CONSOLIDATED FINANCIAL STATEMENTS
For the period ended
March 31, 2019

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

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Consolidated Classified Statements of Financial Position

Assets	Note	As of March 31, 2019 ThUS$	As of December 31, 2018 ThUS$
Current assets			
Cash and cash equivalents	11.1	602,771	556,066
Other current financial assets	14.1	299,513	312,721
Other current non-financial assets	17	48,413	47,972
Trade and other receivables, current	14.2	435,278	464,855
Trade receivables due from related parties, current	13.5	54,576	44,554
Current inventories	12	933,352	913,674
Current tax assets	32.1	72,278	57,110
Current assets other than those classified as held for sale or disposal		**2,446,181**	**2,396,952**
Non-current assets or groups of assets classified as held for sale	33	1,485	1,430
Total current assets		**2,447,666**	**2,398,382**
Non-current assets			
Other non-current financial assets	14.1	23,281	17,131
Other non-current non-financial assets	17	15,880	16,241
Trade receivables, non-current	14.2	1,886	2,275
Investments classified using the equity method of accounting	9.1-10.3	112,142	111,549
Intangible assets other than goodwill	15.1	188,811	189,498
Goodwill	15.1	34,861	34,718
Property, plant and equipment	16.1	1,510,869	1,466,121
Tax assets, non-current	32.1	32,179	32,179
Total non-current assets		**1,919,909**	**1,869,712**
Total assets		**4,367,575**	**4,268,094**

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

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Consolidated Classified Statements of Financial Position, (continued)

Liabilities and Equity	Note	As of March 31, 2019 ThUS$	As of December 31, 2018 ThUS$
Current liabilities			
Other current financial liabilities	14.4	42,764	23,585
Trade and other payables, current	14.5	172,259	163,751
Trade payables due to related parties, current	13.6	-	9
Other current provisions	19.1	95,796	106,197
Current tax liabilities	32.2	49,987	47,412
Provisions for employee benefits, current	18.1	8,352	20,085
Other current liabilities	19.3	255,993	194,624
Total current liabilities		**625,151**	**555,663**
Non-current liabilities			
Other non-current financial liabilities	14.4	1,349,557	1,330,382
Other non-current provisions	19.1	33,120	31,822
Deferred tax liabilities	32.3	187,367	175,361
Provisions for employee benefits, non-current	18.1	35,786	37,064
Total non-current liabilities		**1,605,830**	**1,574,629**
Total liabilities		**2,230,981**	**2,130,292**
Equity	20		
Share capital		477,386	477,386
Retained earnings		1,623,104	1,623,104
Other reserves		(12,349)	(14,999)
Equity attributable to owners of the Parent		**2,088,141**	**2,085,491**
Non-controlling interests		48,453	52,311
Total equity		**2,136,594**	**2,137,802**
Total liabilities and equity		**4,367,575**	**4,268,094**

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

Consolidated Statements of Income by Function

	Note	January to March 2019 ThUS$	January to March 2018 ThUS$
Revenue	27.1	504,238	518,724
Cost of sales	27.2	(358,741)	(326,047)
Gross profit		**145,497**	**192,677**
Other income	27.3	6,313	4,560
Administrative expenses	27.4	(26,505)	(25,184)
Other expenses by function	27.5	(7,974)	(7,060)
Impairment of income and reversal of impairment losses (impairment losses) determined in accordance with IFRS 9	27.6	554	599
Other gains (losses)	27.7	124	(278)
Profit (loss) from operating activities		**118,009**	**165,314**
Finance income		5,925	4,669
Finance costs	27.9-29	(18,330)	(12,717)
Share of profit of associates and joint ventures accounted for using the equity method	9.1-10.3	3,406	4,422
Foreign currency translation differences	30	3,845	(514)
Profit (loss) before taxes		**112,855**	**161,174**
Income tax expense, continuing operations	32.3	(31,871)	(47,291)
Profit (loss) from continuing operations		**80,984**	**113,883**
Profit attributable to			
Owners of the Parent		80,533	113,825
Non-controlling interests		451	58
Profit for the year		**80,984**	**113,883**

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

Consolidated Statements of Income by Function, (continued)

	Note	January to March 2019 US$	2018 US$
Earnings per share			
Common shares			
Basic earnings per share (US$ per share)	21	0.3060	0.4325
Diluted common shares			
Diluted earnings per share (US$ per share)	21	0.3060	0.4325

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

Consolidated Statements of Comprehensive Income

Statement of comprehensive income	January to March 2019 ThUS$	January to March 2018 ThUS$
Profit (loss) for the year	80,984	113,883
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	(657)	(425)
Total other comprehensive income that will not be reclassified to profit for the year, before taxes	**(657)**	**(425)**
Items of other comprehensive income that will be reclassified to profit for the year, before taxes		
Foreign currency exchange difference		
Foreign currency exchange gains I(losses) before taxes	607	(984)
Other comprehensive income before taxes	**607**	**(984)**
Cash flow hedges defined benefit plans		
Gain (loss) from cash flow hedges	2,332	7,121
Other comprehensive income before taxes	**2,332**	**7,121**
Financial assets measured at fair value with changes in other comprehensive income		
Gain (loss) from cash flow hedges	202	(1,793)
Other comprehensive income, net of tax	**202**	**(1,793)**
Total other comprehensive income that will be reclassified to profit for the year	**3,141**	**4,344**
Other items of other comprehensive income before taxes	**2,484**	**3,919**
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	171	310
Accumulated income taxes related to items of other comprehensive income that will not be reclassified to profit for the year	**171**	**310**
Income tax relating to components of other comprehensive income that will be reclassified to profit (loss) for the year		
Income tax related to financial assets measured at fair value through profit and loss	(54)	457
Cumulative income tax relating to components of other comprehensive income that will be reclassified to profit (loss) for the year	**(54)**	**457**
Total other comprehensive income	**2,601**	**4,686**
Total comprehensive income	**83,585**	**118,569**
Comprehensive income attributable to		
Owners of the Parent	83,183	118,545
Non-controlling interests	402	24
Total comprehensive income	**83,585**	**118,569**

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

Consolidated Statements of Cash Flows

Consolidated Statements of cash flows	03/31/2019 ThUS$	03/31/2018 ThUS$
Cash flows from operating activities		
Cash receipts from sales of goods and rendering of services	494,936	554,313
Cash receipts from premiums and benefits, annuities and other benefits from policies entered	139	191
Proceeds from leases and subsequent sale of assets	77	-
Cash payments to suppliers for the provision of goods and services	(328,650)	(323,880)
Cash payments to and on behalf of employees	(70,675)	(74,267)
Payment for variable leases	(274)	-
Other payments related to operating activities	(5,841)	(5,295)
Net cash generated from (used in) operating activities	**89,712**	**151,062**
Dividends received	1,753	5,589
Interest paid	(15,267)	(11,289)
Interest paid on lease liability	(344)	-
Interest received	3,754	1,908
Income taxes paid	(37,330)	(36,737)
Other incomes (outflows) of cash (1)	35,596	31,880
Net cash generated from (used in) operating activities	**77,874**	**142,413**
Cash flows from (used in) investing activities		
Cash flows arising from the loss of control of subsidiaries and other businesses	-	-
Payments made to acquire interest in joint ventures	-	(9,500)
Proceeds from the sale of property, plant and equipment	215	333
Acquisition of property, plant and equipment	(66,530)	(51,436)
Loans to related parties	-	-
Proceeds from sales of intangible assets	18,605	2,928
Payments related to futures, forward options and swap contracts	-	(36,423)
Purchases of intangible assets	(216)	-
Proceeds from the repayment of advances and loans granted to third parties	-	-
Other inflows (outflows) of cash (2)	14,794	(43,313)
Net cash generated from (used in) investing activities	**(33,132)**	**(137,411)**

(1) Other inflows (outflows) of cash from operating activities include increases (decreases) net of value added tax.

(2) 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.

Consolidated Statements of Cash Flows, (continued)

	03/31/2019 ThUS$	03/31/2018 ThUS$
Cash flows used in financing activities		
Repayment of lease liabilities	(1,378)	-
Proceeds from long-term loans	-	-
Proceeds from short-term borrowings	-	-
Repayment of borrowings	(52)	(63,000)
Dividends paid	-	-
Other incomes (outflows of cash)	-	-
Net cash generated used in financing activities	**(1,430)**	**(63,000)**
Net increase (decrease) in cash and cash equivalents before the effect of changes in the exchange rate	**43,312**	**(57,998)**
Effects of exchange rate fluctuations on cash held	3,393	2,649
Net (decrease) increase in cash and cash equivalents	46,705	(55,349)
Cash and cash equivalents at beginning of period	**556,066**	**630,438**
Cash and cash equivalents at end of period	**602,771**	**575,089**

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

Consolidated Statements of Changes in Equity

2019	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	Total 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	(26,307)	7,971	(1,111)	(6,884)	11,332	(14,999)	1,623,104	2,085,491	52,311	2,137,802
Increase (decrease) due to changes in accounting policy	-	-	-	-	-	-	-	-	-	-	-
Restated opening balance of equity	**477,386**	**(26,307)**	**7,971**	**(1,111)**	**(6,884)**	**11,332**	**(14,999)**	**1,623,104**	**2,085,491**	**52,311**	**2,137,802**
Profit for the year	-	-	-	-	-	-	-	80,533	80,533	451	80,984
Other comprehensive income	-	656	2,332	147	(485)	-	2,650	-	2,650	(49)	2,601
Comprehensive income	**-**	**656**	**2,332**	**147**	**(485)**	**-**	**2,650**	**80,533**	**83,183**	**402**	**83,585**
Dividends	-	-	-	-	-	-	-	(80,533)	(80,533)	(4,260)	(84,793)
Increase (decrease) due to transfers and other changes	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in equity	**-**	**656**	**2,332**	**147**	**(485)**	**-**	**2,650**	**-**	**2,650**	**(3,858)**	**(1,208)**
Equity as of March 31, 2019	**477,386**	**(25,651)**	**10,303**	**(964)**	**(7,369)**	**11,332**	**(12,349)**	**1,623,104**	**2,088,141**	**48,453**	**2,136,594**

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

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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.

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 founded under the laws of the Republic of Chile and its Chilean Tax Identification Number is 93.007.000-9.

The Company was incorporated through a public deed dated June 17, 1968 by the public notary 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, Floor 6, Las Condes, Santiago, Chile. The Company's telephone number is +56 2 2425-2000.

The Company is registered with the Commission for Financial Markets (CMF) (formerly the Chilean Superintendence of Securities and Insurance (SVS) under number 184 of March 18, 1983 and is therefore subject to oversight by that entity.

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 w/n - San Pedro de Atacama, potassium sulfate plant at Salar de Atacama w/n – San Pedro de Atacama, Minsal Mining Camp w/n CL Plant CL, Potassium– San Pedro de Atacama, formerly the Iris Saltpeter office w/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 caliche ore in northern Chile contains the only known nitrate and iodine deposits in the world and is the world's largest commercially exploited source of natural nitrates. The brine deposits of the Salar de Atacama, a salt-encrusted depression in the Atacama Desert in northern Chile, contain high concentrations of lithium and potassium as well as significant concentrations of sulfate and boron.

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, 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, sulfate and boron 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 market all of these products through an established worldwide distribution network.

Our products are sold in over 110 countries through our worldwide distribution network, with the majority of our sales derived from countries outside Chile.

Our products are divided into six categories: specialty plant nutrients; iodine and its derivatives; lithium and its derivatives; potassium chloride and potassium sulfate; industrial chemicals and other commodity fertilizers, described as follows:

Specialty plant nutrition: We produce four main types of specialty plant nutrients: potassium nitrate, sodium nitrate, sodium potassium nitrate and specialty blends. We also sell other specialty fertilizers including third party products. All of these specialty plant nutrients are used in either solid or liquid form mainly on high value crops such as vegetables, fruits and flowers. Our nutrients are widely used in crops that employ modern agricultural techniques such as hydroponics, green housing, fertigation (where fertilizer is dissolved in water prior to irrigation) and foliar application. Specialty plant nutrients have certain advantages over commodity fertilizers, such as rapid and effective absorption (without requiring nitrification), superior water solubility, increased soil pH (which reduces soil acidity) and low chloride content. One of the most important products in this business line is potassium nitrate, which is sold in crystalline or prill form, allowing for multiple application methods. Crystalline potassium nitrate products are ideal for application by fertigation and foliar sprays, and potassium nitrate prills are suitable for soil applications.

The new needs of more sophisticated customers demand that the industry provide integrated solutions rather than individual products. Our products, including customized specialty blends that meet specific needs along with the agronomic service provided, allow to create plant nutrition solutions that add value to crops through higher yields and better quality production. Because our products are derived from natural nitrate compounds or natural potassium brines, they have certain advantages over synthetically produced fertilizers, including the presence of certain beneficial trace elements, which makes them more attractive to customers who prefer products of natural origin. As a result, specialty plant nutrients are sold at a premium price compared to commodity fertilizers.

Iodine: We believe that we are the world's leading producer of iodine and iodine derivatives, which are used in a wide range of medical, pharmaceutical, agricultural and industrial applications, including x-ray contrast media, polarizing films for LCD and LED, antiseptics, biocides and disinfectants, in the synthesis of pharmaceuticals, electronics, pigments and dye components.

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

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

Lithium: We are a leading producer of lithium carbonate, which is used in a variety of applications, including electrochemical materials for batteries, frits for the ceramic and enamel industries, heat-resistant glass (ceramic glass), air conditioning chemicals, continuous casting powder for steel extrusion, primary aluminum smelting process, pharmaceuticals and lithium derivatives, We are also a leading supplier of lithium hydroxide, which is primarily used as an input for the lubricating greases industry and for certain cathodes for batteries.

Industrial chemicals: We produce three industrial chemicals: sodium nitrate, potassium nitrate and potassium chloride. Sodium nitrate is used primarily in the production of glass, explosives, and metal treatment. Potassium nitrate is used in the manufacturing of specialty glass, and it is also an important raw material for the production of frits for the ceramics and enamel industries. Solar salts, a combination of potassium nitrate and sodium nitrate, are used as a thermal storage medium in concentrated solar power plants. Potassium chloride is a basic chemical used to produce potassium hydroxide, and it is also used as an additive in oil drilling as well as in food processing, among other uses.

Potassium: We produce potassium chloride and potassium sulfate from brines extracted from the Salar de Atacama. Potassium chloride is a commodity fertilizer used to fertilize a variety of crops including corn, rice, sugar, soybean and wheat. Potassium sulfate is a specialty fertilizer used mainly in crops such as vegetables, fruits and industrial crops.

Other products and services: We also sell other fertilizers and blends, some of which we do not produce. We are the largest company that produces and distributes the three main potassium sources: potassium nitrate, potassium sulfate and potassium chloride. This business line also includes revenue from commodities, services, interests, royalties and dividends.

1.5 Other background

Staff

As of March 31, 2019, and December 31, 2018, the workforce was as follows:

	03/31/2019			12/31/2018		
Employees	**SQM S.A.**	**Other subsidiaries**	**Total**	**SQM S.A.**	**Other subsidiaries**	**Total**
Executives	32	88	120	33	89	122
Professionals	114	1,094	1,208	115	1,078	1,193
Technicians and operators	260	3,324	3,584	260	3,287	3,547
Foreign employees	12	441	453	11	417	428
Overall total	**418**	**4,947**	**5,365**	**419**	**4,871**	**5,290**

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

1.5 Other background, continued

Main shareholders

The following table shows information about the main shareholders of the Company's Series A or Series B shares in circulation as of March 31, 2019 and December 31, 2018, in line with information provided by the Central Securities Depository:

The following table presents the information about the beneficial ownership of Series A and Series B shares of the Company as of March 31, 2019 and December 31, 2018, with respect to each shareholder that, to our knowledge, owns more than 5% of the outstanding Series A or Series B shares. The following information is derived from our registry and reports managed by the Central Securities Depository and informed to the CMF and the Chilean Stock Exchanges.

Shareholder as of March 31, 2019	No, of Series A with ownership	% of Series A shares	No, of Series B with ownership	% of Series B shares	% of total shares
Inversiones TLC SPA	62,556,568	43.80%	-	-	23.77%
Sociedad de Inversiones Pampa Calichera S,A,	44,894,152	31.43%	9,593,154	7.97%	20.70%
The Bank of New York Mellon, ADRs	-	-	35,210,049	26.76%	12.24%
Potasios de Chile S,A,	18,179,147	12.73%	-	-	6.91%
Banco de Chile via non-resident third party accounts	177,468	0.12%	10,679,711	8.87%	4.13%
Inversiones Global Mining (Chile) Limitada	8,798,539	6.16%	-	-	3.34%
Banco Itaú through Corpbanca on behalf of foreign investors	-	-	8,364,815	6.95%	3.18%
Banco Santander via foreign investor accounts	-	-	7,508,425	6.24%	2.85%
Banchile C de B S A	544,717	0.38%	4,167,188	3.46%	1.79%
Inversiones la Esperanza de Chile Limitada	3,711,598	2.60%	46,500	0.04%	1.43%
Tanner C de B S.A.	217,113	0.15%	3,170,902	2.63%	1.29%
Larrain Vial S.A. Corredora de Bolsa	68,575	0.05%	2,571,929	2.14%	1.00%

Shareholder as of December 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
Inversiones TLC SPA	62,556,568	43.80%	-	-	23.77%
Sociedad de Inversiones Pampa Calichera S.A.	44,894,152	31.43%	10,093,154	8.38%	20.89%
The Bank of New York Mellon, ADRs	-	-	35,254,267	29.29%	13.39%
Potasios de Chile S.A.	18,179,147	12.73%	-	-	6.91%
Banco de Chile via non-resident third party accounts	15,687	0.01%	10,703,812	8.89%	4.07%
Inversiones Global Mining (Chile) Limitada	8,798,539	6.16%	-	-	3.34%
Banco Itaú through Corpbanca on behalf of foreign investors	-	-	8,085,730	6.72%	3.07%
Banco Santander via foreign investor accounts	-	-	7,138,685	5.93%	2.71%
Banchile C de B S A	528,092	0.37%	4,028,611	3.35%	1.73%
Inversiones la Esperanza de Chile Limitada	3,711,598	2.60%	46,500	0.04%	1.43%

On March 31, 2019 the total number of shareholders had risen to 1,520.

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, 2019 and, December 31, 2018.
- Consolidated Statements of Changes in Equity for ended March 31, 2019 and 2018.
- Consolidated Statements of Comprehensive Income for ended March 31, 2019 and 2018.
- Consolidated Statements of Direct-Method Cash Flows for ended March 31, 2019 and 2018.

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 periods ended on March 31, 2019 and, 2018.

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

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

2.2 Consolidated financial statements, continued

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

As of March 31, 2019, at the close of these consolidated financial statements, certain reclassifications were made as of December 31, 2018, as detailed below:

Prior Caption	New Presentation	Reclassification as of December 31, 2018 **ThUS$**
Other current non-financial assets	Intangible assets other than goodwill	1,214
Other non-current non-financial assets	Property, plant and equipment	11,298

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, 2019:

Standards and Interpretations	*Mandatory for annual periods beginning on or after*
IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions in the Legal Form of a Lease. The standard establishes principles for the recognition, measurement, presentation and disclosure of leases and requires that lessees keep most leases in a single balance sheet model. The lessor's accounting as per IFRS 16 remains substantially unchanged since IAS 17. Lessors will continue to classify leases as operating or financial leases using principles similar to those described in IAS 17. Therefore, IFRS 16 had no impact for leases in which the Company is lessor.	*01/01/2019*
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.	*01/01/2019*

Amendments and improvements	*Mandatory for annual periods beginning on or after*
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."	01/01/2019
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 IASB 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.	01/01/2019

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

2.4 Accounting pronouncements

Amendment to IFRS 3 Business Combinations - Published in December 2017. The amendment clarified that gaining control of a company that is a joint venture deals with a business combination that is achieved in stages. The acquirer must remeasure previously held interests in that business at fair value at the date of acquisition.	*01/01/2019*
Amendment to IFRS 11 Joint Arrangements - Published in December 2017. The amendment clarified 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.	*01/01/2019*
Amendment to IAS 12 *Income Tax* - Published in December 2017. This modification clarified 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.	*01/01/2019*
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.	*01/01/2019*
Amendment to IAS 19 *Employee Benefits* - Published in February 2018. The amendment requires entities to use updated assumptions to determine the current service cost and net interest for the remainder of the period after a modification, reduction or settlement of the plan; and to recognize in profit or loss as part of the cost of the past service, or a profit or loss in the settlement, any reduction in a surplus, even if that surplus was not previously recognized because it did not exceed the upper limit of the asset.	*01/01/2019*

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

2.4 Accounting pronouncements, continued

Adopting the standards, amendments and interpretations described above does not have a significant impact on the Company's consolidated financial statements (See Note 4.2).

b) Standards, interpretations and amendments issued that had not become effective for financial statements beginning on January 1, 2019 and which the Company has not adopted early are as follows:

Standards and Interpretations	*Mandatory for annual periods beginning on or after*
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 contacts 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.	*01/01/2021*

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

2.4 Accounting pronouncements, continued

Amendments and improvements	*Mandatory for annual periods beginning on or after*
Amendment to IFRS 3 Definition of a Business - Published in October 2018. This amendment revises the definition of a business. Based on the feedback received by the IASB, the application of the current guidance is frequently seen as too complex, and results in too many transactions that qualify as business combinations.	*01/01/2020*
Amendment to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Published in October 2018. This uses a consistent definition of materiality in all of the IFRCs and the Conceptual Framework for Financial Information; it clarifies the explanation of the definition of material; and it incorporates some of the guidelines in IAS 1 on immaterial information.	*01/01/2020*

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

2.4 Accounting pronouncements, continued

Amendments and improvements	*Mandatory for annual periods beginning on or after*
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*

The Company's management estimates that the adoption of the standards, interpretations and amendments described above will not have a significant impact on the Company's consolidated financial statements.

IFRS 16 Leases

During 2018, the Administration has made an initial assessment of the possible impact of the adoption of IFRS 16 as of the effective term of the new standard, which was determined through the evaluation of lease contracts, assets that, according to their nature and lease terms must be recorded at the date of initial application as right-to-use assets, and this will incur amortization expenses over the term of the contract or the useful life of the asset, whichever is shorter. Based on this evaluation, the Company concludes that the effects of the adoption of IFRS 16 will not significantly affect its Consolidated Financial Statements.

Of the lease contracts signed under IFRS 16, the following right-of-use assets, among others, were identified: trucks, cranes, excavators, structures (buildings, warehouses, shops, land), where SQM has the power (control) to direct their activities and to use them for the contract term, without the supplier changing the operating instructions.

To estimate the initial measurement, the Company built a debt curve based on public debt instruments held by the company at the valuation date. The rates used to deduct the right-of-use asset and the lease liability were estimated based on currency (USD, UF and CLP) and contract terms.

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

2.4 Accounting pronouncements, continued

The initial application method of the aforementioned standard chosen by the Company is the full application of a modified approach of retrospective application version B, where the right to use is equated to the aforementioned liability, with no equity adjustment.

The values corresponding to right-to-use assets and lease liabilities in contracts qualified under IFRS 16 amount to ThUS$31,619 to December 31, 2018.

IFRS 15 Revenue from Contracts with Customers

For the adoption of IFRS 15 - Revenue from Contracts with Customers, the Company undertook a detailed assessment of its performance obligations underlying revenue recognition, such as the performance obligation to transport products to customers, in line with the terms and conditions previously established in contracts and there is no significant impact - the performance obligation has been satisfied, With regard to products invoiced with a deferred shipment date, the transfer of control has been assessed over and above the transfer of risks and benefits established in the previous standard and a prepayment is estimated in revenue recognition, without a significant impact. Other considerations were also assessed, such as rebates, discounts, guarantees, financing components and product personalization. Based on this analysis, the Company has concluded that these last items will not generate an impact nor are significant changes expected in the recording of revenue as a result of applying this new standard, except for the impact on disclosures. The Company has established the procedures and controls for beginning to apply IFRS 15 as of January 1, 2018, It recognizes the cumulative effect of applying IFRS 15 as an adjustment to the opening balance of equity as of that date, without being necessary to make adjustments to the comparative information for periods,

IFRS 9 Financial Instruments

IFRS 9 establishes the requirements for the recognition and measurement of financial assets, financial liabilities, and some purchase-sale contracts for non-financial line items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

Classification and measurement of financial assets and financial liabilities

IFRS 9 includes three main classification categories for financial assets: measured at amortized cost, at fair value through other comprehensive income (FVTOCI), and at fair value through profit and loss (FVTPL). Classification of financial assets under IFRS 9 is based on the business model in which a financial asset is managed and on its contractual cash flows features. IFRS 9 eliminates the prior categories of IAS 39 of held to maturity, loans and receivables and available for sale.

IFRS 9 in large part retains the existing requirements of IAS 39 for classifying and measuring financial liabilities.

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

2.4 Accounting pronouncements, continued

IFRS 9 introduces a new financial asset value impairment model, the expected credit losses model, which substitutes the loss model incurred under IAS 39. The Company applies the simplified approach described in IFRS 9 for expected credit losses from the loans to customers' portfolio, as these are short-term financial instruments shorter than 12 months, with no significant financing component and they continue until maturity. This approach enables the use of the estimate of expected credit loss throughout the life of the instrument.

Receivables with a low probability of recovery are fully provisioned, are to measure the expected credit losses of the rest of the portfolio, it is segmented by grouping the trade receivables based on the characteristics of shared credit risk and late payment. The expected loss rates are obtained from the default rates over the last seven years. To covert historic loss in projected loss, the Company uses the behavior of the implicit default probability indicator in the prices of financial derivatives that cover the risk of non-payment of sovereign bonds in countries where the Company generates income from product sales.

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 acquire. For more information, please see Note 8.1.

Companies included in consolidation:

TAX ID No	Foreign subsidiaries	Country of origin	Functional currency	Ownership interest			
				03/31/2019			12/31/2018
				Direct	Indirect	Total	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	US$	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			
				03/31/2019			12/31/2018
				Direct	Indirect	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			
				03/31/2019			12/31/2018
				Direct	Indirect	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"), 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:

	03/31/2019 US$	12/31/2018 US$
Brazilian real	3.90	3.87
New Peruvian sol	3.32	3.37
Argentine peso	43.34	37.74
Japanese yen	110.80	110.38
Euro	0.89	0.87
Mexican peso	19.45	19.68
Australian dollar	1.41	1.42
Pound Sterling	0.77	0.79
South African rand	14.42	14.35
Ecuadorian dollar	1.00	1.00
Chilean peso	678.53	694.77
Chinese yuan	6.72	6.88
Indian rupee	69.15	69.93
Thai baht	31.75	32.53
Turkish lira	5.63	5.27
UF (*)	40.63	39.68

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

(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

The Company's Management (the "Administration") determines the classification of its financial assets, in accordance with the provisions of IFRS 9, at fair value (either through other comprehensive income, or through profits or losses), and at amortized cost. The classification depends on the business model of the entity to manage the financial assets and the contractual terms of the cash flows.

In the initial recognition, the Company measures its financial assets at fair value more or less, in the case of a financial asset that is not accounted for at fair value through profit or loss, the transaction costs that are directly attributable to the acquisition of the financial asset, In the case of commercial debtors and other accounts receivable, the initial recognition will measure their transaction price in accordance with the provisions of IFRS 15.

After initial recognition, the Company measures its financial assets according to the following:

i) Financial instruments to Fair Value Through Profit and Loss (FVTPL), A financial asset should be measured at fair value through profit or loss unless it is measured at amortized cost or at Fair Value with changes in Other Comprehensive Income.
ii) Financial instruments measured at amortized cost, Financial assets that meet the following conditions are included in this category (a) the business model that supports it aims to maintain the financial assets to obtain the contractual cash flows and (b) the Contractual conditions of the financial asset give place, on specified dates, to cash flows that are only payments of the principal and interest on the outstanding principal amount.
iii) Financial assets at fair value through other comprehensive income, Equity securities which are not held for trading, and which the group has irrevocably elected at initial recognition to recognize in this category.

Note 3 Significant accounting policies (continued)

3.6 Financial assets, continued

In keeping with IAS 39, financial assets were initially measured at fair value, plus any transaction costs that were directly attributable to the purchase of the financial asset. Financial assets were subsequently measured at amortized cost or at fair value.

The Company evaluated at the date of each report, whether there was objective evidence that any asset or group of financial assets presented any impairment. An asset or group of financial assets presented a deterioration, if and only if, there was objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset or group of these. In order for impairment to be recognized, the loss event must have an impact on the estimation of future flows of the asset or groups of financial assets.

Note 3 Significant accounting policies (continued)

3.7 Financial instruments at fair value through profit or loss

The Company determines the classification of its financial liabilities, in accordance with the provisions of IFRS 9, at fair value or at amortized cost. The classification depends on the business model of the entity to manage the financial assets and the contractual terms of the cash flows.

In the initial recognition, the Company measures its financial liabilities by their fair value more or less, in the case of a financial liability that is not accounted for at fair value through profit or loss, the transaction costs that are directly attributable to the acquisition of the financial liability.

After initial recognition, the Company measures its financial liabilities at amortized cost unless the Company, at the initial moment, irrevocably designates the financial liability as measured at fair value through profit or loss.
Financial liabilities measured at amortized cost are commercial accounts payable and other accounts payable and other financial liabilities.

3.8 Financial instrument offsetting

In accordance with IFRS 9, 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.

3.9 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.

3.10 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).

Note 3 Significant accounting policies (continued)

3.10 Derivative and hedging financial instruments, continued

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.

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 14.3 (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

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)

3.11 Derivative financial instruments not considered as hedges

The Company holds derivative financial instruments used to hedge risk exposure in foreign currency. Derivative financial instruments are initially recognized at fair value; attributable transaction costs are recognized in the income statement when incurred. After the initial recognition, changes in the fair value of such derivatives are recognized in profit and loss.

The Company continually evaluates the existence of embedded derivatives in both its contracts and in its financial instruments. As of March 31, 2019 and December 31, 2018, the Company does not have any embedded derivatives.

3.12 Derecognition of financial instruments

In accordance with IFRS 9, 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.

3.13 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 transact ion 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, 2019, and December 31, 2018, there were no embedded derivatives.

Note 3 Significant accounting policies (continued)

3.14 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.

3.15 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.

3.16 Classification Leases

Below are accounting policies applied by the Company in 2018 prior to the adoption of IFRS 16:

(a) Lease - Finance lease

Leases are classified as finance leases when the Company substantially owns all the risks and rewards inherent in the ownership of the asset. Finance leases are capitalized at the commencement of the lease term at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Each finance lease payment is apportioned between the liability and the finance charges so as to obtain the constant rate of interest on the remaining balance of the liability. The respective lease obligations, net of finance charges, are included in other non-current liabilities. The interest part of the finance cost is charged to the consolidated financial statements for the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year.

(b) Lease - Operating lease

Leases where the lessor retains a significant part of the risks and benefits derived from the property are classified as operating leases. Operating lease payments (net of any incentive received by the lessor) should be recognized as an expense in the income statement or capitalized (as appropriate) over the lease term on a straight-line basis.

Below are the Company's new accounting policies after the adoption of IFRS 16 on January 1, 2019. These have been applied since the initial date of application:

Note 3 Significant accounting policies (continued)

3.16 Classification Leases, continued

(a) Right-of-use assets

The Company recognizes right-of-use assets on the initial lease date (i.e., the date on which the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, adjusted by any new measurement of the lease liability. The cost of right-of-use assets includes the amount of recognized lease liabilities, direct initial costs incurred and lease payments made on the start date or sooner, less the lease incentives received. Unless the Company is reasonably sure it will take ownership of the leased asset at the end of the lease period, the assets recognized through right-of-use are depreciated in a straight line during the shortest period of their estimated useful life and lease period. Right-of-use assets are subject to impairment as per IAS 36 Impairment of Assets.

(b) Lease liabilities

On the lease start date, the Company recognizes lease liabilities measured at present value of lease payments that will be made during the lease period (which haven't been paid by that date). Lease payments include fixed payments (including payments that are essentially fixed), less incentives for lease receivables, variable lease payments that are dependent on an index or rate, and amounts that are expected to be paid as guaranteed residual value. Lease payments also include the exercise price of a purchase option if the Company is reasonably sure it will exercise this and penalty payments for terminating a lease, if the lease period reflects that the Company will exercise the option to terminate. Variable lease payments that are not dependent on an index or rate are recognized as expenses in the period that produces the event or condition that triggers payment.

When calculating the present value of lease payments, the Company uses the incremental borrowing rate on the initial lease date if the interest rate implicit in the lease cannot be determined easily. After the start date, the lease liability balance will increase to reflect the accumulation of interest and will diminish as lease payments are made. Furthermore, the book value of lease liabilities is remeasured in the event of an amendment, a change in the lease period, a change in the fixed lease payments in substance or a change in the assessment to buy the underlying asset.

(c) Short-term leases and low-value asset leases

The Company applies the short-term lease recognition exemption to leases with a lease term of 12 months or less starting on the start date and that don't have a purchase option. It also applies the low-value asset lease recognition exemptions (i.e., when the underlying asset is below USD$5,000). Lease payments in short-term leases and low-value asset leases are recognized as lineal expenses during the lease term.

(d) Significant judgments in the determination of the lease term for contracts with renewal options

The Company determines the lease term as the non-cancellable period of the lease, together with periods covered by an option to extend the lease if it is reasonably certain that this will be exercised, or any period covered by an option to terminate the lease, if it is reasonably certain that this will not be exercised.

Note 3 Significant accounting policies (continued)

3.16 Classification Leases, continued

The Company has the option, under some of its leases, to lease assets for additional terms. The Company applies its judgment when assessing whether it is reasonably certain that it will exercise the option to renovate. In other words, it considers all of the relevant factors that create an economic incentive for it to exercise the option to renovate. After the start date, the Company reevaluates the lease term if there is a significant event or change in the circumstances that are under its control and affect its capacity to exercise (or not exercise) the option to renovate.

3.17 Inventory measurement

The method used to determine the cost of inventories is the weighted average monthly cost of warehouse storage.

In determining production costs for own products, the company includes the costs of labor, raw materials, materials and supplies used in production, depreciation and maintenance of the goods that participate in the production process, the costs of product movement necessary to maintain stock on location and in the condition in which they are found, and also includes the indirect costs of each task such as laboratories, process and planning areas, and personnel expenses related to production, among others.

For finished and in-process products, the company has four types of provisions, which are reviewed quarterly:

1. Provision associated with the lower value of stock, which is directly identified with the product that generates it and involves three types: provision of lower realizable value, which corresponds to the difference between the inventory cost of intermediary or finished products, and the sale price minus the necessary costs to bring them to the same conditions and location as the product with which they are compared; provision for future uncertain use that corresponds to the value of those products in process that are likely not going to be used in sales based on the company's long-term plans; reprocessing costs of products that are unfeasible for sale due to current specifications.

2. Provision associated with physical differences in inventory: a provision is made for differences that exceed the tolerance considered in the respective inventory process (production units in Chile and the port of Tocopilla carry out at least two inventories a year, the business subsidiaries depend on the last zero ground obtained, but in general it is at least once a year), these differences are recognized immediately.

Note 3 Significant accounting policies (continued)

3.17 Inventory measurement, continued

3. Potential errors in the determination of stock: The company has an algorithm that is reviewed at least once a year and corresponds to diverse percentages assigned to each inventory based on the product, location, complexity involved in the associated measurement, rotation and control mechanisms.

4. Provisions undertaken by business subsidiaries: these are historical percentages that are adjusted as zero ground is attained based on normal inventory management.

Inventories of raw materials, materials and supplies for production are recorded at acquisition cost, Cyclical inventories are performed in warehouses, as well as general inventories every three years, Differences are recognized the moment they are detected. The company has a provision that makes quarterly calculations from percentages associated with each type of material (classification by warehouse and rotation). These percentages use the lower value resulting from deterioration or obsolescence as well as potential losses. This provision is reviewed at least annually, and considers the historical profit and loss obtained in the inventory processes.

3.18 Investments in associates and joint ventures

Under IFRS 11 Joint Arrangements, investments in joint arrangements are classified as joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

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,

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".

Note 3 Significant accounting policies (continued)

3.19 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.

3.20 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.

3.21 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. Having initially recognized provisions for closure and refurbishment, the corresponding cost is capitalized as an asset in Property, plant and equipment and amortized in line with the amortization criteria for the associated assets.

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.

Right-of-use assets (IFRS 16) are recognized in the property, plant and equipment line item and are classified within this based on the underlying asset class.

Note 3 Significant accounting policies (continued)

3.22 Depreciation of property, plant and equipment, continued

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	8	7
Energy generating assets	3	16	7
Buildings	2	40	11
Supplies and accessories	2	16	6
Office equipment	2	20	6
Transport equipment	2	20	9
Network and communication equipment	3	15	5
IT equipment	2	16	4
Machinery, plant and equipment	1	28	9
Other property, plant and equipment	1	26	6

3.23 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)

3.24 Intangible assets other than goodwill

Intangible assets other than goodwill mainly relate to water rights, emission rights, commercial brands, costs for rights of way for electricity lines, license costs and the development of computer software and mining property and concession rights, client portfolio and commercial agent.

(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 and Australian Governments. 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.

(e) Client portfolio

The period for exploiting these portfolios is unlimited so they are considered assets with an indefinite useful life and are therefore not subject to amortization. However, they are subjected to an annual impairment test and the corresponding amounts are recorded in the profit or loss.

Note 3 Significant accounting policies (continued)

3.24 Intangible assets other than goodwill continued

(f) Commercial agent

The rights obtained through the acquisition of the commercial agent of Sociedad Agrocom Ltda, corresponded to the fair value of that company's line of business. The period for exploiting these rights is unlimited so they are considered assets with an indefinite useful life and are therefore not subject to amortization. However, the indefinite useful life is subject to review for every reporting period, to see whether indefinite useful life continues to apply.

3.25 Research and development expenses

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

3.26 Prospecting expenses

The Company holds mining concessions for exploration and exploitation of ore, The Company gives the following treatment to expenses associated with exploration and assessment of these resources:

- Caliche

  Once the rights have been obtained, the Company records the disbursements directly associated with the exploration and assessment of the deposit as an at cost asset. These disbursements include the following items:

  - Disbursements for geological surveys, drilling, borehole extraction and sampling, activities related to the technical assessment and commercial viability of the extraction, and in general, any disbursement directly related to specific projects where the objective is to find ore resources,

  If the technical studies determine that the ore grade is not economically viable, the asset is directly charged to profit and loss. If determined otherwise, the asset described above is associated with the extractable ore tonnage which is amortized as it is used. These assets are presented in the other non-current assets category, reclassifying the portion related to the area to by extracted that year as stock.

- Expenses related to metal exploration are charged to profit or loss in the period in which they are registered.

- Salar de Atacama exploration expenses are presented in non-current assets in the property, plant and equipment category and correspond mainly to wells that can also be used in the extraction of the deposit and/or monitoring. These are amortized over 10 years.

- Mt Holland exploration expenses primarily consider exploration boreholes and complementary studies for the lithium ore study of the area. These expenses will begin to be amortized in the development stage.

Note 3 Significant accounting policies (continued)

3.27 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.

3.28 Minimum dividend

As required by Chilean law and regulations, our dividend policy is decided upon from time to time by our Board of Directors and is announced at the Annual Ordinary Shareholders' Meeting, which is generally held in April of each year, Shareholder approval of the dividend policy is not required. However, each year the Board must submit the declaration of the final dividend or dividends in respect of the preceding year, consistent with the then-established dividend policy, to the Annual Ordinary Shareholders' Meeting for approval. As required by the Chilean Companies Act, unless otherwise decided by unanimous vote of the holders of issued shares, we must distribute a cash dividend in an amount equal to at least 30% of our consolidated net income for that year (determined in accordance with CMF regulations), unless and to the extent the Company has a deficit in retained earnings.

3.29 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.

Note 3 Significant accounting policies (continued)

3.30 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.

3.31 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.

3.32 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.

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.

Note 3 Significant accounting policies (continued)

3.33 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 18.4).

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 4,642% and 4,642% for the periods ended march 31, 2019 and December 31, 2018, 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 4% interest rate for 2019 and 3.75% for 2018. The net balance of this obligation is presented under the non-current provisions for employee benefits (refer to Note 18.4).

3.34 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 18.6).

3.35 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.

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:

Note 3 Significant accounting policies (continued)

3.35 Revenue recognition, continued

(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)

3.36 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.

3.37 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.

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.

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.

Note 3 Significant accounting policies (continued)

3.38 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)

3.39 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, 15 and 16.
- 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 15 and 16.
- Assumptions used in calculating the actuarial amount of pension-related and severance indemnity payment benefit commitments, See Note 18.
- 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 19 and 22.
- 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 12.

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)

3.40 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 Changes in accounting estimates and policies (consistent presentation)

4.1 Changes in accounting estimates

In the preparation of the consolidated financial statements of the Company and subsidiaries, the management has made estimates regarding the useful lives of Properties, Plants and Equipment, assumptions used for the actuarial calculation of employee benefits, contingencies and provisions (for more information, see Note 3).

4.2 Changes in accounting policies

The Company's consolidated financial statements as of March 31, 2019, show changes in the accounting policies over the previous period due to the application of IFRS 16 as of January 1, 2019.

The consolidated statements of financial position as of March 31, 2019 and December 31, 2018 and the statements of comprehensive income, changes in equity and cash flows for the periods ended March 31, 2019 and 2018, have been prepared in accordance with the IFRS.

The accounting principles and criteria were applied consistently.

Note 5 Financial risk management

5.1 Financial risk management policy

The Company's financial risk management policy is focused on safeguarding the stability and sustainability of the Company 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 5 Financial Risk Management (continued)

5.2 Risk Factors

Our operations are subject to certain risk factors that may affect SQM's business, financial condition, cash flows, or results of operations. In addition to other information contained in this report, you should carefully consider the risks described below. These risks are not the only ones we face. Additional risks not currently known to us or that are known but that we currently believe are not significant may also affect our business operations. Our business, financial condition, cash flows or results of operations could be materially affected by any of these risks.

Risks Relating to Our Business

We could be subject to numerous risks as a result of legal proceedings and deferred prosecution agreements with U.S. and Chilean governmental authorities in relation to certain payments made by SQM between the tax years 2009 and 2015.

In 2015, the Chilean Internal Revenue Service (Servicio de Impuestos Internos or "SII") and the Chilean Public Prosecutor brought a number of criminal and administrative proceedings following investigations related to the payment of invoices by SQM and its subsidiaries SQM Salar S.A. ("SQM Salar") and SQM Industrial S.A., for services that may not have been properly supported or that may not have been necessary to generate corporate income, against (i) Patricio Contesse G., the Company's former CEO whose employment was terminated in May 2015, (ii) Mr. Contesse and the Company's then-current CEO, Patricio de Solminihac, as well as the then-current CFO (now CEO), Ricardo Ramos, in their capacities as the Company's tax representatives and (iii) five then-current and former members of the Company's Board of Directors. All the claims against Messrs. de Solminihac and Ramos were subsequently dismissed. The lawsuits against Mr. Contesse continue and the five Board members are appealing the fines of approximately US$36,000 imposed on each of them.

On October 14, 2015, two class action complaints then pending against the Company, our former CEO and then-current CEO and CFO, alleging violations of the U.S. securities laws in connection with the subject matter of the investigations described above, were consolidated into a single action in the United States District Court for the Southern District of New York. On November 13, 2015, our former CEO and then-current CEO and CFO were voluntarily dismissed from the case without prejudice. On January 15, 2016, the lead plaintiff filed a consolidated class action complaint exclusively against the Company. On January 10, 2018, the lead plaintiff filed a motion to certify a class consisting of all persons who purchased SQM American Depositary Shares ("ADS") between June 30, 2010 and March 18, 2015, and such motion remains pending before the court. For more information on the consolidated class action, see "Item 8.A.7 Legal Proceedings."

During 2015, the ad-hoc committee of the Board of Directors (the "ad-hoc Committee") established in February 2015 to conduct an internal investigation into the matters that were the subject of the SII and Chilean Public Prosecutor investigation also conducted an investigation into whether the Company faced possible liability under the Foreign Corrupt Practices Act ("FCPA"). The ad-hoc Committee engaged its own U.S. separate counsel, which presented a report to the Board of Directors on December 15, 2015.

Following the presentation by the ad-hoc Committee of its findings to the Board of Directors, the Company voluntarily shared the findings of the ad-hoc Committee investigation with authorities in Chile and the U.S. (including the U.S. Securities and Exchange Commission ("SEC") and the U.S. Department of Justice ("DOJ")).

Note 5 Financial Risk Management (continued)

5.2 Risk Factors (continued)

Risks Relating to Our Business (continued)

On January 13, 2017, the Company and the DOJ reached agreement on the terms of a Deferred Prosecution Agreement ("DPA") that would resolve the DOJ's inquiry, based on alleged violations of the books and records and internal controls provisions of the Foreign Corrupt Practices Act. Among other terms, the DPA called for the Company to pay a monetary penalty of US$15,487,500, and engage a compliance monitor for a term of two (2) years. Upon successful completion of the three (3) year term of the DPA, all charges against the Company will be dismissed. On the same date, the SEC agreed to resolve its inquiry through an administrative cease and desist order, arising out of the alleged violations of the same accounting provisions of the FCPA. Among other terms, the SEC order called for the Company to pay an additional monetary penalty of US$15 million.

On January 26, 2018, the Eighth Lower Criminal Court of Santiago approved a deferred prosecution agreement proposed by the Chilean Public Prosecutor relating to SQM and its subsidiaries, SQM Salar and SQM Nitratos S.A., to suspend an investigation against these entities related to potential corruption issues and responsibility for the lack of supervision and management. Under the deferred prosecution agreement, SQM, SQM Salar and SQM Nitratos S.A., have not admitted responsibility in the matter subject to the investigation but agreed to pay an aggregate amount of (i) Ch$900,000,000 to the Chilean government, and (ii) Ch$1,650,000,000 to various charitable organizations. As of January 26, 2018, these amounts were equivalent to approximately US$1.5 million and US$2.8 million, respectively. In addition, the companies have agreed to provide the Chilean Public Prosecutor with a report on the enhancements to their compliance program, implemented in recent years, with special emphasis on the incorporation of best practices in various jurisdictions. On August 17, 2018, the Eighth Lower Criminal Court of Santiago considered the conditions and decided to terminate the legal process.

In the event that the applicable regulatory authorities believe that the terms of the DPA or the deferred prosecution agreement with the Chilean Public Prosecutor are not complied with, it is possible that such regulatory authorities may reinstate the suspended proceedings against us and may bring further action against us, including in the form of additional inquiries or legal proceedings. Responding to our regulators' inquiries and any future civil, criminal or regulatory inquiries or proceedings diverts our management's attention from day-to-day operations. Additionally, expenses that may arise from responding to such inquiries or proceedings, our review of responsive materials, any related litigation or other associated activities may continue to be significant. Current and former employees, officers and directors may seek indemnification, advancement or reimbursement of expenses from us, including attorneys' fees, with respect to the current inquiry or future proceedings related to this matter. The occurrence of any of the foregoing or adverse determination in litigation or other proceedings or similar actions could materially and adversely affect our business, financial condition, cash flows, results of operations and the prices of our securities.

Legal challenges to the amendments of the Lease Agreement and the Project Agreement relating to the Salar de Atacama concession, if successful, or failure to comply with the requirements of either agreement, could have a material adverse effect on our business, financial condition and results of operations.

Our subsidiary SQM Salar S.A. ("SQM Salar"), as leaseholder, holds exclusive and temporary rights over the mineral resources in an area covering approximately 140,000 hectares of land in the Salar de Atacama in northern Chile, of which SQM Salar is entitled to exploit the mineral resources in 81,920 hectares.

Note 5 Financial Risk Management (continued)

5.2 Risk Factors (continued)

Risks Relating to Our Business (continued)

These rights are owned by Corfo and leased to SQM Salar pursuant to (i) a 1993 lease agreement over mining exploitation concessions between SQM Salar and Corfo, a Chilean government entity (the "Lease Agreement"), and (ii) the Salar de Atacama project agreement between Corfo and SQM Salar (the "Project Agreement"). Corfo may not unilaterally amend the Lease Agreement or the Project Agreement. The Lease Agreement establishes that SQM Salar is responsible for making quarterly lease payments to Corfo, maintaining Corfo's rights over the mining exploitation concessions, and making annual payments to the Chilean government for such concession rights. The Lease Agreement expires on December 31, 2030. Furthermore, under the regulations of the Chilean Nuclear Energy Commission (Comisión Chilena de Energía Nuclear or "CCHEN"), we were originally limited to 180,100 tons of total lithium metallic equivalent (958,672 tons of lithium carbonate equivalent) extraction in the aggregate for all periods. On January 17, 2018, Corfo and our subsidiaries SQM Potasio S.A. and SQM Salar reached an agreement (the "Corfo Arbitration Agreement") to (i) terminate the previously disclosed arbitration proceedings between Corfo and SQM Salar, which, among other things, sought early termination of the Lease Agreement and (ii) amend the Lease Agreement and the Project Agreement. As part of the agreement to amend the Lease Agreement, Corfo authorized an increase of the production and sales of lithium products produced in the Salar de Atacama up to 349,553 metric tons of lithium metallic equivalent (1,860,670 tons of lithium carbonate equivalent), which is in addition to the approximately 64,816 metric tons of lithium metallic equivalent (345,015 tons of lithium carbonate equivalent) remaining from the originally authorized amount. The amendments of the Lease Agreement and the Project Agreement required under Chilean law the issuance of the applicable resolutions of the Office of the Controller General of the Republic (Contraloría General de la República) and the CCHEN, which were issued.

Our business is substantially dependent on the exploitation rights under the Lease Agreement and the Project Agreement, since all of our products originating from the Salar de Atacama are derived from our extraction operations under the Lease Agreement.

These agreements expire in 2030 and establish a series of obligations with which SQM Salar must comply. A serious failure to comply with these obligations may jeopardize the exploitation rights under the agreements and the continuity of our operations in the Salar de Atacama. While we believe that we have taken the appropriate precautions to ensure compliance with the obligations and conditions in the agreements, there can be no assurance that we will be able to maintain such compliance, which could jeopardize the continued benefits to us of the agreements and could have a material adverse effect on our business, financial condition and results of operations.

In the event the amendments to the Lease Agreement and the Project Agreement under the Corfo Arbitration Agreement are successfully challenged, or the CCHEN authorization for the increased extraction is revoked, there can be no assurance that we will not reach the lithium extraction limit referred to above prior to the expiration of the term of the Lease Agreement. In such event, we would then be unable to continue extraction of lithium under the Lease Agreement, which could have a material adverse effect on our business, financial condition and results of operations.

Note 5 Financial Risk Management (continued)

5.2 Risk Factors (continued)

Risks Relating to Our Business (continued)

Our market reputation, commercial dealings or the price of our securities could be adversely affected by the negative outcome of certain proceedings against certain former members of our Board and certain other named defendants.

On September 10, 2013, the CMF issued a press release disclosing it had instituted certain administrative proceedings (the "Cascading Companies Proceedings") against (i) Julio Ponce Lerou (who was the Chairman of the Board and a director of the Company until April 24, 2015), (ii) Patricio Contesse Fica, who was a director of the Company until April 24, 2015 and was later re-elected as a director on April 27, 2018, and is the son of Patricio Contesse González (who was the Company's CEO until March 16, 2015), and (iii) other named defendants. The CMF alleged breaches of Chilean corporate and securities laws in connection with acts performed by entities with direct or indirect share ownership interests in SQM (the "Cascading Companies"). The allegations made in connection with the Cascading Companies Proceedings do not relate to the Company's operations, nor do they relate to any acts or omissions of the Company or any of its directors, officers or employees in their capacities as such.

In connection with the Cascading Companies Proceedings, the CMF alleged the existence of a scheme involving the named defendants whereby, through a number of transactions occurring between 2008 and 2011, the Cascading Companies allegedly sold securities of various companies, at below-market prices to companies related to Mr. Ponce and other named defendants. These companies allegedly subsequently sold such securities after a lapse of time, in most cases back to the Cascading Companies, at prices higher than the purchase price. The CMF alleged violations by the defendants of a number of Chilean corporate and securities laws in furtherance of the alleged scheme.

On January 31, 2014, the CMF added a number of Chilean financial institutions and asset managers, and certain of their controlling persons, executives or other principals, as named defendants to the Cascading Companies Proceedings. On September 2, 2014, the CMF issued a decision imposing an aggregate fine against all of the defendants of UF 4.0 million (approximately US$174 million as of December 31, 2018), including a fine against Mr. Ponce of UF 1.7 million (approximately US$74 million as of December 31, 2018) and a fine against Mr. Contesse Fica of UF 60,000 (approximately US$2.6 million as of December 31, 2018). The defendants are currently challenging the CMF administrative decision before Chilean courts.

The High Complexity Crimes Unit (Unidad de Delitos de Alta Complejidad) of the Metropolitan District Central Northern Attorney's Office (Fiscalía Metropolitana Centro Norte) is also investigating various criminal complaints filed against various parties to the Cascading Companies Proceedings. The SII requested payment of taxes by the Cascading Companies, and the Cascading Companies filed a complaint with the tax courts.

If, for any reason, the Company is unable to differentiate itself from the named defendants, such failure could have a material adverse effect on the Company's market reputation and commercial dealings. Furthermore, we cannot assure you that a non-appealable ruling in connection with the Cascading Companies Proceedings or the investigations of the High Complexity Crimes Unit or the SII that is adverse to Mr. Ponce or Mr. Contesse Fica will not have a material adverse effect on our market reputation, commercial dealings and the price of our securities.

Note 5 Financial Risk Management (continued)

5.2 Risk Factors (continued)

Risks Relating to Our Business (continued)

We identified a material weakness in our internal controls over payments directed by the office of the former Chief Executive Officer.

In the past, our management determined that the Company did not maintain effective control over payments directed by the office of the former CEO. This determination was reported in our annual report for the year ended December 31, 2014 on Form 20-F, filed with the SEC on May 18, 2015.

We believe we have taken the necessary steps to remediate the identified material weakness and enhance our internal controls. However, any failure to maintain effective internal control over financial reporting could (i) result in a material misstatement in our financial reporting or financial statements that would not be prevented or detected, (ii) cause us to fail to meet our reporting obligations under applicable securities laws or (iii) cause investors to lose confidence in our financial reporting or financial statements, the occurrence of any of which could materially and adversely affect our business, financial condition, cash flows, results of operations and the prices of our securities.

Volatility of world lithium, fertilizer and other chemical prices and changes in production capacities could affect our business, financial condition and results of operations.

The prices of our products are determined principally by world prices, which, in some cases, have been subject to substantial volatility in recent years. World lithium, fertilizer and other chemical prices constantly vary depending upon the relationship between supply and demand at any given time. Supply and demand dynamics for our products are tied to a certain extent to global economic cycles, and have been impacted by circumstances related to such cycles. Furthermore, the supply of lithium, certain fertilizers or other chemical products, including certain products that we provide, varies principally depending on the production of the major producers, (including us) and their respective business strategies.

World prices of potassium-based fertilizers (including some of our specialty plant nutrients and potassium chloride) fluctuated as a result of the broader global economic and financial conditions. During the second half of 2013, potassium prices declined as a result of an unexpected announcement made by the Russian company Uralkali ("Uralkali") that it was terminating its participation in Belarus Potash Corporation ("BPC"). As a result of the termination of Uralkali's participation in BPC, there was increased price competition in the market. We cannot assure you that potassium-based fertilizer prices and sales volumes will not decline in the future.

Iodine prices followed an upward trend beginning at the end of 2008 and continuing through 2012, reaching an average price of approximately US$53 per kilogram in 2012, over 40% higher than average prices in 2011. During the following years, supply growth outpaced demand growth, causing a decline in iodine prices. We cannot assure you that iodine prices or sales volumes will not continue to decline in the future.

In 2018, lithium demand continued to grow creating tight market conditions and increasing prices by 26% compared to 2017, driven mostly by an increase in demand related to battery use. During the second half of 2018, lithium supply increased, and prices slightly decreased in the fourth quarter. We cannot assure you that lithium prices and sales volumes will not decline in the future.

We expect that prices for the products we manufacture will continue to be influenced, among other things, by worldwide supply and demand and the business strategies of major producers. Some of the major producers (including us) have increased or have the ability to increase production. As a result, the prices of our products may be subject to substantial volatility. High volatility or a substantial decline in the prices or sales volumes of one or more of our products could have a material adverse effect on our business, financial condition and results of operations.

Note 5 Financial Risk Management (continued)

5.2 Risk Factors (continued)

Risks Relating to Our Business (continued)

Our sales to emerging markets and expansion strategy expose us to risks related to economic conditions and trends in those countries.

We sell our products in more than 110 countries around the world. In 2018, approximately 34% of our sales were made in emerging market countries: 8% in Latin America (excluding Chile); 8% in Africa and the Middle East (excluding Israel); 8% in Chile and 11% in Asia and Oceania (excluding Australia, Japan, New Zealand, South Korea and Singapore). We expect to expand our sales in these and other emerging markets in the future. In addition, we may carry out acquisitions or joint ventures in jurisdictions in which we currently do not operate, relating to any of our businesses or to new businesses in which we believe we may have sustainable competitive advantages. The results of our operations and our prospects in other countries in which we establish operations will depend, in part, on the general level of political stability and economic activity and policies in those countries. Future developments in the political systems or economies of these countries or the implementation of future governmental policies in those countries, including the imposition of withholding and other taxes, restrictions on the payment of dividends or repatriation of capital, the imposition of import duties or other restrictions, the imposition of new environmental regulations or price controls or changes in relevant laws or regulations, could have a material adverse effect on our business, financial condition and results of operations in those countries.

Our inventory levels may vary for economic or operational reasons.

In general, economic conditions or operational factors can affect our inventory levels. Higher inventories carry a financial risk due to increased need for cash to fund working capital and could imply increased risk of loss of product. At the same time, lower levels of inventory can hinder the distribution network and process, thus impacting sales volumes. There can be no assurance that inventory levels will remain stable. These factors could have a material adverse effect on our business, financial condition and results of operations.

Our measures to minimize our exposure to bad debt may not be effective and a significant increase in our accounts receivable coupled with the financial condition of customers may result in losses that could have a material adverse effect on our business, financial condition and results of operations.

Potentially negative effects of global economic conditions on the financial condition of our customers may include the extension of the payment terms of our accounts receivable and may increase our exposure to bad debt. While we have implemented certain safeguards, such as using credit insurance, letters of credit and prepayment for a portion of sales, to minimize the risk, we cannot assure you that such safeguards will be effective and a significant increase in our accounts receivable coupled with the financial condition of customers may result in losses that could have a material adverse effect on our business, financial condition and results of operations.

New production of iodine or lithium from current or new competitors in the markets in which we operate could adversely affect prices.

In recent years, new and existing competitors have increased the supply of iodine and lithium, which has affected prices for both products. Further production increases could negatively impact prices. There is limited information on the status of new iodine or lithium production capacity expansion projects being developed by current and potential competitors and, as such, we cannot make accurate projections regarding the capacities of possible new entrants into the market and the dates on which they could become operational. If these potential projects are completed in the short term, they could adversely affect market prices and our market share, which, in turn, could have a material adverse effect on our business, financial condition and results of operations.

Note 5 Financial Risk Management (continued)

5.2 Risk Factors (continued)

Risks Relating to Our Business (continued)

We have a capital expenditure program that is subject to significant risks and uncertainties.

Our business is capital intensive. Specifically, the exploration and exploitation of reserves, mining and processing costs, the maintenance of machinery and equipment and compliance with applicable laws and regulations require substantial capital expenditures. We must continue to invest capital to maintain or to increase our exploitation levels and the amount of finished products we produce.

In addition, we require environmental permits for our new projects. Obtaining permits in certain cases may cause significant delays in the execution and implementation of new projects and, consequently, may require us to reassess the related risks and economic incentives. We cannot assure you that we will be able to maintain our production levels or generate sufficient cash flow, or that we will have access to sufficient investments, loans or other financing alternatives, to continue our activities at or above present levels, or that we will be able to implement our projects or receive the necessary permits required for them in time. Any or all of these factors may have a material adverse effect on our business, financial condition and results of operations.

High raw materials and energy prices could increase our production costs and cost of sales, and energy may become unavailable at any price.

We rely on certain raw materials and various energy sources (diesel, electricity, liquefied natural gas, fuel oil and others) to manufacture our products. Purchases of energy and raw materials we do not produce constitute an important part of our cost of sales, approximately 14% in 2018. In addition, we may not be able to obtain energy at any price if supplies are curtailed or otherwise become unavailable. To the extent we are unable to pass on increases in the prices of energy and raw materials to our customers or we are unable to obtain energy, our business, financial condition and results of operations could be materially adversely affected.

Note 5 Financial Risk Management (continued)

5.2 Risk Factors (continued)

Risks Relating to Our Business (continued)

Our reserve estimates are internally prepared and not subject to review by external geologists or an external auditing firm and could be subject to significant changes, which may have a material adverse effect on our business, financial condition and results of operations.

Our caliche ore mining reserve estimates and our Salar de Atacama brine mining reserve estimates are prepared by our own geologists and hydrogeologists and are not subject to review by external geologists or an external auditing firm. Estimation methods involve numerous uncertainties as to the quantity and quality of the reserves, and reserve estimates could change upwards or downwards. A downward change in the quantity and/or quality of our reserves could affect future volumes and costs of production and therefore have a material adverse effect on our business, financial condition and results of operations.

Quality standards in markets in which we sell our products could become stricter over time.

In the markets in which we do business, customers may impose quality standards on our products and/or governments may enact stricter regulations for the distribution and/or use of our products. As a result, if we cannot meet such new standards or regulations, we may not be able to sell our products. In addition, our cost of production may increase in order to meet any such newly imposed or enacted standards or regulations. Failure to sell our products in one or more markets or to important customers could materially adversely affect our business, financial condition and results of operations.

Chemical and physical properties of our products could adversely affect their commercialization.

Since our products are derived from natural resources, they contain inorganic impurities that may not meet certain customer or government standards. As a result, we may not be able to sell our products if we cannot meet such requirements. In addition, our cost of production may increase in order to meet such standards. Failure to meet such standards could materially adversely affect our business, financial condition and results of operations if we are unable to sell our products in one or more markets or to important customers in such markets.

Our business is subject to many operating and other risks for which we may not be fully covered under our insurance policies.

Our facilities and business operations in Chile and abroad are insured against losses, damage or other risks by insurance policies that are standard for the industry and that would reasonably be expected to be sufficient by prudent and experienced persons engaged in businesses similar to ours.

We may be subject to certain events that may not be covered under our insurance policies, which could have a material adverse effect on our business, financial condition and results of operations. Additionally, as a result of major earthquakes and unexpected rains and flooding in Chile, as well as other natural disasters worldwide, conditions in the insurance market have changed and may continue to change in the future, and as a result, we may face higher premiums and reduced coverage, which could have a material adverse effect on our business, financial condition and results of operations.

Note 5 Financial Risk Management (continued)

5.2 Risk Factors (continued)

Risks Relating to Our Business (continued)

Changes in technology or other developments could result in preferences for substitute products.

Our products, particularly iodine, lithium and their derivatives, are preferred raw materials for certain industrial applications, such as rechargeable batteries and liquid-crystal displays (LCDs). Changes in technology, the development of substitute products or other developments could adversely affect demand for these and other products which we produce. In addition, other alternatives to our products may become more economically attractive as global commodity prices shift. Any of these events could have a material adverse effect on our business, financial condition and results of operations.

We are exposed to labor strikes and labor liabilities that could impact our production levels and costs.

Over 93% of our employees are employed in Chile, of which approximately 65% were represented by 22 labor unions as of December 31, 2018. As in past years, we renegotiated collective bargaining agreements with 14 unions, achieving the anticipated renegotiation of 17 collective bargaining agreements by December 31, 2018, one year before the expiration of the agreements. The 17 collective bargaining agreements were renegotiated for the next three years as of that date. We are exposed to labor strikes and illegal work stoppages that could impact our production levels. If a strike or illegal work stoppage occurs and continues for a sustained period of time, we could be faced with increased costs and even disruption in our product flow that could have a material adverse effect on our business, financial condition and results of operations.

Chilean Law No. 20,123, known as the Subcontracting Law, provides that when a serious workplace accident occurs, the company in charge of the workplace must halt work at the site where the accident took place until authorities from either the National Geology and Mining Service (Servicio Nacional de Geología y Minería or "Sernageomin"), the Labor Board (Dirección del Trabajo or "Labor Board"), or the National Health Service (Servicio Nacional de Salud), inspect the site and prescribe the measures such company must take to minimize the risk of similar accidents taking place in the future. Work may not be resumed until the applicable company has taken the prescribed measures, and the period of time before work may be resumed may last for a number of hours, days, or longer. The effects of this law could have a material adverse effect on our business, financial condition and results of operations.

On September 8, 2016, Chilean Law No. 20,940 was published and modified the Labor Code by introducing, among other things, changes to the formation of trade unions, the election of inter-company union delegates, the presence of women on union boards, anti-union practices and related sanctions, and collective negotiations. Due to these changes to the labor regulations, we may face an increase in our expenses that may have a significant adverse effect on our business, financial condition, and results of operations.

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Note 5 Financial Risk Management (continued)

5.2 Risk Factors (continued)

Risks Relating to Our Business (continued)

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Note 5 Financial Risk Management (continued)

5.2 Risk Factors (continued)

Risks Relating to Our Business (continued)

Lawsuits and arbitrations could adversely impact us.

We are party to a range of lawsuits and arbitrations involving different matters as described in Note 22.1 of our Consolidated Financial Statements. Although we intend to defend our positions vigorously, our defense of these actions may not be successful and responding to such lawsuits and arbitrations diverts our management's attention from day-to-day operations. Adverse judgments or settlements in these lawsuits may have a material adverse effect on our business, financial condition and results of operations. In addition, our strategy of being a world leader includes entering into commercial and production alliances, joint ventures and acquisitions to improve our global competitive position. As these operations increase in complexity and are carried out in different jurisdictions, we may be subject to legal proceedings that, if settled against us, could have a material adverse effect on our business, financial condition and results of operations.

We have operations in multiple jurisdictions with differing regulatory, tax and other regimes.

We operate in multiple jurisdictions with complex regulatory environments that are subject to different interpretations by companies and respective governmental authorities. These jurisdictions may have different tax codes, environmental regulations, labor codes and legal framework, which adds complexity to our compliance with these regulations. Any failure to comply with such regulations could have a material adverse effect on our business, financial condition and results of operations.

Environmental laws and regulations could expose us to higher costs, liabilities, claims and failure to meet current and future production targets.

Our operations in Chile are subject to national and local regulations relating to environmental protection. In accordance with such regulations, we are required to conduct environmental impact studies or statements before we conduct any new projects or activities or significant modifications of existing projects that could impact the environment or the health of people in the surrounding areas. We are also required to obtain an environmental license for certain projects and activities. The Environmental Evaluation Service (Servicio de Evaluación Ambiental) evaluates environmental impact studies submitted for its approval. The public, government agencies or local authorities may review and challenge projects that may adversely affect the environment, either before these projects are executed or once they are operating, if they fail to comply with applicable regulations. In order to ensure compliance with environmental regulations, Chilean authorities may impose fines up to approximately US$9 million per infraction, revoke environmental permits or temporarily or permanently close facilities, among other enforcement measures.

Chilean environmental regulations have become increasingly stringent in recent years, both with respect to the approval of new projects and in connection with the implementation and development of projects already approved, and we believe that this trend is likely to continue. Given public interest in environmental enforcement matters, these regulations or their application may also be subject to political considerations that are beyond our control.

Note 5 Financial Risk Management (continued)

5.2 Risk Factors (continued)

Risks Relating to Our Business (continued)

We regularly monitor the impact of our operations on the environment and on the health of people in the surrounding areas and have, from time to time, made modifications to our facilities to minimize any adverse impact. Future developments in the creation or implementation of environmental requirements or their interpretation could result in substantially increased capital, operation or compliance costs or otherwise adversely affect our business, financial condition and results of operations.

The success of our current investments at the Salar de Atacama and Nueva Victoria is dependent on the behavior of the ecosystem variables being monitored over time. If the behavior of these variables in future years does not meet environmental requirements, our operation may be subject to important restrictions by the authorities on the maximum allowable amounts of brine and water extraction. For example, on December 13, 2017, the First Environmental Court of Antofagasta ordered the temporary and partial closure of certain water extraction wells located in the Salar de Llamara. These wells allow the Company to extract approximately 124 liters per second of water, almost 15% of the water used in the Company´s operations in the First Region of Chile for iodine and nitrate production. In October 2018, the First Environmental Court of Antofagasta, accepted the Company's claim, and dismissed the restrictions without prejudice. It is possible that third parties could seek to reinstate these restrictions in the future.

Our future development depends on our ability to sustain future production levels, which requires additional investments and the submission of the corresponding environmental impact studies or statements. If we fail to obtain approval or required environmental licenses, our ability to maintain production at specified levels will be seriously impaired, thus having a material adverse effect on our business, financial condition and results of operations.

In addition, our worldwide operations are subject to international and other local environmental regulations. Since environmental laws and regulations in the different jurisdictions in which we operate may change, we cannot guarantee that future environmental laws, or changes to existing environmental laws, will not materially adversely impact our business, financial condition and results of operations.

Our water supply could be affected by geological changes or climate change.

Our access to water may be impacted by changes in geology, climate change or other natural factors, such as wells drying up or reductions in the amount of water available in the wells or rivers from which we obtain water, that we cannot control. Any such change may have a material adverse effect on our business, financial condition and results of operations.

Any loss of key personnel may materially and adversely affect our business.

Our success depends in large part on the skills, experience and efforts of our senior management team and other key personnel. The loss of the services of key members of our senior management or employees with critical skills could have a negative effect on our business, financial condition and results of operations. If we are not able to attract or retain highly skilled, talented and qualified senior managers or other key personnel, our ability to fully implement our business objectives may be materially and adversely affected.

Note 5 Financial Risk Management (continued)

5.2 Risk Factors (continued)

Risks Relating to Our Business (continued)

A significant percentage of our shares are held by two principal shareholder groups who may have interests that are different from that of other shareholders and of each other. Any change in such principal shareholder groups may result in a change of control of the Company or of its Board of Directors or its management, which may have a material adverse effect on our business, financial condition and results of operations.

As of December 5, 2018, two principal shareholder groups held in the aggregate 55.77% of the total outstanding shares of SQM, including a majority of our Series A common shares, and have the power to elect seven of our eight directors. The interests of the two principal shareholder groups may in some cases differ from those of other shareholders and of each other.

One principal shareholder group is the Pampa Group, as defined in "Item 7.A. Major Shareholders", which currently owns 32% of the total outstanding shares of SQM. Until November 30, 2 018, the CMF considered the Pampa Group the controller of SQM. On this date, the CMF determined that in accordance with the distribution of the shares of SQM, "the Pampa Group does not exert decisive power over the management of the Company, and is therefore not considered a controlling shareholder". The CMF could change its decision in the future if circumstances change.

Nutrien (formerly PCS before the merger with Agrium Inc. on January 1, 2018) was one of the principal shareholders of the Company. On December 5, 2018, Inversiones TLC SpA, a subsidiary of Tianqi Lithium Corporation ("Tianqi"), acquired the Series A shares of SQM held by Nutrien through Inversiones El Boldo Limitada, Inversiones PCS Chile Limitada and Inversiones RAC Chile, representing 23.77% of the total shares of SQM. Tianqi currently owns 23.77% of the total outstanding shares of SQM.

The divestiture by the Pampa Group or Tianqi, or potential changes in the circumstances that have led to the determination of the CMF related to the controller status of the shareholders of the Company, or a combination thereof, may have a material adverse effect on our business, financial condition and results of operations.

Tianqi is a significant shareholder and a competitor of the Company, which can increase the risks of competition.

Tianqi is a competitor in the lithium business, and as a result of the number of shares that its owns of the Company, it has the right to choose up to three Board members. Under Chilean law, the Company is restricted in its ability to decline to provide information about the Company, which may include competitively sensitive information, to a director of the Company. On August 27, 2018, Tianqi and the Chilean antitrust regulator (the Chilean National Economic Prosecutor's Office, or FNE for its initials in Spanish), entered into an extrajudicial settlement agreement, under which certain restrictive measures in order to (i) maintain the competitive conditions of the lithium market, (ii) mitigate the risks described in the agreement and (iii) limit Tianqi's access to certain information of the Company and its subsidiaries, which are defined as "sensitive information" under the agreement, were implemented.

During the approval process of the extrajudicial agreement before the FNE, the Company expressed its concerns regarding the measures contained in the extrajudicial agreement since (i) it could not effectively resolve the risks that Tianqi and the FNE have sought to mitigate, (ii) they are not correctly oriented to avoid the access to the Company's "sensitive information" that, in the possession of a competitor, could harm the Company and the proper functioning of the market and (iii) it could contradict the Corporation Law in Chile.

Note 5 Financial Risk Management (continued)

5.2 Risk Factors (continued)

Risks Relating to Our Business (continued)

The presence of a shareholder which is at the same time a competitor of the Company and the right of this competitor to choose Board members could generate risks to free competition and/or increase the risks of an investigation of free competition against the Company, whether in Chile or in other countries, all of which could have an adverse material effect in our business.

Our information technology systems may be vulnerable to disruption which could place our systems at risk from data loss, operational failure, or compromise of confidential information.

We rely on various computer and information technology systems, and on third party developers and contractors, in connection with our operations, including two networks that link our principal subsidiaries to our operating and administrative facilities in Chile and other parts of the world and ERP software systems, which are used mainly for accounting, monitoring of supplies and inventories, billing, quality control, research activities, and production process and maintenance control. In addition, we use Cloud technologies to support new business processes related to the Internet of Things (IoT) and Advanced Analytics, which allow us to collect information enabling us to advance the predictive short-term and medium-term analysis of our production process and its possible automation in the long term. Our information technology systems are susceptible to disruption, damage or failure from a variety of sources, including errors by employees or contractors, computer viruses, cyber-attacks, misappropriation of data by outside parties, and various other threats. We have taken certain measures to identify and mitigate these risks, including conducting a cybersecurity review and initiating process automation and digitalization projects at various sites with the object of reducing operational risk and improving security and operational efficiency, which also includes modernization of existing information technology infrastructure and communications systems. However, we cannot guarantee that due to the increasing sophistication of cyber-attacks our systems will not be compromised and because we do not maintain specialized cybersecurity insurance, our insurance coverage for protection against cybersecurity risk may not be sufficient. Cybersecurity breaches could result in losses of assets or production, operational delays, equipment failure, inaccurate recordkeeping, or disclosure of confidential information, any of which could result in business interruption, reputational damage, lost revenue, litigation, penalties or additional expenses and could have a material adverse effect on our business, financial condition and results of operations.

Note 5 Financial Risk Management (continued)

5.2 Risk Factors (continued)

Risks Relating to Financial Markets

Currency fluctuations may have a negative effect on our financial performance.

We transact a significant portion of our business in U.S. dollars, and the U.S. dollar is the currency of the primary economic environment in which we operate. In addition, the U.S. dollar is our functional currency for financial statement reporting purposes. A significant portion of our costs, however, is related to the Chilean peso. Therefore, an increase or decrease in the exchange rate between the Chilean peso and the U.S. dollar would affect our costs of production. The Chilean peso has been subject to large devaluations and revaluations in the past and may be subject to significant fluctuations in the future.

As an international company operating in several other countries, we also transact business and have assets and liabilities in other non-U.S. dollar currencies, such as, among others, the Euro, the South African rand, the Mexican peso, the Chinese yuan, the Thai baht and the Brazilian real. As a result, fluctuations in the exchange rates of such foreign currencies to the U.S. dollar may have a material adverse effect on our business, financial condition and results of operations.

Interest rate fluctuations may have a material impact on our financial performance

A relative increase in the rate could materially impact our business, financial condition and results of operations.

We may be subject to risks associated with the discontinuation, reform or replacement of benchmark indices.

Interest rate, foreign exchange rate and other types of indices which are deemed to be "benchmarks" are the subject of increased regulatory scrutiny and may be discontinued, reformed or replaced. For example, in 2017, the U.K. Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the London interbank offered rate ("LIBOR") benchmark after 2021. This announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021, and it appears likely that LIBOR will be discontinued or modified by 2021. This and other reforms may cause benchmarks to be different than they have been in the past, or to disappear entirely, or have other consequences which cannot be fully anticipated which introduces a number of risks for our business. These risks include (i) legal risks arising from potential changes required to document new and existing transactions; (ii) financial risks arising from any changes in the valuation of financial instruments linked to benchmark rates; (iii) pricing risks arising from how changes to benchmark indices could impact pricing mechanisms on some instruments; (iv) operational risks arising from the potential requirement to adapt IT systems, trade reporting infrastructure and operational processes;] and (v) conduct risks arising from the potential impact of communication with customers and engagement during the transition period. The replacement benchmarks, and the timing of and mechanisms for implementation have not yet been confirmed by central banks. Although it is not currently possible to determine whether, or to what extent, any such changes would affect us, the discontinuation or reformation of existing benchmark rates or the implementation of alternative benchmark rates may have a material adverse effect on our business, results of operations, financial condition and prospects.

Note 5 Financial Risk Management (continued)

5.2 Risk Factors (continued)

Risks Relating to Chile

As we are a company based in Chile, we are exposed to Chilean political risks.

Our business, results of operations, financial condition and prospects could be affected by changes in policies of the Chilean government, other political developments in or affecting Chile, legal changes in the standards or administrative practices of Chilean authorities or the interpretation of such standards and practices, over which we have no control.

Changes in regulations regarding, or any revocation or suspension of our concessions could negatively affect our business.

Any changes to regulations to which we are subject or adverse changes to our concession rights, or a revocation or suspension of our concessions, could have a material adverse effect on our business, financial condition and results of operations.

Changes in mining or port concessions could affect our operating costs.

We conduct our mining operations, including brine extraction, under exploitation and exploration concessions granted in accordance with provisions of the Chilean constitution and related laws and statutes. Our exploitation concessions essentially grant a perpetual right (with the exception of the rights granted to SQM Salar with respect to the Salar de Atacama concessions under the Lease Agreement described above, which expires in 2030) to conduct mining operations in the areas covered by the concessions, provided that we pay annual concession fees. Our exploration concessions permit us to explore for mineral resources on the land covered thereby for a specified period of time and to subsequently request a corresponding exploitation concession.

We also operate port facilities at Tocopilla, Chile, for the shipment of products and the delivery of raw materials pursuant to maritime concessions, which have been granted under applicable Chilean laws and are normally renewable on application, provided that such facilities are used as authorized and annual concession fees are paid.

Any significant adverse changes to any of these concessions could have a material adverse effect on our business, financial condition and results of operations.

Note 5 Financial Risk Management (continued)

5.2 Risk Factors (continued)

Changes in water rights laws and other regulations could affect our operating costs.

We hold water use rights that are key to our operations. These rights were obtained from the Chilean Water Authority (Dirección General de Aguas) for supply of water from rivers and wells near our production facilities, which we believe are sufficient to meet current operating requirements. However, the Chilean Water Rights Code (Código de Aguas or the "Water Code") is subject to changes, which could have a material adverse impact on our business, financial condition and results of operations. For example, a series of bills are currently being discussed at the Chilean National Congress that seek to desalinate seawater for use in mining production processes, amend the Mining Code for water use in mining operations, amend the Political Constitution on water and introduce changes to the regulatory framework governing the terms of inspection and sanction of water. As a result, the amount of water that we can actually use under our existing rights may be reduced or the cost of such use could increase. These and potential future changes to the Water Code or other relevant regulations could have a material adverse effect on our business, financial condition and results of operations.

The Chilean government could levy additional taxes on corporations operating in Chile.

In Chile, there is a royalty tax that is applied to mining activities developed in the country.

On September 29, 2014, Law No. 20,780 was published (as amended by Law No. 20,899, the "Tax Reform"), introducing significant changes to the Chilean taxation system and strengthening the powers of the SII to control and prevent tax avoidance. Subsequently, on February 8, 2016, Law No. 20,899 that simplifies the income tax system and modifies other legal tax provisions was published. As a result of these reforms, open stock corporations like SQM are subject to the partially integrated shareholder tax regime (sistema parcialmente integrado). The corporate tax rate applicable to us increased to 25.5% in 2017 and increased to the maximum rate of 27% in 2018.

Under the partially integrated shareholder taxation regime, shareholders bear the tax on dividends upon payment, but they will only be permitted to credit against such shareholder taxes a portion of the Chilean corporate tax paid by us on our earnings, unless the shareholder is resident in a country with a tax treaty in force with Chile. In that case, 100% of the Chilean corporate tax paid by us may be credited against the final taxes at the shareholder level.

As a result, foreign shareholders resident in a non-treaty jurisdiction will be subject to a higher effective tax rate than residents of treaty jurisdictions. There is a temporary rule in effect from January 1, 2017 through December 31, 2019 that treaty jurisdictions for this purpose will include jurisdictions with tax treaties signed with Chile prior to January 1, 2017, whether or not such treaties are in force. This is currently the status of the treaty signed between Chile and United States. After December 31, 2019, if no treaty is in effect, shareholders in those jurisdictions will be subject to a higher effective tax rate.

Note 5 Financial Risk Management (continued)

5.2 Risk Factors (continued)

The Tax Reform tax increase prompted a US$52.3 million increase in our deferred tax liabilities as of December 31, 2014. In accordance with IAS 12, the effects generated by the change in the income tax rate approved by the Tax Reform on income and deferred taxes were applied to the income statement. For purposes of the Company's statutory consolidated financial statements filed with the CMF, in accordance with the instructions issued by the CMF in its circular 856 of October 17, 2014, the effects generated by the change in the income tax rate were accounted for as retained earnings. The amount charged to equity as of December 31, 2014 was US$52.3 million, thereby giving rise to a difference of US$52.3 million in profit for the year and income tax expense as presented in the Company's 2014 audited consolidated financial statements in its annual report on Form 20-F compared with profit and income tax expense as presented in the Company's 2014 statutory consolidated financial statements filed with the CMF.

In addition, the Tax Reform may have other material adverse effects on our business, financial condition and results of operations. Likewise, we cannot assure you that the manner in which the Royalty Law (as defined below) or the corporate tax rate are interpreted and applied will not change in the future. The Chilean government may decide to levy additional taxes on mining companies or other corporations in Chile. Such changes could have a material adverse effect on our business, financial condition and results of operations.

Ratification of the International Labor Organization's Convention 169 concerning indigenous and tribal peoples might affect our development plans.

Chile, a member of the International Labor Organization ("ILO"), has ratified the ILO's Convention 169 (the "Indigenous Rights Convention") concerning indigenous and tribal people. The Indigenous Rights Convention established several rights for indigenous people and communities. Among other rights, the Indigenous Rights Convention states that (i) indigenous groups should be notified and consulted prior to the development of any project on land deemed indigenous, although veto rights are not mentioned, and (ii) indigenous groups have, to the extent possible, a stake in benefits resulting from the exploitation of natural resources in indigenous land. The extent of these benefits has not been defined by the Chilean government. The Chilean government has addressed item (i) above through Supreme Decree No. 66, issued by the Social Development Ministry. This decree requires government entities to consult indigenous groups that may be directly affected by the adoption of legislative or administrative measures, and it also defines criteria for the projects or activities that must be reviewed through the environmental evaluation system that also require such consultation. To the extent that the new rights outlined in the Indigenous Rights Convention become laws or regulations in Chile, judicial interpretations of the convention of those laws or regulations could affect the development of our investment projects in lands that have been defined as indigenous, which could have a material adverse effect on our business, financial condition and results of operations.

Note 5 Financial Risk Management (continued)

5.2 Risk Factors (continued)

We are subject to Chilean and international anti-corruption, anti-bribery, anti-money laundering and international trade laws. Failure to comply with these laws could adversely impact our business and operations.

We are required to be in compliance with all applicable laws and regulations in Chile and internationally with respect to anti-corruption, anti-money laundering, receipt of stolen property, sanctions and other regulatory matters, including the FCPA. Although we and our subsidiaries maintain policies and processes intended to comply with these laws, we cannot ensure that these compliance policies and processes will prevent intentional, reckless or negligent acts committed by our officers or employees.

If we or our subsidiaries fail to comply with any applicable anti-corruption, anti-bribery, receipt of stolen property or anti-money laundering laws, we and our officers and employees may be subject to criminal, administrative or civil penalties and other remedial measures, which could have material adverse effects on our and our subsidiaries' business, financial condition and results of operations. Any investigation of potential violations of anti-corruption, anti-bribery or anti-money laundering laws by governmental authorities in Chile or other jurisdictions could result in an inability to prepare our consolidated financial statements in a timely manner. This could adversely impact our reputation, ability to access the financial markets and ability to obtain contracts, assignments, permits and other government authorizations necessary to participate in our and our subsidiaries' industry, which, in turn, could have adverse effects on our and our subsidiaries' business, results of operations and financial condition.

Chile has different corporate disclosure and accounting standards than those you may be familiar with in the United States.

Accounting, financial reporting and securities disclosure requirements in Chile differ in certain significant respects from those required in the United States. Accordingly, the information about us available to you will not be the same as the information available to holders of notes issued by a U.S. company. In addition, although Chilean law imposes restrictions on insider trading and price manipulation, applicable Chilean laws are different from those in the United States, and the Chilean securities markets are not as highly regulated and supervised as the U.S. securities markets.

Chile is located in a seismically active region.

Chile is prone to earthquakes because it is located along major fault lines. The most recent major earthquakes in Chile, which occurred in April 2017 in the Valparaiso region and in December 2016 in Chiloe Island, had a magnitude of 6.9 and 7.6, respectively, on the Richter scale. There were also earthquakes in 2015, 2014 and 2010 that caused substantial damage to some areas of the country. Chile has also experienced volcanic activity. A major earthquake or a volcanic eruption could have significant negative consequences for our operations and for the general infrastructure, such as roads, rail, and access to goods, in Chile. Although we maintain industry standard insurance policies that include earthquake coverage, we cannot assure you that a future seismic or volcanic event will not have a material adverse effect on our business, financial condition and results of operations.

Note 5 Financial Risk Management (continued)

5.2 Risk Factors (continued)

Risks Relating to our Shares and to our ADSs

The price of our ADSs and the U.S. dollar value of any dividends will be affected by fluctuations in the U.S. dollar/Chilean peso exchange rate.

Chilean trading in the shares underlying our ADSs is conducted in Chilean pesos. The depositary will receive cash distributions that we make with respect to the shares in Chilean pesos. The depositary will convert such Chilean pesos to U.S. dollars at the then prevailing exchange rate to make dividend and other distribution payments in respect of ADSs. If the value of the Chilean peso falls relative to the U.S. dollar, the value of the ADSs and any distributions to be received from the depositary will decrease.

Developments in other emerging markets could materially affect the value of our ADSs and our shares.

The Chilean financial and securities markets are, to varying degrees, influenced by economic and market conditions in other emerging market countries or regions of the world. Although economic conditions are different in each country or region, investor reaction to developments in one country or region can have significant effects on the securities of issuers in other countries and regions, including Chile and Latin America. Events in other parts of the world may have a material effect on Chilean financial and securities markets and on the value of our ADSs and our shares.

The volatility and low liquidity of the Chilean securities markets could affect the ability of our shareholders to sell our ADSs.

The Chilean securities markets are substantially smaller, less liquid and more volatile than the major securities markets in the United States. The volatility and low liquidity of the Chilean markets could increase the price volatility of our ADSs and may impair the ability of a holder to sell our ADSs into the Chilean market in the amount and at the price and time the holder wishes to do so.

Our share or ADS price may react negatively to future acquisitions and investments.

As world leaders in our core businesses, part of our strategy is to look for opportunities that will allow us to consolidate and strengthen our competitive position in jurisdictions in which we currently do not operate. Pursuant to this strategy, we may carry out acquisitions or joint ventures relating to any of our businesses or to new businesses in which we believe we may have sustainable competitive advantages. Depending on our capital structure at the time of such acquisitions or joint ventures, we may need to raise significant debt and/or equity which will affect our financial condition and future cash flows. Any change in our financial condition could affect our results of operations, negatively impacting our share or ADS price.

Note 5 Financial Risk Management (continued)

5.2 Risk Factors (continued)

ADS holders may be unable to enforce rights under U.S. securities laws.

Because we are a Chilean company subject to Chilean law, the rights of our shareholders may differ from the rights of shareholders in companies incorporated in the United States, and ADS holders may not be able to enforce or may have difficulty enforcing rights currently in effect under U.S. federal or state securities laws.

Our Company is an open stock corporation incorporated under the laws of the Republic of Chile. Most of our directors and officers reside outside the United States, principally in Chile. All or a substantial portion of the assets of these persons are located outside the United States. As a result, if any of our shareholders, including holders of our ADSs, were to bring a lawsuit against our officers or directors in the United States, it may be difficult for them to effect service of legal process within the United States upon these persons. Likewise, it may be difficult for them to enforce judgments obtained in United States courts based upon the civil liability provisions of the federal securities laws in the United States against them in the United States.

In addition, there is no treaty between the United States and Chile providing for the reciprocal enforcement of foreign judgments. However, Chilean courts have enforced judgments rendered in the United States, provided that the Chilean court finds that the United States court respected basic principles of due process and public policy. Nevertheless, there is doubt as to whether an action could be brought successfully in Chile in the first instance on the basis of liability based solely upon the civil liability provisions of the United States federal securities laws.

As preemptive rights may be unavailable for our ADS holders, they have the risk of their holdings being diluted if we issue new stock.

Chilean laws require companies to offer their shareholders preemptive rights whenever issuing new shares of capital stock so shareholders can maintain their existing ownership percentage in a company. If we increase our capital by issuing new shares, a holder may subscribe for up to the number of shares that would prevent dilution of the holder's ownership interest.

If we issue preemptive rights, United States holders of ADSs would not be able to exercise their rights unless a registration statement under the Securities Act were effective with respect to such rights and the shares issuable upon exercise of such rights or an exemption from registration were available. We cannot assure holders of ADSs that we will file a registration statement or that an exemption from registration will be available. We may, in our absolute discretion, decide not to prepare and file such a registration statement. If our holders were unable to exercise their preemptive rights because we did not file a registration statement, the depositary bank would attempt to sell their rights and distribute the net proceeds from the sale to them, after deducting the depositary's fees and expenses. If the depositary could not sell the rights, they would expire and holders of ADSs would not realize any value from them. In either case, ADS holders' equity interests in us would be diluted in proportion to the increase in our capital stock.

Note 5 Financial Risk Management (continued)

5.2 Risk Factors (continued)

If we were classified as a Passive Foreign Investment Company by the U.S. Internal Revenue Service, there could be adverse consequences for U.S. investors.

We believe that we were not classified as a Passive Foreign Investment Company ("PFIC") for 2018. Characterization as a PFIC could result in adverse U.S. tax consequences to you if you are a U.S. investor in our shares or ADSs. For example, if we (or any of our subsidiaries) are a PFIC, our U.S. investors may become subject to increased tax liabilities under U.S. tax laws and regulations and will become subject to burdensome reporting requirements. The determination of whether or not we (or any of our subsidiaries or portfolio companies) are a PFIC is made on an annual basis and will depend on the composition of our (or their) income and assets from time to time.

Changes in Chilean tax regulations could have adverse consequences for U.S. investors.

Currently cash dividends paid by us to foreign shareholders are subject to a 35% Chilean withholding tax. When the Company pays a corporate income tax on the income from which the dividend is paid, known as a "First Category Tax", a credit for the full amount of the First Category Tax effectively reduces the rate of Withholding Tax. Changes in Chilean tax regulations could have adverse consequences for U.S. investors.

Note 5 Financial risk management, continued

5.2.1 Credit risk

A global economic downturn - and its potentially negative effects on the financial situation of our customers - could extend the payment terms of the Company's receivables by increasing its exposure to credit risk. Although measures are taken to minimize the risk, this global economic situation could mean losses with adverse material effects on the business, financial position or profit and loss of the Company's operations.

To mitigate these risks, the Company maintains active control of collection and uses measures such as the use of credit insurance, letters of credit and prepayments for a portion of receivables.

Financial investments correspond to time deposits whose maturity date is greater than 90 days and less than 360 days from the date of investment, so they are not exposed to excessive market risks.

The credit quality of financial assets that are not past due or impaired can be evaluated by reference to external credit ratings (if available) or historical information on counterparty late payment rates:

Financial institution	Financial assets	Rating Institution			03/31/2019
		Moody´s	S&P	Fitch	ThUS$
Banco de Chile	Time deposits	P-1	A-1	-	75,480
Banco de Crédito e Inversiones	Time deposits	P-1	A-1	-	49,066
Banco Itau Corpbanca	Time deposits	P-2	A-2	-	23,071
Banco Santander	Time deposits	P-1	A-1	-	23,288
Banco Estado	Time deposits	P-1	A-1	-	-
BBVA Banco Francés	Time deposits	-	-	-	-
Nedbank	Time deposits	P-3	B	-	-
JP Morgan US dollar Liquidity Fund Institutional	Investment fund deposits	-	-	-	131,462
Legg Mason - Western Asset Institutional Cash Reserves	Investment fund deposits	-	-	-	142,395
Total					**444,762**

Financial institution	Financial assets	Rating Institution			03/31/2019
		Moody´s	S&P	Fitch	ThUS$
Banco Sud Americano	90 days to 1 year	-	-	-	10,526
Banco de Crédito e Inversiones	90 days to 1 year	P-1	A-1	-	150,615
Banco Santander	90 days to 1 year	P-1	A-1	-	23,866
Banco Itaú-Corpbanca	90 days to 1 year	P-2	A-2	-	72,752
Banco Security	90 days to 1 year	-	-	-	28,124
Total					**285,883**

The following table presents comparative information as of December 2018:

Financial institution	Financial assets	Rating Institution			12/31/2018
		Moody´s	S&P	Fitch	ThUS$
Banco de Chile	Time deposits	P-1	A-1	-	7,305
Banco de Crédito e Inversiones	Time deposits	P-1	A-1	-	27,428
Banco Itau Corpbanca	Time deposits	P-2	A-2	-	61,946
Banco Santander	Time deposits	-	-	-	432
Banco Estado	Time deposits	-	-	-	3,602
BBVA Banco Francés	Time deposits	-	-	-	84
Nedbank	Time deposits	P-3	B	-	647
JP Morgan US dollar Liquidity Fund Institutional	Investment fund deposits	-	-	-	133,809
Legg Mason - Western Asset Institutional Cash Reserves	Investment fund deposits	-	-	-	132,108
Total					**367,361**

Note 5 Financial risk management, continued

5.2.1 Credit risk, Continued

Financial institution	Financial assets	Rating Institution			12/31/2018
		Moody´s	S&P	Fitch	ThUS$
Banco Sud Americano	90 days to 1 year	-	-	-	24,898
Banco de Crédito e Inversiones	90 days to 1 year	P-1	A-1	-	145,834
Banco Santander	90 days to 1 year	P-1	A-1	-	23,124
Banco Itaú-Corpbanca	90 days to 1 year	P-2	A-2	-	70,719
Banco Security	90 days to 1 year	-	-	-	27,215
Total					**291,790**

5.2.2 Currency risk

The functional currency of the Company is the US Dollar, due to its influence on the determination of price levels, its relation to the cost of sales and considering that a significant part of the Company's business is conducted in this currency. However, the global nature of the Company's business generates an exposure to exchange rate variations of several currencies with the US Dollar, Therefore, the Company maintains hedge contracts to mitigate the exposure generated by its main mismatches (net between assets and liabilities) in currencies other than the US dollar against the exchange rate variation, updating these contracts periodically depending on the amount of mismatching to be covered in these currencies. Occasionally, subject to the approval of the Company's Board of Directors (the "Board"), the Company ensures short-term cash flows from certain specific line items in currencies other than the US Dollar.

A significant portion of the Company's costs, especially salary payments, is associated with the Chilean peso (the "Peso"). Therefore, an increase or decrease in its exchange rate with the US Dollar would affect the Company's profit and loss. By the first quarter, approximately US$99 million accumulated in expenses are associated with the Peso. A significant part of the effect of these liabilities on the Statement of Financial Position is covered by derivative instrument operations that cover the balance sheet mismatch.

As of March 31, 2019, the Company held derivative instruments classified as hedges of foreign exchange risks associated with all of the bond liabilities denominated in UF, for a fair value of US$6,5 million in favor of the Company, As of December 31, 2018, this value amounted to US$3,9 million against the company.

As of March 31, 2019, the exchange rate value for equivalent Pesos to US Dollars was Ch$678,53 per US Dollar, as of December 31, 2018, it was Ch$694,77 per Dollar.

Note 5 Financial risk management, continued

5.2.3 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 maintains current and non-current financial debt valued at the LIBOR rate plus spread.

As of March 31, 2019, the Company has around 5% of its financial liabilities linked to variations in the LIBOR rate, which have been covered by Interest Rate Swap (IRS) hedging instruments. Regardless of this, significant increases in the rate may impact the Company's capacity to renovate IRS contracts current as of March 31, 2019, while hindering access to financing at attractive rates for the Company's investment projects.

5.2.4 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, 2019, the Company had unused, available revolving credit facilities with banks, for a total of approximately US$480 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 5 Financial risk management, continued

5.2.4 Liquidity risk, continued

	Nature of undiscounted cash flows				
As of March 31, 2019	**Carrying amount**	**Less than 1 year**	**1 to 5 years**	**Over 5 years**	**Total**
(in millions of US$)					
Other non-derivative financial liabilities					
Bank borrowings	70.95	4.02	78.75	-	82,77
Unsecured obligations	1,285.08	69.18	826.71	705.69	1,601.58
Subtotal	**1,356.03**	**73.20**	**905.46**	**705.69**	**1,684.35**
Other derivative financial liabilities					
Hedging liabilities	(17.70)	4.64	8.87	24.47	37.98
Derivative financial instruments	(0.03)	(0.03)	-	-	(0.03)
Subtotal	**(17.73)**	**4.61**	**8.87**	**24.47**	**37.95**
Current and non-current lease liabilities	30.24	4.27	17.46	8.51	30.24
Trade accounts payable and other accounts payable	166.01	165.44	0.57	-	166.01
Total	**1,534.55**	**247.52**	**932.36**	**738.67**	**1,918.55**

	Nature of undiscounted cash flows				
As of December 31, 2018	**Carrying amount**	**Less than 1 year**	**1 to 5 years**	**Over 5 years**	**Total**
(in millions of US$)					
Other non-derivative financial liabilities					
Bank borrowings	70.25	4.10	79.66	-	83.76
Unsecured obligations	1,273.07	61.37	823.76	713.60	1,598.73
Subtotal	1,343.32	65.47	903.42	713.60	1,682.49
Other derivative financial liabilities					
Hedging liabilities	(14.34)	5.52	15.64	29.27	50.43
Derivative financial instruments	0.16	0.16	-	-	0.16
Subtotal	(14.18)	5.68	15.64	29.27	50.59
Trade accounts payable and other accounts payable	163.75	163.17	0.58	-	163.75
Total	**1,492.89**	**234.32**	**919.64**	**742.87**	**1,896.83**

Note 5 Financial risk management, continued

5.3 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 6 Background of companies included in consolidation

6.1 Parent's stand-alone assets and liabilities

	03/31/2019 ThUS$	12/31/2018 ThUS$
Assets	3,841,037	3,737,892
Liabilities	(1,752,896)	(1,652,401)
Equity	**2,088,141**	**2,085,491**

6.2 Parent entity

Pursuant to Article 99 of Law No, 18,045 of the Securities Market (the "Securities Market Law"), the Commission for Financial Market (the "CMF") may determine that a company does not have a controller in accordance with the distribution and dispersion of its ownership. On November 30, 2018, the CMF issued the ordinary letter No, 32,131 whereby it determined that Sociedad de Inversiones Pampa Calichera S.A., Potasios de Chile S.A. and Inversiones Global Mining (Chile) Limitada (the "Pampa Group"), do not exert decisive power over the management of the Company since it does not have a predominance in the ownership that allows it to make management decisions. Therefore, the CMF has determined not to consider Grupo Pampa the controller of the Company and that the Company does not have a controller given its current ownership structure.

Note 7 Board of Directors, Senior Management and Key management personnel

7.1 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. On March 31, 2019, the Board of Directors was elected during the ordinary shareholders' meeting held on April 27, 2018, which included the election of 2 independent directors. On December 5, 2018, directors Darryl Stann and Mark F. Fracchia presented their resignations to the board of Directors.

As of March 31, 2019, the Company included the following committees and committee members:

- Directors' Committee: This committee is comprised of Hernán Büchi Buc, Laurence Golborne Riveros and Alberto Salas Muñoz, and fulfills the functions established in Article 50 bis of Chilean Law No. 18.046 on publicly-held corporations. This committee takes on the role of the audit committee in keeping with the US-based Sarbanes Oxley law.
- The Company's Health, Safety and Environment Committee: This committee is comprised of Arnfinn F. Prugger, Patricio Contesse Fica and Gonzalo Guerrero Yamamoto.
- Corporate Governance Committee: This committee is comprised of Hernán Büchi Buc. In the session held in December 2018, in consideration of the resignation of directors Darryl Stann and Mark F. Fracchia, the Board of Directors decided to temporarily move forward on issues pertaining to this committee.

Since April 26, 2019, following the election of directors in the ordinary shareholders' meeting held April 25, 2019, the Company had the following committees and committee members:

- Directors' Committee: This committee is comprised of Georges de Bourguignon, Laurence Golborne Riveros and Alberto Salas Muñoz, and fulfills the functions established in Article 50 bis of Chilean Law No. 18.046 on publicly-held corporations. This committee takes on the role of the audit committee in keeping with the US-based Sarbanes Oxley law.
- The Company's Health, Safety and Environment Committee: This committee is comprised of Gonzalo Guerrero Yamamoto, Patricio Contesse Fica and Robert J, Zatta.
- Corporate Governance Committee: This committee is comprised of Hernán Büchi Buc, Patricio Contesse Fica and Francisco Ugarte Larraín.

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 7 Board of Directors, Senior Management and Key management personnel (continued)

7.1 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 UF 400 in favor of the Chairman of the Board of Directors of SQM S.A. and of UF 350 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 0.12% of profit for the period effectively earned by the Company during the 2018 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 2018 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 December 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 2019 fiscal year is paid.
f) Therefore, the remunerations and profit sharing paid to members of the Board of Directors and Audit Committee as of March 31, 2019, amount to ThUS$365, and ThUS$ 3,791 as of December 31, 2018.

In the ordinary shareholders' meeting held on April 25, 2019, the following Board compensation structure was approved: (i) payment of a fixed, gross, monthly amount of UF 800 for the Chairman of the Board of Directors, UF 700 for the Vice Chairman of the Board of Directors, and UF 600 for each of the remaining six directors, regardless of the number of Board Meetings held or not during the respective month; (ii) payment in Chilean pesos to the Chairman of the Company a variable, gross amount equivalent to 0.12% of the total net income that the Company effectively obtains during the fiscal year 2019; (iii) payment in Chilean pesos to the Vice Chairman of the Company a variable, gross amount equivalent to 0.12% of the total net income that the Company effectively obtains during the fiscal year 2019; and (iv) payment in Chilean pesos to each of the Company's directors, excluding the Chairman and Vice Chairman of the Company, a variable, gross amount equivalent to 0.06% of the total net income that the Company effectively obtains during the fiscal year 2019.

Note 7 Board of Directors, Senior Management and Key management personnel (continued)

7.1 Board of Directors and Senior Management, continued

3) Directors' Committee

The remuneration of the Directors Committee comprises:

a) The payment of a fixed, gross and monthly amount of UF 113 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 2018 fiscal year.
c) Approval of a budget for operating costs for the Directors' Committee equal to the total of their joint annual remunerations plus ThUS$825.

In the ordinary shareholders' meeting held on April 25, 2019, the following compensation structure was approved for the Directors' Committee: (i) payment of a fixed, gross, monthly amount of UF 200 for each of the three directors that form part of the Company's Directors' Committee, regardless of the number of Committee Meetings held or not during the respective month; (ii) payment in Chilean pesos to each of these three directors a variable, gross amount equivalent to 0.02% of the total net income that the Company effectively obtains during the fiscal year 2019.

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 December 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 2018 fiscal year is paid.

4) Health, Safety and Environmental Matters Committee:

The remuneration for this committee as of March 31, 2019 was composed of the payment of a fixed, gross, monthly amount of UF 50 for each of the 3 directors on the committee regardless of the number of meetings it has held. As of April 25, 2019, the remuneration for the Health, Safety and Environment Committee corresponds to a fixed, gross, monthly amount of UF 100 for each of the three Directors on the committee regardless of the number of meetings it has held.

Note 7 Board of Directors, Senior Management and Key management personnel (continued)

7.1 Board of Directors and Senior Management, continued

5) Corporate Governance Committee

The remuneration for this committee as of March 31, 2019 was composed of the payment of a fixed, gross, monthly amount of UF 50 for each of the 3 directors on the committees regardless of the number of meetings it has held. As of April 25, 2019, the remuneration for the Corporate Governance Committee corresponds to a fixed, gross, monthly amount of UF 100 for each of the three 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, 2019, the global compensation paid to the 126 main executives amounts to ThUS$11,136, the global compensation paid to the 123 main executives as of December 31, 2018 amounted to ThUS$27,907. 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 18,6)

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, 2019 and the year ended December 31, 2018 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.

7.2 Key management personnel compensation

As of March 31, 2019, there are 126 people occupying key management positions and 123 as of December 31, 2018.

	03/31/2019 ThUS$	12/31/2018 ThUS$
Key management personnel compensation (1)	11,136	27,907

(1) Corresponds to a number of executives (see Note 7.1 number 7) a)

Note 8 Background on companies included in consolidation and non-controlling interests

8.1 Background on companies included in consolidation

The following tables detail general information as of March 31, 2019 and December 31, 2018, on the companies in which the group exercises control and significant influence:

Subsidiaries	TAX ID No,	Address	Country of Incorporation	Functional Currency	Ownership Interest		
					Direct	Indirect	Total
SQM Nitratos S.A.	96,592,190-7	El Trovador 4285 Las Condes	Chile	US dollar	99.9999	0.0001	100.0000
Proinsa Ltda.	78,053,910-0	El Trovador 4285 Las Condes	Chile	Chilean peso	-	60.5800	60.5800
SQM Potasio S.A.	96,651,060-9	El Trovador 4285 Las Condes	Chile	US dollar	99.9999	-	99.9999
Serv. Integrales de Tránsito y Transf. S.A.	79,770,780-5	Arturo Prat 1060, Tocopilla	Chile	US dollar	0.0003	99.9997	100.0000
Isapre Norte Grande Ltda.	79,906,120-1	Anibal Pinto 3228, Antofagasta	Chile	Chilean peso	1.0000	99.0000	100.0000
Ajay SQM Chile S.A.	96,592,180-K	Av, Pdte, Eduardo Fri 4900, Santiago	Chile	US dollar	51.0000	-	51.0000
Almacenes y Depósitos Ltda.	79,876,080-7	El Trovador 4285 Las Condes	Chile	Chilean peso	1.0000	99.0000	100.0000
SQM Salar S.A.	79,626,800-K	El Trovador 4285 Las Condes	Chile	US dollar	18.1800	81.8200	100.0000
SQM Industrial S.A.	79,947,100-0	El Trovador 4285 Las Condes	Chile	US dollar	99.0470	0.9530	100.0000
Exploraciones Mineras S.A.	76,425,380-9	El Trovador 4285 Las Condes	Chile	US dollar	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	Chilean peso	-	100.0000	100.0000
Soquimich Comercial S.A.	79,768,170-9	El Trovador 4285 Las Condes	Chile	US dollar	-	60.6383	60.6383
Comercial Agrorama Ltda. (*)	76,064,419-6	El Trovador 4285 Las Condes	Chile	Chilean peso	-	42.4468	42.4468
Comercial Hydro S.A.	96,801,610-5	El Trovador 4285 Las Condes	Chile	US dollar	-	60.6383	60.6383
Agrorama S.A.	76,145,229-0	El Trovador 4285 Las Condes	Chile	Chilean peso	-	60.6377	60.6377
Orcoma Estudios SPA	76,359,919-1	Apoquindo 3721 OF 131 Las Condes	Chile	US dollar	51.0000	-	51.0000
Orcoma SPA	76,360,575-2	Apoquindo 3721 OF 131 Las Condes	Chile	US dollar	100.0000	-	100.0000
SQM MaG SpA	76,686,311-9	Los Militares 4290, Las Condes	Chile	US dollar	-	100.0000	100.0000
SQM North America Corp.	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA	United States of America	US dollar	40.0000	60.0000	100.0000
RS Agro Chemical Trading Corporation A.V.V.	Foreign	Caya Ernesto O, Petronia 17, Orangestad	Aruba	US dollar	98.3333	1.6667	100.0000
Nitratos Naturais do Chile Ltda.	Foreign	Al, Tocantis 75, 6° Andar, Conunto 608 Edif, West Gate, Alphaville Barureri, CEP 06455-020, Sao Paulo	Brazil	US dollar	-	100.0000	100.0000
Nitrate Corporation of Chile Ltd.	Foreign	1 More London Place London SE1 2AF	United Kingdom	US dollar	-	100.0000	100.0000
SQM Corporation N.V.	Foreign	Pietermaai 123, P,O, Box 897, Willemstad, Curacao	Curacao	US dollar	0.0002	99.9998	100.0000
SQM Perú S.A.	Foreign	Avenida Camino Real N° 348 of, 702, San Isidro, Lima	Peru	US dollar	0.9800	99.0200	100.0000
SQM Ecuador S.A.	Foreign	Av, José Orrantia y Av, Juan Tanca Marengo Edificio Executive Center Piso 2 Oficina 211	Ecuador	US dollar	0.0040	99.9960	100.0000

(*) SQM controls Soquimich Comercial, which in turn controls Comercial Agrorama Ltda, SQM has management control over Comercial Agrorama Ltda.

Note 8 Background on companies included in consolidation and non-controlling interests (continued)

8.1 Background on companies included in consolidation, continued

Subsidiaries	TAX ID No.	Address	Country of Incorporation	Functional Currency	Ownership Interest		
					Direct	Indirect	Total
SQM Brasil Ltda.	Foreign	Al, Tocantis 75, 6° Andar, Conunto 608 Edif, West Gate, Alphaville Barureri, CEP 06455-020, Sao Paulo	Brazil	US dollar	2.2600	97.7400	100.0000
SQI Corporation N.V.	Foreign	Pietermaai 123, P,O, Box 897, Willemstad, Curacao	Curacao	US dollar	0.0159	99.9841	100.0000
SQMC Holding Corporation.	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta	United States of America	US dollar	0.1000	99.9000	100.0000
SQM Japan Co. Ltd.	Foreign	From 1st Bldg 207, 5-3-10 Minami- Aoyama, Minato-ku, Tokio	Japan	US dollar	0.1597	99.8403	100.0000
SQM Europe N.V.	Foreign	Houtdok-Noordkaai 25a B-2030 Amberes	Belgium	US dollar	0.5800	99.4200	100.0000
SQM Italia SRL	Foreign	Via A, Meucci, 5 500 15 Grassina Firenze	Italy	US dollar	-	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 dollar	-	80.0000	80.0000
North American Trading Company	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA	United States of America	US dollar	-	100.0000	100.0000
SQM Virginia LLC	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA	United States of America	US dollar	-	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 Mexico	Mexico	US dollar	0.0100	99.9900	100.0000
SQM Investment Corporation N.V.	Foreign	Pietermaai 123, P,O, Box 897, Willemstad, Curacao	Curacao	US dollar	1.0000	99.0000	100.0000
Royal Seed Trading Corporation A.V.V.	Foreign	Caya Ernesto O, Petronia 17, Orangestad	Aruba	US dollar	1.6700	98.3300	100.0000
SQM Lithium Specialties Limited Partnership	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta. GA	United States of America	US dollar	-	100.0000	100.0000
Soquimich SRL Argentina	Foreign	Espejo 65 Oficina 6 – 5500 Mendoza	Argentina	US dollar	-	100.0000	100.0000
Comercial Caimán Internacional S.A.	Foreign	Edificio Plaza Bancomer Calle 50	Panama	US dollar	-	100.0000	100.0000
SQM France S.A.	Foreign	ZAC des Pommiers 27930 FAUVILLE	France	US dollar	-	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 Mexico	Mexico	US dollar	-	100.0000	100.0000
SQM Nitratos México S.A. de C.V.	Foreign	Av, Moctezuma 144-4 Ciudad del Sol, CP 45050, Zapopan, Jalisco Mexico	Mexico	US dollar	-	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

Note 8 Background on companies included in consolidation and non-controlling interests (continued)

8.1 Background on companies included in consolidation, continued

Subsidiaries	TAX ID No,	Address	Country of Incorporation	Functional Currency	Ownership Interest		
					Direct	Indirect	Total
Soquimich European Holding B.V.	Foreign	Loacalellikade 1 Parnassustoren 1076 AZ Amsterdan	Holland	US dollar	-	100.0000	100.0000
SQM Iberian S.A	Foreign	Provenza 251 Principal 1a CP 08008, Barcelona	Spain	US dollar	-	100.0000	100.0000
SQM Africa Pty Ltd.	Foreign	Tramore House, 3 Wterford Office Park, Waterford Drive, 2191 Fourways, Johannesburg	South Africa	US dollar	-	100.0000	100.0000
SQM Oceanía Pty Ltd.	Foreign	Level 9, 50 Park Street, Sydney NSW 2000, Sydney	Australia	US dollar	-	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 dollar	-	100.0000	100.0000
SQM Thailand Limited	Foreign	Unit 2962, Level 29, N° 388, Exchange Tower Sukhumvit Road, Klongtoey Bangkok	Thailand	US dollar	-	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 dollar	-	100.0000	100.0000
SQM International N.V.	Foreign	Houtdok-Noordkaai 25a B-2030 Amberes	Belgium	US dollar	0.5800	99.4200	100.0000
SQM (Shanghai) Chemicals Co. Ltd.	Foreign	Room 4703-33, 47F, No,300 Middle Huaihai Road, Huangpu district, Shanghai	China	US dollar	-	100.0000	100.0000

Note 8 Background on companies included in consolidation and non-controlling interests (continued)

8.2 Assets, liabilities, results of consolidated subsidiaries

Subsidiary	03/31/2019						
	Assets		Liabilities		Revenue	Profit (loss)	Comprehensive income (loss)
	Current	Non-current	Current	Non-current			
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
SQM Nitratos S.A.	409,577	33,420	347,909	1,589	39,039	9,964	9,964
Proinsa Ltda.	48	-	-	-	-	(6)	(6)
SQM Potasio S.A.	50,435	959,677	125,441	22,948	854	35,462	35,462
Serv. Integrales de Tránsito y Transf. S.A.	72,619	38,555	101,688	2,182	9,697	1,562	1,562
Isapre Norte Grande Ltda.	846	573	646	147	995	5	13
Ajay SQM Chile S.A.	18,847	1,292	1,724	420	6,275	323	323
Almacenes y Depósitos Ltda.	270	48	1	-	-	1	27
SQM Salar S.A.	756,496	864,825	572,022	199,999	210,065	44,381	44,381
SQM Industrial S.A.	979,396	724,254	539,497	124,210	184,220	21,840	21,834
Exploraciones Mineras S.A.	3,142	31,014	6,099	-	-	(40)	(40)
Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	360	567	488	316	661	(2)	(9)
Soquimich Comercial S.A.	145,392	19,215	54,987	13,383	17,565	823	823
Comercial Agrorama Ltda.	3,193	1,583	6,501	17	998	(101)	(101)
Comercial Hydro S.A.	4,897	27	23	7	7	16	16
Agrorama S.A.	5,399	490	10,627	30	1,435	(247)	(247)
Orcoma SpA	-	2,360	14	-	-	-	-
Orcoma Estudio SpA	209	4,441	3	-	-	(1)	(1)
SQM MaG SPA	1,434	535	1,451	1	892	251	251
SQM North America Corp.	142,661	16,205	123,769	254	61,119	132	132
RS Agro Chemical Trading Corporation A.V.V.	5,155	-	47	-	-	(8)	(8)
Nitratos Naturais do Chile Ltda.	11	136	3,331	-	-	(1)	(1)
Nitrate Corporation of Chile Ltd.	5,076	-	-	-	-	-	-
SQM Corporation N.V.	7,696	160,051	3,589	(182)	-	11,547	11,547
SQM Perú S.A.	177	-	1,166	-	-	14	14
SQM Ecuador S.A.	26,797	135	23,620	72	7,853	413	413
SQM Brasil Ltda.	188	-	646	2,255	-	(80)	(80)
SQI Corporation N.V.	56	34	74	-	-	-	-
SQMC Holding Corporation L.L.P.	26,487	16,382	1,562	-	-	500	500
SQM Japan Co. Ltd.	109,405	221	106,607	171	71,002	300	300
Subtotal	**2,776,269**	**2,876,040**	**2,033,532**	**367,819**	**612,677**	**127,048**	**127,069**

Note 8 Background on companies included in consolidation and non-controlling interests (continued)

8.2 Assets, liabilities, results of consolidated subsidiaries, continued

Subsidiary	03/31/2019						
	Assets		Liabilities		Revenue	Profit (loss)	Comprehensive income (loss)
	Current	Non-current	Current	Non-current			
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
SQM Europe N.V.	382,962	1,754	309,704	-	201,200	9,725	9,725
SQM Italia SRL	1,158	-	15	-	-	4	4
SQM Indonesia S.A.	3	-	1	-	-	-	-
North American Trading Company	157	145	39	-	-	-	-
SQM Virginia LLC	14,805	14,346	14,805	-	-	-	-
SQM Comercial de México S.A. de C.V.	99,524	4,276	68,579	26	54,942	2,923	2,923
SQM Investment Corporation N.V.	44,189	86	5,415	956	-	(376)	(376)
Royal Seed Trading Corporation A.V.V.	75	-	18,834	-	-	(12)	(12)
SQM Lithium Specialties LLP	15,753	3	1,264	-	-	-	-
Soquimich SRL Argentina	77	-	170	-	-	(9)	(9)
Comercial Caimán Internacional S.A.	260	-	1,122	-	-	(1)	(1)
SQM France S.A.	345	6	114	-	-	-	-
Administración y Servicios Santiago S.A. de C.V.	370	131	674	167	679	(12)	(12)
SQM Nitratos México S.A. de C.V.	91	7	49	10	195	7	7
Soquimich European Holding B.V.	6,031	174,502	31,732	-	-	11,329	11,329
SQM Iberian S.A.	66,931	2,204	56,321	4	28,534	(246)	(246)
SQM Africa Pty Ltd.	57,429	1,390	46,227	-	9,566	(185)	(185)
SQM Oceania Pty Ltd.	3,897	-	1,979	-	424	327	327
SQM Beijing Commercial Co. Ltd.	8,511	8	6,526	-	2,001	(212)	(212)
SQM Thailand Limited	8,485	6	4,521	-	2,386	496	496
SQM Colombia SAS	4,822	242	5,148	3	850	(145)	(145)
Sacal S.A.	2	-	-	-	-	-	-
SQM International	22,814	751	16,649	-	20,807	(1,217)	(1,217)
SQM Shanghai Chemicals Co. Ltd.	14,653	27	12,805	-	8,555	(400)	(400)
SQM Australia Pty Ltd.	26,532	92,585	7,105	228	-	(1,643)	(1,643)
Subtotal	**779,876**	**292,469**	**609,798**	**1,394**	**330,139**	**20,353**	**20,353**
Total	**3,556,145**	**3,168,509**	**2,643,330**	**369,213**	**942,816**	**147,401**	**147,422**

Note 8 Background on companies included in consolidation and non-controlling interests (continued)

8.2 Assets, liabilities, results of consolidated subsidiaries, continued

Subsidiary	12/31/2018 Assets		Liabilities		Revenue	Profit (loss)	Comprehensive income (loss)
	Current	Non-current	Current	Non-current			
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
SQM Nitratos S.A.	364,492	33,716	310,062	1,621	185,487	32,532	32,546
Proinsa Ltda.	52	-	-	-	-	-	-
SQMC Internacional Ltda.	193	-	-	-	-	(1)	(1)
SQM Potasio S.A.	38,237	935,027	123,838	23,180	3,270	271,247	270,514
Serv. Integrales de Tránsito y Transf. S.A.	62,355	37,594	92,154	2,054	33,392	134	118
Isapre Norte Grande Ltda.	553	754	551	152	3,444	30	(42)
Ajay SQM Chile S.A.	18,259	1,298	1,497	389	32,758	2,400	2,400
Almacenes y Depósitos Ltda.	264	46	-	-	-	(10)	(142)
SQM Salar S.A.	671,086	849,377	512,964	189,267	1,035,046	326,152	325,263
SQM Industrial S.A.	904,802	702,606	489,063	100,914	779,692	82,638	82,267
Exploraciones Mineras S.A.	3,137	30,999	6,039	-	-	2,071	2,071
Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	270	571	417	292	2,341	2	(19)
Soquimich Comercial S.A.	139,210	13,558	39,743	6,692	136,563	3,492	3,466
Comercial Agrorama Ltda.	3,966	1,560	7,099	30	7,639	(1,061)	(1,062)
Comercial Hydro S.A.	4,897	28	40	8	25	119	119
Agrorama S.A.	7,235	485	12,086	48	9,440	(1,716)	(1,700)
Orcoma SpA	-	2,360	14	-	-	-	-
Orcoma Estudio SpA	296	4,416	63	1	-	2	2
SQM MaG SPA	780	340	853	-	979	257	257
SQM North America Corp.	113,630	16,274	94,939	254	271,869	(1,342)	(993)
RS Agro Chemical Trading Corporation A.V.V.	5,155	-	39	-	-	(25)	(25)
Nitratos Naturais do Chile Ltda.	30	136	3,349	-	-	127	127
Nitrate Corporation of Chile Ltd.	5,076	-	-	-	-	-	-
SQM Corporation N.V.	7,696	148,464	3,586	-	-	22,131	22,162
SQM Perú S.A.	163	-	1,166	-	-	(107)	(107)
SQM Ecuador S.A.	24,529	144	21,773	72	32,181	766	766
SQM Brasil Ltda.	108	-	706	2,254	126	(32)	(32)
SQI Corporation N.V.	56	31	72	-	-	(6)	(6)
SQMC Holding Corporation L.L.P.	25,692	16,115	1,000	-	-	3,084	3,084
SQM Japan Co. Ltd.	78,457	210	75,948	171	204,313	208	208
Subtotal	**2,480,676**	**2,796,109**	**1,799,061**	**327,399**	**2,738,565**	**743,092**	**741,241**

Note 8 Background on companies included in consolidation and non-controlling interests (continued)

8.2 Assets, liabilities, results of consolidated subsidiaries, continued

Subsidiary	12/31/2018						
	Assets		Liabilities		Revenue	Profit (loss)	Comprehensive income (loss)
	Current ThUS$	Non-current ThUS$	Current ThUS$	Non-current ThUS$	ThUS$	ThUS$	ThUS$
SQM Europe N.V.	412,691	1,825	349,252	-	985,278	17,180	17,180
SQM Italia SRL	1,176	-	15	-	-	-	-
SQM Indonesia S.A.	3		1	-	-	-	-
North American Trading Company	157	145	39	-	-	(1)	(1)
SQM Virginia LLC	14,805	14,346	14,805	-		(2)	(2)
SQM Comercial de México S.A. de C.V.	110,558	3,040	81,325	-	198,180	1,327	1,327
SQM Investment Corporation N.V.	44,476	86	5,336	946	-	(624)	(624)
Royal Seed Trading Corporation A.V.V.	86	-	18,834	-	-	31	31
SQM Lithium Specialties LLP	15,753	3	1,264	-	-	(2)	(2)
Soquimich SRL Argentina	87	-	172	-	-	(79)	(79)
Comercial Caimán Internacional S.A.	261	-	1,122	-	-	(1)	(1)
SQM France S.A.	345	6	114	-	-	-	-
Administración y Servicios Santiago S.A. de C.V.	128	78	370	164	2,848	10	10
SQM Nitratos México S.A. de C.V.	90	7	56	10	763	12	12
Soquimich European Holding B.V.	4,999	164,484	32,047	-	-	25,437	25,468
SQM Iberian S.A.	68,754	2,235	57,931	-	138,855	2,995	2,995
SQM Africa Pty Ltd.	59,925	1,448	48,663	-	106,514	4,871	4,871
SQM Oceania Pty Ltd.	3,581	-	1,990	-	2,513	(527)	(527)
SQM Beijing Commercial Co. Ltd.	12,346	9	10,163	-	13,779	(121)	(121)
SQM Thailand Limited	8,302	7	4,835	-	8,348	485	485
SQM Colombia SAS	4,592	279	4,830	-	3,056	(887)	(887)
SQM Australia Pty Ltd.	29,856	88,587	5,005	26	-	562	562
Sacal S.A.	3	-	-	-	-	-	-
SQM International	10,854	781	3,502	-	3,539	102	102
SQM Shanghai Chemicals Co. Ltd.	8,437	36	6,212	-	6,059	(239)	(239)
Subtotal	**812,265**	**277,402**	**647,883**	**1,146**	**1,469,732**	**50,529**	**50,560**
Total	**3,292,941**	**3,073,511**	**2,446,944**	**328,545**	**4,208,297**	**793,621**	**791,801**

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Note 8 Background on companies included in consolidation and non-controlling interests (continued)

8.3 Detail of transactions between consolidated companies

a) Transactions conducted in 2019

On March 1, 2019, Soquimich Comercial S.A. has obtained ownership of 100% of corporate rights in SQMC International Ltda. and therefore it absorbs this entity and takes responsibility for all its assets and liabilities.

As of the date of the presentation of these financial statements, SQM Australia Pty Ltd. has changed its functional currency from the Australian dollar to the United States dollar.

b) 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 February 27, 2018, a capital contribution of ThUS$2,500 was made to SQM (Shanghai) Chemicals Co, Ltd. This company is a wholly-owned subsidiary of SQM Industrial S.A.

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.

As of September 30, 2018, a total of ThUS$1,282 has been paid on the capital increase in SQM Colombia SAS subscribed during 2017 by SQM Industrial S.A. The transaction had no effect on consolidated earnings.

On August 1, 2018, the company Western Australia Lithium Pty changed its corporate name to Covalent Lithium Pty Ltd., maintaining all share percentages.

On November 9, 2018, a capital increase was made in SQM Australia Pty Ltd, for ThUS$2,670. All partners attended, maintaining all share percentages.

On November 29, 2018, a capital increase was made in SQM Australia Pty Ltd, for ThUS$5,250. All partners attended, maintaining all share percentages.

On December 14, 2018, a capital increase was made in SQM Australia Pty Ltd, for ThUS$83,500. All partners attended, maintaining all share percentages.

On December 18, 2018, Proinsa Ltda, sold to SQM Industrial S,A, 1 share in Agrorama S.A. thereby ending its participation in this company.

On December 18, 2018, SQMC Internacional Ltda. sold to Agrorama S.A. 1 share in Agrorama S.A.

Note 8 Background on companies included in consolidation and non-controlling interests (continued)

8.4 Background on 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	
		03/31/2019 ThUS$	12/31/2018 ThUS$	03/31/2019 ThUS$	12/31/2018 ThUS$	03/31/2019 ThUS$	12/31/2018 ThUS$
Proinsa Ltda.	0.1%	-	-	-	-	-	-
SQM Potasio S.A.	0.0000001%	-	-	-	-	-	-
Ajay SQM Chile S.A.	49%	158	1,176	8,817	8,659	-	823
SQM Indonesia S.A.	20%	-	-	1	1	-	-
Soquimich Comercial S.A.	39.3616784%	323	1,375	37,881	41,855	-	7,931
Comercial Agrorama Ltda.	30%	(30)	(318)	(523)	(481)	-	-
Agrorama S.A.	0.001%	-	-	-	-	-	-
Orcoma Estudios SPA	49%	-	-	2,277	2,277	-	-
SQM (Thailand) Limited.	0.004%	-	-	-	-	-	-
Total		**451**	**2,233**	**48,453**	**52,311**	**-**	**8,754**

In May 2018, a dividend for non-controlling interest was paid by Soquimich Comercial S.A. in the amount of ThUS$7,931, corresponding to 75% of profit and loss and 100% of the projected dividend for 2017, respectively.

Note 9 Equity-accounted investees

9.1 Investments in associates recognized according to the equity method of accounting

As of March 31, 2019 and December 31, 2018, 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	
	03/31/2019	12/31/2018	03/31/2019	12/31/2018	03/31/2019	12/31/2018	03/31/2019	12/31/2018
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Abu Dhabi Fertilizer Industries WWL	11,106	10,821	221	596	-	-	221	596
Doktor Tarsa Tarim Sanayi AS	23,701	21,582	1,102	241	503	489	1,605	730
Ajay North America	15,137	14,951	966	3,728	-	-	966	3,728
Ajay Europe SARL	6,889	7,845	372	1,373	(176)	(439)	196	934
Charlee SQM Thailand Co. Ltd.	-	-	-	316	-	-	-	316
SQM Eastmed Turkey	615	310	313	370	(8)	(21)	305	349
Kore Potash Ltd	20,467	20,467	-	(1,543)	-	(1,206)	-	(2,749)
Total	**77,915**	**75,976**	**2,974**	**5,081**	**319**	**(1,177)**	**3,293**	**3,904**

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Note 9 Equity-accounted investees (continued)

9.1 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	
					03/31/2019 ThUS$	12/31/2018 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%	-	6,632
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%	699	2,807
Ajay Europe SARL	Production and commercialization of iodine derivatives,	Z,I, du Grand Verger BP 227 53602 Evron Cedex	France	50%	1,054	811
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, Bangkapi, 10240 Bangkok	Thailand	40%	-	362
Kore Potash Ltd.	Prospecting, exploration and mining development,	L 3 88 William St Perth, was 6000	Australia	17.52%	-	-
Total					**1,753**	**10,612**

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Note 9 Equity-accounted investees (continued)

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

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.
(3) Abu Dhabi Fertilizer Industries WWL

Company	Description of the nature of the relationship	Domicile	Country of incorporation	Share of ownership in associates	Dividends received	
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/Döşemealtı, Antalya, Turkey	Turkey	100%	-	-
Terra Tarsa Ukraine LLC (2)	Distribution and trading of specialty plant nutrients,	74800 Ukraine, Kakhovka, 4 Yuzhnaya Str,	Ukraine	100%	-	-
Terra Tarsa Don LLC (2	Distribution and sale of specialty fertilizers	Zorge Street, house 17, 344090, Rostov-on-Don	Russian Federation	100%	-	-
Internacional Technical and Trading Agenies Co, WLL (3)	Distribution and trading of specialty plant nutrients, in the Middle East	P,O Box: 950918 Amman 11195	Jordania	50%	-	-
Total					-	-

Note 9 Equity-accounted investees (continued)

9.2 Assets, liabilities, revenue and expenses of associates

Associate	03/31/2019 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$
Abu Dhabi Fertilizer Industries WWL	30,981	2,862	3,825	-	7,004	598	-	598
Doktor Tarsa Tarim Sanayi AS	87,645	13,491	40,104	13,628	33,507	2,204	1,007	3,211
Ajay North America	22,182	12,383	3,673	-	11,236	1,972	-	1,972
Ajay Europe SARL	23,443	1,495	11,160	-	9,613	743	(352)	391
SQM Eastmed Turkey	2,832	2,052	2,949	705	1,823	626	(16)	610
Kore Potash Ltd	6,659	148,426	2,180	-	-	-	-	-
Total	**173,742**	**180,709**	**63,891**	**14,333**	**63,183**	**6,143**	**639**	**6,782**

Associate	12/31/2018 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$
Abu Dhabi Fertilizer Industries WWL	32,093	2,847	5,695	-	33,098	1,611	(1)	1,610
Doktor Tarsa Tarim Sanayi AS	66,498	12,242	27,067	8,509	74,144	481	978	1,459
Ajay North America	21,644	12,409	3,542	-	40,290	7,608	-	7,608
Ajay Europe SARL	21,219	1,214	6,743	-	36,337	2,747	(878)	1,869
SQM Eastmed Turkey	1,724	2,160	1,829	1,434	3,192	740	(42)	698
Kore Potash Ltd	6,659	148,426	2,180	-	-	(8,198)	(6,882)	(15,080)
Total	**149,837**	**179,298**	**47,056**	**9,943**	**187,061**	**4,989**	**(6,825)**	**(1,836)**

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Note 9 Investment in Associates (continued)

9.3 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, 2019 and December 31, 2018.

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.

9.4 Disclosures on interest in associates

a) Transactions conducted in 2019:

In the first quarter of 2019, Ajay North America paid total dividends of ThUS$699.

In the first quarter of 2019, Ajay Europe SARL paid total dividends of ThUS$1,054.

b) Transactions conducted in 2018:

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

In March 2018 the company Abu Dhabi Fertilizer Industries WLL paid dividends of ThUS$ 10,890, 50% of the distributed dividend was charged to retained earnings subsequent to 2014, in line with the Company's statutes that establish that 37% of the distributed dividend corresponds to SQM. The remaining 50% was charged to retained earnings generated between 2004 and 2014, in line with the Company's statutes that establish that 50% of the distributed dividend corresponds to SQM.

In March 2018 the company Ajay North America paid dividends of ThUS$ 1,432,

In June 2018, the associate company Doktor Tarsa Tarim, made a capital increase of 86 million Turkish Lira (ThUS$ 18,753), which was generated by the reclassification of retained earnings.

In June 2018 the company Abu Dhabi Fertilizer Industries WLL paid dividends of ThUS$ 4,348, 50% of the distributed dividend was charged to retained earnings subsequent to 2014, in line with the Company's statutes that establish that 37% of the distributed dividend corresponds to SQM. The remaining 50% was charged to retained earnings generated between 2004 and 2014, in line with the Company's statutes that establish that 50% of the distributed dividend corresponds to SQM.

In June 2018 the company Ajay North America paid dividends of ThUS$1,432.

In June 2018 the company Ajay North Europe SARL paid dividends of ThUS$1,622.

In June 2018 the company Charlee SQM Thailand Co, Ltd, paid dividends of ThUS$906.

In September 2018, the company Ajay North America paid dividends of ThUS$1,432.

Note 9 Investment in Associates (continued)

9.4 Disclosures on interest in associates, continued

b) Transactions conducted in 2018, continued:

In September 2018 the company Ajay North America paid total dividends of ThUS$1,432.

On November 14, 2018, Soquimich European Holdings B.V. sold its share in Charlee SQM Thailand Co. Ltd., generating a loss of ThUS$759.

In 2018, the company Doktor Tarsa Tarim Sanayi Ve Ticaret A.S., changed its functional currency from Turkish Lira to the United States Dollar.

In December 2018 the company Ajay North America paid total dividends of ThUS$1,432.

Note 10 Joint Ventures

10.1 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 (See Note 3.22)

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.

10.2 Disclosures of interest in joint ventures

a) Operations conducted in 2019

On January 01, 2019, SQM Vitas Perú changed its functional currency from the Peruvian sol to USD (United States dollar).

On January 01, 2019, Covalent Lithium Pty Ltd. changed its functional currency from AUD (Australian dollar) to USD (United States dollar).

b) 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.

On March 14, 2018, the company SQM Vitas Plantacote B.V. was closed.

As of the date of the presentation of these financial statements, Minera Exar S.A. has changed its functional currency from the Argentine peso to the United States dollar.

In April 2018, Minera Exar made a new capital increase of ThUS$7,000, which was contributed in equal parts by its partners.

On May 15, 2018, the subsidiary Soquimich European Holdings BV, signed a joint venture agreement with PAVONI & C., SpA in Italy, EUR5.5 million were paid for a 50% share, generating a lower value of EUR2,602,180. The functional currency of the joint venture is the Euro.

Note 10 Joint Ventures (continued)

10.2 Disclosures of interest in joint ventures, continued

On December 31, 2018, the conditions were met for Covalent Lithium Pty Ltd, to be recognized as a separate joint venture. In previous years, the Financial Statements for this Company were included in those of SQM Australia Pty.

On December 31, 2018, as part of the investment in Pavoni & C., SpA, the goodwill generated in the purchase of this joint venture was classified, a sum of ThUS$3,206.

In December 2018, SQM S.A. sold the share it held in Minera Exar S.A. generating a pre-tax profit of ThUS$14,507, which was presented in the Consolidated Statement of Income by Function in Other income (losses) (See Note 27.6)

The subsidiary SQM Industrial S.A. has recorded an impairment loss of ThUS$8,802, corresponding to its Sichuan SQM-Migao Chemical Fertilizer Co, Ltd. joint venture. The impairment is disclosed by deducting the value of the aforementioned investment, in the caption “Equity method investments".

Note 10 Joint Ventures (continued)

10.3 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 03/31/2019 ThUS$	Dividends received 12/31/2018 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.	Without information	Herikerbergweg 238, 1101 CM Amsterdam Zuidoost	Holland	50%	-	-
Pavoni & C.,Spa	Production of specialized fertilizers and other products for distribution in Italy and other countries	Corso Italia 172, 95129 Catania (CT), Sicily	Italy	50%	-	-
Covalent Lithium Pty Ltd.	development and operation of the Mt Holland Lithium project, which will include the construction of a lithium extraction and refining mine	L18, 109 St, Georges Tce Perth WA 6000 PO Box Z5200 St Georges Tce Perth WA 6831	Australia	50%	-	-

Note 10 Joint Ventures (continued)

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

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

(1) SQM Vitas Fzco.
(2) Pavoni & C Spa.
(3) SQM Vitas Holland B.V.

		Domicile	Country of incorporation	Share of interest in ownership	Dividends received	
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%	-	-
Arpa Speciali S.R.L. (2)	Production of specialty fertilizers and other products for distribution in Italy and other countries.	Mantova (MN) via Cremona 27 Int, 25	Italy	50.48%	-	-

Joint Venture	Final reporting period date	Accounting method
Coromandel SQM India	March 31, 2019	Equity method
SQM Vitas Fzco.	March 31, 2019	Equity method
SQM Qingdao Star Corp Nutrition Co.. Ltd.	March 31, 2019	Equity method
SQM Vitas Brazil Agroindustria	March 31, 2019	Equity method
SQM Vitas Perú S.A.C.	March 31, 2019	Equity method
SQM Vitas Holland B.V.	March 31, 2019	Equity method
Pavoni & C Spa	March 31, 2019	Equity method
Arpa Speciali S.R.L.	March 31, 2019	Equity method
Covalent Lithium Pty Ltd.	March 31, 2019	Equity method

Note 10 Joint Ventures (continued)

10.3 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	
	03/31/2019 ThUS$	12/31/2018 ThUS$	03/31/2019 ThUS$	12/31/2018 ThUS$
Sichuan SQM Migao Chemical Fertilizers Co Ltd.	1,949	1,992	(43)	(650)
Coromandel SQM India	1,729	1,729	(39)	174
SQM Vitas Fzco.	19,088	20,202	424	1,781
SQM Qingdao Star Corp Nutrition Co. Ltd.	3,309	3,168	141	188
SQM Vitas Holland.	1,313	1,345	(6)	(14)
Minera Exar S.A. (1)	-	-	-	(206)
Pavoni & C. Spa	6,832	7,084	1	(39)
Covalent Lithium Pty Ltd.	7	53	(46)	36
Total	**34,227**	**35,573**	**432**	**1,270**

Joint Venture	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	
	03/31/2019 ThUS$	12/31/2018 ThUS$	03/31/2019 ThUS$	12/31/2018 ThUS$
Sichuan SQM Migao Chemical Fertilizers Co Ltd.	-	-	(43)	(650)
Coromandel SQM India	-	-	(39)	174
SQM Vitas Fzco.	-	-	424	1,781
SQM Qingdao Star Corp Nutrition Co. Ltd.	-	1	141	189
SQM Vitas Holland.	-	-	(6)	(14)
Minera Exar S.A. (1)	-	(1)	-	(207)
Pavoni & C. Spa	(3)	-	(2)	(39)
Covalent Lithium Pty Ltd.	-	-	(46)	36
Total	**(3)**	**-**	**429**	**1,270**

(1) Minera Exar S.A. was sold in December 2018.

Note 10 Joint Ventures (continued)

10.3 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	
	03/31/2019	12/31/2018	03/31/2019	12/31/2018
	ThUS$	ThUS$	ThUS$	ThUS$
SQM Vitas Brasil Agroindustria (1)	12,473	12,405	178	2,879
SQM Vitas Perú S.A.C. (1)	6,794	5,188	565	(550)
SQM Vitas Plantacote B.V. (2)	-	-	-	-
Arpa Speciali S.R.L. (3)	120	122	-	(88)
Total	**19,387**	**17,715**	**743**	**2,241**

Joint Venture	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	
	03/31/2019	12/31/2018	03/31/2019	12/31/2018
	ThUS$	ThUS$	ThUS$	ThUS$
SQM Vitas Brasil Agroindustria (1)	(36)	(661)	142	2,218
SQM Vitas Perú S.A.C. (1)	-	-	565	(550)
SQM Vitas Plantacote B.V. (2)	-	-	-	-
Arpa Speciali S.R.L. (3)	-	-	-	(88)
Total	**(36)**	**(661)**	**707**	**1,580**

The following companies are subsidiaries of

(1) SQM Vitas Fzco.
(2) SQM Vitas Holland
(3) Pavoni & C. SPA

Note 10 Joint Ventures (continued)

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

	03/31/2019							
	Assets		Liabilities					
Joint Venture	Current	Non-current	Current	Non-current	Revenue	Gain (loss) from continuing operations	Other comprehensive income	Comprehensive income
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Sichuan SQM Migao Chemical Fertilizers Co Ltd	28,823	5,727	13,048	-	7	(85)	-	(85)
Coromandel SQM India	4,076	886	1,505	-	1,107	(77)	-	(77)
SQM Vitas Fzco.	21,282	19,268	2,378	-	36	847	-	847
SQM Qingdao Star Corp Nutrition Co. Ltd.	7,262	98	742	-	2,964	283	-	283
SQM Vitas Brasil Agroindustria	50,313	5,506	43,345	-	99,657	178	(71)	107
SQM Vitas Perú S.A.C.	25,154	8,597	21,264	5,694	7,167	565	-	565
SQM Vitas Holland B.V.	2,635	-	9	-	-	(13)	-	(13)
Pavoni & C..Spa	11,158	6,460	9,693	673	3,835	2	(6)	(4)
Arpa Speciali S.R.L.	-	-	-	-	-	-	-	-
Covalent Lithium Pty Ltd.	764	815	1,564	-	-	(91)	-	(91)
Total	**151,467**	**47,357**	**93,548**	**6,367**	**114,773**	**1,609**	**(77)**	**1,532**

	12/31/2018							
	Assets		Liabilities					
Joint Venture	Current	Non-current	Current	Non-current	Revenue	Gain (loss) from continuing operations	Other comprehensive income	Comprehensive income
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Sichuan SQM Migao Chemical Fertilizers Co Ltd	28,699	6,098	13,281	-	12	(1,372)	-	(1,372)
Coromandel SQM India	5,656	852	3,050	-	11,605	348	-	348
SQM Vitas Fzco.	25,489	17,592	2,678	-	16,583	3,561	1	3,562
SQM Qingdao Star Corp Nutrition Co. Ltd.	7,754	114	1,533	-	13,004	377	-	377
SQM Vitas Brazil Agroindustria	36,648	7,566	31,808	-	82,625	2,879	(1,322)	1,557
SQM Vitas Perú S.A.C.	22,365	7,785	18,996	5,966	28,619	(550)	-	(550)
SQM Vitas Holland B.V.	2,692	-	1	-	-	(28)	-	(28)
SQM Vitas Plantacote B.V.	-	-	-	-	-	-	-	-
Pavoni & C..Spa	10,062	6,490	8,098	698	15,461	(79)	-	(79)
Arpa Speciali S.R.L.	-	-	-	-	-	-	-	-
Covalent Lithium Pty Ltd.	239	100	233	-	-	106	-	106
Total	**139,604**	**46,597**	**79,678**	**6,664**	**167,909**	**5,242**	**(1,321)**	**3,921**

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Note 10 Joint Ventures (continued)

10.5 Other Joint Venture disclosures:

	Cash and cash equivalents		Other current financial liabilities		Other non-current financial liabilities	
	03/31/2019 ThUS$	**12/31/2018 ThUS$**	**03/31/2019 ThUS$**	**12/31/2018 ThUS$**	**03/31/2019 ThUS$**	**12/31/2018 ThUS$$**
Sichuan SQM Migao Chemical Fertilizers Co Ltd.	32	106	-	-	-	-
Coromandel SQM India	408	308	-	-	-	-
SQM Vitas Fzco.	21,828	19,312	-	-	-	-
SQM Qingdao Star Corp Nutrition Co. Ltd.	4,273	4,543	-	-	-	-
SQM Vitas Brasil Agroindustria	2,143	1,869	12,914	13,380	-	-
SQM Vitas Perú S.A.C.	332	371	3,809	3,819	916	801
SQM Vitas Holland B.V.	2,635	2,692	-	-	-	-
SQM Vitas Plantacote B.V.	-	-	-	-	-	-
Minera Exar S.A.	-	-	-	-	-	-
Pavoni &C. Spa	403	407	5,105	5,464	-	-
Arpa Speciali S.R.L.	-	-	-	-	-	-
Covalent Lithium Pty Ltd.	706	156	668	-	-	-
Total	**32,760**	**29,764**	**22,496**	**22,663**	**916**	**801**

	Depreciation and amortization expense		Interest expense		Income tax benefit (expense) from continuing operations	
	03/31/2019 ThUS$	**12/31/2018 ThUS$**	**03/31/2019 ThUS$**	**12/31/2018 ThUS$**	**03/31/2019 ThUS$**	**12/31/2018 ThUS$**
Sichuan SQM Migao Chemical Fertilizers Co. Ltd.	(186)	(948)	-	(1)	59	97
Coromandel SQM India	-	445	(3)	(9)	(6)	(38)
SQM Vitas Fzco.	-	(509)	(1)	(8)	-	-
SQM Star Qingdao Corp. Nutrition Co. Ltd.	(18)	(67)	-	-	(66)	(187)
SQM Vitas Brazil Agroindustria	(109)	(408)	(321)	(886)	(92)	(117)
SQM Vitas Peru S.A.C.	(86)	(347)	(110)	(425)	(33)	(230)
SQM Vitas Holland B.V	-	-	-	-	-	-
SQM Vitas Plantacote B.V	-	-	-	-	-	-
Minera Exar S.A.	-	-	-	-	-	-
Pavoni & C.. Spa	(97)	(542)	(32)	(335)	-	-
Arpa Speciali S.R.L.	-	-	-	-	-	-
Covalent Lithium Pty Ltd.	(63)	(16)	(13)	(5)	(29)	(46)
Total	**(559)**	**(2,392)**	**(480)**	**(1,669)**	**(167)**	**(521)**

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 11 Cash and cash equivalents

11.1 Types of cash and cash equivalents

As of March 31, 2019 and December 31, 2018, cash and cash equivalents are detailed as follows:

a) Cash	03/31/2019 ThUS$	12/31/2018 ThUS$
Cash on hand	5,121	75
Cash in banks	140,758	101,662
Other demand deposits	1,788	746
Total cash	**147,667**	**102,483**

b) Cash equivalents	03/31/2019 ThUS$	12/31/2018 ThUS$
Short-term deposits, classified as cash equivalents	181,247	187,666
Short-term investments, classified as cash equivalents	273,857	265,917
Total cash equivalents	**455,104**	**453,583**
Total cash and cash equivalents	**602,771**	**556,066**

11.2 Short-term investments, classified as cash equivalents

As of March 31, 2019 and December 31, 2018, the short-term investments classified as cash and cash equivalents relate to mutual funds (investment liquidity funds) for investments in:

Institution	03/31/2019 ThUS$	12/31/2018 ThUS$
Legg Mason - Western Asset Institutional Cash Reserves	142,395	132,108
JP Morgan US dollar Liquidity Fund Institutional	131,462	133,809
Total	**273,857**	**265,917**

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 11 Cash and cash equivalents (continued)

11.3 Information on cash and cash equivalents by currency

As of March 31, 2019 and December 31, 2018, information on cash and cash equivalents by currency is detailed as follows:

Original currency	03/31/2019 ThUS$	12/31/2018 ThUS$
Chilean Peso (*)	124,188	157,500
US Dollar	461,113	353,037
Euro	3,053	4,739
Mexican Peso	1,640	1,242
South African Rand	2,308	5,843
Japanese Yen	2,351	1,786
Peruvian Sol	7	7
Brazilian Real	-	-
Chinese Yuan	7,374	2,305
Dírham United Arab Emirates	-	1
Indian rupee	8	3
Argentine Peso	1	2
Pound Sterling	23	3
Australian dollar	705	29,598
Total	**602,771**	**556,066**

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

11.4 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, 2019 and December 31, 2018, restricted cash balances are presented in Note 14.

Note 11 Cash and cash equivalents (continued)

11.5 Short-term deposits, classified as cash equivalents

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

2019 Receiver of the deposit	Type of deposit	Original Currency	Interest rate (*)	Placement date	Expiration date	Principal ThUS$	Interest accrued to-date ThUS$	03/31/2019 ThUS$
Banco Crédito e Inversiones	Fixed term	UF	3.03	01/03/2019	04/03/2019	19,159	140	19,299
Banco Crédito e Inversiones	Fixed term	UF	3.35	01/09/2019	04/09/2019	19,159	144	19,303
Banco de Chile	Fixed term	UF	2.80	01/09/2019	04/09/2019	16,211	103	16,314
Banco de Chile	Fixed term	UF	2.80	01/09/2019	04/09/2019	16,211	103	16,314
Banco de Chile	Fixed term	UF	2.15	01/17/2019	04/17/2019	14,742	64	14,806
Banco de Chile	Fixed term	UF	2.15	01/17/2019	04/17/2019	11,124	48	11,172
Banco de Chile	Fixed term	UF	2.70	01/09/2019	04/09/2019	5,207	32	5,239
Itau-Corpbanca	Fixed term	Ch$	3.12	03/13/2019	05/29/2019	14,925	24	14,949
Banco Santander- Santiago	Fixed term	UF	3.05	01/03/2019	04/03/2019	20,479	151	20,630
Banco Crédito e Inversiones	Fixed term	US$	2.73	02/15/2019	05/10/2019	1,900	6	1,906
Banco Crédito e Inversiones	Fixed term	US$	3.06	03/28/2019	05/17/2019	4,500	1	4,501
Banco Crédito e Inversiones	Fixed term	US$	2.89	03/29/2019	04/08/2019	1,550	-	1,550
Banco Crédito e Inversiones	Fixed term	US$	2.90	02/26/2019	05/13/2019	2,500	7	2,507
Banco de Chile	Fixed term	US$	2.76	02/13/2019	04/30/2019	1,600	6	1,606
Banco de Chile	Fixed term	US$	2.77	02/27/2019	05/13/2019	2,000	5	2,005
Banco de Chile	Fixed term	US$	2.86	03/18/2019	05/13/2019	650	1	651
Banco de Chile	Fixed term	US$	2.76	02/26/2019	05/13/2019	500	1	501
Banco del Estado de Chile	Fixed term	US$	2.70	02/07/2019	04/18/2019	3,000	13	3,013
Banco del Estado de Chile	Fixed term	US$	2.76	02/19/2019	05/15/2019	1,300	4	1,304
Banco del Estado de Chile	Fixed term	US$	2.63	03/18/2019	05/13/2019	50	-	50
Banco del Estado de Chile	Fixed term	US$	2.60	03/22/2019	05/06/2019	700	-	700
Banco del Estado de Chile	Fixed term	US$	2.76	02/19/2019	05/15/2019	800	2	802
Banco del Estado de Chile	Fixed term	US$	2.75	02/13/2019	04/30/2019	1,000	4	1,004
Banco Santander- Santiago	Fixed term	US$	3.01	02/13/2019	04/30/2019	2,200	8	2,208
Banco Santander- Santiago	Fixed term	US$	2.80	03/18/2019	05/13/2019	450	-	450
Itau-Corpbanca	Fixed term	US$	2.85	02/12/2019	04/01/2019	4,000	16	4,016
Itau-Corpbanca	Fixed term	US$	3.02	03/27/2019	05/17/2019	1,200	-	1,200
Itau-Corpbanca	Fixed term	US$	2.93	03/29/2019	04/19/2019	1,000	-	1,000
Itau-Corpbanca	Fixed term	US$	2.84	02/15/2019	05/10/2019	1,900	6	1,906
Scotiabank Sud Americano	Fixed term	US$	2.70	02/07/2019	04/18/2019	1,000	4	1,004
Scotiabank Sud Americano	Fixed term	US$	2.90	03/29/2019	04/08/2019	3,000	-	3,000
Scotiabank Sud Americano	Fixed term	US$	2.80	03/22/2019	05/06/2019	300	-	300
Scotiabank Sud Americano	Fixed term	US$	2.75	03/18/2019	05/13/2019	1,850	2	1,852
Scotiabank Sud Americano	Fixed term	US$	2.75	03/06/2019	05/10/2019	1,200	2	1,202
Scotiabank Sud Americano	Fixed term	US$	2.75	03/05/2019	04/30/2019	1,300	3	1,303
Scotiabank Sud Americano	Fixed term	US$	2.75	02/15/2019	05/10/2019	1,600	6	1,606
BBVA Banco Francés	Fixed term	Argentine peso	41.5	03/25/2019	04/24/2019	72	3	75
Total						**180,339**	**908**	**181,247**

(*) Corresponds to the Effective Nominal Rate

Note 11 Cash and cash equivalents (continued)

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

2018 Receiver of the deposit	Type of deposit	Original Currency	Interest rate	Placement date	Expiration date	Principal ThUS$	Interest accrued to-date ThUS$	12/31/2018 ThUS$
Scotiabank	Fixed term	Ch$	2.50	10/18/2018	1/16/2019	14,606	90	14,696
Banco Crédito e Inversiones	Fixed term	Ch$	2.55	11/6/2018	1/9/2019	19,632	92	19,724
Scotiabank	Fixed term	Ch$	2.55	11/30/2018	1/3/2019	14,393	38	14,431
Scotiabank	Fixed term	Ch$	2.55	12/3/2018	1/3/2019	11,515	27	11,542
Itau-Corpbanca	Fixed term	Ch$	2.50	12/3/2018	1/3/2019	14,393	34	14,427
Itau-Corpbanca	Fixed term	Ch$	2.50	12/7/2018	1/9/2019	14,393	29	14,422
Itau-Corpbanca	Fixed term	Ch$	2.50	12/10/2018	1/9/2019	12,954	23	12,977
Scotiabank	Fixed term	Ch$	2.35	12/10/2018	1/9/2019	12,954	21	12,975
Itau-Corpbanca	Fixed term	US$	3.06	12/11/2018	1/11/2019	1,300	2	1,302
Banco Estado	Fixed term	US$	2.75	12/12/2018	1/15/2019	1,000	1	1,001
Itau-Corpbanca	Fixed term	Ch$	2.50	12/14/2018	1/9/2019	14,392	20	14,412
Scotiabank	Fixed term	Ch$	2.65	12/17/2018	1/17/2019	14,393	18	14,411
Scotiabank	Fixed term	Ch$	2.60	12/17/2018	1/17/2019	10,892	13	10,905
Banco Crédito e Inversiones	Fixed term	US$	2.93	12/17/2018	1/31/2019	1,400	2	1,402
Itau-Corpbanca	Fixed term	US$	3.30	12/17/2018	1/31/2019	1,400	2	1,402
Itau-Corpbanca	Fixed term	US$	3.40	12/17/2018	1/31/2019	3,000	4	3,004
Banco de Chile	Fixed term	US$	3.06	12/17/2018	1/31/2019	1,700	2	1,702
Scotiabank Sud Americano	Fixed term	US$	2.95	12/17/2018	1/31/2019	1,500	2	1,502
Banco de Chile	Fixed term	US$	3.26	12/19/2018	1/31/2019	800	1	801
Banco Crédito e Inversiones	Fixed term	US$	3.42	12/26/2018	2/26/2019	2,800	1	2,801
Banco de Chile	Fixed term	US$	3.26	12/26/2018	2/26/2019	2,800	1	2,801
Scotiabank Sud Americano (*)	Fixed term	Ch$	0.26	12/27/2018	1/7/2019	1,439	1	1,440
Scotiabank Sud Americano (*)	Fixed term	Ch$	0.26	12/27/2018	1/14/2019	2,879	1	2,880
Scotiabank Sud Americano (*)	Fixed term	Ch$	0.26	12/27/2018	1/21/2019	1,439	1	1,440
Banco Estado	Fixed term	US$	3.15	12/28/2018	1/28/2019	2,000	1	2,001
Banco Estado	Fixed term	US$	3.15	12/28/2018	1/28/2019	600	-	600
Banco de Chile	Fixed term	US$	3.16	12/28/2018	1/28/2019	2,000	1	2,001
Banco Crédito e Inversiones	Fixed term	US$	2.53	12/28/2018	1/8/2019	1,000	-	1,000
Banco Crédito e Inversiones	Fixed term	US$	3.08	12/28/2018	1/28/2019	2,500	1	2,501
Banco Santander- Santiago	Fixed term	Ch$	0.20	12/28/2018	1/4/2019	432	-	432
BBVA Banco Francés	Fixed term	US$	-	12/31/2018	1/21/2019	81	3	84
Nedbank	On demand	US$	-	12/31/2018	1/1/2019	647	-	647
Total						**187,234**	**432**	**187,666**

(*) Corresponds to monthly rate.

Note 11 Cash and cash equivalents (continued)

11.6 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	03/31/2019	12/31/2018
	ThUS$	ThUS$
Cash and cash equivalents	602,771	556,066
Other current financial assets	299,513	312,721
Other non-current financial hedge assets	19,374	13,425
Borrowings - repayable within one year (including overdraft)	(42,764)	(23,585)
Borrowings - repayable after one year	(1,349,557)	(1,330,382)
Net debt	**(470,663)**	**(471,755)**

Cash and cash equivalents	Dec. 31, 2018	Adjusted to initial balance on 01/01/2019 by IFRS 16	Monetary			Non-monetary			Mar 31, 2019
			Amounts from loans	Amounts from interest	Other cash income/expenses	Hedging and non-hedging instruments	Exchange rate differences	Others	
Obligations with the public and bank loans	(1,333,794)	-	-	12,503	52	-	(10,921)	(14,720)	(1,346,879)
Current and non-current lease liabilities	-	(31,619)	.	.	1,378	-	-	-	(30,241)
Financial instruments derived from hedging	(17,318)	-	-	2,764	-	1,378	-	-	(13,176)
Financial instruments derived from non-hedging	(2,855)	-	-	-	-	830	-	-	(2,025)
Current and non-current financial instruments	**(1,353,967)**	**(31,619)**	**-**	**15,267**	**1,430**	**2,208**	**(10,921)**	**(14,720)**	**(1,392,321)**
Cash and cash equivalents	556,066	-	-	-	43,312	-	3,393	-	602,771
Deposits that do not qualify as cash and cash equivalents	291,790	-	-	(3,754)	(14,794)	-	6,783	5,925	285,949
Derivatives from other financial non-hedge assets	2,693	-	-	-	-	(634)	-	-	2,059
Derivatives from current and non-current hedge assets	31,663	-	-	-	-	(784)	-	-	30,879
Net Debt	**(471,755)**	**(31,619)**	**-**	**11,513**	**29,948**	**790**	**(745)**	**(8,795)**	**(470,663)**

Note 12 Inventories

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

Type of inventory	03/31/2019 ThUS$	12/31/2018 ThUS$
Raw material reserves	9,068	6,764
Supplies for production reserves	28,252	26,840
Products-in-progress reserves	418,205	423,621
Finished product reserves	477,827	456,449
Total	**933,352**	**913,674**

On March 31, 2019, the Company held caliche stockpiles, solutions in solar ponds and intermediary salts, with a value of ThUS$349,060 and on December 31, 2018, this value was ThUS$347,100 (including products in progress).

The value of stock recognized on March 31, 2019, was ThUS$99,542, and on December 31, 2018 this value was ThUS$105,282.

For finished and in-process products, the provisions constituted include the provision associated with the lower value of stock (considers lower realizable value, uncertain future use, reprocessing costs, etc.), inventory differences and potential errors in the determination of inventories (e.g., errors in topography, grade, humidity, etc.), see Note 3.15.

For inventories of raw materials, supplies, materials and parts, lower value provisions have been associated with the proportion of obsolete, defective or slow-moving materials and potential differences.

The breakdown of inventory reserves is detailed as follows:

Type of inventory	03/31/2019 ThUS$	12/31/2018 ThUS$
Raw material reserves	2,265	1,838
Products-in-progress reserves	79,205	82,673
Finished product reserves	18,072	20,771
Total	**99,542**	**105,282**

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

Note 12 Inventories (continued)

As of March 31, 2019 and December 31, 2018, movements in provisions are detailed as follows:

Conciliation	03/31/2019 ThUS$	12/31/2018 ThUS$
Beginning balance	**105,282**	**96,284**
Increase in Lower Value (1)	(2,598)	7,845
Additional Provision Differences of Inventory. (2)	-	3,176
Increase / Decrease eventual differences and others (3)	(1,593)	2,436
Provision Used	(1,549)	(4,459)
Total changes	**(5,740)**	**8,998**
Final balance	**99,542**	**105,282**

(1) There are three types of Lower Value Provisions: Economic Realizable Lower Value, Potential Inventory with Uncertain Future Use and Reprocessing Costs of Off-Specification Products.

(2) Provisions for Inventory Differences generated when physical differences are detected when taking inventory, which exceed the tolerance levels for this process, At least two annual inventories are taken in the production sites and in the port in Chile ("zero sum" systems have immediate potential adjustments).

(3) This algorithm corresponds to diverse provision percentages based on the complexity in the measurement and rotation of stock, as well as standard differences based on previous profit and loss, as is the case with provisions in Commercial Offices.

Note 13 Related party disclosures

13.1 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.

13.2 Relationships between the parent and the entity

Pursuant to Article 99 of Law No, 18,045 of the Securities Market (the "Securities Market Law"), the Commission for Financial Market (the "CMF") may determine that a company does not have a controller in accordance with the distribution and dispersion of its ownership, On November 30, 2018, the CMF issued the ordinary letter No. 32,131 whereby it determined that Sociedad de Inversiones Pampa Calichera S.A., Potasios de Chile S.A. and Inversiones Global Mining (Chile) Limitada (the "Pampa Group"), do not exert decisive power over the management of the Company since it does not have a predominance in the ownership that allows it to make management decisions. Therefore, the CMF has determined not to consider Grupo Pampa the controller of the Company and that the Company does not have a controller given its current ownership structure.

Note 13 Related party disclosures (continued)

13.3 Detailed identification of the link between the Parent and subsidiary

As of March 31, 2019 and December 31, 2018, 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.	Panama	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	US$	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
86,630,200-6	SQMC Internacional Ltda. (5)	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

Note 13 Related party disclosures (continued)

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

As of March 31, 2019 and December 31, 2018, 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
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	US$	Associate
Foreign	Ajay North America	United States	US$	Associate
Foreign	Ajay Europe SARL	France	Euro	Associate
Foreign	SQM Eastmed Turkey	Turkey	Euro	Associate
Foreign	Kore Potash Ltd.	Australia	US$	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	Covalent Lithium Pty Ltd.	Australia	Australian dollar	Joint venture
Foreign	Pavoni & C. SPA	Italy	Euro	Joint venture
96,511,530-7	Sociedad de Inversiones Pampa Calichera	Chile	US$	Other related parties
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	SQM Vitas Brazil Agroindustria (1)	Brazil	US$	Other related parties
Foreign	SQM Vitas Peru S.A.C. (1)	Peru	US$	Other related parties
Foreign	Terra Tarsa B.V. (2)	Holland	Euro	Other related parties
Foreign	Plantacote N.V (2)	Belgium	Euro	Other related parties
Foreign	Doktolab Tarim Arastima San. Tic As (2)	Turkey	Turkish Lira	Other related parties
Foreign	Terra Tarsa Ukraine LLC (2)	Ukraine	Ukrainian Grivna	Other related parties
Foreign	Terra Tarsa Don LLC (4)	Russian Federation	Russian ruble	Other related parties
Foreign	Abu Dhabi Fertilizer Industries WLL (3)	Oman	United Arab Emirates dirham	Other related parties
Foreign	Internacional Technical and Trading Agencies CO WLL (3)	Jordan	United Arab Emirates dirham	Other related parties
Foreign	Arpa Speciali S.R.L (4)	Italy	Euro	Other related parties

(1) These Companies are subsidiaries of the joint venture SQM Vitas Fzco.
(2) These Companies are subsidiaries of the associate Doktor Tarsa Tarim Sanayi AS.
(3) These Companies are subsidiaries of the joint venture Abu Dhabi Fertilizer Industries WWL.
(4) These Companies are subsidiaries of the joint venture Pavoni & C. SPA.
(5) On March 1, 2019, Soquimich Comercial S.A. has obtained ownership of 100% of corporate rights in SQMC International Ltda. and therefore it absorbs this entity and takes responsibility for all its assets and liabilities.

Note 13 Related party disclosures (continued)

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

TAX ID No.	Name	Country of Origin	Functional currency	Relationship
N/A	Ara Dos Primera del Salar de Pampa Blanca, Sierra Gorda (*)	Chile	Chilean peso	Other related parties
N/A	Ara Tres Primera del Salar de Pampa Blanca, Sierra Gorda (*)	Chile	Chilean peso	Other related parties
N/A	Ara Cuatro Primera del Salar de Pampa Blanca, Sierra Gorda (*)	Chile	Chilean peso	Other related parties
N/A	Ara Cinco Primera del Salar de Pampa Blanca, Sierra Gorda (*)	Chile	Chilean peso	Other related parties
N/A	Curicó Dos Primera del Salar de Pampa Alta, Sierra Gorda (*)	Chile	Chilean peso	Other related parties
N/A	Curicó Tres Primera del Sector de Pampa Alta, Sierra Gorda (*)	Chile	Chilean peso	Other related parties
N/A	Evelyn Veinticuatro Primera de Sierra Gorda (*)	Chile	Chilean peso	Other related parties
N/A	Filomena Tres Primera de Oficina Filomena, Sierra Gorda (*)	Chile	Chilean peso	Other related parties
N/A	Filomena Cuatro Primera de Oficina Filomena, Sierra Gorda (*)	Chile	Chilean peso	Other related parties
N/A	Francis Cuatro Primera de Pampa Blanca, Sierra Gorda (*)	Chile	Chilean peso	Other related parties
N/A	Francis Cuatro Segunda del Salar de Pampa Blanca, Sierra Gorda (*)	Chile	Chilean peso	Other related parties
N/A	Francis Cuatro Tercera de Pampa Blanca, Sierra Gorda (*)	Chile	Chilean peso	Other related parties
N/A	Francis Cuatro Cuarta de Pampa Blanca, Sierra Gorda(*)	Chile	Chilean peso	Other related parties
N/A	Francis Cuatro Quinta de Pampa Blanca, Sierra Gorda (*)	Chile	Chilean peso	Other related parties
N/A	Francis Primera del Salar de Pampa Blanca de Sierra Gorda (*)	Chile	Chilean peso	Other related parties
N/A	Francis Segunda del Salar de Pampa Blanca de Sierra Gorda (*)	Chile	Chilean peso	Other related parties
N/A	Francis Tercera del Salar de Pampa Blanca de Sierra Gorda (*)	Chile	Chilean peso	Other related parties
N/A	Ivon Primera de Sierra Gorda (*)	Chile	Chilean peso	Other related parties
N/A	Ivon Décima Segunda de Sierra Gorda (*)	Chile	Chilean peso	Other related parties
N/A	Ivon Sexta de Sierra Gorda (*)	Chile	Chilean peso	Other related parties
N/A	Julia Primera de Sierra Gorda (*)	Chile	Chilean peso	Other related parties
N/A	Lorena Trigésimo Quinta de Sierra Gorda(*)	Chile	Chilean peso	Other related parties
N/A	Perseverancia Primera de Sierra Gorda (*)	Chile	Chilean peso	Other related parties
N/A	Tamara 40 Primera del Sector S,E, OF, Concepción, Sierra Gorda (*)	Chile	Chilean peso	Other related parties
N/A	Tamara Tercera de Oficina Concepción, Sierra Gorda (*)	Chile	Chilean peso	Other related parties
N/A	Tamara 40 Segunda del Sector S.E. OF Concepción, Sierra Gorda(*)	Chile	Chilean peso	Other related parties

(*) Correspond to Mining Contractual Societies

Note 13 Related party disclosures (continued)

13.4 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, 2019 and December 31, 2018, the detail of significant transactions with related parties is as follows:

Tax ID No,	Company	Nature	Country of origin	Transaction	03/31/2019 ThUS$	12/31/2018 ThUS$
Foreign	Doktor Tarsa Tarim Sanayi As	Associate	Turkey	Sale of products	60	16,726
Foreign	Ajay Europe S.A.R.L.	Associate	France	Sale of products	5,598	19,470
Foreign	Ajay Europe S.A.R.L.	Associate	France	Dividends	1,054	811
Foreign	Ajay North America LLC.	Associate	United States	Sale of products	5,682	16,810
Foreign	Ajay North America LLC.	Associate	United States	Dividends	699	2,807
Foreign	Abu Dhabi Fertilizer Industries WWL	Associate	United Arab Emirates	Sale of products	605	5,811
Foreign	Abu Dhabi Fertilizer Industries WWL	Associate	United Arab Emirates	Dividends	-	5,641
Foreign	Charlee SQM Thailand Co. Ltd. (1)	Associate	Thailand	Sale of products	-	4,960
Foreign	Charlee SQM Thailand Co. Ltd. (1)	Associate	Thailand	Dividends	-	362
77,557,430-5	Sales de Magnesio Ltda.	Associate	Chile	Sale of products	-	-
Foreign	Kowa Company Ltd.	Other related parties	Japan	Sale of products	-	-
Foreign	SQM Vitas Brasil Agroindustria	Joint control or significant influence	Brazil	Sale of products	15,487	44,827
Foreign	SQM Vitas Peru S.A.C.	Joint control or significant influence	Peru	Sale of products	7,346	17,204
Foreign	SQM Vitas Fzco.	Joint venture	United Arab Emirates	Sale of products	-	-
Foreign	Sichuan SQM Migao Chemical Fertilizers Co Ltda.	Joint venture	China	Sale of services	-	-
Foreign	Coromandel SQM India	Joint venture	India	Sale of products	650	7,696
Foreign	SQM Star Qingdao Corp Nutrition Co.. Ltd.	Joint venture	China	Sale of products	-	-
79,049,778-9	Callegari Agrícola S.A.	Other related parties	Chile	Sale of products	-	-
Foreign	Minera Exar S.A. (2)	Joint venture	Argentina	Loans	-	-
Foreign	Terra Tarsa Ukraine LLC	Associate	Turkey	Sale of services	960	1,674
Foreign	Terra Tarsa Don LLC	Associate	Russian Federation	Sale of products	-	187
Foreing	Plantacote N.V.	Associate	Belgium	Sale of products	1,031	4,554
Foreing	SQM eastmed Turkey	Associate	Turkey	Sale of products	-	30
Foreing	Pavoni & C.. Spa	Joint venture	Italy	Sale of products	1,265	201
Foreing	Arpa Speciali S.R.L	Other related parties	Italy	Sale of products	800	207
Total					**41,237**	**149,978**

(1) In November 2018, shares held in SQM Thailand were sold.

(2) (2) In December 2018, shares held in Minera Exar S.A. were sold.

Note 13 Related party disclosures (continued)

13.5 Trade receivables due from related parties, current:

Transactions between the Company, its subsidiaries, joint ventures and other related parties are considered customary transactions. These transactions are carried out under arm's length conditions, or those that are normally in effect for this type of transaction in terms of time frames and market prices. In addition, they have been eliminated upon consolidation and are not disclosed in this note.

RUT	Nombre	Naturaleza	País de origen	Moneda	03/31/2019 ThUS$	12/31/2018 ThUS$
Extranjero	Charlee SQM Thailand Co. Ltd (1).	Associate	Thailand	US$	-	-
Extranjero	Ajay Europe S.A.R.L.	Associate	France	Euro	5,648	3,756
Extranjero	Ajay North America LLC.	Associate	United States of America	US$	2,061	2,079
Extranjero	Abu Dhabi Fertilizer Industries WWL	Other related parties	United Arab Emirates	United Arab Emirates Dirham	399	857
96,511,530-7	Soc.de Inversiones Pampa Calichera	Other related parties	Chile	US$	6	6
Extranjero	SQM Vitas Brasil Agroindustria	Joint venture	Brazil	US$	24,348	15,818
Extranjero	SQM Vitas Perú S.A.C.	Joint venture	Peru	US$	15,349	12,768
Extranjero	Coromandel SQM India	Joint venture	India	Indian Rupee	379	2,025
Extranjero	SQM Vitas Fzco.	Joint venture	United Arab Emirates	United Arab Emirates Dirham	217	105
Extranjero	SQM Star Qingdao Corp Nutrition Co.. Ltd.	Joint venture	China	US$	-	248
Extranjero	Plantacote N.V.	Associate	Belgium	Euro	783	312
Extranjero	Terra Tarsa Don LLC	Other related parties	Federation of Russia	Russian Ruble	-	41
Extranjero	Terra Tarsa Ukraine LLC	Other related parties	Ukraine	Ukrainian Grivna	960	-
Extranjero	Minera Exar S.A. (2)	Joint venture	Argentina	US$	-	-
Extranjero	SQM Eastmed Turkey	Associate	Turkey	Euro	-	30
Extranjero	SQM Pavoni & C. SPA	Joint venture	Italy	Euro	1,280	12
Extranjero	Doktor Tarsa Tarim Sanayi As	Associate	Turkey	US$	2,322	6,497
Extranjero	Arpa Speciali S.R.L.	Joint venture	Italy	Euro	824	-
Total					**54,576**	**44,554**

(1) As of November 2018, the ownership interest in Charlee SQM Thailand Co, Ltd. was sold.
(2) During the month of December 2018, the stake held in Minera Exar S.A.
The accounts receivable presented are net of provision (provision for 2019 ThUS$10,966 and 2018 for ThUS$10,966, see Note 14.2)

13.6 Trade payables due to related parties, current:

Tax ID No,	Company	Nature	Country of origin	Currency	03/31/2019 ThUS$	12/31/2018 ThUS$
Foreign	Doktor Tarsa Tarim Sanayi AS	Associate	Turkey	YTL	-	-
Foreign	Terra Tarsa Ukraine LLC	Other related parties	Ukraine	Ukrainian Grivna	-	-
Foreign	SQM Star Qingdao Corp Nutrition Co., Ltd.	Joint venture	China	US$	-	-
Foreign	Sichuan SQM Migao Chemical Fertilizers Co Ltda.	Joint venture	China	US$	-	-
Foreign	SQM Vitas Fzco.	Joint venture	United Arab Emirates	Arab Emirates dirham	-	-
Foreign	Covalent Lithium Pty Ltd	Associate	Australia	Australian dollar	-	9
Current Total					**-**	**9**

Note 14 Financial instruments

Financial instruments in accordance with IFRS 9 are detailed as follows, except for liabilities under IFRS 16 in number 14.4 f):

14.1 Types of other financial assets

Description of other financial assets	03/31/2019 ThUS$	12/31/2018 ThUS$
Financial assets at amortized cost (1)	285,949	291,790
Derivative financial instruments		
- For hedging	11,505	18,238
- Held for trading at fair value through profit or loss (2)	2,059	2,693
Total other current financial assets	**299,513**	**312,721**
Investments classified as available for sale at fair value through profit or loss	-	-
Financial assets at fair value through other comprehensive income	3,833	3,631
Derivative financial instruments		
- For hedging	19,374	13,425
Financial assets at amortized cost	74	75
Total other non-current financial assets	**23,281**	**17,131**

(1) Corresponds to term deposits whose maturity date is greater than 90 days and less than 360 days from the investment date constituted in the following financial institutions:

(2) Correspond to forwards and options that were not classified as hedging instruments (See detail in Note 14.3).

Institution	03/31/2019 ThUS$	12/31/2018 ThUS$
Banco Santander	23,866	23,124
Banco de Crédito e Inversiones	150,615	145,834
Banco Itaú-Corpbanca	72,752	70,719
Banco Security	28,124	27,215
Scotiabank Sud Americano	10,526	24,898
Banco Itau Brasil	66	-
Banco Chile	-	-
Banco BBVA Chile	-	-
Total	**285,949**	**291,790**

Note 14 Financial instruments, (continued)

14.2 Trade and other receivables

	03/31/2019			12/31/2018		
	Current ThUS$	Non-current ThUS$	Total ThUS$	Current ThUS$	Non-current ThUS$$	Total ThUS$
Trade receivables	397,207	-	397,207	429,150	-	429,150
Prepayments	18,613	-	18,613	16,147	-	16,147
Other receivables	19,458	1,886	21,344	19,558	2,275	21,833
Total trade and other receivables	**435,278**	**1,886**	**437,164**	**464,855**	**2,275**	**467,130**

	03/31/2019			12/31/2018		
	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	413,400	(16,193)	397,207	445,670	(16,520)	429,150
Trade receivables, current	**413,400**	**(16,193)**	**397,207**	**445,670**	**(16,520)**	**429,150**
Prepayments, current	19,397	(784)	18,613	16,990	(843)	16,147
Other receivables, current	23,553	(4,095)	19,458	23,863	(4,305)	19,558
Current trade and other receivables	**42,950**	**(4,879)**	**38,071**	**40,853**	**(5,148)**	**35,705**
Other receivables, non-current	1,886	-	1,886	2,275	-	2,275
Non-current receivables	**1,886**	**-**	**1,886**	**2,275**	**-**	**2,275**
Total trade and other receivables	**458,236**	**(21,072)**	**437,164**	**488,798**	**(21,668)**	**467,130**

Note 14 Financial instruments, (continued)

14.2 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, 2019 the detail of the uncollateralized portfolio is as follows:

	2019			
	Total uncollateralized portfolio			
Past due segments	Number of customers non-renegotiated portfolio	Gross non-renegotiated portfolio ThUS$	Number of customers renegotiated portfolio	Gross renegotiated portfolio ThUS$
Current	1,482	376,798	129	708
1-30 days	583	19,439	499	1,337
31-60 days	328	1,337	416	838
61-90 days	300	1,114	343	640
91-120 days	141	545	330	542
121-150 days	81	252	43	170
151-180 days	37	90	29	91
181-210 days	29	23	7	47
211-250 days	21	64	4	56
>250 days	2,124	8,472	43	837
Total	**5,126**	**408,134**	**1,843**	**5,266**

As of December 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 ThUS$	Number of customers renegotiated portfolio	Gross renegotiated portfolio ThUS$
Current	1,451	407,831	136	668
1-30 days	1,260	19,401	390	596
31-60 days	831	2,782	154	118
61-90 days	661	2,279	41	75
91-120 days	498	1,220	27	47
121-150 days	85	411	16	29
151-180 days	49	179	21	176
181-210 days	14	1,290	41	231
211-250 days	12	107	101	242
>250 days	1,756	6,840	305	1,148
Total	**6,617**	**442,340**	**1,232**	**3,330**

Note 14 Financial instruments, (continued)

14.2 Trade and other receivables, continued

As of March 31, 2019 and December 31, 2018, movements in provisions are as follows:

	03/31/2019 ThUS$	12/31/2018 ThUS$
Provision Impairment Accounts receivable at the beginning of the Period	**32,634**	**34,936**
Adjustment to Starting Balance through New Model Calculations (IFRS 9)	-	2,301
Increase / (decrease) impairment of accounts receivable for the period to profit and loss	(554)	(2,967)
Use of Provision Applied to Accounts Receivable	(42)	(1,636)
Impairment of Accounts Receivable Provision at the Star of the Period (1)+(2)	**32,038**	**32,634**
(1) Trade and Other Receivables Provision	21,072	21,668
(2) Current Related Party Receivables Provision	10,966	10,966
Recovery of Insurance	82	827

Impairment of Accounts Receivable Provision	**32,038**	**32,634**
Renegotiated Provision	2,256	2,056
Non-renegotiated Provision	29,782	30,578

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 14 Financial instruments (continued)

14.3 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 in Chilean pesos. As of March 31, 2019, the notional amount of cash flows in Cross Currency Swap contracts agreed upon in US dollars amounted to ThUS$ 451,861, and as of December 31, 2018 such contracts amounted to ThUS$ 461,659.

Expressed in ThUS$	Assets / (Liabilities) Derivative Instrument **ThUS$**	Total Realized **ThUS$**	Hedging Reserve in Gross Equity	Deferred Taxes, Hedging Reserve in Shareholders' Equity **ThUS$**	Hedging Reserve in Net Equity ThUS$
Hedging with debt as underlying at 03/31/2019					
Hedging Assets	19,465	7,750	11,715	-	11,715
Hedging Liabilities	(12,842)	(12,944)	102	-	102
Underlying Debt Coverage	**6,623**	**(5,194)**	**11,817**	**-**	**11,817**
Underlying Investment Coverage as of 03/31/2019					
Hedging Assets	11,413	12,684	(1,271)	-	(1,271)
Hedging Liabilities	(334)	(152)	(182)	-	(182)
Coverage with Underlying Investments	**11,079**	**12,532**	**(1,453)**	**-**	**(1,453)**

Expressed in ThUS$	Assets / (Liabilities) Derivative Instrument **ThUS$**	Total Realized **ThUS$**	Hedging Reserve in Gross Equity	Deferred Taxes, Hedging Reserve in Shareholders' Equity **ThUS$**	Hedging Reserve in Net Equity ThUS$
Hedging with debt as underlying at 12/31/2018					
Hedging Assets	13,516	3,037	10,479	-	10,479
Hedging Liabilities	(17,318)	(16,636)	(682)	-	(682)
Underlying Debt Coverage	**(3,802)**	**(13,599)**	**9,797**	**-**	**9,797**
Underlying Investment Coverage as of 12/31/2018					
Hedging Assets	18,146	19,912	(1,765)	-	(1,765)
Hedging Liabilities	-	-	-	-	-
Coverage with Underlying Investments	**18,146**	**19,912**	**(1,765)**	**-**	**(1,765)**

Effect of Coverage in Profit and Equity for the period as of 31/03/2019	**Variation Total ThUS$**	**Resut ThUS$**	**Coverage Reserve Due to Variation Gross Coverage**	**Deferred Tax Hedging Reserves ThUS$**	**Hedging Reserve for Variation Net Hedging ThUS$**
Analysis Effect by Type of Coverage					
Underlying Debt Coverage	10,425	8,405	2,020	-	2,020
Coverage with Underlying Investments	(7,067)	(7,380)	312	-	312
Total hedging effect on profit or loss and equity in the period	**3,358**	**1,026**	**2,332**	**-**	**2,332**
Analysis Effect by type of asset					
Hedging in Current and Non-Current Assets	(784)	(2,514)	1,730	-	1,730
Hedging in Current and Non-Current Liabilities	4,142	3,540	602	-	602
Total Effect of Coverage in Profit or Loss and Shareholders' Equity for the period	**3,358**	**1,026**	**2,332**	**-**	**2,332**

Note 14 Financial instruments (continued)

14.3 Hedging assets and liabilities, continued

The balances in the "effect on profit or loss" column consider the interim effects of the contracts in force as of March 31, 2019 and December 31, 2018.

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
P	134,228	UF	01/15/2028

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.

Note 14 Financial instruments (continued)

14.3 Hedging assets and liabilities, continued

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.

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.

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.

14.4 Financial liabilities

Other current and non-current financial liabilities

As of March 31, 2019 and December 31, 2018, the detail is as follows:

	03/31/2019			12/31/2018		
	Current ThUS$	**Non-current ThUS$**	**Total ThUS$**	**Current ThUS$**	**Non-current ThUS$**	**Total ThUS$**
Liabilities at amortized cost						
- Bank borrowings	946	68,921	69,867	300	68,870	69,170
- Obligations with the public (bonds)	31,000	1,246,012	1,277,012	15,145	1,249,479	1,264,624
Derivative financial instruments						
- - For hedging	4,519	8,657	13,176	5,285	12,033	17,318
- Held for trading at fair value through profit or loss						
Non-Hedging liabilities	2,025	-	2,025	2,855	-	2,855
Liabilities for lease	4,274	25,967	30,241	-	-	-
Total	**42,764**	**1,349,557**	**1,392,321**	**23,585**	**1,330,382**	**1,353,967**

Note 14 Financial instruments (continued)

14.4 Financial liabilities, continued

Current and non-current bank borrowings

As of March 31, 2019 and December 31, 2018, the detail is as follows:

	03/31/2019 ThUS$	12/31/2018 ThUS$
Long-term bank borrowings	68,921	68,870
Short-term bank borrowings	-	-
Current portion of long-term loans	946	300
Short-term borrowings and current portion of long-term borrowings	69,867	69,170
Total bank borrowings	**69,867**	**69,170**

Note 14 Financial instruments (continued)

14.4 Financial liabilities, continued

a) Bank borrowings, current:

As of March 31, 2019 and December 31, 2018, the detail of this caption is as follows:

Debtor			Creditor			Currency or adjustment index	Repayment	Vencimiento	Effective rate	Nominal rate
Tax ID No	Company	Country	Tax ID No,	Financial institution	Country					
93,007,000-9	SQM S.A.	Chile	0-E	Scotiabank Cayman	USA	US$	Upon maturity	05/29/2023	3.32%	3.98%

Debtor	Creditor	03/31/2019 Nominal amounts			12/31/2018 Current amounts				
Company	Financial institution	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$
SQM S.A.	Scotiabank Cayman	-	-	-	946	-	946	-	946
Total		**-**	**-**	**-**	**946**	**-**	**946**	**-**	**946**

Note 14 Financial instruments (continued)

14.4 Financial liabilities, continued

a) Bank borrowings, current, continued

Debtor			Creditor			Currency or adjustment index	Repayment	Repayment	Effective rate	Nominal rate
Tax ID No.	Company	Country	Tax ID No.	Financial institution	Country					
93.007.000-9	SQM S.A.	Chile	O-E	Scotiabank Cayman	USA	US$	Upon maturity	05/29/2023	3.60%	3.98%
O-E	Nitratos Naturais do Chile Lim	Brazil	O-E	Bank ITAU Brasil	Brasil	BRL	Upon maturity	01/31/2019	5.17%	5.17%
O-E	SQM Brasil Limited	Brazil	O-E	Bank ITAU Brasil	Brasil	BRL	Upon maturity	01/31/2019	5.5%	5.5%

Debtor	Creditor	12/31/2018 Nominal amounts			12/31/2018 Current amounts				
Company	Financial institution	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$
SQM S.A.	Scotiabank Cayman	-	-	-	-	248	248	-	248
Nitratos Naturais do Chile Ltda.	Banco ITAU Brasil	-	-	-	11	-	11	-	11
SQM Brasil Limited	Banco ITAU Brasil	-	-	-	41	-	41	-	41
Total		**-**	**-**	**-**	**52**	**248**	**300**	**-**	**300**

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Note 14 Financial instruments (continued)

14.2 Financial liabilities, continued

b) Unsecured obligations, current:

As of March 31, 2019 and December 31, 2018, 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	Payment of interest		Effective rate	Nominal rate
Tax ID No.	Company	Country					Payment of interest	Repayment		
93.007.000-9	SQM S.A.	Chile	-	MMUS$250	04/21/2019	US$	Semiannual	Upon maturity	0.95%	5.50%
93.007.000-9	SQM S.A.	Chile	-	MMUS$250	07/28/2019	US$	Semiannual	Upon maturity	2.55%	4.38%
93.007.000-9	SQM S.A.	Chile	-	MMUS$300	04/03/2019	US$	Semiannual	Upon maturity	1.77%	3.63%
93.007.000-9	SQM S.A.	Chile	564	H	07/05/2019	UF	Semiannual	Upon maturity	1.76%	4.90%
93.007.000-9	SQM S.A.	Chile	699	O	08/01/2019	UF	Semiannual	Upon maturity	2.50%	3.80%
93.007.000-9	SQM S.A.	Chile	563	P	07/15/2019	UF	Semiannual	Upon maturity	2.89%	3.25%
93.007.000-9	SQM S.A.	Chile	700	Q	06/01/2019	UF	Semiannual	Upon maturity	3.34%	3.45%

			03/31/2019			03/31/2019				
			Nominal maturities			Current maturities				
Company	Country	Series	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	6,111	-	6,111	(386)	5,725
SQM S.A.	Chile	ThUS$250,000	-	1,914	1,914	-	1,914	1,914	(433)	1,481
SQM S.A.	Chile	ThUS$300,000	5,377	-	5,377	5,377	-	5,377	(614)	4,763
SQM S.A.	Chile	H	-	16,652	16,652	-	16,652	16,652	(139)	16,513
SQM S.A.	Chile	O	-	382	382	-	382	382	(67)	315
SQM S.A.	Chile	P	-	830	830	-	830	830	(12)	818
SQM S.A.	Chile	Q	1,390	-	1,390	1,390	-	1,390	(5)	1,385
Total			**12,878**	**19,778**	**32,656**	**12,878**	**19,778**	**32,656**	**(1,656)**	**31,000**

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 14 Financial instruments (continued)

b) Unsecured obligations, current:

Tax ID No.	Company	Country	Number of registration or ID of the instrument	Series	Maturity date	Currency or adjustment index	Payment of interest	Repayment	Effective rate	Nominal rate
93.007.000-9	SQM S.A.	CHILE	-	MMUS$250	4/21/2019	US$	Semiannual	Upon maturity	0.95%	5.50%
93.007.000-9	SQM S.A.	CHILE	-	MMUS$250	1/28/2019	US$	Semiannual	Upon maturity	2.75%	4.38%
93.007.000-9	SQM S.A.	CHILE	-	MMUS$300	4/03/2019	US$	Semiannual	Upon maturity	1.77%	3.63%
93.007.000-9	SQM S.A.	CHILE	564	H	1/05/2019	UF	Semiannual	Semiannual	1.90%	4.90%
93.007.000-9	SQM S.A.	CHILE	699	O	2/01/2019	UF	Semiannual	Upon maturity	2.60%	3.80%
93.007.000-9	SQM S.A.	CHILE	563	P	1/15/2019	UF	Semiannual	Upon maturity	3.07%	3.25%
93.007.000-9	SQM S.A.	CHILE	700	Q	6/01/2019	UF	Semiannual	Upon maturity	3.34%	3.45%

			12/31/2018 Nominal maturities			12/31/2018 Current maturities				
Company	Country	Series	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	2,674	-	2,674	2,674	-	2,674	(386)	2,288
SQM S.A.	CHILE	ThUS$250,000	-	4,648	4,648	-	4,648	4,648	(433)	4,215
SQM S.A.	CHILE	ThUS$300,000	2,658	-	2,658	2,658	-	2,658	(614)	2,044
SQM S.A.	CHILE	H	-	3,756	3,756	-	3,756	3,756	(139)	3,617
SQM S.A.	CHILE	O	-	934	934	-	934	934	(67)	867
SQM S.A.	CHILE	P	-	1,784	1,784	-	1,784	1,784	(12)	1,772
SQM S.A.	CHILE	Q	342	-	342	342	-	342	-	342
Total			**5,674**	**11,122**	**16,796**	**5,674**	**11,122**	**16,796**	**(1,651)**	**15,145**

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 14 Financial instruments (continued)

14.4 Financial liabilities, continued

c) Classes of interest-bearing loans, non-current

The following table shows the details of bank loans that accrue non-current interest as of March 31, 2019. As of December 31, 2018 there were no loans:

Debtor				Creditor		Currency or adjustment index	Type of amortization	Effective rate	Nominal rate
Tax ID No.	Company	Country	Chilean Tax ID	Financial institution	Country				
93.007.000-9	SQM S.A.	Chile	0-E	Scotiabank Cayman	USA	USD	Maturity	3.98%	3.98%

			03/31/2019						03/31/2019			
Debtor		Creditor	Nominal non-current maturities				Non-current maturities					
Country	Financial institution		Between 1 and 2 ThUS$	Between 2 and 3 ThUS$	Between 3 and 4 ThUS$	Total ThUS$	Between 1 and 2 ThUS$	Between 2 and 3 ThUS$	Between 3 and 4 ThUS$	Subtotal ThUS$	Costs of obtaining loans ThUS$	Total ThUS$
SQM S.A.	Scotiabank Cayman		-	-	70,000	70,000	-	-	70,000	70,000	(1,079)	68,921
Total			**-**	**-**	**70,000**	**70,000**	**-**	**-**	**70,000**	**70,000**	**(1,079)**	**68,921**

Debtor				Creditor		Currency or adjustment index	Type of amortization	Effective rate	Nominal rate
Tax ID No.	Company	Country	Chilean Tax ID	Financial institution	Country				
93.007.000-9	SQM S.A.	Chile	0-E	Scotiabank Cayman	USA	USD	Maturity	3.98%	3.98%

			12/31/2018						12/31/2018			
Debtor		Creditor	Nominal non-current maturities				Non-current maturities					
Country	Financial institution		Between 1 and 2 ThUS$	Between 2 and 3 ThUS$	Between 3 and 4 ThUS$	Total ThUS$	Between 1 and 2 ThUS$	Between 2 and 3 ThUS$	Between 3 and 4 ThUS$	Subtotal ThUS$	Costs of obtaining loans ThUS$	Total ThUS$
SQM S.A.	Scotiabank Cayman			-	70,000	70,000	-	-	70,000	70,000	(1,130)	68,870
Total			**-**	**-**	**70,000**	**70,000**	**-**	**-**	**70,000**	**70,000**	**(1,130)**	**68,870**

Note 14 Financial instruments (continued)

14.4 Financial liabilities, continued

d) Classes of interest-bearing loans, non-current

The following table shows the details of bank loans that accrue non-current interest as of March 31, 2019, As of December 31, 2018 there were no loans:

Tax ID No,	Company	Country	Number of registration or ID of the instrument	Series	Maturity date	Currency or adjustment index	Periodicity			
							Payment of interest	Repayment	Effective rate	Nominal rate
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%	4.90%
93.007.000-9	SQM S.A.	CHILE	699	O	02/01/2033	UF	Semiannual	Upon maturity	3.80%	5.50%
93.007.000-9	SQM S.A.	CHILE	563	P	01/15/2028	UF	Semiannual	Upon maturity	3.25%	3.25%
93.007.000-9	SQM S.A.	CHILE	700	Q	06/01/2038	UF	Semiannual	Upon maturity	3.45%	3.45%

Series	Nominal non-current maturities 03/31/2019						Non-current maturities 03/31/2019							
	Over 1 year to 2	Over 2 years to 3	Over 3 Years to 4	Over 4 Years to 5	Over 5 years	Total	Over 1 year to 2	Over 2 years to 3	Over 3 Years to 4	Over 4 Years to 5	Over 5 years	Subtotal	Bond issuance costs	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
MUS$250	250,000	-	-	-	-	250,000	250,000	-	-	-	-	250,000	(35)	249,965
MUS$250	-	-	-	-	250,000	250,000	-	-	-	-	250,000	250,000	(1,853)	248,147
MUS$300	-	-	300,000	-	-	300,000	-	-	300,000	-	-	300,000	(2,094)	297,906
H	-	-	-	-	147,729	147,729	-	-	-	-	147,729	147,729	(1,358)	146,371
O	-	-	-	-	60,939	60,939	-	-	-	-	60,939	60,939	(861)	60,078
P	-	-	-	-	121,877	121,877	-	-	-	-	121,877	121,877	(98)	121,779
Q	-	-	-	-	121,877	121,877	-	-	-	-	121,877	121,877	(111)	121,766
Total	**250,000**	**-**	**300,000**	**-**	**702,422**	**1,252,422**	**250,000**	**-**	**300,000**	**-**	**702,422**	**1,252,422**	**(6,410)**	**1,246,012**

Note 14 Financial instruments (continued)

14.4 Financial liabilities, continued

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

As of March 31, 2019 and December 31, 2018, 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	-	MMUS$250	04/21/2020	US$	Semiannual	Upon maturity	5.50%	5.50%
93.007.000-9	SQM S.A.	CHILE	-	MMUS$250	01/28/2025	US$	Semiannual	Upon maturity	4.38%	4.38%
93.007.000-9	SQM S.A.	CHILE	-	MMUS$300	04/03/2023	US$	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%	4.90%
93.007.000-9	SQM S.A.	CHILE	699	O	01/02/2033	UF	Semiannual	Upon maturity	3.80%	5.50%
93.007.000-9	SQM S.A.	CHILE	563	P	01/15/2028	UF	Semiannual	Upon maturity	3.25%	3.25%
93.007.000-9	SQM S.A.	CHILE	700	Q	06/01/2038	UF	Semiannual	Upon maturity	3.45%	3.45%

Series	Nominal non-current maturities 12/31/2018						Non-current maturities 12/31/2018							
	Over 1 year to 2	Over 2 years to 3	Over 3 Years to 4	Over 4 Years to 5	Over 5 years	Total	Over 1 year to 2	Over 2 years to 3	Over 3 Years to 4	Over 4 Years to 5	Over 5 years	Subtotal	Bond issuance costs	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
MUS$250	250,000	-	-	-	-	250,000	250,000	-	-	-	-	250,000	(131)	249,869
MUS$250	-	-	-	-	250,000	250,000	-	-	-	-	250,000	250,000	(2,202)	247,798
MUS$300	-	-	300,000	-	-	300,000	-	-	300,000	-	-	300,000	(2,006)	297,994
H	-	-	-	-	158,704	158,704	-	-	-	-	158,704	158,704	(1,392)	157,312
O	-	-	-	-	59,514	59,514	-	-	-	-	59,514	59,514	(878)	58,636
P	-	-	-	-	119,028	119,028	-	-	-	-	119,028	119,028	(101)	118,927
Q	-	-	-		119,028	119,028					119,028	119,028	(85)	118,943
Total	**250,000**	**-**	**300,000**	**-**	**706,274**	**1,256,274**	**250,000**	**-**	**300,000**	**-**	**706,274**	**1,256,274**	**(6,795)**	**1,249,479**

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Note 14 Financial instruments (continued)

14.4 Financial liabilities, continued

e) Additional information

Bonds

On March 31, 2019 and December 31, 2018, short term bonds of ThUS$31,000 and ThUS$15,145 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$1,246,012 on March 31, 2019 and ThUS$1,249,479 on December 31, 2018, 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), series P bonds and series Q bonds, net of bond issuance costs.

As of March 31, 2019 and, 2018, the details of each issuance are as follows:

Note 14 Financial instruments (continued)

14.4 Financial liabilities, continued

Series "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.

As of March 31, 2019, and December 31, 2018, the Company has made the following payments with a charge to the Series H bonds:

Payments made	03/31/2019 ThUS$	12/31/2018 ThUS$
Payments of interest, Series H bonds	3,877	8,325
CCS Coverage	1,073	495

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, 2019, and December 31, 2018, the detail of payments charged to the line of single series bonds, second issue is as follows:

Payments made	03/31/2019 ThUS$	12/31/2018 ThUS$
Interest payment	-	13,750

Note 14 Financial instruments (continued)

14.4 Financial liabilities, continued

Series "O" bonds

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, 2019, and December 31, 2018, the Company has made the following payments with a charge to Series O bonds and their associated CCS (Cross Currency Swap) hedging:

Payments made	03/31/2019 ThUS$	12/31/2018 ThUS$
Payment of interest, Series O bonds	1,182	2,457
CCS Coverage	160	205

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, 2019, and December 31, 2018, the following payments have been made with a debit to the line of single-series bonds, third issue:

Payments made	03/31/2019 ThUS$	12/31/2018 ThUS$
Payment of interest	-	10,875

Note 14 Financial instruments (continued)

14.4 Financial liabilities, continued

Single series bonds, fourth issuance ThUS$250,000

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, 2019, and December 31, 2018, the following payments have been made.

Payments made	03/31/2019 ThUS$	12/31/2018 ThUS$
Payment of interest	5,469	10,938

Series "P" bonds

On April 5, 2018, the Company informed the Financial Markets Commission that it had authorized the placement on the stock market of the Series "P" bond with a value of UF 3 million, with a charge to the 10 year Bonds Line registered in the FMC Securities Registry dated December 31, 2008 under number 563.

The Bonds (i) mature on January 15, 2028; (ii) will accrue on the unpaid principal, expressed in UF, at an annual interest rate of 3.25% from January 15, 2018; and (iii) can be called early by the Company as of the date of placement, that is, as of April 5, 2018.

As of March 31, 2019 and December 31, 2018, the following payments and their associated CCS (Cross Currency Swap) hedge have been made:

Payments made	03/31/2019 MUS$	12/31/2018 MUS$
Payment of interest	1,975	1,085
Cobertura CCS	1,531	1,421

Note 14 Financial instruments (continued)

14.4 Financial liabilities, continued

Series Q Bonds

On October 31, 2018, the issuance of Series Q bonds (the "Bonds") was authorized in the general stock market for the sum of UF 3,000,000, which were issued with a charge to the 30-year Bonds Line registered in the Securities Registry of your Commission on February 14, 2012 under number 700.

The Bonds (i) mature on the first day of June 2038; (ii) will earn an interest rate of 3.45% per annum on the outstanding capital, expressed in Unidades de Fomento, as of June 1, 2018; and (iii) may be redeemed early by the Company as of the placement date, that is, as of November 8, 2018.

On November 8, 2018, all the Series Q Bonds have been placed and sold to Euroamerica S.A. for a total amount of $83,567,623,842, which was paid in full and in cash by Euroamerica S.A. to the Company.

The funds obtained from the aforementioned placement will be used approximately 90% to finance the expansion program of lithium, potassium nitrate and iodine plants in Chile; the remainder will be used for the investment plan of the Company and its subsidiaries, and to finance working capital.

Payments made	**03/31/2019 MUS$**	**12/31/2018 MUS$**
Payment of interest	-	319

Note 14 Financial instruments (continued)

14.4Financial liabilities, continued

f) Current and non-current lease liabilities

Expressed in ThUS$	Currents				Non-Currents			Balance at 03/31/2019
	Up to 1 month	1 to 3 months	3 to 12 months	Total	1 to 5 years	5 or more years	Total	
Associated leasing	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**
Buildings	111	224	1,020	1,355	7,433	8,503	15,936	17,291
Machinery, plant and equipment	234	474	2,211	2,919	10,031	-	10,031	12,950
Total	**345**	**698**	**3,231**	**4,274**	**17,464**	**8,503**	**25,967**	**30,241**

Changes in Lease Liabilities	Opening balance 12/31/2018	Change IFRS 16 New Standard	Payment of Financing Liabilities	Balance at 03/31/2019
	ThUS$	ThUS$	ThUS$	ThUS$
Buildings	-	17,623	(332)	**17,291**
Machinery, plant and equipment	-	13,996	(1,046)	**12,950**
Total	**-**	**31,619**	**(1,378)**	**30,241**

Note 14 Financial instruments (continued)

14.5 Trade and other payables

a) Details trade and other payables

	03/31/2019			12/31/2018		
	Current	Non-current	Total	Current	Non-current	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Accounts payable	171,870	-	171,870	163,373	-	163,373
Other accounts payable	389	-	389	378	-	378
Total	**172,259**	**-**	**172,259**	**163,751**	**-**	**163,751**

As of March 31, 2019 and December 31, 2018, the balance of current and past due suppliers is as follows:
Suppliers current on all payments

Amounts according to payment periods as of 03/31/2019

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	68,646	2,283	88	462	62	-	71,541
Services	41,897	372	52	10	8	-	42,339
Others	41,555	7	3	-	-	1	41,566
Total	**152,098**	**2,662**	**143**	**472**	**70**	**1**	**155,446**

Amounts according to payment periods as of 12/31/2018

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	48,969	1,919	912	25	278	2	52,105
Services	37,376	314	157	107	19	35	38,008
Others	54,978	161	20	-	-	3	55,162
Total	**141,323**	**2,394**	**1,089**	**132**	**297**	**40**	**145,275**

Suppliers past due on payments

Amounts according to payment periods as of 03/31/2019

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	1,498	517	126	27	229	60	2,457
Services	4,441	183	191	157	258	332	5,562
Others	7,976	114	32	16	87	180	8,405
Total	**13,915**	**814**	**349**	**200**	**574**	**572**	**16,424**

Amounts according to payment periods as of 12/31/2018

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	1,533	209	210	255	175	287	2,669
Services	12,229	838	109	111	309	141	13,737
Others	1,039	385	92	6	60	110	1,692
Total	**14,801**	**1,432**	**411**	**372**	**544**	**538**	**18,098**

Purchase commitments held by the Company are recognized as liabilities when the goods and services are received by the Company. As of March 31, 2019, the Company has purchase orders amounting to ThUS$49,871 (ThUS$59,919 as of December 31, 2018).

Note 14 Financial instruments (continued)

14.6 Financial liabilities at fair value through profit or loss

This balance relates to derivative instruments measured at their fair value, which have generated balances against the Company. The detail of this type of instrument is as follows:

Financial liabilities at fair value with an impact on profit or loss	03/31/2019	Effect on profit or loss as of 03/31/2019	12/31/2018	Effect on profit or loss as of 12/31/2018
	ThUS$	ThUS$	ThUS$	ThUS$
Current				
Derivative instruments (IRS)	91	-	91	-
Total	**91**	**-**	**91**	**-**

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Note 14 Financial instruments (continued)

14.7 Financial asset and liability categories

a) Financial Assets

Description of financial assets	03/31/2019 Current Amount ThUS$	03/31/2019 Non-current Amount ThUS$	03/31/2019 Total Amount ThUS$	12/31/2018 Current Amount ThUS$	12/31/2018 Non-current Amount ThUS$	12/31/2018 Total Amount ThUS$
Cash and cash equivalent	602,771	-	602,771	556,066	-	556,066
Trade receivables due from related parties	54,576	-	54,576	44,554	-	44,554
Financial assets measured at amortized cost	285,949	74	286,023	291,790	75	291,865
Loans and receivables measured at amortized cost	435,278	1,886	437,164	464,855	2,275	467,130
Total financial assets measured at amortized cost	**1,378,574**	**1,960**	**1,380,534**	**1,357,265**	**2,350**	**1,359,615**
Derivative financial instruments						
For hedging purposes	11,505	19,374	30,879	18,238	13,425	31,663
Held for trading at fair value through profit or loss	2,059	-	2,059	2,693	-	2,693
Financial assets classified as available for sale at fair value through equity	-	3,833	3,833	-	3,631	3,631
Total financial assets at fair value	**13,564**	**23,207**	**36,771**	**20,931**	**17,056**	**37,987**
Total financial assets	**1,392,138**	**25,167**	**1,417,305**	**1,378,196**	**19,406**	**1,397,602**

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Note 14 Financial instruments (continued)

14.7 Financial asset and liability categories (continued)

b) Financial liabilities

	03/31/2019			12/31/2018		
	Current	Non- Current	Total	Current	Non- Current	Total
Description of financial liabilities	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**
Derivative financial instruments						
For hedging purposes	4,519	8,657	13,176	5,285	12,033	17,318
Held for trading at fair value through profit or loss	2,025	-	2,025	2,855	-	2,855
Financial liabilities at fair value through profit or loss	**6,544**	**8,657**	**15,201**	**8,140**	**12,033**	**20,173**
Liabilities at amortized cost						
Bank loans	946	68,921	69,867	300	68,870	69,170
Obligations to the public	31,000	1,246,012	1,277,012	15,145	1,249,479	1,264,624
Lease Liabilities	4,274	25,967	30,241	-	-	-
Financial liabilities at amortized cost (trade and other payables)	172,259	-	172,259	163,751	-	163,751
Trade payables due to related parties	-	-	-	1,365	-	1,365
Total financial liabilities at amortized cost	**208,479**	**1,340,900**	**1,549,379**	**180,561**	**1,318,349**	**1,498,910**
Total financial liabilities	**215,023**	**1,349,557**	**1,564,580**	**188,701**	**1,330,382**	**1,519,083**

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Note 14 Financial instruments (continued)

14.8 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 14 Financial instruments (continued)

14.8 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.

Note 14 Financial instruments (continued)

14.8 Fair value measurement of assets and liabilities, continued

	Carrying Amount at Amortized Cost	Fair value (informative)	Fair value	Measurement Methodology		
	03/31/2019 ThUS$	03/31/2019 ThUS$	03/31/2019 ThUS$	Level 1 ThUS$	Level 2 ThUS$	Level 3 ThUS$
Financial Assets						
Cash and cash equivalents	602,771	602,771	-	-	602,771	-
Trade and other receivables, current	435,278	435,278	-	-	435,278	-
Trade receivables due from related parties, current	54,576	54,576	-	-	54,576	-
Other current financial assets:	-	-	-	-	-	-
- Time deposits	285,949	285,949	-	-	285,949	-
- Derivative instruments	-	-	-	-	-	-
- Forwards	-	-	1,764	-	1,764	-
- Options	-	-	295	-	295	-
- Hedging assets	-	-	-		-	-
- Investment hedge swaps	-	-	11,505	-	11,505	-
Non-current accounts receivable	395	395	-	-	-	-
Other non-current financial assets:	-	-	-	-	-	-
- Other	95	95	-	-	95	-
- Actions	-	-	3,813	-	-	-
- Hedging assets - Swaps	-	-	19,374	-	19,374	-
Other current financial liabilities	-	-	-	-	-	-
- Bank loans	946	946	-	-	946	-
- Derivative instruments	-	-	-	-	-	-
- Forwards	-	-	1,948	-	1,948	-
- Options	-	-	77	-	77	-
- Hedging liabilities						
- Swaps	-	-	4,185	-	4,185	-
- Inversiones	-	-	334	-	334	
- Unsecured obligations	31,000	31,000	-	-	31,000	-
Current lease liabilities	4,274	4,274	-	-	4,274	-
Trade and other payables, current and non current	172,259	172,259	-	-	172,259	-
Trade payables due to related parties, current	-	-	-	-	-	-
Other non-current financial liabilities:	-	-	-	-	-	-
- Bank loans	68,921	72,016	-	-	72,017	-
- Unsecured obligations	1,246,012	1,386,059	-	-	1,386,059	-
- Non-current hedging liabilities	-	-	8,657	-	8,657	-
- Non-current lease liabilities	25,967	25,967	-	-	25,967	-

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Note 14 Financial instruments (continued)

14.8 Fair value measurement of assets and liabilities, continued

	Carrying Amount at Amortized Cost 12/31/2018 ThUS$	Fair value (informative) 12/31/2018 ThUS$	Fair value 12/31/2018 ThUS$	Measurement Methodology Level 1 ThUS$	Level 2 ThUS$	Level 3 ThUS$
Financial Assets						
Cash and cash equivalents	556,066	556,066	-	-	556,066	-
Trade and other receivables, current	464,855	464,855	-	-	464,855	-
Trade receivables due from related parties, current	44,554	44,554	-	-	44,554	-
Other current financial assets:	-	-	-	-	-	-
- Time deposits	291,790	291,790	-	-	291,790	-
- Derivative instruments	-	-	-	-	-	-
- Forwards	-	-	2,637	-	2,637	-
- Options	-	-	56	-	56	-
- Hedging assets	-	-	-	-	-	-
- Investment hedge swaps	-	-	18,238	-	18,238	-
Non-current accounts receivable	424	424	-	-	-	-
Other non-current financial assets:	-	-	-	-	-	-
- Other	95	95	-	-	95	-
- Actions	-	-	3,611	-	-	-
- Hedging assets - Swaps	-	-	13,425	-	13,425	-
Other current financial liabilities	-	-	-	-	-	-
- Bank loans	300	300	-	-	300	-
- Derivative instruments	-	-	-	-	-	-
- Forwards	-	-	2,723	-	2,723	-
- Options	-	-	132	-	132	-
- Hedging liabilities - Swaps	-	-	5,285	-	5,285	-
- Unsecured obligations	15,145	15,145	-	-	15,145	-
Trade and other payables, current and non current	163,751	163,751	-	-	163,751	-
Trade payables due to related parties, current	9	9	-	-	9	-
Other non-current financial liabilities:	-	-	-	-	-	-
- Bank loans	68,870	71,826	-	-	71,826	-
- Unsecured obligations	1,249,479	1,357,640	-	-	1,357,640	-
- Non-current hedging liabilities	-	-	12,033	-	12,033	-

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Note 14 Financial instruments (continued)

14.8 Financial assets pledged as a guarantee, continued

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, 2019 and December 31, 2018, assets pledged as guarantees are as follows:

Restricted cash	**03/31/2019 ThUS$**	**12/31/2018 ThUS$**
Isapre Norte Grande Ltda,	533	712
Total	**533**	**712**

Note 14 Financial instruments (continued)

14.9 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 14 Financial instruments (continued)

14.9 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:

	03/31/2019		12/31/2018	
	Carrying value ThUS$	Fair value ThUS$	Carrying value ThUS$	Fair value ThUS$
Cash and cash equivalents	602,771	602,771	556,066	556,066
Current trade and other receivables	435,278	435,278	464,855	464,855
Receivables due from related parties, current	50,981	50,981	44,554	44,554
Other financial assets, current:				
- Time deposits	285,949	285,949	291,790	291,790
- Derivative instruments	2,059	2,059	2,693	2,693
- Hedging assets	11,505	11,505	18,238	18,238
Total other current financial assets	**299,513**	**299,513**	**312,721**	**312,721**
Non-Current Trade Receivables	395	395	424	424
Other non-current financial assets:	23,281	23,281	17,131	17,131
Total other non-current financial assets:	**23,281**	**23,281**	**17,131**	**17,131**
Other financial liabilities, current:				
- Bank loans	946	946	300	300
-Current lease liabilities	4,274	4,274	-	-
- Derivative instruments	2,025	2,025	2,855	2,855
- Hedging liabilities	4,519	4,519	5,285	5,285
- Unsecured obligations	31,000	31,000	15,145	15,145
Other financial liabilities, current	**42,764**	**42,764**	**23,585**	**23,585**
Current and non-current accounts payable	172,259	172,259	163,751	163,751
Payables due to related parties, non-current	-	-	9	9
Other non-current financial liabilities:				
- Bank loans	68,921	72,016	68,870	71,826
-Non-current lease liabilities	25,967	25,967		
- Unsecured obligations	1,246,012	1,386,059	1,249,479	1,404,614
- Non-current hedging liabilities	8,657	8,657	12,033	2,657
Other non-current financial liabilities:	**1,349,557**	**1,492,699**	**1,330,382**	**1,479,097**

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

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 5 - Financial Risk Management.

Note 15 Intangible assets and goodwill

15.1 Balances

	03/31/2019 ThUS$	12/31/2018 ThUS$
Intangible assets other than goodwill	188,811	189,498
Goodwill (1)	34,861	34,718
Total	**223,672**	**224,216**

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

The current value of future cash flows generated by these assets has been estimated given the variation in sales volumes, market prices and costs, discounted at a weighted average cost of capital (WACC) rate of 9.8%.

15.2 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, 2019 and December 31, 2018 are detailed as follows:

		March 31, 2019			
Intangible assets and goodwill	**Useful life**	**Gross Value ThUS$**	**Accumulated amortization ThUS$**	**Accumulated impairment ThUS$**	**Net Value ThUS$**
IT programs	Finite	30,322	(26,152)	-	4,170
Intellectual property rights, patents and other industrial property rights, service,	Finite	1,254	(1,104)	(7)	143
Mining claims, water rights and rights of way,	Indefinite	183,347	-	(1,729)	181,618
Mining claims	Finite	1,500	(119)	-	1,381
Customer-related intangible assets	Indefinite	1,778	-	(280)	1,498
Other intangible assets.	Indefinite	1	-	-	1
Intangible assets other than goodwill		**218,202**	**(27,375)**	**(2,016)**	**188,811**
Goodwill	Indefinite	38,120	-	(3,259)	34,861
Total Intangible Assets		**256,322**	**(27,375)**	**(5,275)**	**223,672**

Note 15 Intangible assets and goodwill (continued)

15.2 Disclosures on intangible assets and goodwill, continued

		December 31, 2018			
Intangible assets and goodwill	**Useful life**	**Gross Value ThUS$**	**Accumulated amortization ThUS$**	**Accumulated impairment ThUS$**	**Net Value ThUS$**
IT programs	Finite	30,047	(25,454)	-	4,593
Intellectual property rights, patents and other industrial property rights, service,	Finite	1,254	(1,096)	(7)	151
Mining claims, water rights and rights of way,	Indefinite	183,349	-	(1,729)	181,620
Mining claims	Finite	1,500	(88)	-	1,412
Customer-related intangible assets	Indefinite	1,778	-	(205)	1,573
Other intangible assets.	Indefinite	149	-	-	149
Intangible assets other than goodwill		**218,077**	**(26,638)**	**(1,941)**	**189,498**
Goodwill	Indefinite	37,972	-	(3,254)	34,718
Total Intangible Assets		**256,049**	**(26,638)**	**(5,195)**	**224,216**

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

Finite useful life measures the length of, or number of production or similar units constituting that useful life.

The estimated useful life for software is 2-6 years, for other assets with a finite useful life, the useful life over which they are amortized corresponds to the periods defined by the contracts or rights from which they originate.

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.

The company owns mining claims granted by Corfo, which correspond to assets subject to restitution. For this reason, they are considered assets with a finite useful life and their useful life is assigned until the year 2030 when the contract ends.

b) **Method used to assess identifiable intangible assets with indefinite useful life**

The recoverable value of the cash-generating unit has been determined based on a calculation of value-in-use using cash flow projections for a period of 5 years, plus perpetuity. The present value of future cash flows generated by these assets was calculated given a variation in sales volumes, market prices and costs, discounted at a WACC rate of 8,04%.

This group of intangible assets includes water rights acquired in Chile, and mining concessions held by the company in Chile and Australia, and these rights are recorded at acquisition cost.

Note 15 Intangible assets and goodwill (continued)

15.2 Disclosures on intangible assets and goodwill, continued

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

Estimated useful life or amortization rate	Minimum Life or Rate	Maximum Life or Rate
Mining property, water rights and rights of way	Indefinite	Indefinite
Intangible assets other than goodwill	Indefinite	Indefinite
Mining claims	1 year	11 years
Intellectual property rights, patents and other industrial property rights, service	1 year	16 years
Commercial trademarks	1 year	5 years
IT programs	2 years	6 years

The following table shows the movements in goodwill as of March 31, 2019:

Company	Goodwill 01/01/2019 ThUS$	Additional recognition ThUS$	Accumulated impairment losses ThUS$	Goodwill March 31, 2019 ThUS$
SQM Industrial S.A.	3,214	-	(3,214)	-
SQM S.A.	22,255	-	-	22,255
SQM Iberian S.A.	-	148	(5)	143
SQM Investment Corporation	86	-	-	86
Soquimich Comercial S.A.	320	-	(40)	280
Soquimich European Holding	11,373	-	-	11,373
SQM Potasio S.A.	724	-	-	724
Total	**37,972**	**148**	**(3,259)**	**34,861**

d) Information to be disclosed on assets generated internally

The Company has no intangible assets generated internally.

Note 15 Intangible assets and goodwill (continued)

15.2 Disclosures on intangible assets and goodwill, continued

e) Movements in identifiable intangible assets as of March 31, 2019:

Gross Value Movements in identifiable intangible assets	IT programs	Intellectual property rights, patents and other industrial property rights, service, Finite	Mining claims property, water rights, and rights of way, Indefinite	Mining claims, Finite	Customer-related intangible assets	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening Balance	**30,047**	**1,254**	**183,349**	**1,500**	**1,778**	**149**	**37,972**	**256,049**
Additions	113	-	44	-	-	-	-	157
Other increases / decreases for foreign currency exchange rates	2	-	(46)	-	-	-	-	(44)
Other increases (decreases)	160	-	-	-	-	(148)	148	160
Total increases (decreases)	275	-	(2)	1,500	**-**	**(148)**	**148**	**274**
Closing balance	**30,322**	**1,254**	**183,347**	**1,500**	**1,778**	**1**	**38,120**	**256,322**

Accumulated amortization and impairment Movements in identifiable intangible assets	IT programs	Intellectual property rights, patents and other industrial property rights, service, Finite	Mining claims property, water rights, and rights of way, Indefinite	Mining claims, Finite	Customer-related intangible assets	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening Balance	**(25,454)**	**(1,103)**	**(1,729)**	**(88)**	**(205)**	**-**	**(3,254)**	**(31,833)**
Other increases / decreases for foreign currency exchange rates	-	-	-	-	-	-	-	-
Impairment losses recognized in profit or loss for the year	-	-	-	-	(75)	-	(5)	(80)
Amortization	(698)	(8)	-	(31)	-	-	-	(737)
Other increases (decreases)	-	-	-	-	-	-	-	-
Total increases (decreases)	**(698)**	**(8)**	**-**	**(31)**	**(75)**	**-**	**(5)**	**(817)**
Closing balance	**(26,152)**	**(1,111)**	**(1,729)**	**(119)**	**(280)**	**-**	**(3,259)**	**(32,650)**

Note 15 Intangible assets and goodwill (continued)

15.2 Disclosures on intangible assets and goodwill, continued

e) Movements in identifiable intangible assets as of March 31, 2019:

Net value Movements in Identifiable intangible assets	IT programs	Intellectual property rights, patents and other industrial property rights, service, Finite	Mining claims property, water rights, and rights of way, Indefinite	Mining claims. Finite	Customer-related intangible assets	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening Balance	**4,593**	**151**	**181,620**	**1,412**	**1,573**	**149**	**34,718**	**224,216**
Additions	113	-	44	-	-	-	-	157
Increases (decreases) for transfers	-	-	-	-		-	-	-
Amortization	(698)	(8)	-	(31)	-	-	-	(737)
Impairment losses recognized in profit or loss for the year	-	-	-	-	(75)	-	(5)	(80)
Other increases / decreases for foreign currency exchange rates	2	-	(46)	-	-	-	-	(44)
Other increases (decreases)	160	-	-	-	-	(148)	148	160
Total increases (decreases)	**(423)**	**(8)**	**(2)**	**(31)**	**(75)**	**(148)**	**143**	**(544)**
Closing balance	**4,170**	**143**	**181,618**	**1,381**	**1,498**	**1**	**34,861**	**223,672**

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

Gross Value Movements in Identifiable intangible assets	IT programs	Intellectual property rights, patents and other industrial property rights, service, Finite	Mining claims property, water rights, and rights of way, Indefinite	Mining claims, Finite	Customer-related intangible assets	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening Balance	**25,060**	**1,250**	**104,858**	**1,500**	**1,778**	**171**	**37,972**	**172,589**
Additions	1,159	5	77,201	-	-	11	-	78,376
Other increases / decreases for foreign currency exchange rates	(5)	(1)	(4)	-	-	-	-	(10)
Other increases (decreases)	3,833	-	1,294	-	-	(33)	-	5,094
Total increases (decreases)	4,987	**4**	**78,491**	**-**	**1,778**	**(22)**	**-**	**83,460**
Closing balance	**30,047**	**1,254**	**183,349**	**1,500**	**1,778**	**149**	**37,972**	**256,049**

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Note 15 Intangible assets and goodwill (continued)

15.2 Disclosures on intangible assets and goodwill, continued

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

Accumulated amortization and impairment Movements in identifiable intangible assets	IT programs	Intellectual property rights, patents and other industrial property rights, service, Finite	Mining claims property, water rights, and rights of way, Indefinite	Mining claims, Finite	Customer-related intangible assets	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening Balance	**(19,769)**	**(1,061)**	-	-	-	-	-	**(20,830)**
Other increases / decreases for foreign currency exchange rates	4	-	-	-	-	-	-	4
Impairment losses recognized in profit or loss for the year	-	(7)	(1,729)	-	(205)	-	(3,254)	(5,195)
Amortization	(2,880)	(35)	-	(88)	-	-	-	(3,003)
Other increases (decreases)	(2,809)	-	-	-	-	-	-	(2,809)
Total increases (decreases)	**(5,685)**	**(42)**	**(1,729)**	**(88)**	**(205)**	**-**	**(3,254)**	**(11,003)**
Closing balance	**(25,454)**	**(1,103)**	**(1,729)**	**(88)**	**(205)**	**-**	**(3,254)**	**(31,833)**

Net value Movements in Identifiable intangible assets	IT programs	Intellectual property rights, patents and other industrial property rights, service, Finite	Mining claims property, water rights, and rights of way, Indefinite	Mining claims, Finite	Customer-related intangible assets	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening Balance	**5,291**	**189**	**104,858**	**1,500**	**1,778**	**171**	**37,972**	**151,759**
Additions	1,159	5	77,201	-	-	11	-	78,376
Increases (decreases) for transfers	-	-	-	-		-	-	-
Amortization	(2,880)	(35)	-	(88)	-	-	-	(3,003)
Impairment losses recognized in profit or loss for the year	-	(7)	(1,729)	-	(205)	-	(3,254)	(5,195)
Other increases / decreases for foreign currency exchange rates	(1)	(1)	(4)	-	-	-	-	(6)
Other increases (decreases)	1,024	-	1,294	-	-	(33)	-	2,285
Total increases (decreases)	**(698)**	**(38)**	**76,762**	**(88)**	**(205)**	**(22)**	**(3,254)**	**72,456**
Closing balance	**4,593**	**151**	**181,620**	**1,412**	**1,573**	**149**	**34,718**	**224,216**

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Note 15 Intangible assets and goodwill (continued)

15.2 Disclosures on intangible assets and goodwill, continued

g) Movements in identifiable goodwill as of March 31, 2019:

Gross Value Movements in identifiable goodwill	Goodwill at the start of the period January 01, 2019	Additional recognition	Recognition subsequent to deferred tax assets (-)	Decreases for classification as held for sale (-)	Goodwill released without having been included previously in disposal groups classified as held for sale (-)	Impairment losses recognized in profit or loss for the year (-)	Increase (decrease) for net exchange differences	Increase (decrease) due to other changes	Total increase (decrease)	Goodwill at end of period
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
SQM Industrial S.A.	3,214	-	-	-	-	-	-	-	-	3,214
SQM S.A.	22,255	-	-	-	-	-	-	-	-	22,255
SQM Iberian S.A.	-	148	-	-	-	-	-	-	148	148
SQM Investment Corporation	86	-	-	-	-	-	-	-	-	86
Soquimich Comercial S.A.	320	-	-	-	-	-	-	-	-	320
Soquimich European Holding B.V.	11,373	-	-	-	-	-	-	-	-	11,373
SQM Potasio	724	-	-	-	-	-	-	-	-	724
Closing balance	**37,972**	**148**	**-**	**-**	**-**	**-**	**-**	**-**	**148**	**38,120**

Accumulated impairment Movements in identifiable goodwill	Goodwill at the start of the period January 01, 2019	Additional recognition	Recognition subsequent to deferred tax assets (-)	Decreases for classification as held for sale (-)	Goodwill released without having been included previously in disposal groups classified as held for sale (-)	Impairment losses recognized in profit or loss for the year (-)	Increase (decrease) for net exchange differences	Increase (decrease) due to other changes	Total increase (decrease)	Goodwill at end of period
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
SQM Industrial S.A.	(3,214)	-	-	-	-	-	-	-	-	(3,214)
SQM S.A.	-	-	-	-	-	-	-	-	-	-
SQM Iberian S.A.	-	-	-	-	-	(5)	-	-	-	(5)
SQM Investment Corporation	-	-	-	-	-	-	-	-	-	-
Soquimich Comercial S.A.	(40)	-	-	-	-	-	-	-	-	(40)
Soquimich European Holding B.V.	-	-	-	-	-	-	-	-	-	-
SQM Potasio	-	-	-	-	-	-	-	-	-	-
Closing balance	**(3,254)**	**-**	**-**	**-**	**-**	(5)	**-**	**-**	**-**	**(3,259)**

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Note 15 Intangible assets and goodwill (continued)

15.2 Disclosures on intangible assets and goodwill, continued

g) Movements in identifiable goodwill as of March 31, 2019:

Net Value Movements in identifiable goodwill	Goodwill at the start of the period January 01, 2019	Additional recognition	Recognition subsequent to deferred tax assets (-)	Decreases for classification as held for sale (-)	Goodwill released without having been included previously in disposal groups classified as held for sale (-)	Impairment losses recognized in profit or loss for the year (-)	Increase (decrease) for net exchange differences	Increase (decrease) due to other changes	Total increase (decrease)	Goodwill at end of period
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
SQM Industrial S.A.	-	-	-	-	-	-	-	-	-	-
SQM S.A.	22,255	-	-	-	-	-	-	-	-	22,255
SQM Iberian S.A.	-	148	-	-	-	(5)	-	-	143	143
SQM Investment Corporation	86	-	-	-	-	-	-	-	-	86
Soquimich Comercial S.A.	280	-	-	-	-	-	-	-	-	280
Soquimich European Holding B.V.	11,373	-	-	-	-	-	-	-	-	11,373
SQM Potasio	724	-	-	-	-	-	-	-	-	724
Closing balance	**34,718**	**148**	**-**	**-**	**-**	**(5)**	**-**	**-**	**143**	**34,861**

h) Movements in identifiable goodwill as of December 31, 2018:

Gross Value Movements in identifiable goodwill	Goodwill at the start of the period January 01, 2018	Additional recognition	Recognition subsequent to deferred tax assets (-)	Decreases for classification as held for sale (-)	Goodwill released without having been included previously in disposal groups classified as held for sale (-)	Impairment losses recognized in profit or loss for the year (-)	Increase (decrease) for net exchange differences	Increase (decrease) due to other changes	Total increase (decrease)	Goodwill at end of period
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
SQM Industrial S.A.	3,214	-	-	-	-	-	-	-	-	3,214
SQM S.A.	22,255	-	-	-	-	-	-	-	-	22,255
SQM Investment Corporation	86	-	-	-	-	-	-	-	-	86
Soquimich Comercial S.A.	320	-	-	-	-	-	-	-	-	320
Soquimich European Holding B.V.	11,373	-	-	-	-	-	-	-	-	11,373
SQM Potasio	724	-	-	-	-	-	-	-	-	724
Closing balance	**37,972**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**37,972**

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Note 15 Intangible assets and goodwill (continued)

15.2 Disclosures on intangible assets and goodwill, continued

h) Movements in identifiable goodwill as of December 31, 2018:

Accumulated impairment Movements in identifiable goodwill	Goodwill at the start of the period January 01, 2018	Additional recognition	Recognition subsequent to deferred tax assets (-)	Decreases for classification as held for sale (-)	Goodwill released without having been included previously in disposal groups classified as held for sale (-)	Impairment losses recognized in profit or loss for the year (-)	Increase (decrease) for net exchange differences	Increase (decrease) due to other changes	Total increase (decrease)	Goodwill at end of period
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
SQM Industrial S.A.	-	-	-	-	-	(3,214)	-	-	-	(3,214)
SQM S.A.	-	-	-	-	-	-	-	-	-	-
SQM Investment Corporation	-	-	-	-	-	-	-	-	-	-
Soquimich Comercial S.A.	-	-	-	-	-	(40)	-	-	-	(40)
Soquimich European Holding	-	-	-	-	-	-	-	-	-	-
SQM Potasio	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	**(3,254)**	-	-	-	**(3,254)**

Net Value Movements in identifiable goodwill	Goodwill at the start of the period January 01, 2018	Additional recognition	Recognition subsequent to deferred tax assets (-)	Decreases for classification as held for sale (-)	Goodwill released without having been included previously in disposal groups classified as held for sale (-)	Impairment losses recognized in profit or loss for the year (-)	Increase (decrease) for net exchange differences	Increase (decrease) due to other changes	Total increase (decrease)	Goodwill at end of period
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
SQM Industrial S.A.	3,214	-	-	-	-	(3,214)	-	-	-	-
SQM S.A.	22,255	-	-	-	-	-	-	-	-	22,255
SQM Investment Corporation	86	-	-	-	-	-	-	-	-	86
Soquimich Comercial S.A.	320	-	-	-	-	(40)	-	-	-	280
Soquimich European Holding	11,373	-	-	-	-	-	-	-	-	11,373
SQM Potasio	724	-	-	-	-	-	-	-	-	724
Closing balance	**37,972**	-	-	-	-	**(3,254)**	-	-	-	**34,718**

Note 16 Property, plant and equipment

As of March 31, 2019 and December 31, 2018, the detail of property, plant and equipment is as follows:

16.1 Types of property, plant and equipment

Description of types of property, plant and equipment	03/31/2019 ThUS$	12/31/2018 ThUS$
Property, plant and equipment, net		
Land	24,652	24,695
Buildings (1)	251,346	238,808
Other property, plant and equipment	26,669	28,175
Transport equipment	2,715	2,892
Supplies and accessories	4,491	4,722
Office equipment	469	513
Network and communication equipment	598	692
Mining assets	11,520	11,501
IT equipment	4,734	4,980
Energy generating assets	5,822	6,117
Constructions in progress	280,077	219,128
Machinery, plant and equipment (1) (2)	897,776	923,898
Total	**1,510,869**	**1,466,121**

(1) The buildings line item includes ThUS$17,229 corresponding to right-of-use assets; the property, plant and equipment line item includes ThUS$12,885 corresponding to right-of-use assets; the total includes ThUS$ 30,114 corresponding to right-of-use assets (IFRS 16)

Property, plant and equipment, gross		
Land	24,652	24,695
Buildings (1)	669,090	648,719
Other property, plant and equipment	245,553	245,731
Transport equipment	11,669	11,668
Supplies and accessories	24,482	24,456
Office equipment	11,381	11,377
Network and communication equipment	7,505	7,505
Mining assets	144,718	132,309
IT equipment	30,051	29,955
Energy generating assets	37,044	36,930
Constructions in progress	280,077	219,128
Machinery, plant and equipment (1)	3,068,630	3,068,862
Total	**4,554,852**	**4,461,335**

(1) The buildings line item includes ThUS$17,623 corresponding to right-of-use assets; the property, plant and equipment line item includes ThUS$13,996 corresponding to right-of-use assets; the total includes ThUS$31,619 corresponding to right-of-use assets (IFRS 16)

Accumulated depreciation and value impairment of property, plant and equipment, total		
Accumulated depreciation and impairment of buildings (1)	(417,744)	(409,911)
Accumulated depreciation and impairment of other property, plant and equipment	(218,884)	(217,556)
Accumulated depreciation and impairment of transport equipment	(8,954)	(8,776)
Accumulated depreciation and impairment of supplies and accessories	(19,991)	(19,734)
Accumulated depreciation and impairment of office equipment	(10,912)	(10,864)
Accumulated depreciation and impairment of network and communication equipment	(6,907)	(6,813)
Accumulated depreciation and impairment of mining assets	(133,198)	(120,808)
Accumulated depreciation and impairment of IT equipment	(25,317)	(24,975)
Accumulated depreciation and impairment of energy generating assets	(31,222)	(30,813)
Accumulated depreciation and impairment of machinery, plant and equipment (1)	(2,170,854)	(2,144,964)
Total	**(3,043,983)**	**(2,995,214)**

(1) The buildings line item includes ThUS$(394) corresponding to depreciation of right-of-use assets; the property, plant and equipment line item includes ThUS$(1,111) corresponding to depreciation of right-of-use assets; the total includes ThUS$(1,505) corresponding to depreciation of right-of-use assets (IFRS 16)

Note 16 Property, plant and equipment, (continued)

16.1 Types of property, plant and equipment, continued

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

Description of classes of property, plant and equipment	03/31/2019 ThUS$	12/31/2018 ThUS$
Property, plant and equipment, net		
Pumps	32,007	34,145
Conveyor Belt	21,257	22,082
Crystallizer	26,407	27,112
Plant Equipment	181,637	188,934
Tanks	14,793	14,876
Filter	28,402	29,300
Electrical equipment/facilities	92,922	96,179
Other Property, Plant & Equipment	51,848	58,997
Site Closure	12,740	12,967
Right-of-use assets	12,885	-
Piping	93,719	98,498
Well	245,093	250,045
Pond	40,507	42,903
Spare Parts	43,559	47,860
Total	**897,776**	**923,898**

Note 16 Property, plant and equipment (continued)

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

Reconciliation of changes in property, plant and equipment by class as of March 31, 2019 and December 31, 2018:

Reconciliation of changes in property, plant and equipment by class as of March 31, 2019, 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	**24,695**	**648,719**	**245,731**	**11,668**	**24,456**	**11,377**	**7,505**	**132,309**	**29,955**	**36,930**	**219,128**	**3,068,862**	**4,461,335**
Changes													
Initial recognition of IFRS 16		1762					-					13,996	31,619
Additions	-	-	207	-	6	2	-	-	71	-	66,060	184	66,530
Disposals	-	-	(460)	-	-	-	-	-	-	-	-	-	(460)
Increase (decrease) in foreign currency translation difference	12	25	1	1	3	1	-	-	2	-	-	26	71
Reclassifications	-	2,674	147	-	17	-	-	-	12	114	(5,342)	2,581	203
Other increases (decreases) (*)	-	49	(73)	-	-	1	-	12,409	11	-	231	(17,019)	(4,391)
Decreases for classification as held for sale (1)	(55)	-	-	-	-	-	-	-	-	-	-	-	(55)
Total changes	**(43)**	**20,371**	**(178)**	**1**	**26**	**4**	**-**	**12,409**	**96**	**114**	**60,949**	**(232)**	**93,517**
Closing balance	**24,652**	**669,090**	**245,553**	**11,669**	**24,482**	**11,381**	**7,505**	**144,718**	**30,051**	**37,044**	**280,077**	**3,068,630**	**4,554,852**

Reconciliation of changes in property, plant and equipment by class as of March 31, 2019, 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	**-**	**(409,911)**	**(217,556)**	**(8,776)**	**(19,734)**	**(10,864)**	**(6,813)**	**(120,808)**	**(24,975)**	**(30,813)**	**-**	**(2,144,964)**	**(2,995,214)**
Changes													
Disposals	-	-	460	-	-	-	-	-	-	-	-	-	460
Depreciation expense	-	(7,655)	(1,795)	(178)	(259)	(47)	(94)	(1,786)	(318)	(404)	-	(36,475)	(49,011)
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in foreign currency translation difference	-	(8)	(1)	-	(3)	(1)	-	-	(2)	-	-	(13)	(28)
Reclassifications	-	-	(6)	-	5	-	-	-	-	(5)	-	(197)	(203)
Other increases (decreases) (*)	-	(170)	14	-	-	-	-	(10,604)	(22)	-	-	10,795	13
Decreases for classification as held for sale (1)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total changes	**-**	**(7,833)**	**(1,328)**	**(178)**	**(257)**	**(48)**	**(94)**	**(12,390)**	**(342)**	**(409)**	**-**	**(25,890)**	**(48,769)**
Closing balance	**-**	**(417,744)**	**(218,884)**	**(8,954)**	**(19,991)**	**(10,912)**	**(6,907)**	**(133,198)**	**(25,317)**	**(31,222)**	**-**	**(2,170,854)**	**(3,043,983)**

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Note 16 Property, plant and equipment (continued)

16.2 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, 2019, 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	**24,695**	**238,808**	**28,175**	**2,892**	**4,722**	**513**	**692**	**11,501**	**4,980**	**6,117**	**219,128**	**923,898**	**1,466,121**
Changes													
Initial recognition of IFRS 16	-	17,623	-	-	-	-	-	-	-	-	-	13,996	31,619
Additions	-	-	207	-	6	2	-	-	71	-	66,060	184	66,530
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense	-	(7,655)	(1,795)	(178)	(259)	(47)	(94)	(1,786)	(318)	(404)	-	(36,475)	(49,011)
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in foreign currency translation difference	12	17	-	1	-	-	-	-	-	-	-	13	43
Reclassifications	-	2,674	141	-	22	-	-	-	12	109	(5,342)	2,384	-
Other increases (decreases) (*)	-	(121)	(59)	-	-	1	-	1,805	(11)	-	231	(6,224)	(4,378)
Decreases for classification as held for sale (1)	(55)	-	-	-	-	-	-	-	-	-	-	-	(55)
Total changes	**(43)**	**12,538**	**(1,506)**	**(177)**	**(231)**	**(44)**	**(94)**	**19**	**(246)**	**(295)**	**60,949**	**(26,122)**	**44,748**
Closing balance	**24,652**	**251,346**	**26,669**	**2,715**	**4,491**	**469**	**598**	**11,520**	**4,734**	**5,822**	**280,077**	**897,776**	**1,510,869**

(*) 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 16 Property, plant and equipment (continued)

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

Reconciliation of changes in assets for right of use March 31, 2019, net value	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	-	-	-	-	-	-	-	-	-	-	-	-	-
Initial recognition of IFRS 16	-	17,623	-	-	-	-	-	-	-	-	-	13,996	31,619
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense	-	(394)	-	-	-	-	-	-	-	-	-	(1,111)	(1,505)
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in foreign currency translation difference	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-	-	-	-	-
Other increases (decreases) (*)	-	-	-	-	-	-	-	-	-	-	-	-	-
Decreases for classification as held for sale (1)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total changes	-	**17,229**	-	-	-	-	-	-	-	-	-	**12,885**	**30,114**
Closing balance	-	**17,229**	-	-	-	-	-	-	-	-	-	**12,885**	**30,114**

The Company's lease activities included the following aspects:

a) The nature of the Company's lease activities is related to contracts focused primarily on business operations, notably rights-of-use to equipment and real estate.
b) The Company does not estimate any significant future cash outflows that would potentially expose the Company, and these are likewise not reflected in the measurement of lease liabilities, related to concepts such as (i) variable lease payments, (ii) expansion options and termination options, (iii) guaranteed residual value and (iv) leases not yet undertaken but committed by the Company.
c) These are not subject to restrictions or agreements imposed by contracts.
d) There were no sales transactions with leases later in the period.

Note 16 Property, plant and equipment (continued)

16.2 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, 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	**24,900**	**610,264**	**244,831**	**11,195**	**19,498**	**11,105**	**7,356**	**129,028**	**27,038**	**36,643**	**165,054**	**2,938,287**	**4,225,199**
Changes													
Additions	-	28	833	-	41	15	-	-	489	-	258,269	1,448	261,123
Disposals	-	(38)	(7,811)	(51)	-	-	-	-	(10)	-	(6,582)	(1,666)	(16,158)
Increase (decrease) in foreign currency translation difference	(64)	(134)	(8)	(3)	(19)	(6)	-	-	(11)	-	-	(153)	(398)
Reclassifications	-	38,746	10,330	529	4,889	268	150	3,281	2,100	75	(184,095)	123,726	(1)
Other increases (decreases) (*)	-	(147)	(2,444)	(2)	47	(5)	(1)	-	349	212	(13,518)	7,220	(8,289)
Decreases for classification as held for sale (1)	(141)	-	-	-	-	-	-	-	-	-	-	-	(141)
Total changes	**(205)**	**38,455**	**900**	**473**	**4,958**	**272**	**149**	**3,281**	**2,917**	**287**	**54,074**	**130,575**	**236,136**
Closing balance	**24,695**	**648,719**	**245,731**	**11,668**	**24,456**	**11,377**	**7,505**	**132,309**	**29,955**	**36,930**	**219,128**	**3,068,862**	**4,461,335**

Reconciliation of changes in property, plant and equipment by class as of December 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	-	38	7,737	8	-	-	-	-	10	-	-	1,722	9,515
Depreciation expense	-	(29,829)	(7,415)	(880)	(2,056)	(271)	(483)	(8,017)	(1,374)	(2,026)	-	(158,900)	(211,251)
Impairment	-	(437)	-	-	-	-	-	-	-	(12)	-	(941)	(1,390)
Increase (decrease) in foreign currency translation difference	-	41	4	1	12	3	-	-	(1)	-	-	61	121
Reclassifications	-	106	(483)	-	(87)	(17)	(28)	-	90	1	-	419	1
Other increases (decreases) (*)	-	115	2,570	33	23	39	4	-	(63)	6	-	908	3,635
Decreases for classification as held for sale (1)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total changes	**-**	**(29,966)**	**2,413**	**(838)**	**(2,108)**	**(246)**	**(507)**	**(8,017)**	**(1,338)**	**(2,031)**	**-**	**(156,731)**	**(199,369)**
Closing balance	**-**	**(409,911)**	**(217,556)**	**(8,776)**	**(19,734)**	**(10,864)**	**(6,813)**	**(120,808)**	**(24,975)**	**(30,813)**	**-**	**(2,144,964)**	**(2,995,214)**

Note 16 Property, plant and equipment (continued)

16.2 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, 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	**24,900**	**230,319**	**24,862**	**3,257**	**1,872**	**487**	**1,050**	**16,237**	**3,401**	**7,861**	**165,054**	**950,054**	**1,429,354**
Changes													
Additions	-	28	833	-	41	15	-	-	489	-	258,269	1,448	261,123
Disposals	-	-	(74)	(43)	-	-	-	-	-	-	(6,582)	56	(6,643)
Depreciation expense	-	(29,829)	(7,415)	(880)	(2,056)	(271)	(483)	(8,017)	(1,374)	(2,026)	-	(158,900)	(211,251)
Impairment	-	(437)	-	-	-	-	-	-	-	(12)	-	(941)	(1,390)
Increase (decrease) in foreign currency translation difference	(64)	(93)	(4)	(2)	(7)	(3)	-	-	(12)	-	-	(92)	(277)
Reclassifications	-	38,852	9,847	529	4,802	251	122	3,281	2,190	76	(184,095)	124,145	-
Other increases (decreases) (*)	-	(32)	126	31	70	34	3	-	286	218	(13,518)	8,128	(4,654)
Decreases for classification as held for sale (1)	(141)	-	-	-	-	-	-	-	-	-	-	-	(141)
Total changes	**(205)**	**8,489**	**3,313**	**(365)**	**2,850**	**26**	**(358)**	**(4,736)**	**1,579**	**(1,744)**	**54,074**	**(26,156)**	**36,767**
Closing balance	**24,695**	**238,808**	**28,175**	**2,892**	**4,722**	**513**	**692**	**11,501**	**4,980**	**6,117**	**219,128**	**923,898**	**1,466,121**

(*) 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 16 Property, plant and equipment (continued)

16.3 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,

16.4 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, 2019, impairment of ThUS$0 was recorded, while impairment of ThUS$1,390was recorded as of December 31, 2018.

16.5 Additional Information

Capitalized interest

As of March 31, 2019, capitalized interest totaled ThUS$1,461, while for the period January to December 2018, this item totaled ThUS$5,021.

No borrowing costs are capitalized for periods beyond the normal period for acquiring, constructing or installing an asset such as delays, interruptions or temporary suspension of projects due to technical, financial or other problems that render the asset unusable.

Note 17 Other current and non-current non-financial assets

As of March 31, 2019, and December 31, 2018, the detail of other current and non-current assets is as follows:

Other non-financial assets, current	**03/31/2019 ThUS$**	**12/31/2018 ThUS$**
Domestic Value Added Tax	17,143	20,209
Foreign Value Added Tax	3,351	7,211
Prepaid mining licenses	7,538	1,329
Prepaid insurance	5,580	1,763
Other prepayments	2,047	1,774
Refund of Value Added Tax to exporters	8,748	12,545
Other taxes	3,436	2,800
Other assets	570	341
Total	**48,413**	**47,972**

Other non-financial assets, non-current	**03/31/2019 ThUS$**	**12/31/2018 ThUS$**
Stain development expenses and prospecting expenses (1)	14,732	14,891
Guarantee deposits	534	712
Other assets	614	638
Total	**15,880**	**16,241**

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, 2019, and December 31, 2018:

Reconciliation	**03/31/2019 ThUS$**	**12/31/2018 ThUS$**
Opening balance	**14,891**	**17,721**
Change in assets for exploration and evaluation of mineral resources		
Reclassifications	447	1,987
Increase (decrease) due to transfers and other charges	(606)	(4,817)
Total changes	**(159)**	**(2,830)**
Total	**14,732**	**14,891**

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

Note 18 Employee benefits

18.1 Provisions for employee benefits

Classes of benefits and expenses by employee	03/31/2019 ThUS$	12/31/2018 ThUS$
Current		
Profit sharing and bonuses	8,352	20,085
Total	**8,352**	**20,085**
Non-current		
Profit sharing and bonuses	9,832	8,831
Severance indemnity payments	25,954	28,233
Total	**35,786**	**37,064**

18.2 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 18.4 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 18 Employee benefits (continued)

18.3 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 18.6).

Staff severance indemnities at actuarial value	03/31/2019 ThUS$	12/31/2018 ThUS$
Staff severance indemnities, Chile	25,280	27,562
Executive severance plan	9,832	8,831
Severance for foreigners	674	671
Total other non-current liabilities	**35,786**	**37,064**

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 1980.

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 18 Employee benefits (continued)

18.3 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, This 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,

18.4 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.

Note 18 Employee benefits (continued)

18.5 Staff severance indemnities

As of March 31, 2019 and December 31, 2018, severance indemnities calculated at the actuarial value are as follows:

	03/31/2019 ThUS$	12/31/2018 ThUS$
Opening balance	(28,233)	(27,445)
Current cost of service	(252)	(1,529)
Interest cost	(458)	(1,658)
Actuarial gain/loss	(602)	(1,617)
Exchange rate difference	(447)	2,710
Benefits paid during the year	4,038	1,306
Balance	**(25,954)**	**(28,233)**

a) Actuarial assumptions

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

	03/31/2019	12/31/2018	
Mortality rate	RV - 2014	RV - 2014	
Actual annual interest rate	4,642%	4,642%	
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, 2019 and December 31, 2018, the Company has conducted a sensitivity analysis of the main assumptions of the actuarial calculation, determining the following:

Sensitivity analysis 03/31/2019	Effect + 100 basis points ThUS$	Effect - 100 basis points ThUS$
Discount rate	(1,807)	2,033
Employee turnover rate	(237)	265

Sensitivity analysis 12/31/2018	Effect + 100 basis points ThUS$	Effect - 100 basis points ThUS$
Discount rate	(1,807)	2,033
Employee turnover rate	(237)	265

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

Note 18 Employee benefits (continued)

18.6 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. There is a partial payment of the share benefit program in the event of termination of the contract for causes other than the resignation and application of Article 160.

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 37 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 454,504 shares reflected as a cost of ThUS$489 in the results for the period ending March 31, 2019. As of December 31, 2018, the effect of the plan was 476,302 shares, equal to ThUS$3,754, recognized as a provision reflected against profit or loss for 2018.

Note 19 Provisions and other non-financial liabilities

19.1 Types of provisions

	03/31/2019			12/31/2018		
	Current	Non-current	Total	Current	Non-current	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Provision for legal complaints (*)	11,417	3,000	14,417	11,862	3,000	14,862
Provision for dismantling, restoration and rehabilitation cost (**)	-	30,120	30,120	-	28,822	28,822
Other provisions(***)	84,379	-	84,379	94,335	-	94,335
Total	**95,796**	**33,120**	**128,916**	**106,197**	**31,822**	**138,019**

(*) 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 22.1).

(**) 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 19.2

Note 19 Provisions and other non-financial liabilities (continued)

19.2 Description of other provisions

Current provisions, other short-term provisions	03/31/2019 ThUS$	12/31/2018 ThUS$
Rent under Lease contract with Corfo(*)	77,243	84,826
Provision for additional tax related to foreign loans	643	471
End of agreement bonus	2,079	5,129
Directors' per diem allowance	3,390	2,881
Provision for subsidiary restructuring	-	-
Foreign-owned mine tax provision	-	-
Miscellaneous provisions	1,024	1,028
Total	**84,379**	**94,335**
Other long-term provisions		
Investments with negative equity	-	-
Total	**-**	**-**

(*) Payment Obligations for the lease contract with CORFO: These correspond to obligations assumed in the modification of the Lease Agreement for extraction of mining claims owned by the Chilean Economic Development Agency (CORFO). Part of the obligations include quarterly lease payments to CORFO, based on SQM Salar's sales for the period of products obtained from the claims leased; another part corresponds to annual contributions that SQM Salar must make, since 2018, to Research and Development and to Communities and Regional Development.

Note 19 Provisions and other non-financial liabilities (continued)

19.3 Other current liabilities

Other liabilities non-financial current

Description of other liabilities	03/31/2019 ThUS$	12/31/2018 ThUS$
Tax withholdings	4,135	4,782
VAT payable	2,937	7,345
Guarantees received	2,641	2,641
Accrual for dividend	194,462	109,670
Monthly tax provisional payments	14,289	21,001
Deferred income	7,567	18,574
Withholdings from employees and salaries payable	8,058	6,052
Accrued vacations (*)	18,996	20,070
Other current liabilities	2,908	4,489
Total	**255,993**	**194,624**

(*) 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 19 Provisions and other non-financial liabilities (continued)

19.4 Changes in provisions

Description of items that gave rise to variations as of 03/31/2019	Legal complaints ThUS$	Provision for dismantling, restoration and rehabilitation cost ThUS$	Other provisions ThUS$	Total ThUS$
Total provisions, initial balance	**14,862**	**28,822**	**94,335**	**138,019**
Changes in provisions:				
Additional provisions	250	1,480	86,058	87,788
Provision used	(695)	-	(96,010)	(96,705)
Increase(decrease) in foreign currency exchange	-	-	(4)	(4)
others	-	(182)	-	(182)
Total Increase (decreases)	**(445)**	**1,298**	**(9,956)**	**(9,103)**
Total provisions, final balance	**14,417**	**30,120**	**84,379**	**128,916**

Description of items that gave rise to variations as of 12/31/2018	Legal complaints ThUS$	Provision for dismantling, restoration and rehabilitation cost ThUS$	Other provisions ThUS$	Total ThUS$
Total provisions, initial balance	**19,419**	**26,954**	**47,073**	**93,446**
Changes in provisions:				
Additional provisions	1,000	1,820	96,516	99,336
Provision used	(5,557)	-	(49,221)	(54,778)
Increase(decrease) in foreign currency exchange	-	-	-	-
Others	-	48	(33)	15
Total Increase (decreases)	**(4,557)**	**1,868**	**47,262**	**44,573**
Total provisions, final balance	**14,862**	**28,822**	**94,335**	**138,019**

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Note 20 Disclosures on equity

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

20.1 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	03/31/2019	12/31/2018	Description (1)	Calculation (1)
Net Financial Debt ThUS$	470,663	471,755	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	3,92	4,32	Current Assets divided by Current Liabilities	Total Current Assets / Total Current Liabilities
Net Debt / Capitalization	0,18	0,18	Net Financial Debt divided by Total Equity	Net financial debt / Total Equity
ROE	19.2%	20.7%	Profit for the year divided by Total Equity	LTM(2) Profit for the year / Equity
Adjusted EBITDA (ThUS$)	169,176	885,652	Adjusted EBITDA	Profit for the year + Depreciation and Amortization Expenses + Finance Costs + Income Tax – Other income and Share of profit of associates and joint ventures + Other expenses – Finance income – Currency differences
EBITDA (ThUS$)	181,370	902,450	EBITDA	Profit for the year + Depreciation and Amortization Expenses + Finance Costs + Income Tax
ROA	18.49%	20.31%	Adjusted EBITDA – Depreciation divided by Total Assets net of financial resources less related parties' investments	(LTM Gross Profit – Administrative Expenses)/ (Total Assets – Cash and Cash Equivalents – Other Current Financial Assets – Other Non-Current Financial Assets – Equity-accounted Investments)
Indebtedness	1,04	1,00	Total Liabilities on Equity	Total Liabilities / Total Equity

(1) Assumes the absolute value of the accounting records

Note 20 Disclosures on equity (continued)

20.1 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.

20.2 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. All such shares are nominative, have no par value and are fully issued, subscribed and paid.

Series B shares may not exceed 50% of the total issued, subscribed and paid-in shares of the Company and have a limited voting right, in that all of them can only elect one director of the Company, regardless of their equity interest and preferences:

(a) require the calling of an Ordinary or Extraordinary Shareholders' Meeting when so requested by Series B shareholders representing at least 5% of the issued shares thereof; and

(b) require the calling of an extraordinary meeting of the board of directors, without the president being able to qualify the need for such a request, when so requested by the director who has been elected by the shareholders of said Series B.

The limitation and preferences of Series B shares have a duration of 50 consecutive and continuous years as of June 3, 1993.

The Series A shares have the preference of being able to exclude the director elected by the Series B shareholders in the voting process in which the president of the board of directors and of the Company must be elected and which follows the one in which the tie that allows such exclusion resulted.

The preference of the Series A shares will have a term of 50 consecutive and continuous years as of June 3, 1993. The form of the titles of the shares, their issuance, exchange, disablement, loss, replacement, assignment and other circumstances thereof shall be governed by the provisions of Law No, 18,046 and its regulations.

At March 31, 2019 and December 31, 2018, the Group does not hold shares of the Parent Company either directly or through its investees.

Note 20 Disclosures on equity (continued)

20.2 Disclosures on preferred share capital, continued

Detail of types of capital in preference shares:

Type of capital in preferred shares	**03/31/2019**		**12/31/2018**	
Description of type of capital in preferred shares	**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, 2019 and December 31, 2018, the Company has not placed any new issuances of shares on the market.

Note 20 Disclosures on equity (continued)

20.3 Disclosures on reserves in equity

As of March 31, 2019 and December 31, 2018, this caption comprises the following:

	03/31/2019 ThUS$	12/31/2018 ThUS$
Reserve for currency exchange conversion	(25,651)	(26,307)
Reserve for cash flow hedges	10,303	7,971
Reserve for gains and losses from financial assets measured at fair value through other comprehensive income	(964)	(1,111)
Reserve for actuarial gains or losses in defined benefit plans	(7,369)	(6,884)
Other reserves	11,332	11,332
Total other reserves	**(12,349)**	**(14,999)**

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 4% interest rate for 2019.

Note 20 Disclosures on equity (continued)

20.3 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 1/1/2018	**(24,913)**	**2,248**	**-**	**(6,847)**	**894**	**4,787**	**(1,850)**	**11,332**	**(13,393)**	**(956)**	**(14,349)**
Increase (decrease) in reserves	(1,394)	5,723	-	(1,329)		(5,546)	-	-	(2,546)	-	(2,546)
Deferred taxes	-	-	-	-	398	-	1,498	-	-	1,896	1,896
Reclassification of loss in reserves	-	-	-	-	-	-	-	-	-	-	-
Closing balance as of 12/31/2018	**(26,307)**	**7,971**	**-**	**(8,176)**	**1,292**	**(759)**	**(352)**	**11,332**	**(15,939)**	**940**	**(14,999)**
Increase (decrease) in reserves	656	2,332	-	(656)	-	201	-	-	2,533	-	2,533
Deferred taxes	-	-	-	-	171	-	(54)	-	-	117	117
Reclassification of loss in reserves	-	-	-	-	-	-	-	-	-	-	-
Closing balance as of 03/31/2019	**(25,651)**	**10,303**	**-**	**(8,832)**	**1,463**	**(558)**	**(406)**	**11,332**	**(13,406)**	**1,057**	**(12,349)**

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Note 20 Disclosures on equity (continued)

20.3 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.

Subsidiary - Associate	**03/31/2019 ThUS$**	**12/31/2018 ThUS$**
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	455	455
Doktor Tarsa Tarim Sanayi AS	305	305
Total	**13,009**	**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	**11,332**	**11,332**

Note 20 - Disclosures on equity (continued)

20.4 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).

Dividend policy for commercial year 2019.

The Company has defined the following dividend policy:

a) Distribute and pay, as a final dividend (*dividendo definitivo*) and in favor of the respective shareholders, a percentage of the net income that shall be determined per the following financial parameters:

(I) 100% of the profit for 2019 if all the following financial parameters are met: (a) "all current assets" divided by "all current liabilities" is equal to or greater than 2.5 times, and (b) the sum of "all current liabilities" and "all non-current liabilities", less "cash equivalents", less "other current financial assets", all of the above divided by "total equity" in equal or less than 0.8 times.

(II) 80% of the profit for 2019 if all the following financial parameters are met: (a) "all current assets" divided by "all current liabilities" is equal to or greater than 2.0 times, and (b) the sum of "all current liabilities" and "all non-current liabilities", less "cash equivalents", less "other current financial assets", all of the above divided by "total equity" in equal or less than 0.9 times.

(III) 60% of the profit for 2019 if all the following financial parameters are met: (a) "all current assets" divided by "all current liabilities" is equal to or greater than 1.5 times, and (b) the sum of "all current liabilities" and "all non-current liabilities", less "cash equivalents", less "other current financial assets", all of the above divided by "total equity" in equal or less than 1.0 times.

If none of the foregoing financial parameters are met, the Company shall distribute and pay, as a final dividend, and in favor of the respective shareholders, 50% of the 2019 net income.

b) Distribute and pay, if possible and during 2019, three interim dividends (*dividendos provisorios*) that will be charged against the aforementioned final dividend. These interim dividends shall likely be paid during the month following the approval of the March, June, and September 2019 interim financial statements, respectively. Its amounts shall be calculated as follows:

(i) For the interim dividends that will be charged to the accumulated net income reflected in the March 2019 interim financial statements, the percentage distributed shall be determined per the financial parameters expressed in letter a) above.

(ii) For the interim dividends that will be charged to the accumulated net income reflected in the June 2019 interim financial statements, the percentage distributed shall be determined per the financial parameters expressed in letter a) above, discounting the total amount of interim dividends previously distributed during 2019.

Note 20 - Disclosures on equity (continued)

20.4 Dividend policies, continued

(iii) For the interim dividends that will be charged to the accumulated net income reflected in the September 2019 interim financial statements, the percentage distributed shall be determined per the financial parameters expressed in letter a) above, discounting the total amount of interim dividends previously distributed during 2019.

c) The amount of the interim dividends mentioned above may vary, pursuant to the information available to the Board of Directors on the date on which it agrees to the distribution of said dividends given that the dividend will not materially or negatively affect SQM's capacity to impact its investments, fulfill its liabilities, or in general, comply with the investment and finance policy approved at the ordinary shareholders' meeting.

d) At the ordinary shareholders meeting that will be held in 2020, the Board of Directors shall propose a final dividend pursuant to the financial parameters expressed in letter a) above, discounting the total amount of the interim dividends previously distributed during 2019.

e) If there is an excess of net income in 2019, this may be retained and assigned or allocated for financing its own operations, to one or more investment projects of the Company, notwithstanding a future distribution of special dividends (*dividendos eventuales*) charged to the accumulated net income previously approved at the shareholders' meeting, or the possible and future capitalization of all or part of the latter.

f) The payment of additional dividends (*dividendos adicionales*) is not considered.

The dividend policy described above corresponds to the intention of the Board of Directors, and the compliance of it shall depend on the net income that the Company ultimately obtains, as well as the results of periodic projections that could impact the Company, or to the existence of determined conditions that may affect it, as applicable. If the dividend policy exposed by the Board of Directors suffers a substantial change, the Company must communicate it as an essential fact.

Note 20 Disclosures on equity (continued)

20.5 Interim and provisional dividends

The ordinary shareholders' meeting held on April 25, 2019, agreed to distribute and pay 100% of the distributable net profit obtained by the Company during the 2018 fiscal year, as dividend. Consequently, in May 2019, the Company paid a definitive dividend of 1.67111 US dollars per share as distributable net profit obtained during the 2018 fiscal year. An amount of 1.25837 US dollars per share was subtracted from this amount, as it had already been paid as interim dividend in 2018.

Note 20 Disclosures on equity (continued)

20.5 Interim and provisional dividends, continued

Dividends discounted from equity from January to March 2019 and January to December 2018 were the following:

	03/31/2019 ThUS$	12/31/2018 ThUS$
Non-controlling interest	**4,260**	**9,733**
Ajay SQM Chile S.A. Dividends		823
Soquimich Comercial S.A. Potential Dividend		7,872
Soquimich Comercial S.A. Payable Dividend	4,260	1,038
Owners of the Parent	**80,533**	**539,830**
Interim dividend	-	331,199
Potential dividend	-	100,000
Dividends payable	80,533	108,631
Dividends discounted from equity for the period	**84,793**	**549,563**

Note 21 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	03/31/2019 ThUS$	12/31/2018 ThUS$
Earnings (losses) attributable to owners of the parent	80,533	113,825

	03/31/2019 Units	12/31/2018 Units
Number of common shares in circulation	263,196,524	263,196,524

	03/31/2019	12/31/2018
Basic earnings per share (US$ per share)	0.3060	0.4325

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 22 Contingencies and restrictions

In accordance with note 19,1, 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:

22.1 Lawsuits and other relevant events

1.	Plaintiff	: Nancy Erika Urra 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. Dated March 11, 2016 Appeal filed by the plaintiff which has not been pronounced on. Awaiting notification of the sentence, case filed on December 28, 2016
	Nominal value	: ThUS$550.
2.	Plaintiff	: City of Pomona, California USA.
	Defendant	: SQM North America Corporation ("SQM NA"),
	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 , district judge Gary Klausner sentenced in favor of SQM NA following the verdict of the jury. On September 14, 2018, the plaintiff filed a motion to appeal, which is pending resolution.
	Nominal value	: ThUS$32,000.
3.	Plaintiff	: City of Lindsay, California USA.
	Defendant	: SQM NA 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.

Note 22 Contingencies and restrictions (continued)

22.1 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 subsidy 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. (“SQM Nitratos”) 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	: On May 7, 2019, a ruling in first instance was passed, dismissing the claim, pending term to present appeals.
	Nominal value	: ThUS$1,235.
6.	Plaintiff	: Evt Consulting SpA.
	Defendant	: SQM Nitratos.
	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.
	Nominal value	: ThUS$835.

Note 22 Contingencies and restrictions (continued)

22.1 Lawsuits and other relevant events, continued

7.	Plaintiff	: SQM Salar S.A. ("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	: On March 6, 2019, a ruling in first instance was passed, dismissing the claim. On March 29, 2019, the plaintiff presented an appeal to the Santiago Court of Appeals, which is currently pending.
	Nominal value	: ThUS$515.

Note 22 Contingencies and restrictions (continued)

22.1 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	: On March 29, 2019, a ruling in first instance was passed, dismissing the claim regarding SQM Salar S.A.
	Nominal value	: ThUS$1,265.
11.	Plaintiff	: The Company
	Defendants	: AES Gener S.A. (“Gener”) and Empresa Eléctrica Cochrane SpA (“Cochrane”).
	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 (“CAM).
	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	: Probationary stage.
	Nominal value	: Not determined.
12.	Plaintiff	: Gener and Cochrane.
	Defendant	: The Company.
	Date	: May 2017.
	Court	: Arbitration in accordance with the rules established by the Center for Arbitration and Mediation (CAM).
	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	: Probationary stage
	Nominal value	: Not determined.

Note 22 Contingencies and restrictions (continued)

22.1 Lawsuits and other relevant events, continued

13.	Plaintiffs	: Transportes Buen Destino
	Defendant	: SQM Salar.
	Date	: None.
	Court	: Arbitration in accordance with the rules established by the Center for Arbitration and Mediation (CAM).
	Reason	: Discrepancies generated in the implementation of the following contracts entered into between TBD and SQM Salar: (i) lithium brine transportation; and (ii) salt transportation,
	Instance	: Discussion stage.
	Nominal value	: ThUS$ 3,719.
14.	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	: On August 24, 2018, a ruling was passed, completely dismissing the claim. On September 6, 2018, the plaintiffs filed an appeal for annulment before the Santiago Court of Appeals, and the claim was considered abandoned on April 22, 2019.
	Nominal value	: ThUS$1,940.
15.	Plaintiffs	: Acosta Tapia, Eloisa del Tránsito and others as successors and assigns of Araya Castillo, Raimundo del Rosario.
	Defendants	: SQM Salar.
	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	: On October 22, the final ruling was issued, wherein the claim was denied. The plaintiff filed an appeal for annulment, which is pending with the Court of Appeals of Santiago
	Nominal value	: ThUS$472.

Note 22 Contingencies and restrictions (continued)

22.1 Lawsuits and other relevant events, continued

16. Appellants : Asociación Indígena Consejo Pueblos Atacameños and others
Appellees : Corfo, 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 modifications to contracts signed by the defendants on January 17, 2018.
Instance : On September 25, the Santiago Court of Appeals dismissed the appeal. On October 12, the Supreme Court ordered consideration of the appeal presented by the plaintiffs. On April 22, 2019, the Supreme Court dismissed the appeal filed by the plaintiffs and confirmed the ruling of the Santiago Court of Appeals.
Nominal value : Undetermined.

17. Claimant : The Society.
Defendant : Office of the Superintendent of the Environment ("SMA")
Date : 20 July 2017
Court : Second Environmental Court of Santiago
Reason : Motion for review filed by the Company against ruling rejecting the compliance program for the Pampa Hermosa project.
Instance :On August 21, 2018, the Second Environmental Court of Santiago accepted the Company's claim and ordered the SMA to take the procedure back to the stage prior to their ruling that rejected the compliance program. This ruling was appealed and is currently awaiting ruling.
Nominal value : Amount involved: Undetermined.

18. Claimant : Congresspersons Claudia Nathalie Mix Jiménez, Gael Fernanda Yeomans Araya, Camila Ruslay Rojas Valderrama et al.
Defendant : CORFO, The entity has intervened as an independent third party.
Date : September 6, 2018.
Court : Special Magistrate, Mr. Alejandro Madrid Crohare.
Reason : To render null and void the contract for the Salar de Atacama Project signed between CORFO and SQM Salar.
Instance : Discussion stage.
Nominal value : Undetermined.

Note 22 Contingencies and restrictions (continued)

22.1 Lawsuits and other relevant events, continued

19.	Claimant :	Danilo Andrés Araya Rojas y otros.
	Defendant	: FPC Ingeniería y Construcción SpA (“FPC”), SQM S.A. y its insurers.
	Date	: May 2019.
	Court	: 19th Civil Court of Santiago.
	Reason	: Claim seeking compensation for damages, for extracontractual liability resulting from the traffic accident occurring on March 5, 2018 on Route 5, kilometer 1713, near Pozo Almonte, involving an overturned pick-up truck owned by FPC resulting in the death of its two occupants, both employees of FPC, one of which was father of the four claimants. At the time the accident occurred, the employees were heading towards their homes on the SQM site in Nueva Victoria (traffic accident). The four children of one of the deceased employees are the claimants in this case, compensation for moral damages.
	Instance	: Claim notified to SQM on May 15, 2019.
	Nominal value	: ThUS$ 1,194.
20.	Claimant :	Servicios Logísticos Integrales Inversol SpA
	Defendant	: SQM Salar.
	Date	: None.
	Court	: Arbitration in accordance with the rules established by the Center for Arbitration and Mediation (CAM).
	Reason	: Controversies originating in the implementation of the salt transportation contract.
	Instance	: Summons to the hearing for setting procedure rules is pending.
	Nominal value	: Indeterminate.

Note 22 Contingencies and restrictions (continued)

22.1 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 to the Company due to its 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 22 Contingencies and restrictions (continued)

22.2 Restrictions to management or financial limits

Contracts that 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 the last 12 month period:

To maintain Leverage Ratio not higher than 1.2 times at its strictest level. The Leverage ratio is defined as the Total Liabilities divided by Total Equity.

As of March 31, 2019, the above mentioned financial indicator has the following values:

Indicator	03/31/2019	12/31/2018
Leverage	1.04	1.00

Bond issue agreements issued abroad require the Company to neither merge nor 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 22 Contingencies and restrictions (continued)

22.3 Environmental contingencies

On June 6, 2016, 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 related to certain variables of the follow-up plan and the implementation of a mitigation measure included in the respective environmental impact assessment. The Company has presented for the approval of SMA a compliance program detailing the actions and commitments it will carry out to address the SMA's objections.

On June 29, 2017, the SMA rejected the compliance program presented by the Company. On July 10, 2017, the Company presented its rebuttals to the charges made by the SMA. On August 21, 2018, the Second Environmental Court accepted the Company's claim, ordering the SMA to take the procedure back to the stage prior to their resolution rejecting the compliance program presented by the Company.

On December 13, 2017, the First Environmental Court of Antofagasta authorized the SMA to apply 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. In October 2018, the First Environmental Court of Antofagasta accepted the Company's claim, leaving the indicated closure without effect, maintaining only the requirement to prepare reports to increase knowledge of ecosystems. In mid-October, the Court denied authorization to SMA to renew the closure measure. In December 2018, the First Environmental Court accepted the Company's second claim, ratifying the previous decision.

On January 10, 2019, the SMA carried out the sentence of the Second Environmental Court, taking the procedure back to the stage prior to their resolution rejecting the compliance program presented by the Company. On February 26, 2019, the SMA approved the compliance program presented by the Company. The Aymara Indigenous Community of Quillagua has presented a claim before the First Environmental Court against this resolution approving this program, and this claim is currently pending ruling.

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.

Note 22 Contingencies and restrictions (continued)

22.3 Environmental contingencies, continued

SQM Salar presented a compliance program that details the actions and commitments that will be undertaken to overcome the objections formulated by the SMA, This program was accepted by SMA ruling dated January 7, 2019, thus suspending the process initiated against SQM Salar, The Atacameño Indigenous Community of Peine, the Indigenous Association Council of Atacameño Peoples and the Atacameño Indigenous Community of Camar have filed against this ruling with the First Environmental Court, In keeping with the monitoring plans established in the current environmental qualification resolution for the operation at the Salar de Atacama, SQM Salar periodically monitors the flora, fauna, hydrogeological and meteorological variables, including 225 monitoring points and 48 continuous measuring points for the brine and water levels in different parts of the salar basin, which it periodically reports to the corresponding authorities, If any of the monitoring points fall below predefined levels, various actions are considered, which are part of the environmental monitoring plan.

On May 20, 2018, 2 of the 225 points were 1 cm below the predefined level for those points, These points are on the route of an outlet sector for a lagoon located on the eastern edge of the Salar de Atacama, Historically flows from the lagoons of the deposit have varied in location and route, That has happened in this case and the flow has moved with regard to the location of the monitoring well in question, Both the levels and the flows from the lagoons have behaved normally and no changes in the ecosystem that is being monitored in the area have been observed.

Following the protocols established for these cases, SQM Salar's total extraction volume in the Salar de Atacama, has been reduced from a maximum average of 1,500 liters per second per year to 1,250 liters per second per year for a period of six months.

The Company estimates that an average annual decrease of brine extraction of 250 liters per second would have no impact on current and estimated production volumes of lithium carbonate and hydroxide. In the case of potassium chloride, it is estimated that the reduction in brine extraction could imply a reduction in production and sales volumes of approximately 170,000 metric tons on an annual basis.

Note 22 Contingencies and restrictions (continued)

22.4 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 of 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 amount 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 considers terminated the internal analysis which has been performed. The purpose of the analysis was to identify the expenses incurred by the SQM Group during the fiscal years 2008 to 2014 and which could be a matter of tax rectification.

Note 22 Contingencies and restrictions (continued)

22.4 Tax contingency, continued

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.

On Friday, August 26, 2016, SQM Salar filed with the Third Tax and Customs Court of the Metropolitan Region a tax claim against tax assessments No, 169, 170, 171 and 172, which seek to expand application of the specific tax on mining activities to include lithium exploitation. The amount involved is approximately US$17.8 million. On November 28, 2018, the Third Tax and Customs Court rejected the claim, and the case is in the Santiago Court of Appeals, based on the appeal filed by SQM Salar.

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. On November 28, 2018, the Third Tax and Customs Court accepted SQM Salar's claim for US$7.0 million corresponding to the overcharge made by the SII and rejected the remainder of the claim. The case is in the Santiago Court of Appeals, based on the appeal filed by SQM Salar.

These amounts are classified as taxes for current assets, non-current, as of December 31, 2018 and the same as of March 31, 2019.

The amount involved is approximately US$32.2 million. The Chilean IRS has not issued an assessment claiming differences in the specific tax on mining activities filed for business years 2016, 2017, 2018 and first quarter of 2019. As of the date of these financial statements, the Company 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, 2017 and 2018 financial years. It is reasonable to expect that should these assessments for the period 2016 through the first quarter of 2019 be issued, the value would be approximately US$63 million (without considering potential interest and fines).

Note 22 Contingencies and restrictions (continued)

22.5 Contingencies regarding the Changes to the Contracts with Corfo:

On September 6, 2018, representatives Claudia Nathalie Mix Jiménez, Gael Fernanda Yeomans Araya and Camila Ruslay Rojas Valderrama and the Partido Poder Ciudadano political party filed an annulment suit against Corfo, SQM Salar and SQM Potasio (the "companies"). The Companies have taken part of the process as interested third parties.

The lawsuit requests a pretrial measure against Corfo to prevent the signing of acts and contracts for lithium extraction. On October 31, 2018, the minister of jurisdiction dismissed the measure, and this resolution was appealed by the claimants.

In the event that the annulment claim is approved for the Salar de Atacama Project Contract, SQM Salar may be prevented from exploit the mining claims in the Salar de Atacama that it has leased from Corfo.

Note 22 Contingencies and restrictions (continued)

22.6 Contingencies related to the Class Action lawsuit

Since October 2015, a consolidated class action lawsuit has been pending against the Company before the District Court for the Southern District of New York of the United States of America. The consolidated lawsuit alleges that certain statements made by the Company between June 30, 2010, and June 18, 2015, mainly in documents filed with the SEC and in Company press releases, were materially false and this constitutes a violation of Section 10 (b) of the Securities Exchange Act of 1934 ("Exchange Act" of 1934) and of the correlative Standard 10b-5. Specifically, the consolidated lawsuit challenges certain statements issued by the Company associated with its compliance with or implementation of the laws and regulations that regulate it, the effectiveness of its internal controls, the adoption of a code of ethics consistent with SEC requirements, of its income or revenue and taxes paid, and of the applicable accounting standards. The primary plaintiff seeks compensation for the class in an as yet undetermined amount for economic losses occurring as a result of the questioned statements. On January 10, 2018, the primary plaintiff filed a motion to certify a class composed of all people or entities who purchased ADSs in the Company between June 30, 2010, and March 18, 2015, and this motion is still pending with the court.

Note 22 Contingencies and restrictions (continued)

22.7 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 amount 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, 2019, the guarantee amounts to ThUS$533.

Note 22 Contingencies and restrictions (continued)

22.8 Securities obtained from third parties

The main security received (exceeding ThUS$100) from third parties to guarantee Soquimich Comercial S.A. their compliance with obligations in contracts of commercial mandates for the distribution and sale of fertilizers amounted to ThUS$9,452 and ThUS$9,423 on March 31, 2019 and December 31, 2018 respectively; which is detailed as follows:

Grantor	Relationship	03/31/2019	12/31/2018
		ThUS$	ThUS$
Ferosor Agrícola S.A.	Unrelated Third party	3,684	3,598
Tattersall Agroinsumos S.A.	Unrelated Third party	2,000	2,000
Contador Frutos S.A.	Unrelated Third party	1,625	1,587
Covepa SPA	Unrelated Third party	737	720
Johannes Epple Davanzo	Unrelated Third party	329	321
Hortofrutícola La Serena	Unrelated Third party	301	294
Juan Luis Gaete Chesta	Unrelated Third party	199	195
Arena Fertilizantes y Semillas	Unrelated Third party	221	216
Vicente Oyarce Castro	Unrelated Third party	227	222
Soc, Agrocom, Julio Polanco	Unrelated Third party	-	144
Bernardo Guzmán Schmidt	Unrelated Third party	129	126
Total		**9,452**	**9,423**

Note 22 Contingencies and restrictions (continued)

22.9 Indirect guarantees

Guarantees without pending balance indirectly reflect that the respective guarantees are in force and approved by the Company's Board of Directors, and have not been used by the respective subsidiary.

Creditor of the guarantee	Debtor		Type of guarantee	Balances as of the closing date of the financial statements	
	Name	Relationship		03/31/2019 ThUS$	12/31/2018 ThUS$
Australian and New Zealand Bank	SQM North America Corp	Subsidiary	Guarantee	-	-
Australian and New Zealand Bank	SQM Europe N.V.	Subsidiary	Guarantee	-	-
Generale Bank	SQM North America Corp	Subsidiary	Guarantee	-	-
Generale Bank	SQM Europe N.V.	Subsidiary	Guarantee	-	-
Kredietbank	SQM North America Corp	Subsidiary	Guarantee	-	-
Kredietbank	SQM Europe N.V.	Subsidiary	Guarantee	-	-
Banks and financial institutions	SQM Investment Corp. N.V.	Subsidiary	Guarantee	-	-
Banks and financial institutions	SQM Europe N.V.	Subsidiary	Guarantee	-	-
Banks and financial institutions	SQM North America Corp	Subsidiary	Guarantee	-	-
Banks and financial institutions	Nitratos Naturais do Chile Ltda.	Subsidiary	Guarantee	-	-
Banks and financial institutions	SQM México S.A. de C.V.	Subsidiary	Guarantee	-	-
Banks and financial institutions	SQM Brasil Ltda.	Subsidiary	Guarantee	-	-
"BNP"	SQM Investment Corp. N.V.	Subsidiary	Guarantee	-	-
Sociedad Nacional de Mineria A.G.	SQM Potasio S.A.	Subsidiary	Guarantee	-	-
Scotiabank & Trust (Cayman) Ltd.	Royal Seed Trading A.V.V.	Subsidiary	Guarantee	-	-
Scotiabank & Trust (Cayman) Ltd.	Royal Seed Trading A.V.V.	Subsidiary	Guarantee	-	-
Bank of America	Royal Seed Trading A.V.V.	Subsidiary	Guarantee	-	-
Export Development Canada	Royal Seed Trading A.V.V.	Subsidiary	Guarantee	-	-
The Bank of Tokyo-Mitsubishi UFJ Ltd.	Royal Seed Trading A.V.V.	Subsidiary	Guarantee	-	-
JP Morgan Chase Bank	SQM Industrial S.A.	Subsidiary	Guarantee	-	-
The Bank of Nova Scotia	SQM Investment Corp. N.V.	Subsidiary	Guarantee	-	-

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Note 22 Contingencies and restrictions (continued)

22.9 Indirect guarantees, continued

Creditor of the guarantee	Debtor		Type of guarantee	Pending balances as of the closing date of the financial statements	
	Name	Relationship		03/31/2019 ThUS$	12/31/2018 ThUS$
Credit Suisse International	SQM Investment Corp. N.V.	Subsidiary	Guarantee	-	-
Morgan Stanley Capital Services	SQM Investment Corp. N.V.	Subsidiary	Guarantee	-	-
The Bank of Tokyo-Mitsubishi UFJ Ltd,	SQM Investment Corp. N.V.	Subsidiary	Guarantee	-	-
HSBC	SQM Investment Corp. N.V.	Subsidiary	Guarantee	-	-
Deutsche Bank AG	SQM Investment Corp. N.V.	Subsidiary	Guarantee	-	-

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Note 23 Lawsuits and complaints

Lawsuits and complaints

During 2015, the Chilean IRS filed several lawsuits and complaints against a number of individuals related to the so-called "SQM Case", which were associated with the irregular financing of politicians, Amongst those affected by these legal claims were the legal representatives of the Company then the CEO, Patricio de Sominihac T. and the Vice President of Corporate Services, Ricardo Ramos R. today Chief Executive Officer. Those lawsuits and complaints related 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 various invoices and fee receipts, which could be considered as ideologically false. Similar legal actions were also filed against the taxpayers who provided the tax documents that allowed the alleged commission of the related illicit acts.

Actions performed by the Authority and Termination of research in Chile

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, SQM has also provided the Public Ministry with its email files and all the documentation that has been requested by the authority.

On August 17, 2018, the Eighth Guarantee Court declared the definitive dismissal of the Company, SQM Salar and SQM Nitratos with respect to the case in which their criminal liability was being investigated.

On January 15, 2019, the MP communicated to the Eighth Criminal Court its decision not to continue with the criminal investigation against Messrs. Patricio de Solminihac T., Ricardo Ramos R., and Enrique Olivares C.

Note 23 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. 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 Securities and Exchange Commission (the "SEC") and the U.S. Department of Justice (the "DOJ") and has since collaborated by handing over documents and additional information requested by these authorities regarding this investigation.

Note 23 Lawsuits and complaints, (continued)

Investigation by the Department of Justice and the Securities Exchange Commission and Agreements

The Company reported on the investigation by Shearman & Sterling for North American regulatory entities (DOJ and Securities and Exchange Commission, the "SEC"), in accordance with the regulations in force in the United States of America. The results of this investigation were given to these regulatory entities, which have opened investigations to determine the existence of possible noncompliance with the FCPA or Internal control standards.

On January 13, 2017, the Company and the DOJ reached agreement on the terms of a Deferred Prosecution Agreement (the "DPA") that would resolve the DOJ's inquiry, based on alleged violations of the books and records and internal controls provisions of the Foreign Corrupt Practices Act, Among other terms, the DPA calls for the Company to pay a monetary penalty of US$15,487,500, and engage a compliance monitor for a term of two (2) years, Upon successful completion of the three (3) year term of the DPA, all charges against the Company would be dismissed. On the same date, the SEC agreed to resolve its inquiry through an administrative cease and desist order, arising out of the alleged violations of the same accounting provisions of the FCPA. Among other terms, the SEC order calls for the Company to pay an additional monetary penalty of US$15 million. These penalties were reflected in the 2016 financial statements.

In accordance with the terms of the Deferred Prosecution Agreement (the "DPA") with the DOJ, the Company has accepted that the DOJ formulates (i) a charge for infractions for the lack of implementation of effective internal accounting systems and internal accounting controls and (ii) a charge for infractions for failure to adequately maintain books, records and accounting sections in relation to the events investigated, Under the DPA, the DOJ has agreed not to pursue such charges against the Company for a period of 3 years and release the Company from liability after such period, inasmuch as within that period the Company complies with the terms of the DPA, These include payment of a fine of US$15,487,500 and acceptance of an external monitor for a period of 24 months (the "Monitor") that will assess the Company's compliance program, and continue to report on the Company independently for an additional year.

In relation to the agreement with the SEC, the Company has agreed to (i) pay a fine of 15 million dollars and (ii) maintain the Monitor for the aforementioned period.

The SEC has issued a *Cease and Desist Order* that does not identify other breaches of United States regulations.

The aforementioned amounts, approximately US$30,5 million, were reflected in the Company's profit and loss during the fourth quarter of 2016 in the Other Expenses by function line.

Note 24 Sanction proceedings

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 UTMs (monthly tax units) for each day of infringement, with a total maximum of 10,000 UTMs per month.

Note 25 Environment

25.1 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.

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 timely implemented since 2007.

Note 25 Environment (continued

25.1 Disclosures of disbursements related to the environment, continued

The Company carries out environmental follow-up and monitoring plans based on specialized scientific studies. Follow-up on relevant variables defined for each project enables the Company to verify the status, for example, of vegetation, flora, fauna and aquatic life in the ecosystems to protect. Follow-up plans are supported by a broad control network that includes monitoring points such as meteorological stations and wells, satellite images, plots for recording the status of vegetation and fauna, etc. The activities comprised in these plans are reported regularly to authorities based on the Company's commitments made through resolutions that approve different SQM projects.

The Company maintains environmental monitoring across the systems where it operates, which is supported by numerous studies that integrate diverse scientific efforts from prestigious research centers on a national and international level, such as the Spanish National Research Council (CSIC) and the Universidad Católica del Norte.

En este contexto, el seguimiento ambiental que mantiene la Sociedad en los sistemas donde opera, está respaldados por numerosos estudios que han integrado diversos esfuerzos científicos de prestigiosos centros de investigación, a nivel nacional e internacional tales como el Consejo Superior de Investigaciones Científicas de España (CSIC) y la Universidad Católica del Norte.

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 plant. 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.

25.2 Detail of information on disbursements related to the environment

The cumulative disbursements which the Company had incurred as of March 31, 2019 for the concept of investments in production processes, verification and control of compliance with ordinances and laws related to industrial processes and facilities amounted to ThUS$3,224 and are detailed as follows:

Note 25 Environment (continued)

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

Accumulated expenses as of 03/31/2019

Parent Company or Subsidiary	Project Name	Reason for Disbursement	Asset / Expense	Description of Asset or Expense	Disbursement ThUS$	Exact or Estimated Date of Disbursement
Miscellaneous	Environment - Operating Area	Not classified	Expense	Not classified	2,164	03/31/2019
SQM S.A.	01-I017200 - CEDAM at Puquíos (ponds) at Llamara	Sustainability: Environment and Risk Prevention	Expense	Not classified	3	03/31/2019
SQM S.A.	01-I013800 - Increase height of Absorber Tower	Sustainability: Environment and Risk Prevention	Assets	Not classified	1	03/31/2019
SQM S.A.	01-I018700 - Penalization Process for Salar de Llamara	Environmental processing	Assets	Not classified	178	03/31/2019
SQM S.A.	01-I019400 - EIA Expansion of TEA and Seawater Impulsion	Environmental processing	Assets	Not classified	313	03/31/2019
SQM Industrial S.A.	04-I025000 - Re-drilling of Well 2PL-2 and Maintenance of Access Road to Wells	Sustainability: Environment and Risk Prevention	Expense	Not classified	7	03/31/2019
SQM Industrial S.A.	04-J010200 - NK CS (KNO3-NaNO3 salt production at NPT2 plant)	Sustainability: Environment and Risk Prevention	Assets	Not classified	6	03/31/2019
SQM Industrial S.A.	04-I017700 - Basic engineering and Environmental Impact Assessment for TEA industrial area and seawater impulsion N.V	Sustainability: Environment and Risk Prevention	Assets	Not classified	62	03/31/2019
SQM Industrial S.A.	04-J010700 - Recovery Water Intake from Rivers	Sustainability: Environment and Risk Prevention	Assets	Not classified	95	03/31/2019
SQM Industrial S.A.	04-J012200 - Environmental Impact Statement and Regularization of CS Ponds	Environmental processing	Assets	Not classified	17	03/31/2019
SQM Industrial S.A.	04-M002000 - Recovery of Potable Water at María Elena	Sustainability: Environment and Risk Prevention	Assets	Not classified	91	03/31/2019
SQM Industrial S.A.	04-J013500 - Handling of Equipment associated with PCBs	Sustainability: Environment and Risk Prevention	Expense	Not classified	251	03/31/2019
SIT S.A.	03-T006200 - Storage Facilities Yard 6	Sustainability: Environment and Risk Prevention	Assets	Not classified	2	03/31/2019
SQM Salar S.A.	19-L018700 - 5th Update of environmental modeling	Environmental processing	Expense	Not classified	10	03/31/2019
SQM Salar S.A.	19-L018800 – UPC Consulting for NW and others	Sustainability: Environment and Risk Prevention	Expense	Not classified	24	03/31/2019
				Total	3,224	

Note 25 Environment (continued)

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

Future expenses as of 03/31/2019

Parent Company or Subsidiary	Project Name	Reason for Disbursement	Asset / Expense	Description of Asset or Expense	Disbursement ThUS$	Exact or Estimated Date of Disbursement
Miscellaneous	Environment - Operating Area	Not classified	Expense	Not classified	8,210	03/31/2019
SQM S.A.	01-I017600 - Regularization of Substances Decree	Environmental processing	Expense	Not classified	479	01/12/2019
SQM S.A.	01-I012200 - Repair or replacement of well	Sustainability: Environment and Risk Prevention	Assets	Not classified	76	03/31/2019
SQM S.A.	01-I013800 - Increase height of Absorber Tower	Sustainability: Environment and Risk Prevention	Assets	Not classified	15	03/31/2019
SQM S.A.	01-I017200 - CEDAM at Puquíos (ponds) at Llamara	Sustainability: Environment and Risk Prevention	Expense	Not classified	342	03/31/2019
SQM S.A.	01-I017400 - Development of Pintados and surrounding area.	Sustainability: Environment and Risk Prevention	Expense	Not classified	116	03/31/2019
SQM S.A.	01-I019400 - EIA Expansion of TEA and Seawater Impulsion	Environmental processing	Assets	Not classified	1,089	03/31/2019
SQM S.A.	01-I018700 - Penalization Process for Salar de Llamara	Environmental processing	Assets	Not classified	331	03/31/2019
SQM Industrial S.A.	04-M002000 - Recovery of Potable Water at María Elena	Sustainability: Environment and Risk Prevention	Assets	Not classified	148	01/01/2019
SQM Industrial S.A.	04-J013500 - Handling of Equipment associated with PCBs	Sustainability: Environment and Risk Prevention	Expense	Not classified	322	01/02/2019
SQM Industrial S.A.	04-I025000 - Re-drilling of Well 2PL-2 and Maintenance of Access Road to Wells	Sustainability: Environment and Risk Prevention	Expense	Not classified	135	01/13/2019
SQM Industrial S.A.	04-J014200 – Commitments with the RCAs.	Environmental processing	Expense	Not classified	70	01/14/2019
SQM Industrial S.A.	04-J015700 – Update closing plans	Sustainability: Environment and Risk Prevention	Expense	Not classified	210	01/16/2019
SQM Industrial S.A.	04-J015800 – Other sector regularizations	Sustainability: Environment and Risk Prevention	Expense	Not classified	250	01/17/2019
SQM Industrial S.A.	04-I017700 - Basic engineering and Environmental Impact Assessment for TEA industrial area and seawater impulsion N.V	Sustainability: Environment and Risk Prevention	Assets	Not classified	336	03/31/2019
SQM Industrial S.A.	04-J010700 – Recovery rivers adductions	Sustainability: Environment and Risk Prevention	Assets	Not classified	23	03/31/2019
SQM Industrial S.A.	04-J012200 - DIA and Regularization Pozas CS	Environmental processing	Assets	Not classified	171	03/31/2019
SQM Industrial S.A.	04-J010200 - NK CS (KNO3-NaNO3 salt production at NPT2 plant)	Sustainability: Environment and Risk Prevention	Assets	Not classified	272	03/31/2019

Note 25 Environment (continued)

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

Future expenses as of 03/31/2019, continued

Parent Company or Subsidiary	Project Name	Reason for Disbursement	Asset / Expense	Description of Asset or Expense	Disbursement ThUS$	Exact or Estimated Date of Disbursement
SQM Salar S.A.	19-L018700 - 5th Update of environmental modeling	Environmental processing	Expense	Not classified	16	01/10/2019
SQM Salar S.A.	19-L018800 – UPC Consulting for NW and others	Sustainability: Environment and Risk Prevention	Expense	Not classified	68	01/18/2019
SQM Salar S.A.	19-L018900 - Evaporation 2018-2019	Sustainability: Environment and Risk Prevention	Assets	Not classified	45	01/21/2019
SQM Salar S.A.	19-L014700 - Industrial Waste Management	Sustainability: Environment and Risk Prevention	Expense	Not classified	135	03/31/2019
SIT S.A.	03-T006400 - Pollution Control and Management Equipment	Sustainability: Environment and Risk Prevention	Assets	Not classified	14	01/06/2019
				Total	12,873	

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Note 25 Environment (continued)

Accumulated expenses as of 12/31/2018

Parent Company or Subsidiary	Project Name	Reason for Disbursement	Asset / Expense	Description of Asset or Expense	Disbursement ThUS$	Exact or Estimated Date of Disbursement
Miscellaneous	Environment - Operating Area	Not classified	Expense	Not classified	9,002	12/31/2018
SQM S.A.	01-I005500 - Standardization of SO2 plants	Environmental processing	Assets	Not classified	27	12/31/2018
SQM S.A.	01-I007300 - Compliance with Iodine Gas Exposure Standard	Environmental processing	Assets	Not classified	59	12/31/2018
SQM S.A.	01-I013800 - Increase height of Absorber Tower	Sustainability: Environment and Risk Prevention	Assets	Not classified	124	12/31/2018
SQM S.A.	01-I017200 - CEDAM at Puquíos (ponds) at Llamara	Sustainability: Environment and Risk Prevention	Expense	Not classified	25	12/31/2018
SQM S.A.	01-I017400 - Development of Pintados and surrounding area.	Sustainability: Environment and Risk Prevention	Expense	Not classified	5	12/31/2018
SQM S.A.	01-I018300 - Cultural Heritage Baseline Environmental Impact Statement (EIS) Mina Oeste N.V.	Environmental processing	Expense	Not classified	117	12/31/2018
SQM S.A.	01-I018700 - Penalization Process for Salar de Llamara	Environmental processing	Expense	Not classified	992	12/31/2018
SQM S.A.	01-I019400 - EIA Expansion of TEA and Seawater Impulsion	Environmental processing	Assets	Not classified	1,914	12/31/2018
SQM S.A.	01-I017600 - Regularization of Substances Decree	Environmental processing	Expense	Not classified	121	12/31/2018
SQM Industrial S.A.	04-J007000 - Environmental Impact Statement	Environmental processing	Expense	Not classified	30	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	100	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	130	12/31/2018
SQM Industrial S.A.	04-J012200 - Environmental Impact Statement and Regularization of CS Ponds	Tramitación Ambiental	Assets	Not classified	131	12/31/2018
SQM Industrial S.A.	04-M002000 - Recovery of Potable Water at María Elena	Sustainability: Environment and Risk Prevention	Assets	Not classified	161	12/31/2018

Note 25 Environment (continued)

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

Accumulated expenses as of 12/31/2018

Parent Company or Subsidiary	Project Name	Reason for Disbursement	Asset / Expense	Description of Asset or Expense	Disbursement ThUS$	Exact or Estimated Date of Disbursement
SQM Industrial S.A.	04-I025000 - Re-drilling of Well 2PL-2 and Maintenance of Access Road to Wells	Sustainability: Environment and Risk Prevention	Expense	Not classified	18	12/31/2018
SQM Industrial S.A.	04-P006500 - Installation, electrical wiring	Sustainability: Environment and Risk Prevention	Assets	Not classified	3	12/31/2018
SQM Industrial S.A.	04-I017700 - Basic engineering and Environmental Impact Assessment for TEA industrial area and seawater impulsion N.V	Sustainability: Environment and Risk Prevention	Assets	Not classified	561	12/31/2018
SQM Industrial S.A.	04-J013500 - Handling of Equipment associated with PCBs	Sustainability: Environment and Risk Prevention	Expense	Not classified	127	12/31/2018
SIT S.A.	03-T003400 - 2016 Port maintenance Capex	Sustainability: Environment and Risk Prevention	Assets	Not classified	28	12/31/2018
SIT S.A.	03-T001900 - Storage Warehouse Cover	Sustainability: Environment and Risk Prevention	Assets	Not classified	25	12/31/2018
SIT S.A.	03-T001800 - Mechanization of Shipment from Ca	Sustainability: Environment and Risk Prevention	Assets	Not classified	50	12/31/2018
SIT S.A.	03-T003200 - Mechanization of Shipment from Ca	Sustainability: Environment and Risk Prevention	Assets	Not classified	218	12/31/2018
SIT S.A.	03-T003600 - Improved Port SQM Bulk Storage	Sustainability: Environment and Risk Prevention	Assets	Not classified	33	12/31/2018
SIT S.A.	03-T004200 - Encapsulation and Collectors Yards 8 and 9	Sustainability: Environment and Risk Prevention	Assets	Not classified	795	12/31/2018
SIT S.A.	03-T004500 - Belt 5 Extension and Overhaul	Environmental processing	Assets	Not classified	200	12/31/2018
SIT S.A.	03-T005000 - Ground leveling and paving of warehouse	Sustainability: Environment and Risk Prevention	Assets	Not classified	210	12/31/2018
SIT S.A.	03-T006400 - Pollution Control and Management Equipment	Sustainability: Environment and Risk Prevention	Assets	Not classified	246	12/31/2018
SIT S.A.	03-T006200 - Storage Facilities Yard 6	Sustainability: Environment and Risk Prevention	Assets	Not classified	299	12/31/2018
SIT S.A.	03-T006100 - Closure of Storage Facilities Yard 9	Sustainability: Environment and Risk Prevention	Assets	Not classified	443	12/31/2018

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Note 25 Environment (continued)

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

Accumulated expenses as of 12/31/2018

Parent Company or Subsidiary	Project Name	Reason for Disbursement	Asset / Expense	Description of Asset or Expense	Disbursement ThUS$	Exact or Estimated Date of Disbursement
SQM Salar S.A.	19-L012200 - Installation of flow meters per environmental standard	Sustainability: Environment and Risk Prevention	Assets	Not classified	74	12/31/2018
SQM Salar S.A.	19-L012100 – Regularization of weather station	Sustainability: Environment and Risk Prevention	Assets	Not classified	39	12/31/2018
SQM Salar S.A.	19-C003900 - Extension of Carbonate 120,000 TPA Plant	Sustainability: Environment and Risk Prevention	Assets	Not classified	776	12/31/2018
SQM Salar S.A.	19-L014700 - Industrial Waste Management	Sustainability: Environment and Risk Prevention	Expense	Not classified	120	12/31/2018
SQM Salar S.A.	19-L014900 - Sludge Drying Project	Sustainability: Environment and Risk Prevention	Assets	Not classified	180	12/31/2018
SQM Salar S.A.	19-L018400 - EIA, PSA, Hydrogeology and Conservation	Environmental processing	Expense	Not classified	1,824	12/31/2018
SQM Salar S.A.	19-L018700 - 5th Update of environmental modeling	Environmental processing	Expense	Not classified	76	12/31/2018
SQM Nitratos S.A	12-I012700 - Mine Site Workshop Water Recovery Plant	Sustainability: Environment and Risk Prevention	Assets	Not classified	156	12/31/2018
Total					**19,439**	

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Note 25 Environment (continued)

Future expenses as of 12/31/2018

Parent Company or Subsidiary	Project Name	Reason for Disbursement	Asset / Expense	Description of Asset or Expense	Disbursement ThUS$	Exact or Estimated Date of Disbursement
Miscellaneous	Environment - Operating Area	Not classified	Expense	Not classified	10,204	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	15	12/31/2018
SQM S.A.	01-I007200 - Environmental Follow-up Plan for Salar de Llamara for 2015-2016	Sustainability: Environment and Risk Prevention	Expense	Not classified	90	12/31/2018
SQM S.A.	01-I017400 - Development of Pintados and surrounding area.	Sustainability: Environment and Risk Prevention	Expense	Not classified	116	12/31/2018
SQM S.A.	01-I018700 - Penalization Process for Salar de Llamara	Environmental processing	Expense	Not classified	528	12/31/2018
SQM S.A.	01-I019400 - EIA Expansion of TEA and Seawater Impulsion	Environmental processing	Assets	Not classified	536	12/31/2018
SQM S.A.	01-I017600 - Regularización Decreto Sustanc	Environmental processing	Expense	Not classified	485	1/23/2019
SIT S.A.	03-T004200 - Encapsulation and Collectors Yards 8 and 9	Sustainability: Environment and Risk Prevention	Assets	Not classified	321	12/31/2018
SIT S.A.	03-T004500 - Belt 5 Extension and Overhaul	Tramitación Ambiental	Assets	Not classified	141	12/31/2018
SIT S.A.	03-T006200 - Warehouses, yard 6	Sustainability: Environment and Risk Prevention	Assets	Not classified	1,147	1/12/2019
SIT S.A.	03-T006400 - Pollution Control Equipment and Maintenance	Sustainability: Environment and Risk Prevention	Assets	Not classified	144	1/13/2019
SIT S.A.	03-T006100 - Warehouses, yard 9	Sustainability: Environment and Risk Prevention	Assets	Not classified	490	1/18/2019
SQM Salar S.A.	19-L012100 – Regularization of weather station	Sustainability: Environment and Risk Prevention	Assets	Not classified	13	12/31/2018
SQM Salar S.A.	19-L018000 - Regularize TT lighting	Sustainability: Environment and Risk Prevention	Assets	Not classified	74	1/16/2019
SQM Salar S.A.	19-L018700 - Fifth environmental model update	Environmental processing	Expense	Not classified	27	12/31/2018

Note 25 Environment (continued)

Future expenses as of 12/31/2018, continued

Parent Company or Subsidiary	Project Name	Reason for Disbursement	Asset / Expense	Description of Asset or Expense	Disbursement ThUS$	Exact or Estimated Date of Disbursement
SQM Industrial S,A,	04-J010200 - NK CS (KNO3-NaNO3 salt production at NPT2 plant)	Sustainability: Environment and Risk Prevention	Assets	Not classified	3	12/31/2018
SQM Industrial S,A,	04-I017700 - Basic engineering and Environmental Impact Assessment for TEA industrial area and seawater impulsion N,V	Sustainability: Environment and Risk Prevention	Assets	Not classified	452	12/31/2018
SQM Industrial S,A,	04-J010700 - Recovery Water Intake from Rivers	Sustainability: Environment and Risk Prevention	Assets	Not classified	120	1/1/2019
SQM Industrial S,A,	04-J012200 - Environmental Impact Statement and Regularization of CS Ponds	Environmental processing	Assets	Not classified	187	1/2/2019
SQM Industrial S,A,	04-M002000 - Recovery of Potable Water at María Elena	Sustainability: Environment and Risk Prevention	Assets	Not classified	264	1/6/2019
SQM Industrial S,A,	04-J013500 - Handling of Equipment associated with PCBs	Sustainability: Environment and Risk Prevention	Expense	Not classified	34	1/10/2019
SQM Industrial S,A,	04-J013300 - Increase solid waste management in Dual Plant (Delkor Filter)	Sustainability: Environment and Risk Prevention	Assets	Not classified	68	1/14/2019
SQM Industrial S,A,	04-P006500 - Installation, electrical wiring	Sustainability: Environment and Risk Prevention	Assets	Not classified	104	1/17/2019
SQM Industrial S,A,	04-J015200 - Implementation Economizers	Sustainability: Environment and Risk Prevention	Assets	Not classified	276	1/21/2019
SQM Industrial S,A,	04-I025000 - Re-drilling of Well 2PL-2 and Ma	Sustainability: Environment and Risk Prevention	Expense	Not classified	242	1/24/2019
SQM Industrial S,A,	04-J014200 - Commitments with Environmental Qualification Resolutions	Environmental processing	Expense	Not classified	70	1/25/2019
				Total	**16,227**	

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Note 25 Environment (continued)

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

SQM S.A.

I0138: This project is to increase the height of each SO_2 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 SO_2 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 CEDAM, which will be subject to approval by the authorities so its duration and costs are subject to the approval of third parties.

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.

Note 25 Environment (continued)

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

SQM Industrial S.A.

I0250: The project consists of re-drilling well 2Pl-2, which implies the detention of the extraction well, extraction of current casing and its re-drilling, with the relevant development work and pump tests, Road maintenance works imply leveling roads, filling damaged areas and compacting this fill.

J0102: It is proposed to build a new PTS plant that is integrated into the NPT 2 crystallization process. 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 grinder stage (sizer), a wet mill, a dissolution stage with reactors and thickener and a filtration and centrifuge unit for discarded salt. The crystallization from the NPT1 and NPT2 plants will be reused, as well as the refining plant at the NPT2 plant.

J0122: The project consists of entering the Coya Sur wells into the environmental impact assessment system (SEIA) and processing the permits for these wells with the General Directorate of Water Resources (DGA).

J0107: The project looks to renovate and automate the operation of pump stations at the three water intakes, by incorporating automatic valves and smart controls for pumps, In addition, water intake pipe sections, cut-off valves, check valves, drains and vents should be renewed, Due to the water conditions and length of pipes, these face the risk of failure due to overpressure, corrosion and material wear, Maintenance and repair works must also be undertaken on pumps at each water intake as a result of wear and corrosion due to the characteristics of river water.

J0135: This project consists of dealing with all the oils and components that contain 50ppm or more of PCB by 2025 at the latest. The activities to be undertaken will be to deal with all those elements with oil that have previously been identified as having more than 50ppm of PCB.

M0020: The project consists of concluding the system of the drinking water network, in addition to renewing several sections of the network, due to the deterioration of original pipes. It also intends to acquire equipment to better address water seepage in town and problems in the sewage chambers. Sewage water management requires a single backfill for final sludge disposal, in keeping with current legislation.

I0177: The project involves completing the development of basic engineering, implementing the Environmental Impact Study for Tente en el Aire, obtain legal and sectorial permits for project implementation in a second stage.

Note 25 Environment (continued)

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

SIT S.A.

T0062: A 35 x 110 m hangar will be installed on yard 6 to stockpile bulk product that also permits loading and unloading from trucks and front loaders as well as proper stacking. The warehouse in yard 6 will be expanded into boxes 5 and 6 in order to stockpile bulk product.

SQM Salar.

L0187: The project involves this 5th update to numeric modeling, which would provide compliance with the commitments undertaken during the environmental qualification process for the project "Changes and Improvements to Mining Operations in the Salar de Atacama".

L0188: The project involves the participation of an external consulting team to narrow down the sources of the risks identified, propose operational optimization plans, improvements to control systems (monitoring networks) and support in modeling this deposit with a view to a better evolution of short- and medium-term projections (5 years). It will also propose the identification of alternative sources of productive brine equivalent at the nucleus. It proposes 3 stages: Diagnosis, operational improvements and monitoring-identification of new sources. Others: support in the development of 3D Peine and Quelana models, through a collaboration with CSIC involving 2 professionals for 6 months at a total cost of ThUS$36. Others: doctorate-level development in quantification and recharge from rain and snow, by supporting a doctoral student under the supervision of Emilio Custodio and Enric Vásquez for a 3-year period, with an annual budget of ThUS$36 (total ThS$108).

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.

Note 26 Mineral resource exploration and evaluation expenditure

Given the nature of operations of the Sociedad Química y Minera de Chile S.A. and Subsidiaries and the type of exploration it undertakes, disbursements for exploration can be found in 4 stages: Implementation, economically feasible, not economically feasible and in exploitation:

1 *Implementation:* Disbursements for prospecting under implementation and therefore prior to determination of economic feasibility, are classified in the caption of Non-Current Assets, found in Works in Progress for Properties, Plant and Equipment. There is an amount of ThUS$10,551 in the line item for caliche and brine exploration from Salar de Atacama as of March 31, 2019, and ThUS$8,355 as of December 31, 2018. For Mt Holland, total disbursements corresponding to Work in progress (which includes exploration disbursements) amount to ThUS$14,671 as of March 31, 2019, and ThUS$11,298 as of December 31, 2018.

2 *Economically feasible*: Prospecting disbursements corresponding to caliche exploration, wherein the study concluded that its economic feasibility is viable, are classified under Non-Current Assets in Other Non-Current Financial Assets. The balance as of March 31, 2019, is ThUS$4,934 and as of December 31, 2018, it is ThUS$5,099.

For the exploration of the Salar de Atacama, the associated assets correspond to wells that can be used both in monitoring and exploitation of the Salar. Therefore, once the studies are concluded, these are classified as Non-Current Assets in Properties, Plants and Equipment, assigning them a technical useful life of 10 years.

3 *Not economically feasible*: Prospecting disbursements, once finalized and concluded to be not economically feasible, will be charged to profit and loss. As of March 31, 2019, there was a total of ThUS$165 for this concept, and as of December 31, 2018, there were no disbursements for this concept.

4 *In Exploitation:* Caliche exploration disbursements that are found in this area are amortized based on the material exploited. The portion that is exploited in the following 12 months is presented as current assets in the inventories. As of March 31, 2019, the amount is ThUS$1,581 and the balance as of December 31, 2018 for this concept is ThUS$2,028. The portion that will be amortized in the following years is classified as non-current assets under Other Non-current Assets. As of March 31, 2019, there is a balance of ThUS$9,798 for this concept, and as of December 31, 2018, the balance is ThUS$9,791.

Disbursements corresponding to metal exploration are charged to profit or loss in the period in which they are incurred.

Note 27 Gains (losses) from operating activities in the statement of income by function of expenses, included according to their nature

27.1 Revenue from operating activities

The Group derives revenues from the sale of goods (which are recognised at one point in time) and from the provision of services (which are recognised over time) and are distributed among the following geographical areas and main product and service lines:

a) Geographic areas:

	03/31/2019						
Geographic areas	**Specialty plant nutrition**	**Iodine and derivatives**	**Lithium and derivatives**	**Potassium**	**Industrial chemicals**	**Other**	**Total ThUS$**
Chile	13,972	251	100	8,802	1,571	6,891	31,587
Latin America and the Caribbean	23,585	1,843	1,402	8,896	1,466	3	37,195
Europe	40,035	30,484	19,629	9,083	4,398	129	103,758
North America	66,394	21,575	11,918	8,427	7,853	398	116,565
Asia and Others	40,530	41,662	121,981	8,896	1,674	390	215,133
Total	**184,516**	**95,815**	**155,030**	**44,104**	**16,962**	**7,811**	**504,238**

	03/31/2018						
Geographic areas	**Specialty plant nutrition**	**Iodine and derivatives**	**Lithium and derivatives**	**Potassium**	**Industrial chemicals**	**Other**	**Total ThUS$**
Chile	16,439	289	100	3,434	1,088	9,524	30,874
Latin America and the Caribbean	13,308	1,582	800	11,414	2,374	55	29,533
Europe	53,915	24,702	24,986	14,242	4,846	135	122,826
North America	62,330	19,128	14,792	15,050	6,824	80	118,204
Asia and Others	41,879	29,017	123,530	8,082	14,340	439	217,287
Total	**187,871**	**74,718**	**164,208**	**52,222**	**29,472**	**10,233**	**518,724**

Nota 27 Gains (losses) from operating activities in the statement of income by function of expenses, included according to their nature

27.1 Revenue from operating activities, continued

b) Main product lines:

	January to March	
	2019	2018
Products and Services	**ThUS$**	**ThUS$**
Specialty plant nutrition	**184,516**	**187,871**
Sodium Nitrates	6,259	6,062
Potassium nitrate and sodium potassium nitrate	121,712	132,972
Specialty Blends	33,336	26,875
Other specialty fertilizers	23,209	21,962
Iodine and derivatives	**95,815**	**74,718**
Lithium and derivatives	**155,030**	**164,208**
Potassium	**44,104**	**52,222**
Industrial chemicals	**16,962**	**29,472**
Other	**7,811**	**10,233**
Services	809	1,038
Income from property leases	368	229
Income from subleases on right-of-use assets	77	-
Commodities	1,696	2,676
Other ordinary income Of. Commercial	4,861	6,290
Total	**504,238**	**518,724**

Nota 27 Gains (losses) from operating activities in the statement of income by function of expenses, included according to their nature

27.2 Cost of sales

	03/31/2019 ThUS$	03/31/2018 ThUS$
Raw materials and consumables used	(68,209)	(60,094)
Classes of employee benefit expenses	(43,766)	(49,676)
Depreciation expense	(47,498)	(54,846)
Depreciation of Right-of-use Assets (contracts under IFRS 16)	(1,111)	-
Amortization expense	(1,176)	(2,384)
Operating leases	(11,779)	(10,831)
Investment plan expenses	(1,040)	(7,562)
Provision for materials, spare parts and supplies	(4,836)	(1,449)
Contractors	(26,229)	(29,845)
Mining concessions	(1,984)	(1,320)
Operations transport	(11,909)	(14,508)
Freight and product transport costs	(11,142)	(11,356)
Purchase of products from third parties	(53,288)	(48,435)
Insurance	(6,051)	(1,900)
CORFO rights	(45,507)	(12,404)
Export costs	(25,304)	(21,032)
Expenses related to Variable Parts Leases (contracts under IFRS 16	(274)	-
Variation in inventory	13,939	28,047
Variación provisión de inventarios productos	5,739	(6,464)
Other expenses, by nature	(17,316)	(19,988)
Total	**(358,741)**	**(326,047)**

The summary below corresponds to the Cost of sales, broken down into warehouse costs and primary direct costs:

	03/31/2019 ThUS$	03/31/2018 ThUS$
Warehouse costs	(310,681)	(272,659)
Direct costs on cost of sales		
Provisions for inventories and materials, spare parts and supplies	903	(7,913)
Employee benefit expenses	(7,334)	(11,798)
Variable sales expenses	(24,954)	(22,817)
CORFO rights and other agreements	(7,615)	(319)
Depreciation and amortization expense	(2,461)	(3,239)
Others	(6,599)	(7,302)
Total	**(358,741)**	**(326,047)**

Note 27 Gains (losses) from operating activities in the statement of income by function of expenses, included according to their nature (continued)

27.3 Other income

	03/31/2019 ThUS$	03/31/2018 ThUS$
Discounts obtained from suppliers	162	174
Fines charged to suppliers	156	147
Taxes recovered	135	331
Amounts recovered from insurance	57	191
Overestimate of provisions for third-party obligations	9	-
Other operating income	689	788
Options on mining claims	105	2,928
Easements, pipelines and roads	5,000	1
Total	**6,313**	**4,560**

27.4 Administrative expenses

	03/31/2019 ThUS$	03/31/2018 ThUS$
Employee benefit expenses by nature		
Remuneration and benefits to employees	(13,701)	(13,854)
Marketing costs	(1,373)	(628)
Amortization expenses	-	(3)
Entertainment expenses	(1,274)	(905)
Advisory services	(2,700)	(2,897)
Lease of buildings and facilities	(682)	(1,114)
Insurance	(537)	(974)
Office expenses	(1,416)	(1,195)
Contractors	(1,612)	(1,132)
Depreciation of Right-of-use Assets (contracts under IFRS 16)	(394)	-
Other expenses, by nature	(2,816)	(2,482)
Total	**(26,505)**	**(25,184)**

Note 27 Gains (losses) from operating activities in the statement of income by function of expenses, included according to their nature (continued)

27.5 Other expenses by function

	03/31/2019 ThUS$	03/31/2018 ThUS$
Classes of Employee Benefit Expenses		
Depreciation and amortization expense		
Depreciation of assets not in use	(7)	(22)
Subtotal	**(7)**	**(22)**
Impairment losses (reversals of impairment losses) recognized in profit (loss) for the year		
Amortization expense intangible	-	-
Subtotal	**-**	**-**
Other expenses, by nature		
Legal expenses	(4,453)	(1,372)
VAT and other unrecoverable taxes	(301)	(322)
Fines paid	(48)	(146)
Investment plan expenses	(752)	(2,891)
Non-metallic exploration expenses	(1,085)	(776)
Donations not accepted as tax credit	(724)	(1,080)
Other operating expenses	(604)	(451)
Subtotal	**(7,967)**	**(7,038)**
Total	**(7,974)**	**(7,060)**

27.6 Other income (expenses)

	03/31/2019 ThUS$	03/31/2018 ThUS$
Adjust previous year application method of participation	130	(1,505)
Others	(6)	1,227
Total	**124**	**(278)**

Note 27 Gains (losses) from operating activities in the statement of income by function of expenses, included according to their nature (continued)

27.7 Impairment of gains and reversal of impairment losses

	03/31/2019 ThUS$	03/31/2018 ThUS$
Impairment of investments in associates	554	599
Total	**554**	**599**

This table corresponds to the summary required by the CMF and considers notes 27.2, 27.4 and 27.5.

27.8 Summary of expenses by nature

	January to march 2019 ThUS$	 2018 ThUS$
Raw materials and consumables	(68,209)	(60,094)
Classes of Employee Benefit Expenses		
Personnel expenses	(57,467)	(63,530)
Depreciation and amortization expense		
Depreciation expense	(47,505)	(54,868)
Depreciation of Right-of-use Assets (IFRS 16)	(1,505)	-
Amortization expense	(1,176)	(2,387)
Legal expenses	(4,453)	(1,372)
Investment plan expenses	(1,792)	(10,453)
Provision for materials, spare parts and supplies	(4,836)	(1,449)
Non-metallic exploration expenses	(1,085)	(776)
Contractors	(27,841)	(30,977)
Arriendos	(12,461)	(11,945)
Mining concessions	(1,984)	(1,320)
Operation transport	(11,909)	(14,508)
Freight and product transport costs	(11,142)	(11,356)
Purchase of products from third parties	(53,288)	(48,435)
CORFO rights	(45,507)	(12,404)
Export costs	(25,304)	(21,032)
Expenses related to Variable Parts Leases (IFRS 16)	(274)	-
Seguros	(6,588)	(2,874)
Consultant and advisor services	(2,700)	(2,897)
Variation in inventory	13,939	28,047
Variation in provision on product inventory	5,739	(6,464)
Other expenses, by nature	(25,872)	(27,197)
Total expenses by nature	**(393,220)**	**(358,291)**

Note 27 Gains (losses) from operating activities in the statement of income by function of expenses, included according to their nature (continued)

27.9 Finance expenses

	January to March	
	2019	**2018**
	ThUS$	**ThUS$**
Interest expense from bank borrowings and overdrafts	(473)	(410)
Interest expense from bonds	(16,437)	(12,312)
Interest expense from loans	(664)	(528)
Capitalized interest expenses	1,461	1,095
Financial expenses for site closure	(1,480)	-
Interest on lease agreement	(344)	-
Other finance costs	(393)	(562)
Total	**(18,330)**	**(12,717)**

Note 28 Reportable segments

28.1 Reportable segments

General information:

The amount of each item presented in each operating segment is equal to that reported to the highest 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 executive responsible for operational decisions in order to make decisions about the resources to be allocated to the segment and assess its performance (See Note 28.2).

The performance of each segment is measured based on net income and revenues.

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 have its operating results reviewed on a regular basis by the highest 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 "Unallocated amounts" category of the disclosed information.

Note 28 Reportable segments (continued)

28.1 Reportable segments, continued

Basis of accounting for transactions between reportable segments

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 allocation of inventory valuation costs, we identify the direct expenses (can be directly allocated to products) and the common expenses (belong to coproduction processes, for example common leaching expenses for production of Iodine and Nitrates), Direct costs are directly allocated to the product and the common costs are distributed according to percentages that consider different variables in their determination, such as margins, rotation of inventories, revenue, production and etc.

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 28 Reportable segments (continued)

28.2 Reportable segment disclosures:

Operating segment items	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$	Total 03/31/2019 ThUS$
Revenue	184,516	95,815	155,030	16,962	44,104	7,811	504,238	504,238		504,238
Revenues from transactions with other operating segments of the same entity	-	-	-	-	-	-	-	-	-	-
Revenues from external customers and transactions with other operating segments of the same entity	**184,516**	**95,815**	**155,030**	**16,962**	**44,104**	**7,811**	**504,238**	**504,238**		**504,238**
Costs of sales	(154,246)	(60,347)	(85,979)	(11,660)	(40,117)	(6,392)	(358,741)	(358,741)		(358,741)
Administrative expenses	-	-	-	-	-	-	-	-	(26,505)	(26,505)
Interest expense	-	-	-	-	-	-	-	-	(18,330)	(18,330)
Depreciation and amortization expense	(19,102)	(10,994)	(10,775)	(1,076)	(8,181)	(58)	(50,186)	(50,186)		(50,186)
The entity's interest in the profit or loss of associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	-	-	3,406	3,406
Income tax expense, continuing operations	-	-	-	-	-	-	-	-	(31,871)	(31,871)
Other items other than significant cash										
Income (loss) before taxes	30,270	35,468	69,051	5,302	3,987	1,419	145,497	145,497	(32,642)	112,855
Net income (loss) from continuing operations	30,270	35,468	69,051	5,302	3,987	1,419	145,497	145,497	(64,513)	80,984
Net income (loss) from discontinued operations										
Net income (loss)	**30,270**	**35,468**	**69,051**	**5,302**	**3,987**	**1,419**	**145,497**	**145,497**	**(64,513)**	**80,984**
Assets	-	-	-	-	-	-	-	-	4,367,575	4,367,575
Equity-accounted investees	-	-	-	-	-	-	-	-	112,142	112,142
Incorporation of non-current assets other than financial instruments, deferred tax assets, net defined benefit assets and rights arising from insurance contracts									50,947	50,947
Increase of non-current assets	-	-	-	-	-	-	-	-		
Liabilities	-	-	-	-	-	-	-	-	2,230,981	2,230,981
Impairment loss recognized in profit or loss	2,042	(584)	(1,134)	593	100	(75)	942	942	595	1,537
Reversal of impairment losses recognized in profit or loss for the period	-	-	-	-	-	-	-	-	-	-
Cash flows from (used in) operating activities	-	-	-	-	-	-	-	-	77,874	77,874
Cash flows from (used in) investing activities	-	-	-	-	-	-	-	-	(33,132)	(33,132)
Cash flows from (used in) financing activities	-	-	-	-	-	-	-	-	(1,430)	(1,430)

Note 28 Reportable segments (continued)

28.2 Reportable segment disclosures, continued

Operating segment items	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$	Total 03/31/2018 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	-	-	-	-	-	-	-	-	-	-
Revenues from external customers and transactions with other operating segments of the same entity	**187,871**	**74,718**	**164,208**	**29,472**	**52,222**	**10,233**	**518,724**	**518,724**	-	**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	-	-	-	-	-	-	-	-	(25,184)	(25,184)
Interest expense	-	-	-	-	-	-	-	-	(12,717)	(12,717)
Depreciation and amortization expense	(18,982)	(11,572)	(11,873)	(4,113)	(10,628)	(87)	(57,255)	(57,255)	-	(57,255)
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	-	-	-	-	-	-	-	-	(47,291)	(47,291)
Other items other than significant cash										
Income (loss) before taxes	36,943	22,132	117,888	7,596	7,766	352	192,677	192,677	(31,503)	161,174
Net income (loss) from continuing operations	36,943	22,132	117,888	7,596	7,766	352	192,677	192,677	**(78,794)**	**113,883**
Net income (loss) from discontinued operations										
Net income (loss)	**36,943**	**22,132**	**117,888**	**7,596**	**7,766**	**352**	**192,677**	**192,677**	**(78,794)**	**113,883**
Assets	-	-	-	-	-	-	-	-	4,322,716	4,322,716
Equity-accounted investees	-	-	-	-	-	-	-	-	153,066	153,066
Incorporation of non-current assets other than financial instruments, deferred tax assets, net defined benefit assets and rights arising from insurance contracts									-	-
Increase of non-current assets	-	-	-	-	-	-	-	-	(5,110)	(5,110)
Liabilities	-	-	-	-	-	-	-	-	2,070,638	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	-	-	-	-	-	-	-	-	142,413	142,413
Cash flows from (used in) investing activities	-	-	-	-	-	-	-	-	(137,411)	(137,411)
Cash flows from (used in) financing activities	-	-	-	-	-	-	-	-	(63,000)	(63,000)

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Note 28 Reportable segments (continued)

28.3 Statement of comprehensive income classified by reportable segments based on groups of products

	03/31/2019							
Items in the statement of comprehensive income	**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	184,516	95,815	155,030	16,962	44,104	7,811	-	504,238
Cost of sales	(154,246)	(60,347)	(85,979)	(11,660)	(40,117)	(6,392)	-	(358,741)
Gross profit	**30,270**	**35,468**	**69,051**	**5,302**	**3,987**	**1,419**	**-**	**145,497**
Other incomes by function	-	-	-	-	-	-	6,313	6,313
Administrative expenses	-	-	-	-	-	-	(26,505)	(26,505)
Other expenses by function	-	-	-	-	-	-	(7,974)	(7,974)
Deterioro de valor de ganancias y revisión de pérdidas por deterioro de valor (pérdidas por deterioro de valor) determinado de acuerdo con la NIIF 9	-	-	-	-	-	-	554	554
Other gains (losses)	-	-	-	-	-	-	124	124
Financial income	-	-	-	-	-	-	5,925	5,925
Financial costs	-	-	-	-	-	-	(18,330)	(18,330)
interest in the profit or loss of associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	3,406	3,406
Exchange differences	-	-	-	-	-	-	3,845	3,845
Profit (loss) before taxes	**30,270**	**35,468**	**69,051**	**5,302**	**3,987**	**1,419**	**(32,642)**	**112,855**
Income tax expense							(31,871)	(31,871)
Profit (loss) from continuing operations	**30,270**	**35,468**	**69,051**	**5,302**	**3,987**	**1,419**	**(64,513)**	**80,984**
Profit (loss) from discontinued operations	-	-	-	-	-	-	-	-
Profit (loss)	**30,270**	**35,468**	**69,051**	**5,302**	**3,987**	**1,419**	**(64,513)**	**80,984**
Profit (loss), attributable to								
Profit (loss) attributable to the controller´s owners	-	-	-	-	-	-	-	**80,533**
Profit (loss) attributable to the non-controllers	-	-	-	-	-	-	-	**451**
Profit (loss)	-	-	-	-	-	-	-	**80,984**

Note 28 Reportable segments (continued)

28.3 Statement of comprehensive income classified by reportable segments based on groups of products, continued

	03/31/2018							
Items in the statement of comprehensive income	**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	-	-	-	-	-	-	(7,060)	(7,060)
Other gains (losses)	-	-	-	-	-	-	599	599
Financial income	-	-	-	-	-	-	(278)	(278)
Financial costs	-	-	-	-	-	-	4,669	4,669
Deterioro de valor de ganancias y revisión de pérdidas por deterioro de valor (pérdidas por deterioro de valor) determinado de acuerdo con la NIIF 9	-	-	-	-	-	-	(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**

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Note 28 Reportable segments (continued)

28.4 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.

28.5 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 28 Reportable segments (continued)

28.6 Segments by geographical areas as of March 31, 2019 and 2018

Items	Chile ThUS$	Latin America and the Caribbean ThUS$	Europe ThUS$	North America ThUS$	Asia and others ThUS$	Total ThUS$
	03/31/2019					
Revenue	**31,587**	**37,195**	**103,758**	**116,565**	**215,133**	**504,238**
Investment accounted for under the equity method	(8,174)	-	41,556	16,382	62,378	112,142
Intangible assets other than goodwill	110,032	-	210	1,371	77,198	188,811
Goodwill	22,535	86	11,516	724	-	34,861
Property, plant and equipment, net	1,486,115	345	4,349	3,195	16,865	1,510,869
Investment property	-	-	-	-	-	-
Other non-current assets	15,853	27	-	-	-	15,880
Non-current assets that are not financial instruments	**1,626,361**	**458**	**57,631**	**21,672**	**156,441**	**1,862,563**

Items	Chile ThUS$	Latin America and the Caribbean ThUS$	Europe ThUS$	North America ThUS$	Asia and others ThUS$	Total ThUS$
	03/31/2018					
Revenue	**30,874**	**29,533**	**122,826**	**118,204**	**217,287**	**518,724**
Investment accounted for under the equity method	(5,564)	36,321	35,988	15,685	76,840	159,270
Intangible assets other than goodwill	104,772	-	458	173	18,787	124,190
Goodwill	23,731	85	11,374	724	2,058	37,972
Property, plant and equipment, net	1,410,595	320	3,810	2,613	6,128	1,423,466
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**

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Note 28 Reportable segments (continued)

28.7 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, 2019 and December 31, 2018:

	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 29 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, 2019, total interest expenses incurred amount to ThUS$18,330 (ThUS$12,717 as of March 31, 2018).

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,

29.1 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:

	03/31/2019	03/31/2018
Capitalization rate of costs for capitalized interest, property, plant and equipment	4%	4%
Amount of costs for interest capitalized in ThUS$	1,461	1,095

Note 30 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:

	03/31/2019 ThUS$	03/31/2018 ThUS$
Conversion foreign exchange gains (losses) recognized in the result of the year.	3,845	(514)
Conversion foreign exchange reserves attributable to the owners of the controlling entity.	656	(958)
Conversion foreign exchange reserves attributable to the non-controlling entity.	(49)	(26)
Total	**607**	**(984)**

b) Reserves for foreign currency exchange differences:

As of March 31, 2019 and 2018, foreign currency exchange differences are detailed as follows:

Details	03/31/2019 ThUS$	03/31/2018 ThUS$
Changes in equity generated by the equity method value through conversion:		
Comercial Hydro S.A.	1,004	1,004
SQMC Internacional Ltda.	(17)	-
Proinsa Ltda.	(10)	(6)
Comercial Agrorama Ltda.	(38)	(49)
Isapre Norte Grande Ltda.	14	(74)
Almacenes y Depósitos Ltda.	121	131
Sacal S.A.	(3)	-
Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	(7)	-
Agrorama S.A.	76	(134)
Doktor Tarsa	(13,811)	(13,207)
SQM Vitas Fzco	(2,216)	(1,779)
Ajay Europe	(1,446)	(627)
SQM Eastmed Turkey	(121)	(93)
Charlee SQM (Thailand) Co Ltd.	-	(171)
Coromandel SQM India	(374)	(271)
SQM Italia SRL	(235)	(173)
SQM Oceanía Pty Ltd.	(634)	(634)
SQM Indonesia S.A.	(124)	(124)
Abu Dhabi Fertillizers Industries WWL.	(435)	(436)
SQM Vitas Holland	(196)	(69)
SQM Thailand Limited	(68)	(68)
SQM Europe	(1,983)	(1,550)
Minera Exar S.A.	-	(7,452)
SQM Australia Pty Ltd.	(4,222)	(89)
Pavoni & C. Spa	(1)	-
Terra Tarsa BV	(4)	-
Plantacote NV	378	-
Doktolab Tarim Arastirma San.	(16)	-
Kore Potash PLC (a)	(1,206)	-
SQM Colombia SAS	(77)	-
Total	**(25,651)**	**(25,871)**

Note 30 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.

Note 31 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	03/31/2019 ThUS$	12/31/2018 ThUS$
Cash and cash equivalents	USD	461,113	353,674
Cash and cash equivalents	ARS	1	2
Cash and cash equivalents	CLP	124,188	157,500
Cash and cash equivalents	CNY	7,374	2,305
Cash and cash equivalents	EUR	3,053	4,738
Cash and cash equivalents	GBP	23	-
Cash and cash equivalents	AUD	705	29,598
Cash and cash equivalents	INR	8	-
Cash and cash equivalents	MXN	1,640	1,242
Cash and cash equivalents	PEN	7	1
Cash and cash equivalents	THB	-	1
Cash and cash equivalents	YEN	2,351	1,786
Cash and cash equivalents	ZAR	2,308	5,219
Subtotal cash and cash equivalents		**602,771**	**556,066**
Other current financial assets	USD	48,886	291,790
Other current financial assets	BRL	66	-
Other current financial assets	CLP	250,561	20,931
Subtotal other current financial assets		**299,513**	**312,721**
Other current non-financial assets	USD	22,912	19,523
Other current non-financial assets	ARS	-	2
Other current non-financial assets	AUD	120	102
Other current non-financial assets	BRL	2	-
Other current non-financial assets	CLF	26	47
Other current non-financial assets	CLP	22,058	20,276
Other current non-financial assets	CNY	33	8
Other current non-financial assets	EUR	881	3,153
Other current non-financial assets	MXN	2,249	3,274
Other current non-financial assets	THB	42	19
Other current non-financial assets	YEN	45	21
Other current non-financial assets	ZAR	45	1,547
Subtotal other current non-financial assets		**48,413**	**47,972**
Trade and other receivables	USD	215,910	253,764
Trade and other receivables	BRL	20	20
Trade and other receivables	CLF	659	453
Trade and other receivables	CLP	52,587	71,730
Trade and other receivables	CNY	4,237	11,361
Trade and other receivables	EUR	37,945	31,426
Trade and other receivables	GBP	638	-
Trade and other receivables	MXN	124	452
Trade and other receivables	AED	2,526	15,841
Trade and other receivables	THB	3,089	2,970
Trade and other receivables	YEN	106,724	76,267
Trade and other receivables	AUD	881	-
Trade and other receivables	ZAR	9,439	571
Trade and other receivables	COP	499	-
Subtotal trade and other receivables		**435,278**	**464,855**
Receivables from related parties	USD	53,020	44,449
Receivables from related parties	EUR	1,556	105
Subtotal receivables from related parties		**54,576**	**44,554**

Nota 31 Disclosures on the effects of fluctuations in foreign currency exchange rates (continued)

Class of assets	Currency	03/31/2019 ThUS$	12/31/2018 ThUS$
Current inventories	USD	933,352	913,674
Subtotal Current inventories		**933,352**	**913,674**
Current tax assets	USD	66,335	52,033
Current tax assets	ARS	2	2
Current tax assets	CLP	1,875	601
Current tax assets	EUR	2,022	3,500
Current tax assets	ZAR	38	-
Current tax assets	MXN	1,902	843
Current tax assets	PEN	-	131
Current tax assets	COP	104	-
Subtotal current tax assets		**72,278**	**57,110**
Non-current assets or groups of assets classified as held for sale	USD	1,485	1,430
Subtotal Non-current assets or groups of assets classified as held for sale		**1,485**	**1,430**
Total current assets		**2,447,666**	**2,398,382**
Non-current assets			
Other non-current financial assets	USD	23,189	17,039
Other non-current financial assets	CLP	20	20
Other non-current financial assets	YEN	72	72
Subtotal Other non-current financial assets		**23,281**	**17.131**
Other non-current non-financial assets	USD	15,271	15,460
Other non-current non-financial assets	BRL	23	23
Other non-current non-financial assets	COP	4	-
Other non-current non-financial assets	CLP	582	758
Subtotal Other non-current non-financial assets		**15,880**	**16,241**
Other receivables, non-current	USD	871	139
Other receivables, non-current	CLF	253	329
Other receivables, non-current	COP	33	-
Other receivables, non-current	EUR	4	-
Other receivables, non-current	MXN	27	-
Other receivables, non-current	CLP	698	1,807
Subtotal Other receivables, non-current		**1,886**	**2,275**
Investments classified using the equity method of accounting	USD	42,176	41,923
Investments classified using the equity method of accounting	AED	30,193	31,023
Investments classified using the equity method of accounting	EUR	13,721	14,929
Investments classified using the equity method of accounting	INR	1,728	1,729
Investments classified using the equity method of accounting	THB	7	53
Investments classified using the equity method of accounting	TRY	24,317	21,892
Subtotal Investments classified using the equity method of accounting		**112,142**	**111,549**
Intangible assets other than goodwill	USD	187,262	189,413
Intangible assets other than goodwill	CLP	110	85
Intangible assets other than goodwill	EUR	210	-
Intangible assets other than goodwill	MXN	1,229	-
Subtotal intangible assets other than goodwill		**188,811**	**189,498**
Purchases goodwill, gross	USD	34,438	34,718

Nota 31 Disclosures on the effects of fluctuations in foreign currency exchange rates (continued)

Purchases goodwill, gross	CLP	280	-
Purchases goodwill, gross	EUR	143	-
Subtotal Purchases goodwill, gross		**34,861**	**34,718**
Property, plant and equipment	USD	1,507,191	1,462,734
Property, plant and equipment	CLP	3,678	3,387
Subtotal property, plant and equipment		**1,510,869**	**1,466,121**
Current tax assets, non-current	USD	32,179	32,179
Subtotal Current tax assets, non-current		**32,179**	**32,179**
Total non-current assets		**1,919,909**	**1,869,712**
Total assets		**4,367,575**	**4,268,094**

Note 31 Disclosures on the effects of fluctuations in foreign currency exchange rates (continued)

Class of liability	Currency	03/31/2019 91 days to 1 year ThUS$		Total ThUS$	Up to90 days ThUS$	12/31/2018 91 days to 1 year ThUS$	Total ThUS$
Current liabilities							
Other current financial liabilities	USD	17,544	1,916	19,460	12,471	4,464	16,935
Other current financial liabilities	CLF	4,276	19,028	23,304	342	6,256	6,598
Other current financial liabilities	BRL	-	-	-	52	-	52
Subtotal other current financial liabilities		**21,820**	**20,944**	**42,764**	**12,865**	**10,720**	**23,585**
Trade and other payables	USD	41,626	9,849	51,475	51,489	3	51,492
Trade and other payables	ARS	-	-	-	4,082	-	4,082
Trade and other payables	BRL	32		32	34		34
Trade and other payables	THB	76	365	441	65		65
Trade and other payables	CLP	55,315	20,744	76,059	69,789	-	69,789
Trade and other payables	EUR	42,110	1,429	43,539	36,439		36,439
Trade and other payables	GBP	5	14	19	-	-	-
Trade and other payables	INR	1	-	1	1	-	1
Trade and other payables	MXN	14	76	90	7	-	7
Trade and other payables	ZAR	-	603	603	1,842		1,842
Subtotal trade and other payables		**139,179**	**33,080**	**172,259**	**163,748**	**3**	**163,751**
Trade payables due to related parties, current	USD	-	-	-	-	9	9
Subtotal Trade payables due to related parties, current		**-**	**-**	**-**	**-**	**9**	**9**
Other current provisions	USD	83,748	11,262	95,010	74,019	31,150	105,170
Other current provisions	ARS	11	-	11	-	13	13
Other current provisions	BRL	703	-	703	707	-	707
Other current provisions	CLP	65	1	66	-	64	64
Other current provisions	EUR	6	-	6	243	-	243
Subtotal other current provisions		**84,533**	**11,263**	**95,796**	**74,969**	**31,227**	**106,197**
Current tax liabilities	USD	14	48,060	48,074	-	41,612	41,612
Current tax liabilities	CLP	-	31	31	-	31	31
Current tax liabilities	BRL	-	-	-	-	3	3
Current tax liabilities	CNY	-	-	-	-	8	8
Current tax liabilities	EUR	-	1,613	1,613	4,548	1,000	5,548
Current tax liabilities	ZAR	-	200	200		201	201
Current tax liabilities	MXN	-	69	69		9	9
Subtotal current tax liabilities		**14**	**49,973**	**49,987**	**4,548**	**42,864**	**47,412**

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Note 31 Disclosures on the effects of fluctuations in foreign currency exchange rates (continued)

Class of liability	Currency	03/31/2019 Up to 90 days ThUS$	03/31/2019 over 90 days to 1 year ThUS$	03/31/2019 Total ThUS$	12/31/2018 Up to 90 days ThUS$	12/31/2018 Over 90 days to 1 year ThUS$	12/31/2018 Total ThUS$
Provisions for employee benefits, current	USD	6,161	2,191	8,352	20,085	-	20,085
Subtotal Provisions for employee benefits, current		**6,161**	**2,191**	**8,352**	**20,085**	**-**	**20,085**
Other current non-financial liabilities	USD	238,145	1,992	240,137	176,506	2,489	178,995
Other current non-financial liabilities	THB	96	-	96	158	-	158
Other current non-financial liabilities	BRL	2	-	2	3	-	3
Other current non-financial liabilities	CLP	12,504	1,872	14,376	7,703	6,431	14,134
Other current non-financial liabilities	CNY	2	-	2	11	40	51
Other current non-financial liabilities	EUR	1,102	-	1,102	1,053	-	1,053
Other current non-financial liabilities	MXN	127	77	204	103	46	149
Other current non-financial liabilities	YEN	-	4	4	-	-	-
Other current non-financial liabilities	PEN	70	-	70	70	-	70
Other current non-financial liabilities	ZAR	-	-	-	11	-	11
Subtotal other current non-financial liabilities		**252,048**	**3,945**	**255,993**	**185,618**	**9,006**	**194,624**
Total current liabilities		**514,187**	**110,964**	**625,151**	**486,833**	**68,830**	**555,663**

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Note 31 Disclosures on the effects of fluctuations in foreign currency exchange rates (continued)

Class of liability	Currency	03/31/2019 1 to 2 years ThUS$	2 to 3 years ThUS$	3 to 4 years ThUS$	4 to 5 years ThUS$	Over 5 years ThUS$	Total ThUS$
Non-current liabilities							
Other non-current financial liabilities	USD	249,965	8,657	366,827	-	248,148	873,597
Other non-current financial liabilities	CLF	-	22,125	-	-	449,993	472,118
Other non-current financial liabilities	CLP	-	-	-	3,842	-	3,842
Subtotal Other non-current financial liabilities		**249,965**	**30,782**	**366,827**	**3,842**	**698,141**	**1,349,557**
Other non-current provisions	USD	30,120	3,000	-	-	-	33,120
Subtotal Other non-current provisions		**30,120**	**3,000**	**-**	**-**	**-**	**33,120**
Deferred tax liabilities	USD	76,229	36,638	57,700	-	16,800	187,367
Subtotal Deferred tax liabilities		**76,229**	**36,638**	**57,700**	**-**	**16,800**	**187,367**
Provisions for employee benefits, non-current	USD	34,929	-	-	-	-	34,929
Provisions for employee benefits, non-current	CLP	509	-	-	-	-	509
Provisions for employee benefits, non-current	MXN	177	-	-	-	-	177
Provisions for employee benefits, non-current	YEN	171	-	-	-	-	171
Subtotal Provisions for employee benefits, non-current		**35,786**	**-**	**-**	**-**	**-**	**35,786**
Total non-current liabilities		**356,314**	**80,252**	**424,527**	**3,842**	**740,895**	**1,605,830**

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Note 31 Disclosures on the effects of fluctuations in foreign currency exchange rates (continued)

Class of liability	Currency	12/31/2018 1 to 2 years ThUS$	2 to 3 years ThUS$	3 to 4 years ThUS$	4 to 5 years ThUS$	Over 5 years ThUS$	Total ThUS$
Non-current liabilities							
Other non-current financial liabilities	USD	249,869	80,903	297,994	-	247,798	876,564
Other non-current financial liabilities	CLF	-	-	-	-	453,818	453,818
Subtotal Other non-current financial liabilities		**249,869**	**80,903**	**297,994**	**-**	**701,616**	**1,330,382**
Other non-current provisions	USD	28,822	3,000	-	-	-	31,822
Subtotal Other non-current provisions		**28,822**	**3,000**	**-**	**-**	**-**	**31,822**
Deferred tax liabilities	USD	63,534	33,355	56,040	-	22,432	175,361
Subtotal Deferred tax liabilities		**63,534**	**33,355**	**56,040**	**-**	**22,432**	**175,361**
Provisions for employee benefits, non-current	USD	-	9,081	-	-	27,116	36,197
Provisions for employee benefits, non-current	CLP	-	-	-	-	521	521
Provisions for employee benefits, non-current	MXN	-	-	-	-	175	175
Provisions for employee benefits, non-current	YEN	-	-	-	-	171	171
Subtotal Provisions for employee benefits, non-current		**-**	**9,081**	**-**	**-**	**27,983**	**37,064**
Total non-current liabilities		**342,225**	**126,339**	**354,034**	**-**	**752,031**	**1,574,629**

Note 32 Income tax and deferred taxes

Accounts receivable from taxes as of March 31, 2019 and December 31, 2018, are as follows:

32.1 Current and non-current tax assets

a) Current tax assets

	03/31/2019 ThUS$	12/31/2018 ThUS$
Monthly provisional income tax payments, Chilean companies	50,284	21,172
Monthly provisional income tax payments, foreign companies	6,853	5,199
Corporate tax credits (1)	(483)	1,858
Taxes in recovery process	15,624	28,881
Total	**72,278**	**57,110**

b) Non-current tax assets

	03/31/2019 ThUS$	12/31/2018 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 for Companies and are related to corporate tax payments in April of the following year, These credits include, among others, credits for training expenses (SENCE), credits for acquisition of fixed assets, donations and credits in Chile for taxes paid abroad.

Note 32 Income tax and deferred taxes (continued)

32.2 Current tax liabilities

Current tax liabilities	03/31/2019 ThUS$	12/31/2018 ThUS$
1st Category income tax	31,452	25,163
Foreign company income tax	17,468	21,097
Article 21 single tax	1,067	1,152
Total	**49,987**	**47,412**

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, a progressive income tax rate has been established, which is 27% from 2018.

The royalty is determined by applying the taxable rate to the net operating income obtained. According to the chart in force, the Company currently provisioned 5% for mining royalties that involve operations in the Salar de Atacama and 5.64% for caliche extraction operations.

The income tax rate for the main countries where the Company operates is presented below:

Country	Income tax 2019	Income tax 2018
Spain	25%	25%
Belgium	29,58%	29,58%
Mexico	30%	30%
United States	21% + 6%	21% + 6%
South Africa	28%	28%

32.3 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 recognized legally before the tax authority the right to offset the amounts recognized in these entries; and

Note 32 Income tax and deferred taxes (continued)

32.3 Income tax and deferred taxes

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 exercise tax 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 32 Income tax and deferred taxes (continued)

32.3 Income tax and deferred taxes, continued

d.1) Income tax assets and liabilities as of March 31, 2019 are detailed as follows:

Description of deferred tax assets and liabilities	Net liability position	
	Assets ThUS$	Liabilities ThUS$
Unrealized loss	72,779	-
Property, plant and equipment and capitalized interest	-	(196,630)
Facility closure provision	4,742	-
Manufacturing expenses	-	(105,907)
Staff severance indemnities, unemployment insurance	-	(6,855)
Vacation accrual	4,871	-
Inventory provision	26,536	-
Materials provision	7,413	-
Forwards	2,798	-
Employee benefits	3,910	-
Research and development expenses	-	(2,282)
Accounts receivable	3,991	-
Provision for legal complaints and expenses	3,893	-
Loan approval expenses	-	(2,469)
Junior mining companies (valued based on stock price)	-	(1,030)
Royalty	-	(3,079)
Tax loss benefit	1,406	-
Other	-	(1,646)
Foreign items (other)	192	-
Balances to date	**132,531**	**(319,898)**
Net balance	-	**(187,367)**

Note 32 Income tax and deferred taxes (continued)

32.3 Income tax and deferred taxes, continued

d.2) Income tax assets and liabilities as of December 31, 2018 are detailed as follows

	Net liability position	
Description of deferred tax assets and liabilities	**Assets**	**Liabilities**
	ThUS$	**ThUS$**
Unrealized loss	75,832	-
Property, plant and equipment and capitalized interest	-	(196,843)
Facility closure provision	4,280	-
Manufacturing expenses	-	(103,760)
Staff severance indemnities, unemployment	-	(5,679)
Vacation accrual	5,155	-
Inventory provision	28,155	-
Materials provision	6,239	-
Forwards	2,169	-
Employee benefits	3,309	-
Research and development expenses	-	(2,216)
Accounts receivable	4,188	-
Provision for legal complaints and expenses	4,013	-
Loan approval expenses	-	(2,337)
Junior mining companies (valued based on stock price)	-	(976)
Royalty	-	(3,278)
Tax loss benefit	1,124	-
Other	5,005	-
Foreign items (other)	259	-
Balances to date	**139,728**	**(315,089)**
Net balance		**(175,361)**

Note 32 Income tax and deferred taxes (continued)

32.3 Income tax and deferred taxes, continued

d.3) Reconciliation of changes in deferred tax liabilities (assets) as of March 31, 2019

	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	(75,832)	3,053	-	3,053	(72,779)
Property, plant and equipment and capitalized interest	196,843	(213)	-	(213)	196,630
Facility closure provision	(4,280)	(462)	-	(462)	(4,742)
Manufacturing expenses	103,760	2,147	-	2,147	105,907
Individual savings plans, unemployment insurance	5,679	1,347	(171)	1,176	6,855
Vacation accrual	(5,155)	284	-	284	(4,871)
Inventory provision	(28,155)	1,619	-	1,619	(26,536)
Materials provision	(6,239)	(1,174)	-	(1,174)	(7,413)
Forwards	(2,169)	(629)	-	(629)	(2,798)
Employee benefits	(3,309)	(601)	-	(601)	(3,910)
Research and development expenses	2,216	66	-	66	2,282
Accounts receivable	(4,188)	197	-	197	(3,991)
Provision for legal complaints and expenses	(4,013)	120	-	120	(3,893)
Loan approval expenses	2,337	132	-	132	2,469
Junior mining companies (valued based on stock price)	976	-	54	54	1,030
Royalty	3,278	(199)	-	(199)	3,079
Tax loss benefit	(1,124)	(282)	-	(282)	(1,406)
Other	(5,005)	6,651	-	6,651	1,646
Foreign items (other)	(259)	67	-	67	(192)
Total temporary differences, unused losses and unused tax credits	**175,361**	**12,123**	**(117)**	**12,006**	**187,367**

Note 32 Income tax and deferred taxes (continued)

32.3 Income tax and deferred taxes, continued

d.4) Reconciliation of changes in deferred tax liabilities (assets) as of December 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)	(7,288)	-	(7,288)	(75,832)
Property, plant and equipment and capitalized interest	211,374	(14,531)	-	(14,531)	196,843
Facility closure provision	(3,469)	(811)	-	(811)	(4,280)
Manufacturing expenses	102,748	1,012	-	1,012	103,760
Individual savings plans, unemployment insurance	6,792	(667)	(446)	(1,113)	5,679
Vacation accrual	(4,887)	(268)	-	(268)	(5,155)
Inventory provision	(25,172)	(2,983)	-	(2,983)	(28,155)
Materials provision	(7,107)	868	-	868	(6,239)
Forwards	(624)	(1,545)	-	(1,545)	(2,169)
Employee benefits	(2,317)	(992)	-	(992)	(3,309)
Research and development expenses	3,501	(1,285)	-	(1,285)	2,216
Accounts receivable	(4,253)	686	(621)	65	(4,188)
Provision for legal complaints and expenses	(5,243)	1,230	-	1,230	(4,013)
Loan approval expenses	2,670	(333)	-	(333)	2,337
Junior mining companies (valued based on stock price)	2,474	-	(1,498)	(1,498)	976
Royalty	4,084	(795)	(11)	(806)	3,278
Tax loss benefit	(1,437)	313	-	313	(1,124)
Other	(5,002)	(64)	61	(3)	(5,005)
Foreign items (other)	(305)	46	-	46	(259)
Total temporary differences, unused losses and unused tax credits	**205,283**	**(27,407)**	**(2,515)**	**(29,922)**	**175,361**

During the period ended March 31, 2019 and December 31, 2018, the Company calculated and accounted for taxable income considering a rate of 27%.

Note 32 Income tax and deferred taxes (continued)

32.3 Income tax and deferred taxes, continued

d.5) Deferred taxes related to benefits for tax losses

The Company's tax loss carryforwards were mainly generated by losses in Chile, which in accordance with current Chilean tax regulations have no expiration date.

As of March 31, 2019 and December 31, 2018, tax loss carryforwards are detailed as follows:

	03/31/2019 ThUS$	12/31/2018 ThUS$
Chile	1,406	1,124
Total	**1,406**	**1,124**

The tax losses as of March 31, 2019 that form the basis of these deferred taxes correspond mainly to SQM Potasio S. A., SIT S.A., Exploraciones Mineras S.A., Comercial Agrorama Ltda., Agrorama S.A., and Orcoma SpA.

d.6) Unrecognized deferred income tax assets and liabilities

There are no deferred tax assets or liabilities not recognized as of March 31, 2019 and December 31, 2018.

Note 32 Income tax and deferred taxes (continued)

32.3 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, 2019 and December 31, 2018 are detailed as follows:

	03/31/2019 ThUS$ Liabilities (assets)	12/31/2018 ThUS$ Liabilities (assets)
Deferred tax assets and liabilities, net opening balance	(175,361)	(205,283)
Increase (decrease) in deferred taxes in profit or loss	(12,123)	27,407
Increase (decrease) in deferred taxes in equity	117	2,515
Balances to date	**(187,367)**	**(175,361)**

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:

	03/31/2019 ThUS$ Income (expenses)	03/31/2018 ThUS$ Income (expenses)
Current income tax expense		
Current income tax expense	(29,612)	(53,493)
Adjustments to prior year current income tax	9,864	(2,444)
Current income tax expense, net, total	**(19,748)**	**(55,937)**
Deferred tax expense		
Deferred tax expense (income) relating to the creation and reversal of temporary differences	(3,351)	7,619
Tax adjustments related to the creation and reversal of temporary differences from the previous year	(8,772)	1,027
Deferred tax expense, net, total	**(12,123)**	**8,646**
Tax expense (income)	**(31,871)**	**(47,291)**

Note 32 Income tax and deferred taxes (continued)

32.3 Income tax and deferred taxes, continued

Tax expenses (income) for foreign and domestic parties are detailed as follows:

	03/31/2019 ThUS$	03/31/2018 ThUS$
	Income (expenses)	Income (expenses)
Current income tax expense by foreign and domestic parties, net		
Current income tax expense, foreign parties, net	(2,734)	(10,019)
Current income tax expense, domestic, net	(17,014)	(45,918)
Current income tax expense, net, total	**(19,748)**	**(55,937)**
Deferred tax expense by foreign and domestic parties, net		
Deferred tax expense, foreign parties, net	(2,280)	1,261
Deferred tax expense, domestic, net	(9,843)	7,385
Deferred tax expense, net, total	(12,123)	**8,646**
Income tax expense	**(31,871)**	**(47,291)**

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 32 Income tax and deferred taxes (continued)

32.3 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 03/31/2019 ThUS$	(Expense) income for income taxes 03/31/2019 ThUS$	Amount after taxes 03/31/2019 ThUS$
Gain (loss) from defined benefit plans	(657)	171	(486)
Cash flow hedge	2,332	-	2,332
Reserve for gains (losses) from financial assets measured at fair value through other comprehensive income	202	(54)	148
Total	**1,877**	**117**	**1,994**

Income tax related to other income and expense components with a charge or credit to net equity	Amount before taxes (expense) gain 03/31/2018 ThUS$	(Expense) income for income taxes 03/31/2018 ThUS$	Amount after taxes 03/31/2018 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**

Note 32 Income tax and deferred taxes (continued)

32.3 Income tax and deferred taxes, continued

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).

Reconciliation of numbers in income tax expenses (income) and the result of multiplying financial gain by the rate prevailing in Chile.

	03/31/2019 ThUS$	03/31/2018 ThUS$
Consolidated income before taxes	112,855	161,174
Income tax rate in force in Chile	27%	27%
Tax expense using the legal rate	**(30,471)**	**(43,517)**
Effect of royalty tax payments,	(1,291)	(1,315)
Tax effect of revenue from regular activities exempt from taxation	1,274	691
Tax rate effect of non-tax-deductible expenses for determining taxable profit (loss)	(542)	(767)
Tax effect of tax rates borne abroad	(1,858)	(2,220)
IRS provision surplus	-	-
Fines affected by Article 21	(4)	-
Other tax effects from reconciliation between accounting gains and tax expenses	1,021	(163)
Tax expense using the effective rate	**(31,871)**	**(47,291)**

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.

Note 32 Income tax and deferred taxes (continued)

32.3 Income tax and deferred taxes, continued

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,

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,

As a result of the audit performed by the tax authority, SQM North America Corp., a subsidiary of the Company, paid in November 2018, for income tax and interest between 2013 and 2015, approximately US$3.8 million. On top of this, SQM North America Corp would have to pay an additional US$0.4 million in state taxes for the same period. These charges are already provisioned in the financial statements.

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 33 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 under the item "Non-current assets or groups of assets classified as held for sale".

The following table shows the movements in assets held for sale:

Assets held for sale	03/31/2019 ThUS$	12/31/2018 ThUS$
Terrenos Soquimich Comercial S.A.	1,485	1,430
Total assets held for sale	**1,485**	**1,430**

Note 34 Events occurred after the reporting date

34.1 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, 2019, were approved and authorized for issuance by the Company´s Board of Directors on May 22, 2019.

34.2 Disclosures on events occurring after the reporting date

1. On April 25, 2019, the 44th ordinary meeting of the Company's shareholders was held, at which time shareholders agreed to the following, among other matters:
   a) Approval of the Company's balance sheet, annual report, financial statements and external auditors' report for the fiscal year ended December 31, 2018.
   b) Designation of PricewaterhouseCoopers Consultores, Auditores y Compañía Limitada as external auditors of the Company for the fiscal year between January 1 and December 31, 2019.
   c) Distribution of a definitive dividend in the terms recommended by the Board of Directors, which were communicated as a material event on March 27, 2019.
   d) Election of the Board of Directors, which is composed of Messrs. Gonzalo Guerrero Yamamoto, Georges de Bourguignon Arndt, Francisco Ugarte Larraín, Robert J, Zatta, Hernán Büchi Buc, Patricio Contesse Fica, Laurence Golborne Riveros and Alberto Salas Muñoz, the latter two as independent directors.
   e) Approval of the compensation structure of the Company's directors, members of its various committees and their expenses thereof, in the terms provided in note 7.

2. In an extraordinary session held on April 25, 2019, 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 of Directors. This session also determined the composition of the directors' committees, as follows:

   a) Directors'/Audit Committee: Georges de Bourguignon Arndt, Laurence Golborne Riveros and Alberto Salas Muñoz
   b) Corporate Governance Committee: Hernán Büchi Buc, Patricio Contesse Fica and Francisco Ugarte Larraín
   c) Health, Safety and Environment Committee: Patricio Contesse Fica, Gonzalo Guerrero Yamamoto and Robert J. Zatta.

Note 34 Events occurred after the reporting date (continued)

34.2 Disclosures on events occurring after the reporting date (continued)

3. On May 7, 2019, the Company placed an unsecured bond in the international markets for US$450 million, at an annual interest rate of 4.25%, maturing in the year 2029, pursuant to Rule 144 -A and Regulation S of the Securities and Exchange Commission of the United States of America, under the Securities Act of 1933 of the United States of America. The Company provided more details through a material event reported on that date.

34.3 Details of dividends declared after the reporting date

On May 22, 2019, the Board approved payment of a provisional dividend equivalent to US$0.30598 per share with a charge to Company earnings for 2019. This amount will be paid in its Chilean peso equivalent at the Observed Dollar rate published in the Official Gazette on May 29, 2019. This dividend will be paid to shareholders, in person or through their duly authorized representatives, starting at 9.00 a.m. on June 12, 2019. The shareholders who are registered in the respective registry five business days prior to the date of payment will be entitled to the dividend.

Management is not aware of any other significant events that occurred between March 31, 2019, and the date of issuance of these consolidated financial statements that may significantly affect them.