the Official Gazette on April 27, 2018.

These dividends will be paid to shareholders, in person or through their duly authorized representatives, starting at 9:00 a.m. on May 10, 2018.

Provisional Dividend Payment

On May 23, 2018, the Company's Board of Directors approved the following:

Pay a provisional dividend equal to US\$0.43247 per share with a charge to profit for 2018. Such amount will be paid in its equivalent in Chilean pesos, the domestic currency, according to the observed U.S. dollar exchange rate published in the Official Gazette on May 31, 2018.

This dividend will be paid to shareholders, in person or through their duly authorized representatives, starting at 9:00 a.m. on June 15, 2018. The shareholders who are registered in the Shareholders' Registry five business days prior to the date of payment will be entitled to the dividend.

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