CHEMICAL & MINING CO OF CHILE INC
Form 6-K
April 06, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE

SECURITIES EXCHANGE ACT OF 1934

For the month of April 2015.

Commission File Number 33-65728

CHEMICAL AND MINING COMPANY OF CHILE INC.

(Translation of registrant's name into English)

El Trovador 4285, Santiago, Chile (562) 2425-2000

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F: x Form 40-F ¨

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ____

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ____

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Santiago, Chile, April 6, 2015 – Sociedad Química y Minera de Chile S.A. (SQM), reports the translation of its 2014 annual report that was filed with the Chilean Securities and Insurance Commission (*Superintendencia de Valores y Seguros de Chile*).

Sociedad Química y Minera de Chile S.A.

Annual Report 2014

1) Index

4

2) Identification of the Entity

2) a) Identification of the Entity: Basic Identification

Company Name: Sociedad Química y Minera de Chile S.A.

Abbreviated Company Name: SQM

Legal Address: El Trovador 4285, Las Condes, Santiago, Chile

Chilean Taxpayer ID: 93.007.000-9

Type of Entity: Open stock corporation

2) b) Identification of the Entity: Legal Constitution

SQM was organized under the laws of the Republic of Chile. The Company was constituted by public deed issued on June 17, 1968 by Mr. Sergio Rodríguez Garcés, Notary Public of Santiago. 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 Business Registry of Santiago, on page 4,537 No. 1,992.

2) c) Identification of the Entity: Contact Information

Corporate Headquarters:

Address: El Trovador 4285, Las Condes, Santiago, Chile

Telephone: +56 2 24252000

Fax: +56 2 24252268

Website: www.sqm.com

To contact our investor relations team:

Gerardo Illanes

Vice President of Finance and Investor Relations

gerardo.illanes@sqm.com

Telephone: +56 2 24252485

Kelly O'Brien

Head of Investor Relations

kelly.obrien@sqm.com

Telephone: +56 2 24252074

Carolyn McKenzie

Investor Relations

carolyn.mckenzie@sqm.com

Telephone: +56 2 24252280

3) Description of Business Environment

3) a) Description of Business Environment: Historical Information

Commercial exploitation of the caliche ore deposits in northern Chile began in the 1830s, when sodium nitrate was extracted from the ore for use in the manufacturing of explosives and fertilizers. By the end of the nineteenth century, nitrate production had become the leading industry in Chile, and the country was the world's leading supplier of nitrates. The accelerated commercial development of synthetic nitrates in the 1920s and the global economic depression in the 1930s caused a serious contraction of the Chilean nitrate business, which did not recover significantly until shortly before the Second World War. After the war, the widespread commercial production of synthetic nitrates resulted in a further contraction of the natural nitrate industry in Chile, which continued to operate at depressed levels into the 1960s.

We were formed in 1968 through a joint venture between Compañía Salitrera Anglo Lautaro S.A. ("Anglo Lautaro") and the Production Development Corporation (*Corporación de Fomento de la Producción* or "Corfo"), a Chilean government entity. Three years after our formation, in 1971, Anglo Lautaro sold all of its shares to Corfo, and we were wholly owned by the Chilean Government until 1983. In 1983, Corfo began a process of privatization by selling our shares to the public and subsequently listing such shares on the Santiago Stock Exchange. By 1988, all of our shares were publicly owned. Our Series B ADSs have traded on the NYSE under the ticker symbol "SQM" since 1993. We accessed international capital markets again for the issuance of additional ADSs in 1995 and 1999. On December 21, 2006, two groups of shareholders, the "Pampa Group" (which includes the company Sociedad de Inversiones Pampa Calichera S.A. and its related companies, Inversiones Global Mining Chile Limitada and Potasios de Chile S.A.) and Kowa Group (which includes the companies Kowa Company Ltd., Inversiones La Esperanza (Chile) Limitada, Kochi S.A and La Esperanza Delaware Corporation) signed a joint agreement and became the controlling group of SQM.

Since our inception, we have produced nitrates and iodine, which are obtained from the caliche ore deposits in northern Chile. In 1985, we began to use heap leaching processes to extract nitrates and iodine, and in 1986 we started to produce potassium nitrate at our Coya Sur facility. Between 1994 and 1999, we invested approximately US$300 million in the development of the Salar de Atacama project in northern Chile, which enabled us to produce potassium chloride, lithium carbonate, potassium sulfate and boric acid.

In 2001, we signed a commercial distribution agreement with the Norwegian company Yara International ASA, in order to take advantage of cost synergies in the Specialty Plant Nutrition business line.

Starting in 2005, we began strengthening our leadership position in our core businesses through a combination of capital expenditures and advantageous acquisitions and divestitures. Our acquisitions have included the Kemira

Emirates Fertiliser Company ("Kefco") in Dubai in 2005 and the iodine business of Royal DSM N.V. ("DSM") in 2006. We also entered into a number of joint ventures, including a joint venture with Migao Corporation ("Migao"), signed in 2008, for the production of potassium nitrate, and SQM VITAS, our joint venture with the French Roullier Group. Pursuant to the latter joint venture, in 2010, we launched a new line of soluble phosphate products, and in 2012 we built new plants for the production of water-soluble fertilizers in Brazil (Candeias), Peru and South Africa (Durban). We have also sold: (i) Fertilizantes Olmeca, our former Mexican subsidiary, in 2006, (ii) our stake in Impronta S.R.L., our former Italian subsidiary, in 2007, and (iii) our former butyllithium plant located in Houston, Texas, in 2008. These sales allowed us to concentrate our efforts on our core products.

3) Description of Business Environment

The capital expenditure program has allowed us to add new products to our product line and increase the production capacity of our existing products. In 2005, we started production of lithium hydroxide at a plant in the Salar del Carmen, near the city of Antofagasta in the north of Chile. In 2007, we completed the construction of a new prilling and granulating plant. In 2011, we completed expansions of our lithium carbonate capacity, achieving 48,000 metric tons per year. Since 2010, we have continued to expand our production capacity of potassium products in our operations in the Salar de Atacama. In 2011, we completed the construction of a new potassium nitrate facility in Coya Sur, increasing our overall production capacity of potassium nitrate by 300,000 metric tons per year. In 2013, we completed expansions in the production capacity of our iodine plants in Nueva Victoria. Our capital expenditure program also includes exploration for metallic minerals. Our exploration efforts have led to discoveries that in some cases may result in sales of the discovery and the generation of royalty income in the future. Within this context, in 2013 we sold our royalty rights to the Antucoya mining project to Antofagasta Minerals. In 2013 we also opened a trading office in Thailand.

In 2014, we invested in the development of new extraction sectors and production increases in both nitrates and iodine at Nueva Victoria, reaching an approximate production capacity of 6,500 metric tons per year of iodine at the facility. We also issued a bond in the international capital markets for US$250 million, primarily to refinance existing indebtedness.

3) b) Description of Business Environment: Industrial Sector

i) Products and Services

SQM is an integrated producer and seller of specialty plant nutrients, iodine, lithium, potassium fertilizers, and industrial chemicals. Our products are based on the development of high quality natural resources that make us a cost leader, supported by an international trading network specialized in sales in over 110 countries. SQM’s development strategy aims to maintain and enhance our global leadership in all of our business lines.

For further information, see section 3) c) Description of Business Environment: Activities and Businesses.

ii) Competition and Market Share

See section 3) c) Description of Business Environment: Activities and Businesses.

iii) Legal Framework

Government Regulations

Regulations in Chile Generally

We are subject to the full range of government regulations and supervision generally applicable to companies engaged in business in Chile, including labor laws, social security laws, public health laws, consumer protection laws, tax laws, environmental laws, securities laws and anti-trust laws. These include regulations to ensure sanitary and safety conditions in manufacturing plants.

We conduct our mining operations pursuant to exploration concessions and exploitation concessions granted pursuant to applicable Chilean law. Exploitation concessions essentially grant a perpetual right (with the exception of the Salar de Atacama rights, which have been leased to us until 2030) to conduct mining operations in the areas covered by such concessions, provided that annual concession fees are paid. 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.

3) Description of Business Environment

Under Law No. 16,319 that created the Chilean Nuclear Energy Commission (*Comisión Chilena de Energía Nuclear* or "CCHEN"), we have an obligation to the CCHEN regarding the exploitation and sale of lithium from the Salar de Atacama. Pursuant to such obligation, we are subject to annual quotas that limit the total tonnage of lithium authorized to be sold.

We also hold water rights obtained from the Chilean water regulatory authority for the supply of water from rivers or wells near our production facilities sufficient to meet our current operating requirements. See section 3) e) Description of Business Environment: Risk Factors. 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, Law No. 20,017, published in 2005, modified the Chilean laws relating to water rights and established that, under certain conditions, permanent water rights of up to two liters per second for each well built prior to June 30, 2004, may be constituted in the areas where we conduct our mining operations. In constituting these new water rights, the law does not consider the availability of water, or how the new rights may affect holders of existing rights. Therefore, the amount of water we can effectively extract based on our existing rights could be reduced if these additional rights are exercised. These and other potential future changes to Chilean laws relating to water rights could have a material adverse impact on our business, financial condition and results of operations.

We 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.

In 2005, the Chilean Congress approved Law No. 20,026 known as the Law to Establish a Specific Tax on Mining Activity" (Ley que Establece un Impuesto Específico a la Actividad Minera or the "Royalty Law"), establishing a royalty tax to be applied to mining activities developed in Chile. In 2010, modifications were made to the law and taxes were increased. In 2012, new modifications to the tax laws were enacted to set the corporate tax rate at 20% for companies like SQM.

On September 29, 2014, Law No. 20,780 was published (the "Tax Reform"), introducing significant changes to the Chilean taxation system and strengthening the powers of the Chilean IRS to control and prevent tax avoidance. The Tax Reform contemplates, among other matters, changes to the corporate tax regime to create two tax regimes. Starting on January 1, 2017, Chilean companies will be able to opt between two tax regimes: (i) the partially integrated regime (*sistema parcialmente integrado*) or (ii) the attributable taxation regime (*sistema de renta atribuida*). In both regimes, the corporate tax rate will be increased to 21% in 2014, 22.5% in 2015 and 24% in 2016. On or after January 1, 2017, and depending on the tax regime chosen by the company, tax rates may be increased to a maximum rate of 25% in 2017, in the case of the attributable taxation regime, or to a rate of 25.5% in 2017 and subsequently to a maximum rate of 27% in 2018, in the case of the partially integrated regime.

As a *sociedad anónima abierta*, the default regime that applies to us is the partially integrated regime, unless at a future shareholders' meeting our shareholders agree to opt for the attributable taxation regime. The increase in the tax rate gave rise to an increase of US$52.3 million in our deferred tax liabilities as of December 31, 2014. In accordance with the instructions of the Chilean Superintendence of Securities and Insurance (*Superintendencia de Valores y Seguros* or "SVS"), we reflected the effect of this adjustment as a reduction in net equity in our statement of financial position as of December 31, 2014. In addition, given the potential difference in accounting treatments between IFRS and the instructions of the SVS, we will continue to analyze the effects of the Tax Reform on our financial statements and reporting obligations, and we cannot predict how our future financial statements will reflect these changes.

3) Description of Business Environment

The Chilean government may again decide to levy additional taxes on mining companies or other corporations in Chile, and such taxes could have a material adverse impact on our business, financial condition and results of operations.

In 2006, the Chilean Congress amended the Labor Code, and effective January 15, 2007, changes were made affecting companies that hire subcontractors to provide certain services. This new law, known as the Subcontracting Law (*Ley de Subcontratación*), further amends the Labor Accidents Law No. 16,744 to provide that when a serious accident in the workplace occurs, a company must halt work at the site where the accident took place until authorities from the National Geology and Mining Service (*Servicio Nacional de Geología y Minería* or "Sernageomin"), the Labor Board, or the National Health Service 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 said 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 December 2, 2009, Law No. 20,393 went into effect, establishing criminal liability for legal entities, for the crimes of (a) asset laundering, (b) financing terrorism and (c) bribery. Such criminal liability applies to legal entities for the aforementioned crimes where such crimes are committed directly or indirectly in benefit of such legal entity, by the legal entity's owners, controllers, representatives or principal executives, to the extent to which the commission of the crime is a consequence of the legal entity's failure to fulfill its management and supervisory obligations. The law establishes that the company has fulfilled such obligations when it has adopted and implemented a prevention model for such crimes.

On January 1, 2010, Law No. 20,382 went into effect, introducing modifications to the Securities Law and Law No. 18,046 on Corporations (*Ley de Sociedades Anónimas* or the "Chilean Corporations Act"). The new law regulates corporate governance and, in general, seeks to improve such matters as the professionalization of senior management at corporations, the transparency of information, and the detection and resolution of possible conflicts of interest. The law establishes the requirement of at least one independent director for certain corporations, including SQM. Such director must be a member of the Directors' Committee, a position which, in turn, grants the director further supervisory powers. The independent director may be proposed by any shareholder with an ownership interest of 1% or more in a company and must satisfy a series of independence requirements with respect to the company and the company's competition, providers, customers and majority shareholders. The new law also defines the regulations regarding the information that companies must provide to the general public and to the SVS, as well as regulations relating to the use of inside information, the independence of external auditors, and procedures for the analysis of transactions with related parties.

In 2010, the Chilean Congress amended the Environmental Law to create the Ministry of Environment, the Environmental Evaluation Service *(Servicio de Evaluación Ambiental*) and the Superintendence for the Environment (*Superintendencia del Medio Ambiente* or "Superintendence for the Environment"). These changes introduced important amendments to environmental regulations by setting up new agencies and introducing new provisions and procedures applicable to projects whose operations bear an impact on the environment. The new Ministry designs and implements environmental policies relating to environmental conservation, sustainable growth and the protection of Chile's renewable energy resources. In addition, the Ministry is responsible for enacting emission and quality standard regulations, as well as recovery and decontamination plans. The Environmental Evaluation Service plays an active role in the procedures of the Environmental Impact Evaluation System, pursuant to which projects are approved or rejected from an environmental standpoint. In procedures for obtaining an environmental license, any person, including legal entities and companies, will be allowed to file oppositions and comments. Summary procedures, such as Environmental Impact Statements, allow comments in support or opposition under certain circumstances. Technical reports from governmental agencies are considered to be final. The Superintendence for the Environment is an independent agency which coordinates with other governmental agencies in charge of supervision of suspended projects and projects requiring environmental approval. Likewise, it receives, investigates and rules on complaints concerning the infringement of environmental regulations and sanctions violators, delivers injunction orders and levies relevant fines. The Environmental Enforcement Superintendence had its powers suspended until the First Environmental Court was installed in Santiago on December 28, 2012.

3) Description of Business Environment

There are currently no material legal or administrative proceedings pending against us except as discussed in Note 19.1 to our Consolidated Financial Statements and below under "Safety, Health and Environmental Regulations in Chile," and we believe we are in compliance in all material respects with all applicable statutory and administrative regulations with respect to our business.

Safety, Health and Environmental Regulations in Chile

Our operations in Chile are subject to both national and local regulations related to safety, health and environmental protection. In Chile, the main regulations on these matters that are applicable to SQM are the Mine Health and Safety Act of 1989 (*Reglamento de Seguridad Minera* or the "Mine Health and Safety Act"), the Health Code (*Código Sanitario*), the Health and Basic Conditions Act of 1999 (*Reglamento sobre Condiciones Sanitarias y Ambientales Básicas en los Lugares de Trabajo* or the "Health and Basic Conditions Act"), the Subcontracting Law and the Environmental Law of 1994, amended in 2010 (*Ley sobre Bases Generales del Medio Ambiente* or the "Environmental Law").

Health and safety at work are fundamental aspects in the management of mining operations, which is why SQM has made constant efforts to maintain good health and safety conditions for the people working at its mining sites and facilities. In addition to the role played by us in this important matter, the Chilean government has a regulatory role, enacting and enforcing regulations in order to protect and ensure the health and safety of workers. The Chilean government, acting through the Ministry of Health and the Sernageomin, performs health and safety inspections at the mining sites and oversees mining projects, among other tasks, and it has exclusive powers to enforce standards related to environmental conditions and the health and safety of the people performing activities related to mining.

The Mine Health and Safety Act protects workers and nearby communities against health and safety hazards, and it provides for enforcement of the law where compliance has not been achieved. SQM's Internal Mining Standards (*Reglamentos Internos Mineros*) establish our obligation to maintain a workplace where safety and health risks are managed appropriately. We must comply with the general provisions of the Health and Basic Conditions Act, our own internal standards and the provisions of the Mine Health and Safety Act. In the event of non-compliance, the Ministry of Health and particularly the Sernageomin are entitled to use their enforcement powers to ensure compliance with the law.

In November 2011, the Ministry of Mining enacted Law No. 20,551 that Regulates the Closure of Mining Sites and Facilities (*Ley que Regula el Cierre de Faenas e Instalaciones Mineras*). This new statute entered in force in November 2012 and required all mining sites to present or update their closure plans as of November 2014. SQM has

fulfilled this requirement for all of its mining sites and facilities. The main requirements of the law are related to disclosures to the Sernageomin regarding decommissioning plans for each mining site and its facilities, along with the estimated cost to implement such plans. There is a requirement to provide a form of financial assurance to the Sernageomin to ensure compliance with the decommissioning plans. There are various types of financial assurance that satisfy the requirement. The mining site closure plans must be approved by the Sernageomin, and the corresponding financial assurances are subject to approval by the SVS.

3) Description of Business Environment

The Environmental Law was subjected to several important modifications that entered into effect in January 2010, including the creation of the Ministry of the Environment, the Environmental Evaluation Service and the Superintendence for the Environment. The Superintendence for the Environment began operations on December 28, 2012. The new and modified Environmental Law replaced the National Commission for the Environment of Chile (*Comisión Nacional del Medio Ambiente* or "CONAMA") with both the Ministry of the Environment, which is currently the governmental agency responsible for coordinating and supervising environmental issues and the Environmental Evaluation Service. Under the new Environmental Law, we will continue to be required to conduct environmental impact studies or statements of any future projects or activities (or their significant modifications) that may affect the environment. The Superintendence for the Environment is responsible for supervising environmental performance during the construction, operation and closure of the projects that have been evaluated for environmental purposes, and it is also responsible for enforcing compliance with prevention and atmospheric decontamination plans. The Environmental Law also promotes citizen participation in project evaluation and implementation, providing more opportunities for observations or objections to be made during the environmental evaluation process. Annually, the Superintendence for the Environment audits a sample of approved projects to verify compliance with the environmental permits, and it may pursue fines or sanctions if applicable, which can be challenged in the Environmental Court.

On August 10, 1993, the Ministry of Health published in the Official Gazette a resolution establishing that atmospheric particulate levels at our production facilities in María Elena and Pedro de Valdivia exceeded air quality standards, affecting the nearby towns. The high particulate matter levels came principally from dust produced during the processing of caliche ore, particularly the crushing of the ore before leaching. Residents of the town of Pedro de Valdivia were relocated to the town of María Elena, practically removing Pedro de Valdivia from the scope of the determination of the Ministry of Health. In 1998, authorities approved a plan to reduce the atmospheric particulate levels later modified by Decree No. 37/2004 in March 2004, which called for an 80% reduction of the emissions of atmospheric particulate material. This was achieved by 2008 through the implementation of a project that modified the milling and screening systems used in the processing of the caliche ore at the María Elena facilities. Due to international market conditions, this project suspended its operation in March 2010, and today the milling and screening systems used in the processing of the caliche ore at the María Elena facilities have been suspended. Air quality in the area has improved significantly, and therefore compliance of air quality standards is expected to be achieved. When the compliance with the Chilean air quality standard has been achieved for three consecutive years (2012 to 2014), the resolution of 1993 of the Ministry of Health may be reviewed.

On March 16, 2007, the Ministry of Health published in the Official Gazette a resolution establishing that atmospheric particulate levels exceeded air quality standards in the coastal town of Tocopilla, where we have our port operations. The high particulate matter levels are caused mainly by two thermoelectric power plants that use coal and fuel oil and are located next to our port operations. Our contribution to particulate matter emissions is very small (less than 0.20% of the total). However, the environmental authority included SQM's operations in the decontamination plan that it developed, and implementation of the plan began in October 2010. During 2008 and 2009, earlier than required, SQM implemented control measures for mitigating particulate matter emissions in its port operations according to the requirements of this plan. We do not expect any additional measures to be required of SQM following the

implementation of the plan.

11

3) Description of Business Environment

We continuously monitor the impact of our operations on the environment and on the health of our employees and other persons who may be affected by such operations. We have made modifications to our facilities in an effort to eliminate any adverse impacts. Also, over time, new environmental standards and regulations have been enacted, which have required minor adjustments or modifications of our operations for full compliance. We anticipate that additional laws and regulations will be enacted over time with respect to environmental matters. While we believe we will continue to be in compliance with all applicable environmental regulations of which we are now aware, there can be no assurance that future legislative or regulatory developments will not impose new restrictions on our operations. We are committed to both complying with all applicable environmental regulations and to continuously improving our environmental performance through our Environmental Management System ("EMS") and international certifications, such as the Responsible Conduct certification from the Chilean Industrial Chemicals Association, which applies to our operations at Nueva Victoria.

We have submitted and will continue to submit several environmental impact assessment studies related to our projects to the governmental authorities. We require the authorization of these submissions in order to maintain and to increase our production capacity.

International Regulations

SQM employs its best efforts to ensure compliance with the complex regulatory environments in which it operates.

In October 2014, the European Food Safety Authority ("EFSA") released a scientific opinion on the risks to public health related to the presence of perchlorate in food, particularly fruits and vegetables. The scientific opinion concluded, among other things, that the use of natural fertilizers and perchlorate contaminated irrigation water may lead to substantial concentrations in food, particularly fruits and vegetables. The EFSA scientific opinion recommended that additional data gathering be undertaken to improve risk assessment. The review of the provisional limits established by the European Commission in July 2013 was carried out in March 2015, and new, lower provisional limits were established for perchlorate presence in fruits and vegetables. The fertilizers sold by SQM contain less than 0.01% of perchlorate, and agronomical perchlorate uptake studies performed on target crops have shown that the uptake rates are well within the above mentioned provisional limits. Therefore, we do not anticipate difficulties with compliance. The European Commission defined a program to monitor perchlorate content in food and drinking water that will last at least one year, and therefore, the limits are not expected to be reviewed or definitively established during the next 18 months.

In September 2014, Regulation No. 98/2013 went into effect in the European Community, relating to the marketing and use of explosives precursors. The regulation includes the obligation to report to authorities any suspicious transactions of different products that may be used illegally in the production of explosives, including potassium nitrate and sodium nitrate produced by SQM. The regulation covers products for agricultural use and for industrial use indistinctly and does not establish ranges of concentration to which the standard applies. Therefore, the Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs of the European Commission developed Implementation Guidelines, which contemplate the definition of ranges of concentration for fertilizer products, within a public-private Committee set up by the European Commission for this purpose. During 2015, we will improve the existing control procedures and carry out an awareness program for SQM Europe employees, as well as carrying out internal audit programs in order to appropriately handle inspections by the competent authorities, with a focus on Belgium and Spain.

3) Description of Business Environment

SQM has complied with the implementation requirements for the new Hazard Communication Standard of the U.S. Occupational Safety and Health Administration ("OSHA"), for the classification and updating of labels and safety data sheets before June 2015. In 2014 the employees of SQM North America were trained on this new standard.

3) c) Description of Business Environment: Activities and Businesses

The Company

We believe that we are the world's largest producer of potassium nitrate and iodine chemicals. We also produce specialty plant nutrients, iodine and its derivatives, lithium and its derivatives, potassium chloride, potassium sulfate and certain industrial chemicals (including industrial nitrates and solar salts). Our products are sold in over 110 countries through our worldwide distribution network, with 89% of our sales in 2014 derived from countries outside Chile.

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.

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, boric acid 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 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. Specialty plant nutrients are premium fertilizers that enable farmers to improve yields and the quality of certain crops. Iodine and its derivatives are mainly used in the X-ray contrast media and biocides industries and in the production of polarizing film, which is an important component in LCD screens. Lithium and its derivatives are mainly used in

batteries, greases and frits for production of ceramics. Potassium chloride is a commodity fertilizer that is produced and sold by us worldwide. Potassium sulfate is a specialty fertilizer used primarily in crops such as vegetables, fruits and industrial crops. Industrial chemicals have a wide range of applications in certain chemical processes such as the manufacturing of glass, explosives and ceramics, and, more recently, industrial nitrates are being used in concentrated solar power plants as a means for energy storage. In addition, we complement our portfolio of plant nutrients through the buying and selling of other commodity fertilizers for use mainly in Chile.

For the year ended December 31, 2014, we had revenues of US$2,014.2 million, gross profit of US$583.0 million and profit attributable to controlling interests of US$296.4 million. Our worldwide market capitalization as of December 31, 2014 was approximately US$6.3 billion.

3) Description of Business Environment

Specialty Plant Nutrition: We produce four main types of specialty plant nutrients: potassium nitrate, sodium nitrate, sodium potassium nitrate and specialty blends. Furthermore, we sell other specialty fertilizers including trading of 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. They are widely used in crops that employ modern agricultural techniques such as hydroponics, greenhousing, fertigation (where fertilizer is dissolved in water prior to irrigation) and foliar application. According to the type of use or application, our products are primarily marketed under the following brands: Ultrasol™ (fertigation), Qrop™ (open field application), Speedfol™ (foliar application) and Allganic™ (organic farming). 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 available in crystalline and 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 needs of more sophisticated customers are causing the industry to provide solutions rather than individual products. The advantages of our products, plus customized specialty blends that meet specific needs along with the agronomic service provided, allow us 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 and its Derivatives: 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, antiseptics, biocides and disinfectants, in the synthesis of pharmaceuticals, herbicides, electronics, pigments and dye components. We market iodine using the brand QIodine™.

Lithium and its Derivatives: 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. We market lithium using the following brands: QLithiumCarbonate™, QLithiumHydroxide™ and QLubelith™.

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. We market potassium chloride using the brand Qrop™.

Industrial Chemicals: We produce four industrial chemicals: sodium nitrate, potassium nitrate, boric acid and potassium chloride. Sodium nitrate is used primarily in the production of glass, explosives, charcoal briquettes 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. Boric acid is used in the manufacture of frits for the ceramics and enamel industries, LCDs, glass and fiberglass. 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. We market our industrial chemicals using the following brands: QSodiumNitrate™, QPotassiumNitrate™, QPotassiumChloride™, QBoricAcid™ and Ultrasol™.

Other Products and Services: We also sell other fertilizers and blends, some of which we do not produce. We are the only company that produces and distributes the three main potassium sources: potassium nitrate, potassium sulfate and potassium chloride.

3) Description of Business Environment

The following table shows the percentage breakdown of our revenues for 2014, 2013 and 2012 according to our product lines:

	2014		2013		2012	
Specialty Plant Nutrition	35	%	31	%	28	%
Iodine and Derivatives	17	%	21	%	24	%
Lithium and Derivatives	10	%	9	%	9	%
Potassium	29	%	28	%	25	%
Industrial Chemicals	5	%	7	%	10	%
Other	4	%	4	%	4	%
Total	100	%	100	%	100	%

Business Strategy

Our general business strategy is to:

- maintain leadership in specialty plant nutrients, iodine, lithium and industrial nitrates, in terms of production capacity, competitive pricing and the development of new products;
- maintain our competitiveness through the continued increase in the efficiency of our production processes and cost reduction;
- evaluate and execute acquisitions, joint ventures or commercial alliances which have concrete synergies with our current core businesses or provide sustainable competitive advantages and
- maintain a solid, conservative financial position and investment grade ratings for our debt securities.

We have identified market demand in each of our major product lines, both within our existing customer base and in new markets, for existing products and for additional products that can be produced from our natural resources. In order to take advantage of these opportunities, we have developed specific strategies for each of our product lines.

Specialty Plant Nutrition

Our strategy in our specialty plant nutrition business is to: (i) continue expanding our sales of natural nitrates by continuing to leverage the advantages of our specialty products over commodity-type fertilizers; (ii) selectively expand by increasing our sales of higher margin specialty plant nutrients based on potassium and natural nitrates, particularly soluble potassium nitrate and NPK blends; (iii) pursue investment opportunities in complementary

businesses to enhance our product portfolio, increase production, reduce costs, and add value to and improve the marketing of our products; (iv) develop new specialty nutrient blends produced in our mixing plants that are strategically located in or near our principal markets in order to meet specific customer needs; (v) focus primarily on the markets for plant nutrients in soluble and foliar applications in order to establish a leadership position; (vi) further develop our global distribution and marketing system directly and through strategic alliances with other producers and global or local distributors; (vii) reduce our production costs through improved processes and higher labor productivity so as to compete more effectively and (viii) supply a product with consistent quality according to the requirements of our customers.

Iodine and its Derivatives

Our strategy in our iodine business is to: (i) increase or at least maintain our market share in the iodine market in order to optimize the use of our available production capacity; (ii) encourage demand growth and promote new iodine uses; (iii) participate in iodine recycling projects through the Ajay-SQM Group (“ASG”); (iv) reduce our production costs through improved processes and higher productivity in order to compete more effectively and (v) supply a product with consistent quality according to the requirements of our customers.

3) Description of Business Environment

Lithium and its Derivatives

Our strategy in our lithium business is to: (i) strategically allocate our lithium carbonate and lithium hydroxide sales; (ii) encourage demand growth and promote new lithium uses; (iii) selectively pursue opportunities in the lithium derivatives business by creating new lithium compounds; (iv) reduce our production costs through improved processes and higher productivity in order to compete more effectively and (v) supply a product with consistent quality according to the requirements of our customers.

Potassium

Our strategy in our potassium business is to: (i) offer a portfolio of potassium products, including potassium sulfate, potassium chloride and other fertilizers, to our traditional markets; (ii) create flexibility to offer crystalized (standard) or granular (compacted) form products according to market requirements; (iii) focus on markets where we have logistical advantages and synergies with our specialty plant nutrition business and (iv) supply a product with consistent quality according to the requirements of our customers.

Industrial Chemicals

Our strategy in our industrial chemical business is to: (i) maintain our leadership position in the industrial nitrates market as well as increase our supply of potassium chloride in markets where we have natural advantages; (ii) encourage demand growth in different applications; (iii) become a long-term, reliable supplier for the thermal storage industry; (iv) reduce our production costs through improved processes and higher productivity in order to compete more effectively and (v) supply a product with consistent quality according to the requirements of our customers.

New Business Ventures

From time to time we evaluate opportunities to expand in our current core businesses or within new businesses in which we believe we may have sustainable competitive advantages, both within and outside Chile, and we expect to continue to do so in the future.

We are continuously exploring the possibility of acquiring controlling interests in companies that have mining properties in our core business areas and are in early stages of development. Consistent with our business strategy, we will continue to evaluate acquisitions, joint ventures and alliances in our core businesses and, depending on all facts and circumstances, may seek to acquire controlling stakes or other interests related to our core businesses both inside and outside of Chile, including other emerging markets.

In addition, we are actively conducting exploration for metallic minerals in the mining properties we own, through the generation of prospects and the progressive exploration of such prospects. If such minerals are found, we may decide to exploit, sell or enter into an association to extract these resources. We have already identified several areas in which we are conducting more targeted exploration, which may lead us to carry out further studies in order to finally decide how to proceed with any prospect or prospects of interest. We have flexibility in determining which strategy we consider appropriate, depending on the characteristics of each prospect. We may also decide not to move forward with any potential metallic prospects discovered from our exploration operations. Between 2011 and 2014, exploration expenses have averaged US$8.5 million per year, while for 2015 expenses are not expected to exceed US$5 million as a result of a new strategy to optimize our exploration plan.

In parallel to our own exploration operations, as of March 2015, we had 12 option agreements in effect with third parties and mining companies related to metallic mineral exploration. In all these agreements, we retain the rights over the caliche ore, which contains nitrates, iodine and potassium, among others. We continue to develop our program of exploration alliances with third parties through option contracts, in particular through minority participation and maintaining royalties on sales if the prospect is exploited. These alliances have enabled us to finance the metallic exploration efforts carried out by SQM. Our current plan is to achieve and maintain close to one million hectares under exploration alliances and maintain exploration investment of approximately US$20 million per year by our current and future partners in these exploration alliances.

3) Description of Business Environment

Main Business Lines

Specialty Plant Nutrition

We believe we are the world's largest producer of potassium nitrate. We estimate that our sales accounted for approximately 46% of global potassium nitrate sales by volume in 2014. This estimate does not include potassium nitrate produced and sold locally in China, only net imports/exports. During 2014, the potassium nitrate market grew around 10% (considering only agricultural use of potassium nitrate, and excluding sales by Chinese producers to the domestic Chinese market), with global sales exceeding one million metric tons. This was due in part to the substitution of potassium nitrate for potassium sulfate and also to the more competitive pricing between these chloride-free sources of potassium. We also produce the following specialty plant nutrients: sodium nitrate, sodium potassium nitrate and specialty blends (containing various combinations of nitrogen, phosphate and potassium and generally known as "NPK blends").

These specialty plant nutrients have specific characteristics that increase productivity and enhance quality when used on certain crops and soils. Our specialty plant nutrients have significant advantages for certain applications over commodity fertilizers based on nitrogen and potassium, such as urea and potassium chloride.

In particular, our specialty plant nutrients:

- are fully water soluble, allowing their use in hydroponics, fertigation, foliar applications and other advanced agricultural techniques;
- improve the water use efficiency of crops and help conserve water;
- are chloride-free, which prevents chloride toxicity in certain crops associated with high levels of chlorine in plant nutrients;
- provide nitrogen in nitric form, thereby allowing crops to absorb nutrients faster than they absorb urea or ammonium-based fertilizers;
- do not release hydrogen after application, thereby avoiding increased soil acidity;
- possess trace elements, which promote disease resistance in plants and
- are more attractive to customers who prefer products of natural origin.

In 2014, our specialty plant nutrients sales increased to US$708.0 million, representing 35% of our total sales for that year and a 3.0% increase from US$687.5 million specialty plant nutrients sales in 2013. This increase was a result of

higher sales volumes, which increased 3.6% in 2014.

Specialty Plant Nutrition: Market

The target market for our specialty plant nutrients includes producers of high-value crops such as vegetables, fruits, industrial crops, flowers, cotton and others. Furthermore, we sell specialty plant nutrients to producers of chloride-sensitive crops. Since 1990, the international market for specialty plant nutrients has grown at a faster rate than the international market for commodity-type fertilizers. This is mostly due to: (i) the application of new agricultural technologies such as fertigation and hydroponics, and the increasing use of greenhouses; (ii) the increase in the cost of land and the scarcity of water, which has forced farmers to improve their yields and reduce water use; and (iii) the increase in demand for higher quality crops, such as fruits and vegetables.

3) Description of Business Environment

Over the last 10 years, the compound annual growth rate for vegetable production per capita was 3.0% while the compound annual growth rate for the world population was only 1.5%.

Worldwide scarcity of water and arable land drives the development of new agricultural techniques to maximize the use of these resources. Irrigation has grown at an average annual rate of 1.5% during the last 20 years (a pace equal with population growth). However, micro-irrigation has grown at 10% per year over the same period. Microirrigation systems, which include drip-irrigation and micro-sprinklers, are the most efficient forms of technical irrigation. These applications require fully water-soluble plant nutrients. Our nitrate-based specialty plant nutrients provide nitrogen in nitric form, which helps crops absorb these nutrients faster than they absorb urea- or ammonium-based fertilizers, facilitating a more efficient application of nutrients to the plant and thereby increasing the crop's yield and improving its quality.

Asia is the region with the lowest ratio (micro-irrigation/total irrigated hectares) in the world, reaching around 3%. This represents a high potential for this technology, which is reflected in the high growth rates in recent years. For example, the growth rate of hectares under micro-irrigation in China is estimated to have exceeded 6% in 2014.

The market for potassium nitrate in China is 385,000 to 400,000 metric tons, of which approximately 150,000 is related to the tobacco industry and 75,000 to 80,000 is related to the horticulture business. Of the total, between 40,000 and 50,000 metric tons are imports.

Specialty Plant Nutrition: Our Products

Potassium nitrate, sodium potassium nitrate and specialty blends are higher margin products derived from, or consisting of, sodium nitrate, and they are all produced in crystallized or prilled form. Specialty blends are produced using our own specialty plant nutrients and other components at blending plants operated by us or our affiliates and related companies in Chile, the United States, Mexico, United Arab Emirates, South Africa, Turkey, China, India, Thailand, Brazil and Peru.

The following table shows our sales volumes of and revenues from specialty plant nutrients for 2014, 2013 and 2012:

	2014	2013	2012
Sales Volume *(Th. MT)*			
Sodium nitrate	15.8	26.2	24.4
Potassium nitrate and sodium potassium nitrate	531.6	512.6	469.3
Specialty blends[(1)]	228.0	208.1	197.5
Other specialty plant nutrients[(2)]	102.5	100.8	89.0
Total Revenues *(in US$ millions)*	708.0	687.5	675.3

(1) Includes Yara's products sold pursuant to our commercial agreement.

(2) Includes trading of other specialty fertilizers.

Depending on the systems used to apply specialty nutrients, fertilizers can be classified as specialty field fertilizers or water-soluble fertilizers.

Specialty field fertilizers are applied directly to the soil, manually or in a mechanized fashion. Their high solubility levels, lack of harmful chlorine and absence of acidic reactions make them particularly advantageous for tobacco, potatoes, coffee, cotton and a wide range of fruits and vegetables.

3) Description of Business Environment

Water-soluble fertilizers are specialty nutrients that are delivered to the crops using modern irrigation systems. As these systems feature refined technology, the products used in them must be highly soluble, rich in nutrients, free of impurities and insoluble substances, and with a low salinity index. The leading nutrient in this segment is potassium nitrate, whose optimal balance of nitric nitrogen and chlorine-free potassium (the two macronutrients most needed by plants) make it an indispensable source of nutrition for crops that use modern irrigation systems.

In addition, potassium nitrate is widely known to be a vital component in foliar feeding applications, where usage is recommended in order to stave off nutritional deficiencies before the first symptoms appear, correct any deficiencies that arise, and prevent physiological stress. This nutrient also helps promote a suitable balance between fruit production and/or growth, and plant development, particularly in crops with physiological disorders.

Foliar feeding with potassium nitrate can have beneficial effects:

- when soil chemistry limits nutrient solubility and availability (pH, organic matter, type and percentage of clay);
- when nutrient absorption through the roots is limited as a result of conditions that hamper root growth (temperature, moisture, oxygen and loss of soil structure);
- when the plant's local internal demand may surpass real internal nutrient redistribution capacity, leaving the demand unsatisfied;
- when nutrient mobility is limited, when plants flower before the leaf growth phase, imposing limiting factors on xylem nutrient transport and
- to promote rapid recovery from leaf stress caused by climatic conditions, soil conditions and irrigation management.

In addition to these products, SQM has consolidated a product portfolio of over 200 specialty fertilizer blends, including top brands such as Ultrasol™, for fertigation; Qrop™, for application to the soil; Speedfol™, for foliar feeding and Allganic™, for organic crops.

Specialty Plant Nutrition: Marketing and Customers

In 2014, we sold our specialty plant nutrients in over 85 countries. During the same year, sales of our specialty plant nutrients were as per the table below. No single customer represented more than 10% of our specialty plant nutrient sales during 2014, and we estimate that our 10 largest customers accounted in the aggregate for approximately 34% of sales during that period. No supplier accounted for more than 10% of the costs of sales for this business line.

Sales Breakdown	2014	2013	2012
North America	30 %	27 %	27 %
Europe	21 %	20 %	17 %
Central and South America	31 %	32 %	38 %
Asia and Others	18 %	21 %	18 %

We sell our specialty plant nutrition products outside Chile mainly through our own worldwide network of representative offices and through our distribution affiliates.

We maintain stocks of our specialty plant nutrients in the main markets of the Americas, Asia, Europe, the Middle East and Africa in order to facilitate prompt deliveries to customers. In addition, we sell specialty plant nutrients directly to some of our large customers. Sales are made pursuant to spot purchase orders and short-term contracts.

In connection with our marketing efforts, we provide technical and agronomical assistance and support to some of our customers. By working closely with our customers, we are able to identify new, higher-value-added products and markets. Our specialty plant nutrients are used on a wide variety of crops, particularly value-added crops, where the use of our products enables our customers to increase yields and command a premium price.

3) Description of Business Environment

In 2013, we launched the global Speedfol™ Crop SP project in order to promote a range of crop-specific, predominantly potassium nitrate-based, locally-produced, water-soluble NPK formulations for foliar spray applications. The Speedfol™ Crop SP project has a duration of five years and targets a variety of crops such as cereals, grains, citrus, mango, cotton, soybean and coffee, in countries such as Brazil, China, India, Mexico, South Africa and the United States of America. Scientifically proven benefits of Speedfol™ Crop SP applications include increased yields, better quality (such as larger-sized fruits) and reduced crop losses (such as less premature fruit drop and less lodging incidence in cereals).

Our customers are located in both the northern and southern hemispheres. Consequently, we do not believe there are any seasonal or cyclical factors that can materially affect the sales of our specialty plant nutrients.

Specialty Plant Nutrition: Joint Ventures and Agreements

Consistent with our business strategy, from time to time we evaluate opportunities to expand in our current core businesses, including our specialty plant nutrition business, or within new businesses in which we believe we may have sustainable competitive advantages. We evaluate potential acquisitions, joint ventures and alliances with companies both within and outside of Chile, including in other emerging markets.

In May 2008, we signed a commitment letter for a joint venture with Migao Corporation (“Migao”) for the production and distribution of specialty plant nutrients in China. Through the joint venture, we constructed a potassium nitrate plant with a production capacity of 40,000 metric tons per year. The plant began operating in January 2011, and has allowed us to increase our presence in China, which is one of the most important and fastest growing markets for the fertilizer industry.

In May 2009, our subsidiary Soquimich European Holdings entered into an agreement with Coromandel Fertilizers Ltd. to create a joint venture for the production and distribution of water soluble fertilizers in India. The agreement established a 50⁄50 contribution to the joint venture. As part of the agreement, a new 15,000 metric ton facility was constructed in the city of Kakinada to produce water soluble NPK grade fertilizers. This new facility began operating in January 2012.

In December 2009, we signed an agreement with the French Roullier Group to form the joint venture SQM Vitas. This agreement joins two of the largest companies in the businesses of specialty plant nutrition, specialty animal nutrition and professional hygiene. Peru, Brazil and South Africa are the main focus markets of this joint venture, and Dubai is

the main productive unit. As part of the agreement, our phosphate plant located in Dubai became part of this joint venture.

In 2012, SQM Vitas started the construction of new plants in Brazil (Candeias), Peru and South Africa (Durban) for the production of water soluble fertilizers containing different relative amounts of nitrogen, phosphorus and potassium, and at times, smaller amounts of other chemicals. The Candeias Industrial Complex plant in Brazil began operating in March 2012 and has a production capacity of 25,000 metric tons per year.

Between 2010 and 2012, we continued to expand our production capacity of potassium products in our operations in the Salar de Atacama. In 2011, we completed the construction of a new potassium nitrate facility in Coya Sur, increasing our overall production capacity of potassium nitrate by 300,000 metric tons.

3) Description of Business Environment

In 2013, the operations of SQM Vitas in Spain began with a water soluble NPK fertilizer plant that has a production capacity of 15,000 metric tons per year.

During 2013, the marketing activities of our joint ventures integrated in SQM (Beijing). This change aims to enhance the efficiency of distribution channels for fertilizer products by consolidating marketing into a unified brand and management team, thus reducing costs. In addition, our strategy in this segment is to increase production of water soluble fertilizers and extend our technologies and their applications in order to increase popularity and expand the use of these products.

On March 8, 2013, SQM VITAS acquired the Controlled Release Fertilizer ("CRF") Technology and Plantacote® business and brand name from AGLUKON. Plantacote® is highly efficient in nutrient utilization and is environmentally friendly due to prevention of leaching, volatilization and fixation of nutrients in the soils as well as the degradation of the coating by microorganisms after complete nutrient release. The unique coating technology and quality standards make Plantacote® very reliable for growing high-quality plants. This new global facility will produce both premium and standard CRFs under the Plantacote® brand name in order to supply worldwide customers that are active in horticulture, agriculture, turf, growing media and consumer markets. Due to this acquisition, SQM VITAS will be able to further expand its current product portfolio of specialty plant nutrition solutions for the benefit of its customers.

In December 2014, an asset transfer agreement was signed between Plantacote BV and Plantacote NV (a new company that is 99.99% owned by Doctor Tarsa, which is a company that was created in 2000 in which SQM holds a 50% stake). As a result of this agreement, the business and Plantacote® brand were transferred to the new company Plantacote NV, but with no changes to the business or the CRF project. SQM continues to hold a 50% ownership stake in the company.

Specialty Plant Nutrition: Fertilizer Sales in Chile

We market specialty plant nutrients in Chile through our subsidiary Soquimich Comercial S.A. (SQMC).

SQMC is currently one of the main players in the Chilean market, offering a wide range of products developed specifically for the crops grown in the country. As specialty plant nutrients have differentiating qualities with respect to traditional fertilizers, they play a key role in this market.

SQMC sells local products as well as products imported from different countries around the world, including China, Mexico and Venezuela.

All contracts and agreements between Soquimich Comercial S.A. and its foreign suppliers of fertilizers generally contain standard and customary commercial terms and conditions. SQMC has been able to obtain adequate supplies of these products with good pricing conditions.

Soquimich Comercial S.A.'s sales of fertilizers represented approximately 30% of total fertilizer sales in Chile during 2014. Soquimich Comercial S.A.'s consolidated revenues were approximately US$214 million and US$230 million in 2014 and 2013, respectively.

Specialty Plant Nutrition: Competition

We believe we are the world's largest producer of sodium and potassium nitrate for agricultural use. Our sodium nitrate products compete indirectly with specialty and commodity-type substitutes, which may be used by some customers instead of sodium nitrate depending on the type of soil and crop to which the product will be applied. Such substitute products include calcium nitrate, ammonium nitrate and calcium ammonium nitrate.

3) Description of Business Environment

In the potassium nitrate market our largest competitor is Haifa Chemicals Ltd. (“Haifa”), in Israel, which is a subsidiary of Trans Resources International Inc. We estimate that sales of potassium nitrate by Haifa accounted for approximately 31% of total world sales during 2014 (excluding sales by Chinese producers to the domestic Chinese market), compared to our share of the market which accounted for approximately 46% of global potassium nitrate sales by volume for the period.

ACF, another Chilean producer, mainly oriented to iodine production, has produced potassium nitrate from caliche ore and potassium chloride since 2005. Kemapco, a Jordanian producer owned by Arab Potash, produces potassium nitrate in a plant located close to the Port of Aqaba, Jordan. In addition, there are several potassium nitrate producers in China, the largest of which are Yuantong (Qinghai Salt Lake 75.5% and Wentong 24.5%) and Migao. Most of the Chinese production is consumed by the Chinese domestic market.

The principal means of competition in the sale of potassium nitrate are product quality, customer service, location, logistics, agronomic expertise and price.

In Chile, our products mainly compete with imported fertilizer blends that use calcium ammonium nitrate or potassium magnesium sulfate. Our specialty plant nutrients also compete indirectly with lower-priced synthetic commodity-type fertilizers such as ammonia and urea, which are produced by many producers in a highly price-competitive market. Our products compete on the basis of advantages that make them more suitable for certain applications as described above.

Iodine and its Derivatives

We believe we are the world’s largest producer of iodine. In 2014, our revenues from iodine and iodine derivatives amounted to US$335.4 million, representing 17% of our total revenues in that year. We estimate that our sales accounted for approximately 26% of world iodine sales by volume in 2014.

Iodine: Market

Iodine and iodine derivatives are used in a wide range of medical, agricultural and industrial applications as well as in human and animal nutrition products. Iodine and iodine derivatives are used as raw materials or catalysts in the formulation of products such as X-ray contrast media, biocides, antiseptics and disinfectants, pharmaceutical intermediates, polarizing films for LCDs, chemicals, herbicides, organic compounds and pigments. Iodine is also added in the form of potassium iodate or potassium iodide to edible salt to prevent iodine deficiency disorders.

X-ray contrast media is the leading application of iodine, accounting for 22% of demand. Iodine's high atomic number and density make it ideally suited for this application, as its presence in the body can help to increase contrast between tissues, organs, and blood vessels with similar X-ray densities. Other applications include pharmaceuticals, which account for 13% of demand; iodophors and povidone-iodine, 12%; LCD screens, 12%; animal nutrition, 8%; fluoride derivatives, 7%; biocides, 5%; nylon, 4% and human nutrition, 3%.

We have seen consistent growth in the iodine market over the last ten years, with the exception of 2009, which was affected by the global financial crisis, with demand being led by uses related to X-ray contrast media and pharmaceuticals. During 2014, iodine demand grew moderately compared to 2013 as a result of inertia following the high prices observed in the industry from 2011 to 2013. However, the lower prices observed during 2014 have continued, which could have a positive effect on demand growth in 2015. We estimate that the global market size in 2014 was approximately 31,600 metric tons, with around 56% of supply coming from Chilean producers, including us.

3) Description of Business Environment

Iodine: Our Products

We produce iodine in our Nueva Victoria plant, near Iquique, and our Pedro de Valdivia plant, close to María Elena. We have a total production capacity of approximately 13,300 metric tons per year of iodine, including the Iris plant, which is located next to the Nueva Victoria plant.

Through ASG, we produce organic and inorganic iodine derivatives. ASG was established in the mid-1990s and has production plants in the United States, Chile and France. ASG is the world's leading inorganic and organic iodine derivatives producer.

Consistent with our business strategy, we are constantly working on the development of new applications for our iodine-based products, pursuing a continuing expansion of our businesses and maintaining our market leadership.

We manufacture our iodine and iodine derivatives in accordance with international quality standards and have qualified our iodine facilities and production processes under the ISO-9001:2008 program, providing third party certification of the quality management system and international quality control standards that we have implemented.

The following table shows our total sales and revenues from iodine and iodine derivatives for 2014, 2013 and 2012:

	2014	2013	2012
Sales Volume *(Th. MT)*			
Iodine and derivatives	8.8	9.3	11.0
Revenues *(in US$ millions)*	335.4	461.0	578.1

Our sales revenues decreased from US$461.0 million in 2013 to US$335.4 million in 2014. This decrease was primarily attributable to the decrease in iodine prices during 2014. Average iodine prices were more than 20% lower in 2014 when compared to 2013.

Iodine: Marketing and Customers

In 2014, we sold our iodine products to approximately 260 customers in over 60 countries, and most of our sales were exports: 31% was sold to customers in North America, 35% to customers in Europe, 4% to customers in Central and South America and 30% to customers in Asia and other regions. Only two customers accounted for more than 10% of our iodine sales in 2014. Together these two customers accounted for approximately 31% of sales, and we estimate that our 10 largest customers accounted in the aggregate for approximately 61% of sales. No supplier accounted for more than 10% of the cost of sales of this business line.

The following table shows the geographical breakdown of our sales for 2014, 2013 and 2012:

Sales Breakdown	2014	2013	2012
North America	31 %	35 %	36 %
Europe	35 %	36 %	30 %
Central & South America	4 %	4 %	3 %
Asia and Others	30 %	25 %	31 %

We sell iodine through our own worldwide network of representative offices and through our sales, support and distribution affiliates. We maintain inventories of iodine at our facilities throughout the world to facilitate prompt delivery to customers. Iodine sales are made pursuant to spot purchase orders or within the framework of supply agreements. Supply agreements generally specify annual minimum and maximum purchase commitments, and prices are adjusted periodically, according to prevailing market prices.

3) Description of Business Environment

Iodine: Competition

The world's main iodine producers are based in Chile, Japan and the United States. Iodine is also produced in Russia, Turkmenistan, Azerbaijan, Indonesia and China.

Iodine is produced in Chile using a unique mineral known as caliche ore, whereas in Japan, the United States, Russia, Turkmenistan, Azerbaijan, and Indonesia, producers extract iodine from underground brines that are mainly obtained together with the extraction of natural gas and petroleum. In China, iodine is extracted from seaweed.

Six Chilean companies accounted for approximately 56% of total global sales of iodine in 2014, including SQM, with approximately 26%, and five other producers, accounting for the remaining 30%. The other Chilean producers are: Atacama Chemical S.A. (Cosayach), controlled by the Chilean holding Inverraz S.A.; ACF Minera S.A. owned by the Chilean family De Urruticoechea; Algorta Norte S.A., a joint venture between ACF Minera S.A. and Toyota Tsusho; SCM Bullmine and RB Energy (a Canadian company previously known as Sirocco Mining Inc. or as Atacama Minerals).

We estimate that eight Japanese iodine producers accounted for approximately 31% of global iodine sales in 2014, including recycled iodine.

We estimate that iodine producers in the United States (one of which is owned by Ise Chemicals Ltd., a Japanese company) accounted for 5% of world iodine sales in 2014.

Iodine recycling is a growing trend worldwide. Several Japanese producers have recycling facilities where they recover iodine and iodine derivatives from iodine waste streams. Iodine recycling, mainly related to LCD consumption, has increased over the past few years and currently represents approximately 17% of world iodine sales. It is estimated that approximately 74% of total world iodine recycling was done by Japanese iodine producers.

We, through ASG or alone, are also actively participating in the iodine recycling business using iodinated side-streams from a variety of chemical processes in Europe and the United States.

The prices of iodine and iodine derivative products are determined by market conditions. World iodine prices vary depending upon, among other things, the relationship between supply and demand at any given time. Iodine supply varies primarily as a result of the production levels of the iodine producers (including us) and their respective business strategies. Our annual average iodine sales prices decreased to approximately US$38 per kilogram in 2014, as a result of supply growth outpacing demand growth.

Demand for iodine varies depending upon overall levels of economic activity and the level of demand in the medical, pharmaceutical, industrial and other sectors that are the main users of iodine and iodine-derivative products. Certain substitutes for iodine are available for certain applications, such as antiseptics and disinfectants, which could represent a cost-effective alternative to iodine depending on prevailing prices.

The main factors of competition in the sale of iodine and iodine derivative products are reliability, price, quality, customer service and the price and availability of substitutes. We believe we have competitive advantages compared to other producers due to the size and quality of our mining reserves and the available production capacity. We believe our iodine is competitive with that produced by other manufacturers in certain advanced industrial processes. We also believe we benefit competitively from the long-term relationships we have established with our largest customers.

3) Description of Business Environment

Lithium and its Derivatives

We believe we are one of the world's largest producers of lithium carbonate and lithium hydroxide. In 2014, our revenues from lithium sales amounted to US$206.8 million, representing 10% of our total revenues. We estimate that our sales accounted for approximately 27% of the sale of global lithium chemicals sales by volume.

Lithium: Market

Lithium is mainly marketed as lithium carbonate. The next most traded compound is lithium hydroxide. Both of these compounds are used to produce the cathodes for rechargeable batteries, taking advantage of lithium's extreme electrochemical potential and low density. Batteries are the leading application for lithium, accounting for 46% of total demand. Lithium carbonate is also used in applications such as ceramic and enamel frits (5% of demand), heat resistant glass (ceramic glass) (5% of demand), air conditioning chemicals (4% of demand), continuous casting powder for steel extrusion (2% of demand), primary aluminum smelting process (1% of demand), and others, including the synthesis of pharmaceuticals and lithium derivatives.

Lithium hydroxide is primarily used as a raw material in the lubricating grease industry (11% of demand), as well as in the dyes and the battery industries.

Lithium's main properties, which facilitate its use in this range of applications, are:

- it is the lightest solid element at room temperature;
- it has a low coefficient of thermal expansion;
- it has high electrochemical potential and low density and
- it is the solid with the highest specific heat capacity.

During 2014, lithium chemicals demand increased by approximately 9%, reaching approximately 142,000 metric tons, with close to 50% supplied by Chilean producers. We expect applications related to energy storage to continue driving demand in the coming years.

Lithium: Our Products

We produce lithium carbonate at our Salar del Carmen facilities, near Antofagasta, Chile, from solutions with high concentrations of lithium, in the form of lithium chloride, coming from the potassium chloride production at the Salar de Atacama. The annual production capacity of our lithium carbonate plant is 48,000 metric tons per year. We believe that the technologies we use, together with the high concentrations of lithium and unique characteristics of the Salar de Atacama, such as high evaporation rate and concentration of other minerals, allow us to be one of the lowest cost producers worldwide.

We also produce lithium hydroxide at our facilities at the Salar del Carmen, next to the lithium carbonate operation. The lithium hydroxide facility has a production capacity of 6,000 metric tons per year and is one of the largest plants in the world.

The following table shows our total sales and revenues from lithium carbonate and its derivatives for 2014, 2013 and 2012:

	2014	2013	2012
Sales Volume *(Th. MT)*			
Lithium and derivatives	39.5	36.1	45.7
Revenues *(in US$ millions)*	206.8	196.5	222.2

3) Description of Business Environment

Our revenues in 2014 were US$206.8 million, a 5.3% increase from US$196.5 million in 2013, due to higher sales volumes supported by strong demand growth.

Lithium: Marketing and Customers

In 2014, we sold our lithium products to over 220 customers in around 50 countries. Only one customer accounted for more than 10% of our lithium sales in 2014, accounting for approximately 11% of lithium sales. We estimate that our 10 largest customers accounted in aggregate for approximately 58% of sales. Only one supplier accounted for over 10% of the cost of sales of this business line, accounting for approximately 13% of the cost of sales.

The following table shows the geographical breakdown of our sales for 2014, 2013 and 2012:

Sales Breakdown	2014		2013		2012	
North America	11	%	12	%	10	%
Europe	22	%	25	%	22	%
Central & South America	1	%	2	%	2	%
Asia and Others	66	%	62	%	66	%

We sell lithium carbonate and lithium hydroxide through our own worldwide network of representative offices and through our sales, support and distribution affiliates. We maintain inventories of these products at our facilities throughout the world to facilitate prompt delivery to customers. Sales of lithium carbonate and lithium hydroxide are made pursuant to spot purchase orders or within the framework of supply agreements. Supply agreements generally specify annual minimum and maximum purchase commitments, and prices are adjusted periodically, according to prevailing market prices.

Lithium: Competition

Our main competitors in the lithium carbonate and lithium hydroxide businesses are Rockwood Lithium (“Rockwood”), which was recently acquired by Albemarle and which, according to our estimates, has a market share of approximately 22%, and FMC Corporation (“FMC”), which has an estimated market share of approximately 12%. In addition, a number of Chinese producers together accounted for approximately 37% of the world market in 2014, by

volume. Rockwood produces lithium carbonate at its operations in Chile and in Nevada, United States. Its production of downstream lithium products is mostly performed in the United States, Germany and Taiwan. Rockwood and Tianqi are 49%/51% partners in Talison Lithium Pty Ltd., an Australian company that produces lithium mineral concentrate in Western Australia. Tianqi is in the process of purchasing Galaxy, an Australian company that has a lithium carbonate plant in China. FMC has production facilities in Argentina through Minera del Altiplano S.A., where it produces lithium chloride and lithium carbonate. Production of its downstream lithium products is mostly performed in the United States and the United Kingdom.

We believe that lithium production will increase in the near future, balancing the expected growth in demand. Recently, Orocobre began operating in Argentina, and a number of new projects to develop lithium deposits have been announced recently. Some of these projects are already under advanced development and others could materialize in the medium term.

Potassium

We produce potassium chloride and potassium sulfate by extracting brines from the Salar de Atacama that are rich in potassium chloride and other salts.

Since 2009, our end product capacity has increased to over 2 million metric tons per year, granting us improved flexibility and market coverage.

3) Description of Business Environment

In 2014, our potassium chloride and potassium sulfate revenues amounted to US$584.3 million, representing 29% of our total revenues and a 3.6% decrease compared to 2013.

Potassium is one of the three macronutrients that a plant needs to develop. Although potassium does not form part of a plant's structure, it is essential to the development of its basic functions. Potassium chloride is the most commonly used potassium-based fertilizer. It is used to fertilize crops that can tolerate relatively high levels of chloride, and to fertilize crops that are grown under conditions with sufficient rainfall or irrigation practices that prevent chloride from accumulating to excess levels in the rooting systems of the plant.

Some benefits that may be obtained through the use of potassium are:

- increased yield and quality;
- increased production of proteins;
- increased photosynthesis;
- intensified transport and storage of assimilates;
- prolonged and more intense assimilation period;
- improved water efficiency;
- regulated opening and closure of stomata and
- synthesis of lycopene.

Potassium chloride is also an important component for our specialty plant nutrition product line, where it is used as a raw material to produce potassium nitrate.

Potassium: Market

During the last decade, the potassium chloride market has experienced rapid growth due to several key factors such as a growing world population, higher demand for protein-based diets and less arable land. All of these factors have contributed to growing demand for fertilizers and, in particular, potassium chloride, as efforts are being made to maximize crop yields and use resources more efficiently. For the last 10 years, the compound annual growth for the global potassium chloride market was approximately 2.3%.

According to the most recent studies prepared by the International Fertilizer Industry Association from 2010 to 2011, cereals received 10.3 MT K2O, (i.e., 37.4% of world K consumption, with a low contribution of wheat (6.2%)

compared to rice (12.6%) and maize (14.9%)). In contrast, oilseeds represented 19.8% of the total (5.4 MT K2O), with more than four fifths being applied to soybean (9.0%) and oil palm (7.2%) together. K fertilizer use on fibre crops and roots and tubers was modest (2.8 and 3.8%, respectively) compared to sugar crops (7.7%) and fruits and vegetables (16.6%). The remaining 11.8% were applied to other crops.

Demand in the potassium chloride market increased in 2014. We estimate that demand reached between 61 and 62 million metric tons for potassium chloride during 2014, an increase of approximately 15% as compared to 2013, with record levels of shipments from the producers Uralkali, in Russia, and Belaruskali, in Belarus. Demand was affected by the economic uncertainty from the previous year, as some customers pushed their purchases back from the second half of 2013 to 2014. We do not expect to see demand growth in 2015.

Average prices in the potassium market decreased significantly during 2013 and the first quarter of 2014 due to unusual events. Uralkali, a leading company in the potash market, abandoned the business arrangement that it held with BPC and generated market uncertainty which affected the commodity’s price levels. Beginning in the second quarter of 2014, the price slowly began to recover, but prices did not return to the levels prevailing prior to these events.

3) Description of Business Environment

Potassium: Our Products

Potassium chloride differs from our specialty plant nutrition products because it is a commodity fertilizer and contains chloride. We offer potassium chloride in two grades: standard and compacted. Potassium sulfate is considered a specialty fertilizer and we offer three grades: standard, compacted and soluble.

The following table shows our sales volumes of and revenues from potassium chloride and potassium sulfate for 2014, 2013 and 2012:

	2014	2013	2012
Sales Volume *(Th. MT)*			
Potassium chloride & potassium sulfate	1,556.2	1,434.9	1,209.5
Revenues *(in US$ millions)*	584.3	606.3	605.1

Potassium: Marketing and Customers

In 2014, we sold potassium chloride and potassium sulfate in over 60 countries. No single customer accounted for more than 11% of our sales of potassium chloride and potassium sulfate in 2014, and we estimate that our 10 largest customers accounted in the aggregate for approximately 47% of such sales. One supplier accounted for more than 10% of the cost of sales of this business line, accounting for approximately 12% of the cost of sales for the business line.

The following table shows the geographical breakdown of our sales for 2014, 2013 and 2012:

Sales Breakdown	2014	2013	2012
North America	23 %	17 %	15 %
Europe	13 %	16 %	21 %
Central & South America	45 %	44 %	47 %
Asia and Others	19 %	23 %	17 %

Potassium: Competition

We estimate that we accounted for less than 3% of global sales of potassium chloride in 2014. Our main competitors are Uralkali, PCS, Belaruskali and Mosaic. We estimate that in 2014, Uralkali accounted for approximately 18% of global sales, PCS around 15%, Mosaic around 14%, and Belaruskali approximately 13% of global sales.

In the potassium sulfate market, we have several competitors, of which the most important are K+S KALI GmbH (Germany), Tessenderlo Chemie (Belgium) and Great Salt Lake Minerals Corp. (United States). We estimate that these three producers account for approximately 30% of the worldwide production of potassium sulfate. SQM accounts for less than 2% of global production.

Industrial Chemicals

In addition to producing sodium and potassium nitrate for agricultural applications, we produce different grades of these products for industrial applications. The different grades differ mainly in their chemical purity. We enjoy certain operational flexibility when producing industrial nitrates, because they are produced from the same process as their equivalent agricultural grades, needing only an additional step of purification. We may, with certain constraints, shift production from one grade to the other depending on market conditions. This flexibility allows us to maximize yields and to reduce commercial risk.

In addition to producing industrial nitrates, we produce and market other industrial chemicals such as industrial-grade potassium chloride and boric acid, a by-product of the production of potassium sulfate.

3) Description of Business Environment

In 2014, our revenues from industrial chemicals were US$101.9 million, representing approximately 5% of our total revenues for that year.

Industrial Chemicals: Market

Industrial sodium and potassium nitrates are used in a wide range of industrial applications, including the production of glass, ceramics, explosives, charcoal briquettes, metal treatments and various chemical processes.

In addition, this product line has also experienced growth from the use of industrial nitrates as thermal storage in concentrated solar power plants (commonly known as “CSP”). Solar salts for this specific application contain a blend of 60% sodium nitrate and 40% potassium nitrate by weight ratio used as a storage and heat transfer medium. Unlike traditional photovoltaic plants, these new plants use a “battery” or tank that contains molten nitrate salts, which store energy as heat. The salts are kept hot during the day, and release the solar energy that they have captured during the night, allowing the plant to operate even during hours of darkness. Another difference with the photovoltaic technology is that CSP plants are of large scale and only take a few years between the development stage and the commercial operation date. Their development is mainly driven by implementation of renewable programs deployed by different governments worldwide, along with demand for electricity generation. This market fluctuates according to these factors and is based on long-term agreements. In 2014 and 2015, the supply of solar salts has been lower than the previous years because of the delay of some large projects. However, demand is recovering and we have closed agreements for some deliveries in 2015, with larger volumes in 2016 and 2017.

Industrial-grade potassium chloride is a basic chemical used to produce potassium hydroxide, and is used as an additive in oil drilling as well as in food processing, among other applications.

Boric acid is primarily used as raw material in the manufacturing of glass, fiberglass, ceramic and enamel frits and LCD flat panel displays.

Industrial Chemicals: Our Products

The following table shows our sales volumes of industrial chemicals and total revenues for 2014, 2013 and 2012:

	2014	2013	2012
Sales Volume *(Th. MT)*			
Industrial nitrates	124.7	173.5	277.7
Boric Acid	0.8	2.0	1.8
Revenues *(in US$ millions)*	101.9	154.0	245.2

Sales of industrial chemicals decreased from US$154.0 million in 2013 to US$101.9 million in 2014, primarily as a result of a decrease in sales volumes of solar salts.

Industrial Chemicals: Marketing and Customers

We sold our industrial nitrate products in over 70 countries in 2014, with 32% percent of our sales of industrial chemicals to customers in North America, 37% to customers in Europe, 14% to customers in Central and South America and 17% to customers in Asia and other regions. One customer accounted for more than 10% of our sales of industrial chemicals in 2014, accounting for approximately 19%, and we estimate that our 10 largest customers accounted in the aggregate for approximately 49% of such sales. No supplier accounted for more than 10% of the cost of sales of this business line.

3) Description of Business Environment

The following table shows the geographical breakdown of our sales for 2014, 2013 and 2012:

Sales Breakdown	2014	2013	2012
North America	32 %	45 %	49 %
Europe	37 %	34 %	35 %
Central & South America	14 %	12 %	10 %
Asia and Others	17 %	9 %	6 %

We sell our industrial chemical products mainly through our own worldwide network of representative offices and through our sales and distribution affiliates. We maintain inventories of our different grades of sodium nitrate and potassium nitrate products at our facilities in Europe, North America, South Africa, Asia and South America to achieve prompt deliveries to customers. Our Research and Development department, together with our foreign affiliates, provides technical support to our customers and continuously works with them to develop new products or applications for our products.

Industrial Chemicals: Competition

We believe we are the world's largest producer of industrial sodium and potassium nitrate. In the case of industrial sodium nitrate, we estimate that our sales represented close to 45% of world demand in 2014 (excluding internal demand for China and India, for which we believe reliable estimates are not available). Our competitors are mainly based in Europe and Asia, producing sodium nitrate as a by-product of other production processes. In refined grade sodium nitrate, BASF AG, a German corporation and several producers in China and Eastern Europe are highly competitive in the European and Asian markets. Our industrial sodium nitrate products also compete indirectly with substitute chemicals, including sodium carbonate, sodium sulfate, calcium nitrate and ammonium nitrate, which may be used in certain applications instead of sodium nitrate and are available from a large number of producers worldwide.

Our main competitor in the industrial potassium nitrate business is Haifa, which we estimate had a market share of 23%. We estimate that our market share was approximately 25% for 2014.

Producers compete in the market for industrial sodium and potassium nitrate based on reliability, product quality, price and customer service. We believe that we are a low cost producer of both products and are able to produce high quality products.

In the potassium chloride and boric acid markets, we are a relatively small producer, mainly supplying regional needs.

Other Products

A large part of our other revenue is related to fertilizer trading, usually commodities. These fertilizers are traded in large volumes worldwide. We have developed a trade, supply and inventory management business that allows us to respond quickly and effectively to the changing fertilizer market in which we operate and profit on these trades.

Production Process

Our integrated production process can be classified according to our natural resources:

- caliche ore deposits, which contain nitrates, iodine and potassium; and
- brines from the Salar de Atacama, which contain potassium, lithium, sulfate, boron and magnesium.

3) Description of Business Environment

Caliche Ore Deposits

Caliche ore deposits are located in northern Chile. During 2014, we operated two mines in this region: Pedro de Valdivia and Nueva Victoria. Operations at the Pampa Blanca site and the El Toco mine (which is part of the María Elena site) were temporarily suspended in an effort to optimize our production facilities with lower production costs.

Caliche ore is found under a layer of barren overburden in seams with variable thickness from 20 centimeters to five meters, and with the overburden varying in thickness between 50 centimeters and 1.5 meters.

Before proper mining begins, the exploration stage is carried out, including complete geological reconnaissance, sampling and drilling caliche ore to determine the quality and characteristics of each deposit. Drill-hole samples are properly identified and tested at our chemical laboratories. With the exploration information on a closed grid pattern of drill holes, the ore evaluation stage provides information for mine planning purposes. Mine planning is done on a long-term basis (10 years), medium-term basis (three years) and short-term basis (one year). Once all of this information has been compiled, detailed planning for the exploitation of the mine takes place.

The mining process generally begins with bulldozers first ripping and removing the overburden in the mining area. This process is followed by production drilling and blasting to break the caliche seams. Front-end loaders load the ore onto off-road trucks, which take it to be processed.

At the Pedro de Valdivia mine, trucks deliver the ore to stockpiles next to rail loading stations. The stockpiled ore is later loaded onto railcars that take the mineral to the processing facilities, where it is crushed and leached in vats in order to produce concentrated solutions containing nitrate and iodine.

At the Nueva Victoria site, the run of mine ore is loaded in heaps and leached with water to produce concentrated solutions containing nitrate, iodine and potassium. These solutions are then sent to plants where iodine is extracted through both solvent-extraction and blow out processes. The remaining solutions are subsequently sent to solar evaporation ponds where the solutions are evaporated and rich nitrate salts are produced. These concentrated nitrate salts are then sent to Coya Sur where they are used to produce potassium nitrate.

Caliche Ore-Derived Products

Caliche ore-derived products are: sodium nitrate, potassium nitrate, sodium potassium nitrate, iodine, and iodine derivatives.

Sodium Nitrate

During 2014, sodium nitrate for both agricultural and industrial applications was produced at the Pedro de Valdivia facility and subsequently processed at the Coya Sur plants. At the Pedro de Valdivia facility, the caliche ore is crushed, creating two products: a coarse fraction and a fine fraction. The coarse fraction is processed using the Guggenheim method, which was originally patented in 1921 and is based on a closed-circuit method of leaching vats. This process uses heated brines to leach the crushed caliche in vats and selectively dissolve the contents. The concentrated solution is then cooled, producing sodium nitrate crystals, which can then be separated from the brine using basket centrifuges. After the crystallization and separation processes, the nitrate crystals are sent to the processing plant, and the brine is pumped to the iodine facilities, where the iodide is separated in a solvent extraction plant. Finally, the brine is returned to the vat leaching process.

3) Description of Business Environment

The fine fraction from the caliche crushing process is leached at ambient temperature with water, producing a solution that is pumped to a fines pond. After going through a separation process, the solution is pumped to the iodine facilities. After a solvent extraction process, the brine is pumped to solar evaporation ponds in Coya Sur, 15 km south of María Elena, for the concentration of nitrates.

Our total current crystallized sodium nitrate production capacity at the Pedro de Valdivia facility is approximately 500,000 metric tons per year. Crystallized sodium nitrate is an intermediate product that is subsequently processed further at the Coya Sur and María Elena production plants to produce sodium nitrate, potassium nitrate and sodium potassium nitrate in different chemical and physical qualities, including crystallized and prilled products. Finally, the products are transported by railway to our port facilities in Tocopilla for shipping to customers and distributors worldwide.

Potassium Nitrate

Potassium nitrate is produced at our Coya Sur facility using a production process developed by us. The brine leached using the fine fraction of the crushed caliche at Pedro de Valdivia and the brines produced by the heap leaching process at María Elena are pumped to Coya Sur's solar evaporation ponds for a nitrate concentration process. After the nitrate concentration process, the brine is pumped to a conversion plant where salts with lower potassium content, produced at Nueva Victoria or Coya Sur, are added. A chemical reaction begins, producing brine with dissolved potassium nitrate. This brine is pumped to a crystallization plant, which crystallizes the potassium nitrate by cooling it and separating it from the liquid by centrifuge.

Our current potassium nitrate production capacity at Coya Sur is approximately 1,000,000 metric tons per year. In March 2011, a new potassium nitrate production plant (NPT3) started operations. This plant has been gradually increasing its annual production, reaching approximately 283,000 tons in 2014. This new plant was designed to use raw material salts harvested at Nueva Victoria (nitrate salts) and the Salar de Atacama (potassium salts).

The potassium nitrate produced in crystallized or prilled form at Coya Sur has been certified by TÜV-Rheiland under the quality standard ISO 9001:2008. The potassium nitrate produced at Coya Sur is transported to Tocopilla for shipping and delivery to customers and distributors.

Sodium Potassium Nitrate

Sodium potassium nitrate is a mixture of approximately two parts sodium nitrate per one part potassium nitrate. We produce sodium potassium nitrate at our Coya Sur and María Elena prilling facilities using standard, non-patented production methods we have developed. Crystallized sodium nitrate is mixed with the crystallized potassium nitrate to make sodium potassium nitrate, which is then prilled. The prilled sodium potassium nitrate is transported to Tocopilla for bulk shipment to customers.

The production process for sodium potassium nitrate is basically the same as that for sodium nitrate and potassium nitrate. With certain production restraints and following market conditions, we may supply sodium nitrate, potassium nitrate or sodium potassium nitrate, either in prilled or crystallized form.

Iodine and Iodine Derivatives

During 2014, we produced iodine at our Pedro de Valdivia, María Elena, and Nueva Victoria facilities (including the Iris facility, which is part of the Nueva Victoria facility). At the María Elena and Nueva Victoria facilities, iodine is extracted from solutions produced by heap leaching caliche ore. At the Pedro de Valdivia facility, iodine is produced from the vat leaching of caliche ore. In August 2014, iodine production operations at the Iris plant were restarted after being temporarily suspended in October 2013.

3) Description of Business Environment

As in the case of nitrates, the process of extracting iodine from the caliche ore is well established, but variations in the iodine and other chemical contents of the treated ore and other operating parameters require a high level of know-how to manage the process effectively and efficiently.

The solutions resulting from the leaching of caliche carry iodine in iodate form. Part of the iodate solution is reduced to iodide using sulfur dioxide, which is produced by burning sulfur. The resulting iodide is combined with the rest of the untreated iodate solution to release elemental iodine in low concentrations. The iodine is then extracted from the aqueous solutions and concentrated as iodide form using a solvent extraction and stripping plant in the Pedro de Valdivia and Nueva Victoria facilities and using a blow out plant in Iris. The concentrated iodide is oxidized to solid iodine, which is then refined through a smelting process and prilled. We have obtained patents in the United States and Chile (Chilean patent number 47,080) for our iodine prilling process.

Prilled iodine is tested for quality control purposes, using international standard procedures that we have implemented. It is then packed in 20 to 50 kilogram drums or 350 to 700 kilogram maxibags and transported by truck to Antofagasta, Mejillones, or Iquique for export. Our iodine and iodine derivatives production facilities have qualified under the ISO-9001:2008 program, providing third-party certification—by TÜV-Rheiland—of the quality management system. The last recertification process was approved in February 2011. Iodine from the Iris plant was certified under ISO-9001:2008 in April 2012.

Our total iodine production in 2014 was approximately 9,602 metric tons: approximately 5,987 metric tons from Nueva Victoria and Iris; 3,242 metric tons from Pedro de Valdivia; and 373 metric tons from María Elena. The Nueva Victoria facility is also used for recycling iodine from the potassium iodide contained in the LCD waste solutions imported mainly from Korea. Nueva Victoria is also equipped to toll iodine from iodide delivered from other SQM facilities. We have the flexibility to adjust our production according to market conditions. Our total current production capacity at our iodine production plants is approximately 13,300 metric tons per year.

We use a portion of the iodine we produce to manufacture inorganic iodine derivatives, which are intermediate products used for manufacturing agricultural and nutritional applications, at facilities located near Santiago, Chile. We also produce inorganic and organic iodine derivative products together with Ajay, which purchases iodine from us. In the past, we have primarily sold our iodine derivative products in South America, Africa and Asia, while Ajay and its affiliates have primarily sold their iodine derivative products in North America and Europe.

In September 2010, CONAMA, currently known as the Environmental Evaluation Service, approved the environmental study of our Pampa Hermosa project in the Tarapacá Region of Chile. This approval allows us to

increase the production capacity of our Nueva Victoria operations to 11,000 metric tons of iodine per year and to produce up to 1.2 million metric tons of nitrates, mine up to 33 million metric tons of caliche per year and use new water rights of up to 570.8 liters per second. In recent years, we have made investments in order to increase the water capacity in the Nueva Victoria operations from two water sources approved by the environmental study of Pampa Hermosa, expand the capacity of solar evaporation ponds, and implement new areas of mining and collection of solutions. Our current production capacity at Nueva Victoria is approximately 8,500 metric tons per year of iodine (including the Iris operations) and 700,000 metric tons per year of nitrates. Additional expansions may be done from time to time in the future, depending on market conditions.

In October 2013, the Environmental Evaluation Service approved the Pampa Blanca Environmental Impact Study, to increase our caliche ore extraction in the Antofagasta Region in order to increase production capacity of iodine by 10,000 tons and nitrates by 1.3 million tons. The project also requested permission to build a pipeline from the Pacific Ocean to the mining site. Operations at Pampa Blanca were temporarily suspended in March 2010.

3) Description of Business Environment

Salar de Atacama Brine Deposits

The Salar de Atacama, located approximately 250 kilometers east of Antofagasta, is a salt-encrusted depression in the Atacama Desert, within which lies an underground deposit of brines contained in porous sodium chloride rock fed by an underground inflow from the Andes mountains. The brines are estimated to cover a surface of approximately 2,800 square kilometers and contain commercially exploitable deposits of potassium, lithium, sulfates and boron. Concentrations vary at different locations throughout the Salar de Atacama. Our production rights to the Salar de Atacama are pursuant to a lease agreement between Corfo and our subsidiary SQM Salar S.A. (the "Lease Agreement"), which expires in 2030. The Lease Agreement permits the CCHEN to establish a total accumulated extraction limit of 180,100 tons of lithium (958,672 tons of lithium carbonate equivalent) in the aggregate for all periods.

Brines are pumped from depths of 1.5 to 60 meters below surface, through a field of wells that are located in areas of the Salar de Atacama that contain relatively high concentrations of potassium, lithium, sulfate, boron and other minerals.

Products Derived from the Salar de Atacama Brines

The products derived from the Salar de Atacama brines are: potassium chloride, potassium sulfate, lithium carbonate, lithium hydroxide, lithium chloride, boric acid and bischofite (magnesium chloride).

Potassium Chloride

We use potassium chloride in the production of potassium nitrate. Production of our own supplies of potassium chloride provides us with substantial raw material cost savings. We also sell potassium chloride to third parties, primarily as a commodity fertilizer.

In order to produce potassium chloride, brines from the Salar de Atacama are pumped to solar evaporation ponds. Evaporation of the brines results in a complex crystallized mixture of salts of potassium, sodium and magnesium. Waste sodium chloride salts are removed by precipitation. After further evaporation, the sodium and potassium salts are harvested and sent for treatment at one of the potassium chloride plants where potassium chloride is separated by a

grinding, flotation, and filtering process. Potassium salts also containing magnesium are harvested and sent for treatment at one of the cold leach plants where magnesium is removed. Potassium chloride is transported approximately 300 kilometers to our Coya Sur facilities via a dedicated truck transport system, where it is used in the production of potassium nitrate. We sell potassium chloride produced at the Salar de Atacama in excess of our needs to third parties. All of our potassium-related plants in the Salar de Atacama currently have a production capacity in excess of up to 2.6 million metric tons per year. Actual production capacity depends on volume, metallurgical recovery rates and quality of the mining resources pumped from the Salar de Atacama.

The by-products of the potassium chloride production process are (i) brines remaining after removal of the potassium chloride, which are used to produce lithium carbonate as described below, with the excess amount being reinjected into the Salar de Atacama; (ii) sodium chloride, which is similar to the surface material of the Salar de Atacama and is deposited at sites near the production facility and (iii) other salts containing magnesium chloride.

3) Description of Business Environment

Lithium Carbonate and Lithium Chloride

After the production of potassium chloride, a portion of the brines remaining is sent to additional solar concentration ponds adjacent to the potassium chloride production facility. Following further evaporation, the remaining concentrated solution of lithium chloride is transported by truck to a production facility located near Antofagasta, approximately 230 kilometers from the Salar de Atacama. At the production facility, the solution is purified and treated with sodium carbonate to produce lithium carbonate, which is dried and then, if necessary, compacted and finally packaged for shipment. A portion of this purified lithium chloride solution is packaged and shipped to customers. The production capacity of our lithium carbonate facility is approximately 48,000 metric tons per year. Future production will depend on the actual volumes and quality of the lithium solutions sent by the Salar de Atacama operations, as well as prevailing market conditions. Our future production is also subject to the extraction limit of 180,100 tons of lithium (958,672 tons of lithium carbonate equivalent) in the aggregate for all periods of the Lease Agreement mentioned above.

Our lithium carbonate production quality assurance program has been certified by TÜV-Rheiland under ISO 9001:2000 since 2005 and under ISO 9001:2008 since October 2009.

Lithium Hydroxide

Lithium carbonate is sold to customers, and we also use it as a raw material for our lithium hydroxide facility, which started operations at the end of 2005. This facility has a production capacity of 6,000 metric tons per year and is located in the Salar del Carmen, adjacent to our lithium carbonate operations. In the production process, lithium carbonate is reacted with a lime solution to produce lithium hydroxide brine and calcium carbonate salt, which is filtered and piled in reservoirs. The brine is evaporated in a multiple effect evaporator and crystallized to produce the lithium hydroxide, which is dried and packaged for shipment to customers.

The lithium hydroxide production quality assurance program has been certified by TÜV-Rheiland under ISO 9001:2000 since 2007 and under ISO 9001:2008 since October 2009.

Potassium Sulfate and Boric Acid

Approximately 12 kilometers northeast of the potassium chloride facilities at the Salar de Atacama, we use the brines from the Salar de Atacama to produce potassium sulfate, potassium chloride (as a by-product of the potassium sulfate process) and boric acid. The plant is located in an area of the Salar de Atacama where high sulfate and potassium concentrations are found in the brines. Brines are pumped to pre-concentration solar evaporation ponds where waste sodium chloride salts are removed by precipitation. After further evaporation, the sulfate and potassium salts are harvested and sent for treatment at the potassium sulfate plant. Potassium sulfate is produced using flotation, concentration and reaction processes, after which it is crystallized, dried and packaged for shipment.

Production capacity for the potassium sulfate plant is approximately 340,000 metric tons per year, of which approximately 95,000 metric tons correspond to potassium chloride production as by product of the potassium sulfate process. This capacity is part of the total plant capacity of 2.6 million metric tons per year. In our dual plant complex we may switch, to some extent, between potassium chloride and potassium sulfate production. Part of the pond system in this area is also used to process potassium chloride brines extracted from the low sulfate concentration areas found in the salar.

The principal by-products of the production of potassium sulfate are: (i) non-commercial sodium chloride, which is deposited at sites near the production facility and (ii) remaining solutions, which are re-injected into the Salar de Atacama or returned to the evaporation ponds. The principal by-products of the boric acid production process are remaining solutions that are treated with sodium carbonate to neutralize acidity and then are reinjected into the Salar de Atacama.

3) Description of Business Environment

Raw Materials

The main raw material that we require in the production of nitrate and iodine is caliche ore, which is obtained from our surface mines. The main raw material in the production of potassium chloride, lithium carbonate and potassium sulfate is the brine extracted from our operations at the Salar de Atacama.

Other important raw materials are sodium carbonate (used for lithium carbonate production and for the neutralization of iodine solutions), sulfur, sulfuric acid, kerosene, anti-caking and anti-dust agents, ammonium nitrate (used for the preparation of explosives in the mining operations), woven bags for packaging our final products, electricity acquired from electric utilities, and liquefied natural gas and fuel oil for heat generation. Our raw material costs (excluding caliche ore and salar brines and including energy) represented approximately 15% of our cost of sales in 2014.

We have several electricity supply agreements signed with major producers in Chile which are expected to cover our electricity needs until 2030. We have been connected to the northern power grid in Chile, which currently supplies electricity to most cities and industrial facilities in northern Chile, since April 2000.

For the supply of liquefied natural gas, in 2013 and 2014 we had a contract with Solgas. For 2015, we executed a supply contract with Endesa, primarily to serve our operations at the Salar del Carmen and Coya Sur.

We obtain ammonium nitrate, sulfur, sulfuric acid, kerosene and soda ash from several large suppliers, mainly in Chile and the United States, under long-term contracts or general agreements, some of which contain provisions for annual revisions of prices, quantities and deliveries. Diesel fuel is obtained under contracts that provide fuel at international market prices.

We believe that all of our contracts and agreements with third-party suppliers with respect to our main raw materials contain standard and customary commercial terms and conditions.

Water Supply

We hold water rights for the supply of surface and subterranean water near our production facilities. The main sources of water for our nitrate and iodine facilities at Pedro de Valdivia, María Elena and Coya Sur are the Loa and San Salvador rivers, which run near our production facilities. Water for our Nueva Victoria and Salar de Atacama facilities is obtained from wells near the production facilities. In addition, we buy water from third parties for our production processes at the Salar del Carmen lithium carbonate plant, and we also purchase potable water from local utility companies. We have not experienced significant difficulties obtaining the necessary water to conduct our operations.

Research and Development, Patents and Licenses, Etc.

One of the main objectives of our research and development team is to develop new processes and products in order to maximize the returns obtained from the resources that we exploit. Our research is performed by four different units whose research topics include chemical process design, phase chemistry, chemical analysis methodologies and physical properties of finished products.

Our research and development policy emphasizes the following: (i) optimization of current processes in order to decrease costs and improve product quality through the implementation of new technology and (ii) development of higher-margin products from current products through vertical integration or different product specifications.

3) Description of Business Environment

Our research and development activities have been instrumental in improving our production processes and developing new value-added products. As a result of research and development activities, new methods of extraction, crystallization and finishing products have been developed. Technological advances in recent years have enabled us to improve process efficiency for the nitrate, potassium and lithium operations, improve the physical quality of our prilled products and reduce dust emissions and caking by applying specially designed additives to our products handled in bulk. Our research and development efforts have also resulted in new, value-added markets for our products. One example is the use of sodium nitrate and potassium nitrate as thermal storage in solar power plants.

We have patented several production processes for nitrate, iodine and lithium products. These patents have been filed mainly in the United States, Chile and in other countries when necessary. The patents used in our production processes include Chilean patent No. 47,080 for iodine (production of spherical granules of chemicals that sublime), Japanese patent No. 4,889,848 for nitrates (granular fertilizers) and patent Nos. 41,838 from Chile, 5393-B and 5391-B from Bolivia, AR001918B1 and AR001916B1 from Argentina and 5,676,916 and 5,939,038 from the U.S. for lithium (removal of boron from brines).

For the years ended December 31, 2014, 2013 and 2012, we invested US$7.4 million, US$ 9.2 million and US$10.4 million, respectively, in research and development activities.

Licenses, Franchises, and Royalties

We do not have contracts that give rise to an obligation for the Company to make payments for licenses, franchises or royalties in any of our business lines.

The Company has subscribed purchase option contracts for mining concessions such that, in the event that third parties exercise the respective option, SQM has the right to receive royalty payments as a result of the exploitation of such concessions.

See section 3)d) Description of Business Environment: Property and Facilities for information about our concessions.

3) d) Description of Business Environment: Property and Facilities

We carry out our operations through the use of mining rights, production facilities and transportation and storage facilities. Discussion of our mining rights is organized below according to the geographic location of our mining operations. Our caliche ore mining interests are located throughout the valley of the Tarapacá and Antofagasta regions of northern Chile (in a part of the country known as “el Norte Grande”). From caliche ore, we produce products based on nitrates and iodine, and caliche also contains concentrations of potassium. Our mining interests in the brine deposits of the Salar de Atacama are found within the Atacama Desert, in the eastern region of el Norte Grande. From these brines we produce products based on potassium, sulfate, lithium and boron.

The map below shows the location of our principal mining operations and the exploitation and exploration mining concessions that have been granted to us, as well as the mining properties that we lease from Corfo:

3) Description of Business Environment

38

3) Description of Business Environment

Mining Concessions

Mining Concessions for the Exploration and Exploitation of Caliche Ore Mining Resources

We hold our mining rights pursuant to mining concessions for exploration and exploitation of mining resources that have been granted pursuant to applicable law in Chile:

(1) "Mining Exploitation Concessions": entitle us to use the land in order to exploit the mineral resources contained therein on a perpetual basis, subject to annual payments to the Chilean government.

(2) "Mining Exploration Concessions": entitle us to use the land in order to explore for and verify the existence of mineral resources for a period of two years, at the expiration of which the concession may be extended one time only for two additional years, if the area covered by the concession is reduced by half. We may alternatively request an exploitation concession in respect of the area covered by the original exploration concession, which must be made within the timeframe established by the original exploration concession.

A Mining Exploration Concession is generally obtained for purposes of evaluating the mineral resources in a defined area. If the holder of the Mining Exploration Concession determines that the area does not contain commercially exploitable mineral resources, the Mining Exploration Concession is usually allowed to lapse. An application also can be made for a Mining Exploitation Concession without first having obtained a Mining Exploration Concession for the area involved.

As of December 31, 2014, the surface area covered by Mining Exploitation Concessions that have been granted in relation to the caliche resources of SQM S.A.'s mining sites corresponds to approximately 554,447 hectares. In addition, as of December 31, 2014, the surface area covered by Mining Exploration Concessions in relation to the caliche resources of SQM S.A.'s mining sites corresponds to approximately 9,900 hectares. We have not requested additional mining rights.

Mining Concessions for the Exploitation of Brines at the Salar de Atacama

As of December 31, 2014, our subsidiary SQM Salar S.A. (“SQM Salar”) held exclusive rights to exploit 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 only entitled to exploit the mineral resources of 81,920 hectares. These rights are owned by Corfo and leased to SQM Salar pursuant to the Lease Agreement. Corfo cannot unilaterally modify the Lease Agreement, and the rights to exploit the resources cannot be transferred. The Lease Agreement establishes that SQM Salar is responsible for making quarterly lease payments to Corfo according to specified percentages of the value of production of minerals extracted from the Salar de Atacama brines, 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.

Under the terms of the Salar de Atacama project agreement between Corfo and SQM Salar (the “Project Agreement”), Corfo has agreed that it will not permit any other person to explore, exploit or mine any mineral resources in the approximately 140,000 hectares area of the Salar de Atacama mentioned above. The Project Agreement expires on December 31, 2030.

SQM Salar holds an additional 254,026 hectares of constituted Mining Exploitation Concessions in areas near the Salar de Atacama, which correspond to mining reserves that have not been exploited. SQM Salar also holds Mining Exploitation Concessions that are in the process of being granted covering 78,530 hectares in areas near the Salar de Atacama.

3) Description of Business Environment

In addition, as of December 31, 2014, SQM Salar held constituted Mining Exploration Concessions covering approximately 102,300 hectares and had applied for additional Mining Exploration Concessions covering approximately 46,800 hectares. Exploration rights are valid for a period of two years, after which we can (i) request a Mining Exploitation Concession for the land, (ii) request an extension of the Mining Exploration Concession for an additional two years (the extension only applies to a reduced surface area equal to 50% of the initial area) or (iii) allow the concession to expire.

According to the terms of the Lease Agreement, with respect to lithium production, the CCHEN has established a total accumulated extraction limit set at 180,100 tons of lithium (958,672 tons of lithium carbonate equivalent) in the aggregate for all periods while the Lease Agreement is in force. More than halfway through the term of the Lease Agreement, we have extracted approximately half of the total accumulated extraction limit of lithium.

Corfo has initiated arbitration proceedings in connection with the Lease Agreement. For more information, see section 3) e) Description of Business Environment: Risk Factors.

Concessions Generally

As of December 31, 2014, approximately 93% of SQM's mining interests were held pursuant to Mining Exploitation Concessions and 7% pursuant to Mining Exploration Concessions. Of the Mining Exploitation Concessions, approximately 90% already have been granted pursuant to applicable Chilean law, and approximately 10% are in the process of being granted. Of the Mining Exploration Concessions, approximately 66% already have been granted pursuant to applicable Chilean law, and approximately 34% are in the process of being granted.

In 2014, we made payments of approximately US$8.2 million to the Chilean government for Mining Exploration and Exploitation Concessions, including the concessions we lease from Corfo. These payments do not include the quarterly payments we made directly to Corfo pursuant to the Lease Agreement, according to the percentages of the sales price of products produced using brines from the Salar de Atacama.

The following table shows the constituted Mining Exploitation and Exploration Concessions held by SQM S.A., including the mining properties we lease from Corfo, as of December 31, 2014:

Region of Chile	Exploitation Concessions		Exploration Concessions		Total	
	Total Number	Hectares	Total Number	Hectares	Total Number	Hectares
Region I	2,233	446,280	33	8,400	2,266	454,680
Region II	8,539	2,255,109	269	122,400	8,808	2,377,509
Region III and others	261	61,393	123	29,500	384	90,893
Total	11,033	2,762,782	425	160,300	11,458	2,923,082

The majority of the Mining Exploitation Concessions held by SQM were requested primarily for non-metallic mining purposes. However, a small percentage of our Mining Concessions were requested for metallic mining purposes. The annual payment to the Chilean government for this group of concessions is higher.

Geological studies over mining properties that were requested primarily for non-metallic mining purposes may show that the concession area is of interest for metallic mining purposes, in which case we must inform the Sernageomin, indicating that the type of substance contained by such Mining Concessions has changed, for purposes of the annual payment for these rights.

3) Description of Business Environment

Caliche: Facilities and Reserves

Caliche: Facilities

Currently, our Nueva Victoria and Pedro de Valdivia mines are being exploited. Operations at the Pampa Blanca site were temporarily suspended in 2010, and operations at the María Elena site were temporarily suspended in October 2013.

María Elena

The María Elena mine and facilities, named El Toco, are located 220 kilometers northeast of Antofagasta and are accessible by highway. Until February 2010, caliche was used at this facility to produce nitrates and iodine through vat leaching. Subsequently, these facilities were equipped to produce nitrates and iodine through the use of heap leaching and solar evaporation ponds. Heap leaching operations at this site were temporarily suspended in October 2013. The main production facilities at this site include the operations center located at El Toco and the iodide plant located at María Elena. The area mined until operations were suspended is located approximately 14 kilometers north of the María Elena production facilities. Electricity and fuel oil are the primary sources of power for this operation.

Nueva Victoria

The Nueva Victoria mine and facilities are located 180 kilometers north of María Elena and are accessible by highway. Since 2007, the Nueva Victoria mine includes the mining properties Soronal, Mapocho and Iris. At this site, we use caliche to produce nitrates and iodine, through heap leaching and the use of solar evaporation ponds. The main production facilities at this site include the operation centers for the heap leaching process, the iodide and iodine plants at Nueva Victoria and Iris and the evaporation ponds at the Sur Viejo sector of the site. The areas currently being mined are located approximately 4 kilometers northeast of Nueva Victoria. Solar energy and electricity are the primary sources of power for this operation.

Pampa Blanca

The mining facilities at Pampa Blanca, which is located 100 kilometers northeast of Antofagasta, have been suspended since March 2010. At this site, we used caliche to produce nitrates and iodine through heap leaching and the use of solar evaporation ponds. The main production facilities at this site included the operation centers for the heap leaching system and the iodide plant. Electricity was the primary source of power for this operation.

Pedro de Valdivia

The mine and facilities that we operate in Pedro de Valdivia are located 170 kilometers northeast of Antofagasta and are accessible by highway. At this site, we use caliche to produce nitrates and iodine through vat and heap leaching and solar evaporation ponds. The main production facilities at this site include the crushing, vat leaching, fines processing, iodide and iodine plants. The areas currently being mined are located approximately 32 kilometers southeast of the Pedro de Valdivia production facilities. Electricity, natural gas and fuel oil are the primary sources of power for this operation.

Caliche: Reserves

Our in-house staff of geologists and mining engineers prepares our estimates of caliche ore reserves. The Proven and Probable Reserve figures presented below are estimates, and may be subject to modifications due to natural factors that affect the distribution of mineral grades, which would, in turn, modify the recovery of nitrate and iodine. Therefore, no assurance can be given that the indicated levels of recovery of nitrates and iodine will be realized.

3) Description of Business Environment

We estimate ore reserves based on evaluations, performed by engineers and geologists, of assay values derived from sampling of drill-holes and other openings. Drill-holes have been made at different space intervals in order to recognize mining resources. Normally, we start with 400x400 meters and then we reduce spacing to 200x200 meters, 100x100 meters and 50x50 meters. The geological occurrence of caliche ore is unique and different from other metallic and non-metallic minerals. Caliche ore is found in large horizontal layers at depths ranging from one to four meters and has an overburden between zero and two meters. This horizontal layering is a natural geological condition and allows the Company to estimate the continuity of the caliche bed based on surface geological reconnaissance and analysis of samples and trenches. Mineral resources can be calculated using the information from the drill-hole sampling.

A Mineral Resource is a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth's crust in such form or quantity and of such grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological, metallurgical and technological evidence.

A Measured Resource is the part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. The estimate is based on detailed exploration, sampling and testing information gathered through appropriate sampling techniques from locations such as outcrops, trenches, and exploratory drill holes.

An Indicated Mineral Resource is the part of a Mineral Resource for which tonnage, densities, shape, physical characteristics grade and mineral content can be estimated with a reasonable level of confidence. The estimate is based on detailed exploration, sampling and testing information gathered through appropriate sampling techniques from locations such as outcrops, trenches and exploratory drill holes.

According to our experience in caliche ore, the grid pattern drill-holes with spacing equal to or less than 100 meters produce data on the caliche resources that is sufficiently defined to consider them Measured Resources and then, adjusting for technical, economic and legal aspects, as Proven Reserves. These reserves are obtained using the Kriging Method and the application of operating parameters to obtain economically profitable reserves.

Similarly, the information obtained from detailed geologic work and samples taken from grid pattern drill-holes with spacing equal to or less than 200 meters can be used to determine Indicated Resources. By adjusting such Indicated Resources to account for technical, economic and legal factors, it is possible to calculate Probable Reserves. Probable Reserves are calculated by using a polygon-based methodology and have an uncertainty or margin of error greater

than that of Proven Reserves. However, the degree of certainty of Probable Reserves is high enough to assume continuity between points of observation.

Proven Reserves are the economically mineable part of a Measured Resource. The calculation of the reserves includes the application of mining parameters including maximum overburden, minimum thickness of caliche ore, stripping ratio, cutoff grade and application of dilution factors to the grade values. Appropriate assessments, including pre-feasibility studies or feasibility studies, have been carried out and include consideration of metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified.

3) Description of Business Environment

Probable Reserves are the economically mineable part of an Indicated Resource and in some cases a Measured Resource. The calculation of the reserves includes the application of mining parameters including maximum overburden, minimum thickness of caliche ore, stripping ratio, cutoff grade and application of dilution factors to the grade values. Appropriate assessments, including pre-feasibility studies, have been carried out or are in process and include consideration of metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified.

The estimates of Proven Reserves of caliche ore at each of our mines as of December 31, 2014 are set forth below. The Company holds 100% of the concession rights for each of these mines.

Mine	**Proven Reserves (1)** (millions of metric tons)	**Nitrate Average Grade** (percentage by weight)		**Iodine Average Grade** (parts per million)	Cutoff Grade Average for Mine (3)
Pedro de Valdivia	186.3	7.1	%	369	Nitrate 6.0 %
María Elena	98.3	7.1	%	434	Iodine 300 ppm
Pampa Blanca	54.7	5.7	%	538	Iodine 300 ppm
Nueva Victoria (4)	348.1	5.7	%	435	Iodine 300 ppm

In addition, the estimates of our Probable Reserves of caliche ore at each of our principal mines as of December 31, 2014, are as follows:

Mine	**Probable Reserves (2)** (millions of metric tons)	**Nitrate Average Grade** (percentage by weight)		**Iodine Average Grade** (parts per million)	Cutoff Grade (3)
Pedro de Valdivia (5)	264.6	7.8	%	438	Nitrate 6.0 %
María Elena	133.8	7.3	%	377	Iodine 300 ppm
Pampa Blanca	464.6	5.7	%	540	Iodine 300 ppm
Nueva Victoria (6)	1,093.7	5.6	%	420	Iodine 300 ppm

Notes on Reserves:

(1) The Proven Reserves set forth in the table above are shown before losses related to exploitation and mineral treatment. Proven Reserves are affected by mining exploitation methods, which result in differences between the estimated reserves that are available for exploitation in the mining plan and the recoverable material that is finally transferred to the leaching vats or heaps. The average mining exploitation factor for each of our different mines ranges between 80% and 90%, whereas the average global metallurgical recoveries of processes for nitrate and iodine contained in the recovered material vary between 55% and 65%.

(2) Probable Reserves can be expressed as Proven Reserves using a conversion factor, only for purposes of obtaining a projection to be used for long-term planning purposes. On average, this conversion factor is higher than 60%, depending on geological conditions and caliche ore continuity, which vary from mine to mine.

(3) The cutoff grades for the Proven and Probable Reserves vary according to the objectives of each mine. These amounts correspond to the averages of the different sectors.

(4) The 3.3% increase in the Proven Reserves at Nueva Victoria is the result of the recategorization of resources within the western sector of the mine from Indicated Resources to Measured Resources.

(5) The increase of 145.9 million tons in the Probable Reserves at Pedro de Valdivia is the result of the recategorization of resources within the Algorta section of the mine to Indicated Resources.

(6) The increase in the Probable Reserves at Nueva Victoria is the result of the recategorization of resources within the Soronal (692.1 million tons) and Pampa Orcoma (326.1 million tons) sectors of the mine to Indicated Resources.

The complete technical supporting documentation for the information set forth in the table above is contained in the report “Methodology, Procedure, and Classification of SQM’s Nitrate and Iodine Resources and Reserves for the Year 2014,” which was prepared by the geologist Vladimir Tejerina and other engineering professionals employed by SQM and validated by Mrs. Marta Aguilera and Mr. Orlando Rojas.

3) Description of Business Environment

Mrs. Marta Aguilera is a geologist with more than 20 years of experience in the field. She is currently employed by SQM as Manager of Exploration and Mining Development. Mrs. Aguilera is a Competent Person (*Persona Competente*), as that term is defined under Chilean Law No. 20,235, known as the Law that Regulates the Position of Competent Person and Creates the Qualifying Committee for Competencies in Mining Resources and Reserves (*Ley que Regula la Figura de las Personas Competentes y Crea la Comisión Calificadora de Competencias de Recursos y Reservas Mineras* or "Competent Person Law"). She is registered under No. 163 in the Public Registry of Competent Persons in Mining Resources and Reserves in accordance with the Competent Person Law and related regulations. She has worked as a geologist with both metallic and non-metallic deposits, with vast experience in the latter.

Mr. Orlando Rojas is a civil mining engineer and independent consultant. He is Partner and Chief Executive Officer of the company EMI-Ingenieros y Consultores S.A., whose offices are located at Renato Sánchez No. 3357, Las Condes, Santiago, Chile. He is a member of the Institute of Mining Engineers and is registered under No. 118 in the Public Registry of Competent Persons in Mining Resources and Reserves in accordance with the Competent Person Law and related regulations. He has worked as a mining engineer for 35 years since graduating from university, including more than 30 years working on estimates for reserves and resources.

Copies of the certificates of qualified competency issued by the Chilean Mining Commission are presented below:

3) Description of Business Environment

45

3) Description of Business Environment

The proven and probable reserves shown above are the result of the evaluation of approximately 19.2% of the total caliche-related mining property of our Company. However, we have explored the areas in which we believe there is a higher potential of finding high-grade caliche ore minerals. The remaining 80.8% of this area has not been explored or has had limited reconnaissance, which is not sufficient to determine the sources of potential and hypothetical resources. The reserves shown in these tables are calculated based on properties that are not involved in any legal disputes between SQM and other parties.

3) Description of Business Environment

Caliche ore is the key raw material used in the production of iodine, specialty plant nutrients and industrial chemicals. The following gross margins for the business lines specified were calculated on the same basis as cut off grades used to estimate our reserves. We expect costs to remain relatively stable in the near future.

	2014		2013		2012	
	Gross Margin	Price	Gross Margin	Price	Gross Margin	Price
Iodine and Derivatives	42%	US$38/kg	56%	US$50/kg	63%	US$53/kg
Specialty Plant Nutrition	21%	US$806/ton	22%	US$811/ton	32%	US$866/ton
Industrial Chemicals	40%	US$812/ton	28%	US$877/ton	34%	US$877/ton

We maintain an ongoing program of exploration and resource evaluation on the land surrounding the mines at Nueva Victoria, Pedro de Valdivia, María Elena, Pampa Blanca and other sites for which we have the appropriate concessions. In 2014, we continued a basic reconnaissance program on new mining properties including a geological mapping of the surface and spaced drill-hole campaign covering approximately 7,143 hectares. We did not carry out detailed explorations during 2014. For 2015 we have an exploration and recategorization program covering 1,609 hectares in Region I of Chile.

Brines from the Salar de Atacama: Facilities and Reserves

Salar de Atacama: Facilities

Salar de Atacama

Our facilities at the Salar de Atacama are located 208 kilometers to the east of the city of Antofagasta and 188 kilometers to the southeast of the city of María Elena. At this site we use brines extracted from the salar to produce potassium chloride, potassium sulfate, boric acid, magnesium chloride salts and lithium solutions, which are subsequently sent to our lithium carbonate plant at the Salar del Carmen for processing. The main production plants at this site include the potassium chloride flotation plants (MOP-H I and II), potassium sulfate flotation plant (SOP-H), boric acid plant (ABO), potassium chloride drying plant (MOP-S) potassium chloride compacting plant (MOP-G) potassium sulfate drying plant (SOP-S) and potassium sulfate compacting plant (SOP-G). Solar energy is the primary energy source used for the Salar de Atacama operations.

Salar de Atacama: Reserves

Our in-house staff of hydro-geologists and mining engineers prepares our estimates of potassium, sulfate, lithium and boron reserves at the Salar de Atacama. We have exploitation concessions covering an area of approximately 81,920 hectares, in which we have carried out geological exploitation, brine sampling and geostatistical analysis. We estimate that our proven and probable reserves as of December 31, 2014, based on economic restrictions, geological exploitation, brine sampling and geostatistical analysis up to a depth of 100 meters of our total exploitation concessions, and additionally, up to a depth of 300 meters over approximately 47% of the same total area, are as follows:

3) Description of Business Environment

	Proven Reserves (1) (millions of metric tons)	Probable Reserves (1) (millions of metric tons)	Total Reserves (millions of metric tons)
Potassium (K+) (2)	50.2	21.8	72.0
Sulfate (SO4-2) (3)	40.1	19.1	59.2
Lithium (Li+) (4)	3.7	2.3	6.0
Boron (B3+) (5)	0.9	0.3	1.2

Notes on reserves:

(1) Metric tons of potassium, sulfate, lithium and boron considered in the proven and probable reserves are shown before losses from evaporation processes and metallurgical treatment. The recoveries of each ion depend on both brine composition and the process applied to produce the desired commercial products.

(2) Recoveries for potassium vary from 47% to 77%.

(3) Recoveries for sulfate vary from 27% to 45%.

(4) Recoveries for lithium vary from 28% to 40%.

(5) Recoveries for boron vary from 28% to 32%.

The information set forth in the table above was validated in March 2015 by Messrs. Álvaro Henríquez and Orlando Rojas using information that was prepared by geologists, SQM's engineers and external advisors.

Mr. Henríquez is a geologist with more than 10 years of experience in the field of hydrogeology. He is currently employed by SQM as Superintendent of Hydrogeology, in the Salar Hydrogeology department. He is a Competent Person and is registered under No. 226 in the Public Registry of Competent Persons in Mining Resources and Reserves, in accordance with the Competent Person Law. As a hydrogeologist he has evaluated multiple brine-based projects and has experience evaluating resources and reserves.

Mr. Orlando Rojas is a civil mining engineer and independent consultant. He is Partner and Chief Executive Officer of the company EMI-Ingenieros y Consultores S.A., whose offices are located at Renato Sánchez No. 3357, Las Condes,

Santiago, Chile. He is a member of the Institute of Mining Engineers and is registered under No. 118 in the Public Registry of Competent Persons in Mining Resources and Reserves in accordance with the Competent Person Law and related regulations. He has worked as a mining engineer for 35 years since graduating from university, including more than 30 years working on estimates for reserves and resources.

A copy of the certificate of qualified competency issued by the Chilean Mining Commission for Mr. Rojas is provided in the previous section. A copy of the certificate of qualified competency issued by the Chilean Mining Commission for Mr. Henríquez is provided below:

3) Description of Business Environment

A cutoff grade of 1% K is used in the calculation, considering a low margin scenario using only MOP-S as and using diluted brine with higher levels of contaminants as the raw material and with recovery yields of approximately 47%, which is on the lower end of the range. In this scenario, considering current market conditions and market conditions from recent years, the production cost of MOP production is still competitive.

3) Description of Business Environment

The cutoff grade for lithium extraction is set at 0.05% Li. The cost of the process is competitive in the market despite a small cost increase due to the expansions in the evaporation area (to reach the required Li concentration) and to the use of additives to maintain the quality of the brine that is used to feed the plant.

The proven and probable reserves are based on production experience, drilling, brine sampling and geo-statistic reservoir modeling in order to estimate brine volumes and their composition. We calculate the volume of brine effectively drainable or exploitable in each evaluation unit. We consider chemical parameters to determine the process to be applied to the brines. Based on the chemical characteristics, the volume of brine and drainable porosity, we determine the number of metric tons for each of the chemical ions being evaluated.

Reserves are defined as those geographical blocks which belong to properly identified hydrogeological units with proven historical brine yield production, and a quality and piezometric brine monitoring network to control brine evolution over time. Reserve classification is finally achieved by using the geostatistical estimation error and the search volume, as an indicator between proven and probable reserves. This criterion applies to all hydrogeological units shallower than 100 meters deep.

For deeper (below 100 meters) and unexploited units, blocks within the first search volume were estimated and considered in the evaluation as probable reserves and indicated resources. Blocks within the second and third search volumes were classified as inferred resources until further exploration is performed. This exploration includes systematic packer testing, chemical brine sampling and long-term pilot production pumping tests.

This procedure is used to estimate potential restrictions on production yields, and the economic feasibility of producing such commercial products as potassium chloride, potassium sulfate, lithium carbonate and boric acid is determined on the basis of the evaluation.

Complementing the reserves information, SQM has an environmental impact assessment (RCA 226/06) which defines a maximum brine extraction per year until the end of the Lease Agreement (in the year 2030). Considering the maximum brine production rates, and including reinjection factors, we have performed several hydrogeological numeric simulations to estimate changes in the volume and quality of the brine during the life of the project. This procedure allows us to estimate an amount of 26.5 million metric tons of potassium out of our environmentally approved reserves, which is considered to be a fraction of the proven and probable reserves previously defined.

Brines from the Salar de Atacama are the key raw material used in the production of potassium chloride and potassium sulfate, and lithium and its derivatives. The following gross margins for the business lines specified were calculated on the same basis as cut off grades used to estimate our reserves. We expect costs to remain relatively stable in the near future.

	2014		2013		2012	
	Gross Margin	Price	Gross Margin	Price	Gross Margin	Price
Potassium Chloride and Potassium Sulfate	28%	US$375/ton	27%	US$423/ton	41%	US$500/ton
Lithium and Derivatives	42%	US$5,235/ton	49%	US$5,444/ton	50%	US$4,863/ton

3) Description of Business Environment

Other Production Facilities

Coya Sur

The Coya Sur site is located approximately 15 kilometers south of María Elena, and production activities undertaken there are associated with the production of potassium nitrate and finished products. The main production plants at this site include four potassium nitrate plants with a total capacity of 1,000,000 metric tons per year. There are also five production lines for crystallized nitrates, with a total capacity of 1,200,000 metric tons per year, and a prilling plant with a capacity of 320,000 metric tons per year. The potassium nitrate produced at Coya Sur is an intermediate product that is used as a raw material for the production of finished products (crystallized nitrates and prilled nitrates). Therefore, the production capacities listed above are not independent of one another and cannot be added together to obtain an overall total capacity. Natural gas is the main source of energy for our Coya Sur operation.

Salar del Carmen

The Salar del Carmen site is located approximately 14 kilometers to the east of Antofagasta. The production plants at this facility include the lithium carbonate plant, with a production capacity of 48,000 metric tons per year, and the lithium hydroxide plant, with a production capacity of 6,000 metric tons per year. Electricity and natural gas are the main sources of energy for our Salar del Carmen operation.

3) Description of Business Environment

The following table provides a summary of our production facilities as of December 31, 2014;

Facility	Type of Facility	Approximate Size (hectares) (1)	Production Capacity (thousands of metric tons/year)	Weighted Average Age (years) (2)	Gross Book Value (millions of US$) (2)
Coya Sur (3) (4)	Nitrates production	1.518	Potassium nitrate: 1,000 Crystallized nitrates: 1,200 Prilled nitrates: 320	7.4	463.1
María Elena (5) (6)	Nitrates and iodine production	35.830	Nitrates: 250 Iodine: 1.6	11.6	427.2
Nueva Victoria (5) (7)	Concentrated nitrate salts and iodine production	47.492	Iodine: 8.5	7.2	372.2
Pampa Blanca (5) (8)	Concentrated nitrate salts and iodide production	10.441	Nitrates: n/a Iodine: n/a	6.8	12.1
Pedro de Valdivia (3)	Nitrates and iodine production	253.880	Nitrates: 500 Iodine: 3.2	11.2	203.2
Salar de Atacama (3) (9)	Potassium chloride, potassium sulfate, lithium chloride, and boric acid production	35.911	Potassium chloride: 2,600 Potassium sulfate: 240 Boric acid: 15	10.6	1,444.1
Salar del Carmen, Antofagasta (3)	Lithium carbonate and lithium hydroxide production	126	Lithium carbonate: 48 Lithium hydroxide: 6	11.2	170.5
Tocopilla (9)	Port facilities	22	-	11.1	155.2

(1) Approximate size considers both the production facilities and the mine for María Elena, Nueva Victoria, Pampa Blanca, Pedro de Valdivia and the Salar de Atacama. Mining areas are those authorized for exploitation by the environmental authority and/or Sernageomin.

(2) Weighted average age and gross book value correspond to production facilities, excluding the mine, for María Elena, Nueva Victoria, Pampa Blanca, Pedro de Valdivia and the Salar de Atacama.

(3) Includes production facilities and solar evaporation ponds.

(4)

The potassium nitrate produced at Coya Sur is an intermediate product that is used as a raw material for the production of finished products (crystallized nitrates and prilled nitrates). Therefore, the production capacities listed above are not independent of one another and cannot be added together to obtain an overall total capacity.

(5) Includes production facilities, solar evaporation ponds and leaching heaps.

(6) Operations at the El Toco mine at María Elena were temporarily suspended in November 2013.

(7) Operations at the Iris plant were temporarily suspended in October 2013 and restarted in August 2014.

(8) Operations at Pampa Blanca were temporarily suspended in March 2010.

(9) Potassium chloride and potassium sulfate are produced in a dual plant, and the production capacity for each of these products depends on the production mix. Therefore, the production capacities for these two products are not independent of one another and cannot be added together to obtain an overall total capacity.

(10) The Tocopilla port facilities were originally constructed in 1961 and have been refurbished and expanded since that time.

Our railroad line between our production facilities and Tocopilla was originally constructed in 1890, but the rails, locomotives, and rolling stock have been replaced and refurbished as needed. We consider the condition of our principal plant and equipment to be good.

We own, directly or indirectly through subsidiaries, all of the facilities free of any material liens, pledges or encumbrances, and believe they are suitable and adequate for the business we conduct in them.

3) Description of Business Environment

Extraction Yields

The following table shows certain operating data relating to each of our mines for 2014, 2013 and 2012:

(in thousands, unless otherwise stated)	2014	2013	2012
Pedro de Valdivia			
Metric tons of ore mined	11,401	11,571	12,027
Average grade nitrate (% by weight)	8.1	7.5	7.3
Iodine (parts per million (ppm))	418	415	406
Metric tons of crystallized nitrate produced	453	445	466
Metric tons of iodine produced	3.2	3.2	3.2
Maria Elena[(1)]			
Metric tons of ore mined	-	5,870	6,787
Average grade nitrate (% by weight)	-	6.6	6.2
Iodine (ppm)	-	484	454
Metric tons of crystallized nitrate produced	-	-	-
Metric tons of iodine produced	0.4	1.5	1.7
Coya Sur[(2)]			
Metric tons of crystallized nitrate produced	519	429	487
Pampa Blanca[(1)]			
Metric tons of ore mined	–	–	-
Iodine (ppm)	–	–	-
Metric tons of iodine produced	–	–	-
Nueva Victoria[(3)]			
Metric tons of ore mined	19,792	23,515	23,937
Iodine (ppm)	467	462	465
Metric tons of iodine produced	6.0	6.1	6.0
Salar de Atacama [(4)]			
Metric tons of lithium carbonate produced	30	33	41
Metric tons of potassium chloride and potassium sulfate and potassium salts produced	1,993	1,922	1,979

(1) Operations at the El Toco and Pampa Blanca mines were temporarily suspended in November 2013 and March 2010, respectively. During 2014, María Elena obtained production from caliche ore exploited in prior years.

(2)

Includes production at Coya Sur from treatment of nitrates solutions from María Elena and fines from Pedro de Valdivia, nitrates from pile treatment at Nueva Victoria, and net production from NPT, or technical grade potassium nitrate, plants.

(3) Operations at the Iris iodine plant were temporarily suspended in October 2013 and restarted in August 2014.

(4) Lithium carbonate is extracted at the Salar de Atacama and processed at our facilities at the Salar del Carmen. Potassium salts include synthetic sylvinite produced in the plant and other harvested potassium salts (natural sylvinite, carnalites and harvests from plant ponds) that are sent to Coya Sur for the production of crystallized nitrates.

3) Description of Business Environment

Transportation and Storage Facilities

We own and operate railway lines and equipment, as well as port and storage facilities, for the transport and handling of finished products and consumable materials.

Our main center for production and storage of raw materials is the hub composed of the facilities in Coya Sur, Pedro de Valdivia and the Salar de Atacama. Other facilities include Nueva Victoria and the lithium carbonate and lithium hydroxide finishing plants at the Salar del Carmen site. The Tocopilla port terminal ("Tocopilla Port Terminal"), which we own, is the main facility for storage and shipment of our products.

Nitrate raw materials are produced and initially stored at our Pedro de Valdivia mine, and subsequently transported by trucks to the plants described in the next paragraph, for further processing. Nitrate raw material is also produced at Nueva Victoria, from where it is transported by trucks to Coya Sur for further processing.

Nitrate finished products are produced at our facilities in Coya Sur and then transported by our rail system to Tocopilla Port Terminal, where they are stored and shipped, either bagged or in bulk. Potassium chloride is produced at our facilities in the Salar de Atacama and transported either to Tocopilla Port Terminal or Coya Sur by truck owned by a third-party dedicated contractor. Products transported to Coya Sur are used as a raw material for the production of potassium nitrate. Potassium sulfate and boric acid are both produced at our facilities in the Salar de Atacama and are then transported by trucks to the Tocopilla Port Terminal.

Lithium solutions, produced at our facilities in the Salar de Atacama, are transported to the lithium carbonate facility at the Salar del Carmen site, where finished lithium carbonate is produced. Part of the lithium carbonate is fed to the adjacent lithium hydroxide plant, where finished lithium hydroxide is produced. These two products are bagged and stored on the premises and are subsequently transported by truck to the Tocopilla Port Terminal or to the container terminals, mainly Antofagasta and Mejillones, for shipment on charter vessels or container vessels.

Iodine raw material, obtained from the same mines as the nitrates, is processed, packed in bags or drums, and stored exclusively in the facilities of Pedro de Valdivia and Nueva Victoria, and then shipped by truck to container terminals, mainly Antofagasta, Mejillones or Iquique, where they are subsequently shipped to different markets by container vessel or by truck to Santiago, where iodine derivatives are produced.

The facilities at Tocopilla Port Terminal are located approximately 186 kilometers north of Antofagasta and approximately 124 kilometers west of Pedro de Valdivia, 84 kilometers west of María Elena and Coya Sur and 372 kilometers west of the Salar de Atacama. Our subsidiary, Servicios Integrales de Tránsitos y Transferencias S.A. (SIT) operates the facilities under maritime concessions granted pursuant to applicable Chilean laws. The port also complies with ISPS (International Ship and Port Facility Security Code) regulation. The Tocopilla Port Terminal facilities include a railcar dumper to transfer bulk product into the conveyor belt system used to store and ship bulk product.

Storage facilities consist of a six silo system, with a total storage capacity of 55,000 metric tons, and an open storage area for approximately 250,000 metric tons. Additionally, to meet future storage needs, we will continue to make investments in accordance with the investment plan outlined by management. Products are also bagged at port facilities in Tocopilla, where the nominal bagging capacity is approximately 300,000 metric tons per year.

3) Description of Business Environment

For transporting bulk product, the conveyor belt system extends over the coast line to deliver product directly inside bulk carrier hatches. Using this system, the loading capacity is 1,200 tons per hour. Bags are loaded to bulk vessels using barges that are loaded in the Tocopilla Port Terminal dock and unloaded by vessel cranes into the corresponding warehouses. Both bulk and bagged trucks are loaded in Tocopilla Port Terminal for transferring product directly to customers or for transport on container vessels shipping from other ports, mainly Antofagasta, Mejillones and Iquique.

Bulk carrier loading in the Tocopilla Port Terminal is mostly contracted to transfer product to our hubs around the world or for shipping to customers, which in some cases use their own contracted vessels for delivery. Trucking is provided by a mix of spot, contracted and customer-owned equipment.

Tocopilla processes related to the reception, handling, storage and shipment of bulk/packaged nitrates produced at Coya Sur are certified by the third party organization TÜV-Rheiland under the quality standard ISO 9001:2008.

Water Rights

We hold water rights for the supply of surface and subterranean water near our production facilities. The main sources of water for our nitrate and iodine facilities at Pedro de Valdivia, María Elena, and Coya Sur are the Loa and San Salvador rivers, which run near our production facilities. Water for our Nueva Victoria and Salar de Atacama facilities is obtained from wells near the production facilities. In addition, we buy water from third parties for our production processes at the Salar del Carmen lithium carbonate plant, and we also purchase potable water from local utility companies. We have not experienced significant difficulties obtaining the necessary water to conduct our operations.

Computer System

In addition to the above-listed facilities, we operate a computer and information system linking our principal subsidiaries to our operating facilities throughout Chile via a local area network. The computer and information system is used mainly for accounting, monitoring of supplies and inventories, billing, quality control and research activities. The system’s mainframe computer equipment is located at our offices in Santiago.

3) e) Description of Business Environment: Risk Factors

Risk Factors

Our operations are subject to certain risk factors that may affect SQM's business financial condition or results of operations. In addition to other information contained in this Annual 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 we currently believe are not significant may also affect our business operations. Our business, financial condition or results of operations could be materially affected by any of these risks.

Risks Relating to our Business

Volatility of world fertilizer and 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 fertilizer and chemical prices 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 certain fertilizers or 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.

3) Description of Business Environment

Since 2008, world prices of potassium-based fertilizers (including some of our specialty plant nutrients and potassium chloride) have fluctuated as a result of the broader global economic and financial conditions. Although prices of potassium-based fertilizers stabilized in 2009 after the conclusion of important contract negotiations between major producers and buyers, during the second half of 2013, potassium prices declined as a result of an unexpected announcement made by the Russian company OAO 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. In addition, during the first half of 2014, we observed lower pricing of contracts between Chinese purchasers and major potash producers, which increased volatility in the price of fertilizers. The average price for our potassium chloride and potassium sulfate business line was approximately 11% lower in 2014 compared to 2013. 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 2013, even though iodine demand reached record highs, demand growth softened, and supply increased, causing a decline in iodine prices. The average price of iodine seen by SQM was approximately US$38 per kilogram in 2014, approximately 23% less than average prices seen by the Company in 2013. We cannot assure you that iodine prices or sales volumes will not continue to decline in the future.

As a result of events in global markets during 2009, demand for lithium carbonate declined, causing a decrease in lithium prices and sales volumes. In September 2009, we announced a 20% reduction in lithium carbonate and lithium hydroxide prices as a means of stimulating demand. As a result, in 2010 we observed demand recovery in the lithium carbonate market, which continued in 2011 and 2012. In 2013, we continued to see strong market growth, driven mostly by an increase in demand related to battery use. Nevertheless, demand growth was accompanied by an increase in supply from existing competitors. In 2014, prices remained at similar levels averaging US$5,235 per metric ton in 2014 for this business line, which was 4% lower compared to 2013. 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.

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 2014, approximately 46% of our sales were made in emerging market countries: 18% in Central and South America (excluding Chile); 7% in Africa and the Middle East; 11% in Chile and 10% 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.

3) Description of Business Environment

Our inventory levels may increase because of the global economic slowdown

In general, world economic conditions can affect our inventory levels. At the end of 2014, our inventory levels were relatively high compared to prior years. 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. We cannot assure you that inventory levels will not continue to remain high or increase further in the future. These factors could have a material adverse effect on our business, financial condition and results of operations.

Our level of and exposure to unrecoverable accounts receivable may significantly increase

Potentially negative effects of adverse 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 this risk, the 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 carbonate 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 carbonate, 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 carbonate 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.

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.

3) Description of Business Environment

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, liquified 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 15% in 2014. 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.

Our reserves estimates could be subject to significant changes

Our caliche ore mining reserves estimates are prepared by our own geologists and were most recently validated in January 2015 by Mrs. Marta Aguilera and Mr. Orlando Rojas. Mrs. Aguilera is a geologist with over 20 years of experience in the field. She is currently employed by SQM as Manager of Geology and Mining Development. Mrs. Aguilera is a Competent Person, as that term is defined under the Competent Person Law, and she is registered under No. 163 in the Public Registry of Competent Persons in Mining Resources and Reserves in accordance with such law and related regulations. Mr. Orlando Rojas is a civil mining engineer and independent consultant. He is Partner and Chief Executive Officer of the company EMI-Ingenieros y Consultores S.A., whose offices are located at Renato Sánchez No. 3357, Las Condes, Santiago, Chile. He is a member of the Institute of Mining Engineers and is registered under No. 118 in the Public Registry of Competent Persons in Mining Resources and Reserves in accordance with the Competent Person Law and related regulations. He has worked as a mining engineer for 35 years since graduating from university, including more than 30 years working on estimates for reserves and resources.

Our Salar de Atacama brine mining reserve estimates are prepared by our own geologists and were most recently validated in March 2015 by Mr. Álvaro Henríquez and Mr. Orlando Rojas. Mr. Henríquez is a geologist with more than 10 years of experience in the field of hydrogeology. He is currently employed by SQM as Superintendent of Hydrogeology, in the Salar Hydrogeology department. He is a Competent Person and is registered under No. 226 in the Public Registry of Competent Persons in Mining Resources and Reserves, in accordance with the Competent Person Law and related regulations. As a hydrogeologist he has evaluated multiple brine-based projects and has experience evaluating resources and reserves.

Estimation methods involve numerous uncertainties as to the quantity and quality of the reserves, and reserve estimates could change upwards or downwards. In addition, our reserve estimates are not subject to review by external

geologists or an external auditing firm. 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. 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.

3) Description of Business Environment

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 recent major earthquakes in Chile and 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.

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 LCDs. Changes in technology, the development of substitute raw materials 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 96% of our employees are employed in Chile, of which approximately 68% were represented by 25 labor unions as of December 31, 2014. As in previous years, during 2014 we renegotiated collective labor contracts with individual unions one year before the expiration of such contracts. As of December 31, 2014, we had concluded negotiations with 21 labor unions, which represent 91.9% of our total unionized workers, signing new agreements with each for the next three years. In January of 2015, we concluded negotiations with two additional unions, covering a total of 99.7% of our unionized workers. In order to finalize the current collective bargaining cycle, we need to conduct negotiations with the remaining two unions.

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.

The Subcontracting Law provides that when a serious workplace accident occurs, a company must halt work at the site where the accident took place until authorities from either the 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 such 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.

3) Description of Business Environment

Lawsuits and arbitrations could adversely impact us

We are party to a range of lawsuits and arbitrations involving different matters as described in Note 19.1 of our Consolidated Financial Statements. Although we intend to defend our positions vigorously, our defense of these actions may not be successful. 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 might 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.

The Chilean labor code (*Código del Trabajo* or "Labor Code") has recently established new procedures for labor matters which include oral trials conducted by specialized judges. The information available indicates that the majority of these oral trials have found in favor of the employee. These new procedures could increase the probability of adverse judgments in labor lawsuits which could have a material adverse effect on our business, financial condition and results of operations.

Our market reputation could be adversely affected by the negative outcome of certain proceedings against certain members of our Board and certain other named defendants

On September 10, 2013, the SVS issued a press release disclosing it had instituted certain administrative proceedings (the "Cascading Companies Proceedings") against (i) Mr. Julio Ponce Lerou, who is Chairman of the Board of the Company, (ii) Mr. Patricio Contesse Fica, who is a director of the Company and the son of Mr. Patricio Contesse González (who was the Company's CEO until March 16, 2015) and (iii) other named defendants. The Company has been informed that Mr. Ponce and related persons beneficially owned 29.94% of SQM's total shares as of December 31, 2014. See section 5) Ownership and Shares. The SVS 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 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 SVS alleged the existence of a scheme involving the named defendants whereby, through a number of transactions occurring between 2009 and 2011, the Cascading Companies allegedly sold securities of various companies, including securities of SQM, 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 SVS alleged violation by the defendants of a number of Chilean corporate and securities laws in furtherance of the alleged scheme.

On January 31, 2014, the SVS 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 SVS issued a decision imposing an aggregate fine against all of the defendants of UF 4,0110,000 (approximately US$162.8 million as of December 31, 2014. The UF, or *unidad de fomento*, is an inflation-indexed, peso-denominated unit that is linked to, and adjusted daily to reflect changes in, the previous month's Chilean consumer price index.), including a fine against Mr. Ponce of UF 1,700,000 (approximately US$69.0 million as of December 31, 2014) and a fine against Mr. Contesse Fica of UF 60,000 (approximately US$2.4 million as of December 31, 2014). The defendants are currently challenging the SVS administrative decision before a Chilean Civil Court.

3) Description of Business Environment

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. In addition, the Chilean Internal Revenue Service (*Servicio de Impuestos Internos*) announced an investigation of the transactions alleged to have occurred in the Cascading Companies Proceedings in order to determine whether the individuals or companies involved violated Chilean tax laws or filed false returns for the purpose of evading taxes.

In accordance with Chilean corporate law, the two directors of SQM affected by the Cascading Companies Proceedings or by the investigations described above may continue to be members of the Company's Board and continue to participate in Board matters until, and depending on, the final and non-appealable ruling of the courts of any criminal complaints made against them in the Cascading Companies Proceedings.

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. In addition, during the course of the Cascading Companies Proceedings, Mr. Ponce and Mr. Contesse Fica may devote time and energy to defending their case. Furthermore, we cannot assure you that a non-appealable ruling in connection with the current Cascading Companies Proceedings or the investigations of the High Complexity Crimes Unit or the Chilean IRS 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, or that the Cascading Companies will not sell shares of the Company or vote to increase the dividends we pay to our shareholders.

Arbitration proceedings under the Lease Agreement for the Salar de Atacama, if determined adversely to us, would materially adversely affect our business and operations

Our subsidiary SQM Salar SQM Salar holds exclusive exploitation rights to mineral resources in 81,920 hectares in the Salar de Atacama pursuant to the 1993 Lease Agreement between SQM Salar and Corfo. The mining exploitation concessions related to such rights are owned by Corfo and leased to SQM Salar in exchange for quarterly lease payments to Corfo based on specified percentages associated to the value of the products resulting from the minerals extracted from such concessions. For the year ended December 31, 2014, revenue related to products originating from the Salar de Atacama represented 39% of our consolidated revenues, which corresponded to revenues from our potassium product line and our lithium and derivatives product line for the period. All of our products originating from the Salar de Atacama are derived from our extraction operations under the Lease Agreement.

In May 2014, Corfo initiated an arbitration proceeding against SQM Salar alleging (i) SQM Salar had incorrectly applied the formulas to determine lease payments resulting in an underpayment to Corfo of at least US$8.9 million for 2009 through 2013 and (ii) SQM Salar had not complied with its obligation to protect the mining rights of Corfo by failing place markers to delineate the property lines. Based on the alleged breaches of the Lease Agreement, Corfo sought (i) at least US$8.9 million plus any other amount that may be due in respect of periods after 2013, (ii) early termination of the Lease Agreement, (iii) lease payments that would have been paid through 2030 as compensation for the early termination of the Lease Agreement and (iv) punitive damages (*daño moral*) equal to 30% of the contractual damages awarded. SQM Salar contested the claim, asserting that both parties have applied formulas for the calculation and payment of lease payments for more than 20 years without conflict, in accordance with the terms of the Lease Agreement and their mutual understanding of the agreements by the parties during the term of the Lease Agreement. SQM Salar also asserted that the alleged breaches would be technical breaches and that Corfo may terminate the Lease Agreement solely for a material breach. SQM Salar in consultation with external counsel believes that it is likely it will prevail in the arbitration proceeding. However, an adverse ruling awarding damages sought by Corfo or permitting early termination of the Lease Agreement would have a material adverse effect on our business, financial condition, and results of operations. We cannot assure you that Corfo will not use this arbitration proceeding to seek to renegotiate the terms of the Lease Agreement in a manner that is not favorable to SQM Salar. See “Business—Legal proceedings—Corfo arbitral claims.” In addition, we cannot assure you that Corfo will not take other actions in the future in relation to the Lease Agreement that are contrary to our interests.

3) Description of Business Environment

We could be subject to risks as a result of ongoing investigations by the Chilean Internal Revenue Service and the Chilean Public Prosecutor in relation to certain payments of invoices made by SQM between the years 2009 and 2014

The Chilean Internal Revenue Service (*Servicio de Impuestos Internos* or the "SII") has been conducting tax investigations related to the payment of invoices by companies, including SQM, for services that have not been properly supported. The Chilean Public Prosecutor (*Ministerio Público*) has been conducting related inquiries to determine whether such payments may be linked with alleged violations of political contribution laws involving a variety of Chilean companies, including SQM, and government officials.

On February 26, 2015, SQM's board of directors resolved to establish an ad-hoc committee composed of three board members (the "ad-hoc Committee") and authorized the ad-hoc Committee to conduct an internal investigation relating to the referred issues and to retain such independent external advice as it deems appropriate. On March 12, one of the members of the ad-hoc Committee resigned and was subsequently replaced, on March 19, by another board member. The members of the ad-hoc Committee are Hernán Büchi B., Juan Antonio Guzmán M., and Wolf von Appen.

The Committee has engaged its own lawyers from Chile and the United States to assist it as it proceeds with its internal review. At the present time the Company cannot predict with precision when the ad-hoc Committee's work will be complete. The board is hopeful that it will receive a preliminary progress report before the shareholder meeting scheduled for April 24, 2015.

With regard to the SII investigations, SQM cooperated with the SII and voluntarily provided information for the years 2009-2014 related to the tax investigation. On March 20, 2015, the Company identified to the SII approximately US$11 million in payments that originated from the office of our former CEO during the six-year period from 2009-2014 that may not meet the requirements to be qualified as tax expenses under the Chilean tax code because of insufficient supporting documentation. The Company also submitted amendments to its tax returns and has paid taxes and interests relating to such amended returns. The SII has however filed criminal claims against the Company's former CEO, current CEO and CFO relating to the payments that were the subject of the amended tax returns. The Public Prosecutor has obtained books and records of the Company and has interviewed Company personnel as part of its broader investigation into potential violations of political contribution laws.

On March 16, 2015, the board of directors decided to terminate the employment contract of our former CEO, Patricio Contesse. This followed Mr. Contesse's failure to cooperate with the ad-hoc Committee's investigation. On March 17, 2015, three members of the board of directors resigned, all of whom had been nominated by Potash Corp., one of

SQM's two principal shareholder groups. Potash Corp. has issued a press release stating that the directors resigned because of their concern that they could not ensure that the Company was conducting an appropriate investigation and collaborating effectively with the Public Prosecutor. As stated above, the Company has created the ad-hoc Committee with its own independent advisors to conduct an appropriate investigation, and that investigation is on-going.

3) Description of Business Environment

On March 31, 2015, the SVS filed an administrative claim against the five current directors of the Company alleging that they did not provide timely release of information relating to the payments that are subject to the tax claim.

Class action complaints have been filed in the United States against the Company, our former CEO and various officers alleging violations of U.S. securities laws based on the failure to timely disclose matters related to the subject matter of the various Chilean investigations.

The investigation and the inquiries by the Chilean regulatory authorities have not been completed. We cannot predict the outcome or the duration of these investigations or of our internal investigation. We could be subject to civil, criminal or regulatory proceedings in Chile and we could be subject to civil, criminal or regulatory proceedings outside of Chile, including in the United States. Responding to regulatory inquiries and any future civil, criminal or regulatory inquiries or proceedings could divert our management's attention from our 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 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. In addition, we may be required to pay material damages or penalties or have other remedies imposed upon us. The occurrence of any of the foregoing could materially and adversely affect our business, financial condition, results of operations and the prices of our securities.

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 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$10 million, 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.

3) Description of Business Environment

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.

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.

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 of December 31, 2014, the Chilean peso exchange rate was Ch$606.75 per U.S. dollar, while as of December 31, 2013, the Chilean peso exchange rate was Ch$524.61 per U.S. dollar. The Chilean peso therefore depreciated against the U.S. dollar by 16% in 2014. As of March 16, 2015, the Observed Exchange Rate was Ch$639.02 per U.S. dollar.

3) Description of Business Environment

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

We have outstanding short and long-term debt that bears interest based on the London Interbank Offered Rate ("LIBOR"), plus a spread. Since we are currently hedging only a portion of these liabilities into fixed rates, we are exposed to interest rate risk relating to LIBOR fluctuations. As of December 31, 2014, approximately 14% our financial debt had LIBOR-based pricing that was not hedged into fixed rates. A relative increase in the rate could materially impact our business, financial condition and results of operations.

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 Salar de Atacama rights, which have been leased to us until 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. Our subsidiary 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 of 81,920 hectares. These rights are owned by Corfo and leased to SQM Salar pursuant to the Lease Agreement between Corfo and SQM Salar. Corfo may not unilaterally modify the Lease Agreement, and the rights to exploit the mineral substances cannot be transferred. 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 CCHEN, we are limited to 180,100 tons of total lithium (958,672 tons of lithium carbonate equivalent) in the aggregate for all periods. We are over halfway through the term of the Lease Agreement and have extracted approximately half of the total accumulated extraction limit of lithium. However, there can be no assurance that we will not reach the lithium extraction limit prior to the term of the lease agreement. In addition, we cannot assure you that Corfo will not take other actions in the future in respect of the Lease Agreement that are contrary to our interests. See section 3) e) Description of Business Environment: Risk Factors.

3) Description of Business Environment

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

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

We hold water 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, an amendment published on June 16, 2005 modified the Water Code, allowing, under certain conditions, the granting of permanent water rights of up to two liters per second for each well built prior to June 30, 2004, in the areas where we conduct our mining operations, without considering the availability of water, or how the new rights may affect holders of existing rights. Therefore, the amount of water we can effectively extract based on our existing rights could be reduced if these additional rights are exercised. In addition, we must pay annual fees to maintain water rights that have been granted to us and that we are not exercising. 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 2005, the Chilean Congress approved the Royalty Law, establishing a royalty tax to be applied to mining activities developed in Chile.

Following the earthquake and tsunami in February 2010, the Chilean government raised the corporate income tax rate in order to pay for reconstruction. Such legislation increased the general corporate tax rate from its historic rate of 17.0% to 20.0% for the income accrued in 2011, which was declared and paid in 2012. On September 27, 2012, Law No. 20,630 introduced new amendments to existing tax legislation. Among the amendments introduced, the corporate income tax was maintained at 20% beginning in the 2013 calendar year.

On September 29, 2014, Law No. 20,780 was published (the “Tax Reform”), introducing significant changes to the Chilean taxation system and strengthening the powers of the Chilean IRS to control and prevent tax avoidance. The Tax Reform contemplates, among other matters, changes to the corporate tax regime to create two tax regimes. Starting on January 1, 2017, Chilean companies will be able to opt between two tax regimes: (i) the partially integrated regime (*sistema parcialmente integrado*) or (ii) the attributable taxation regime (*sistema de renta atribuida*). In both regimes, the corporate tax rate will be increased to 21% in 2014, 22.5% in 2015 and 24% by 2016. On or after January 1, 2017, and depending on the tax regime chosen by the company, tax rates may be increased to a maximum rate of 25% in 2017 for the attributable taxation regime or to a rate of 25.5% in 2017 and subsequently to a maximum rate of 27% in 2018 for the partially integrated regime.

3) Description of Business Environment

As a *sociedad anónima abierta*, the default regime that applies to us is the partially integrated regime, unless at a future shareholders' meeting our shareholders agree to opt for the attributable taxation regime. The tax increase prompted a US$52.3 million increase in our deferred tax liabilities as of December 31, 2014. In accordance with the instructions of the SVS, we reflected the effect of this adjustment as a reduction in net equity in our statement of financial position as of December 31, 2014. In addition, given the potential difference in accounting treatments between IFRS and the instructions of the SVS, we will continue to analyze the effects of the Tax Reform on our financial statements and reporting obligations, and we cannot predict how our future financial statements will reflect these changes.

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 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. To the extent that the new rights outlined in the Indigenous Rights Convention become laws or regulations in Chile, they 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.

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 earthquake in Chile occurred offshore in April 2014 and had a magnitude of 8.2 on the Richter scale. This earthquake followed another one in February 2010, which 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.

3) f) Description of Business Environment: Capital Expenditure Program

We regularly review different opportunities to improve our production methods, reduce costs, increase production capacity of existing products and develop new products and markets. Additionally, significant capital expenditures are required every year in order to sustain our production capacity. We are focused on developing new products in response to identified customer demand, as well as new products that can be derived as part of our existing production or other products that could fit our long-term development strategy. Our capital expenditures during the past five years were mainly related to the organic growth and sustainability of our business, including the construction of new facilities and the renovation of plants and equipment. These investments were carried out with internal financing through our capital expenditure program for investments in Chile.

3) Description of Business Environment

Our capital expenditures for the years ended December 31, 2014, 2013 and 2012 were as follows:

(in millions of U.S. dollars)	2014	2013	2012
Capital Expenditures	112.1	386.5	450.0

During 2014, we had total capital expenditures of US$112.1 million, primarily related to:

- development of new extraction sectors and production increases for both nitrates and iodine at Nueva Victoria;
- investments aimed at maintaining and improving the quality of finished nitrate products;
- exploration and construction of wells to sustain long-term production at the Salar de Atacama;
- consolidation of our corporate enterprise resource planning into SAP and
- maintenance across all production units in order to ensure fulfillment of production targets.

During 2013, we had total capital expenditures of US$386.5 million, primarily related to:

- improvement of nitrate-based products at Coya Sur;
- investment relating to increasing production capacity of potassium-based products at the Salar de Atacama;
- ongoing investment relating to increasing production capacity and efficiency in our nitrate and iodine facilities;
- optimization of our potassium chloride facility at the Salar de Atacama;
- projects to increase the efficiency of our human resources and logistics departments and
- various projects designed to maintain production capacity, increase yields, and reduce costs.

During 2012, we had total capital expenditures of US$450.0 million, primarily related to:

- projects to increase capacity and efficiencies at nitrate and iodine facilities in the Tarapacá region;
- continued investments related to increasing production capacity of potassium-based products at the Salar de Atacama, including several projects related to production of finished products and
- various projects designed to maintain production capacity, increase yields and reduce costs.

The Board of Directors has approved a capital expenditures plan for 2015 of US$182 million primarily focused on the maintenance of our production facilities. Our 2015 capital investment program will not require any external financing; however, we reserve the right to access capital markets in order to optimize our financial position.

68

4) Ownership and Shares

4) a) Ownership and Shares: Ownership

i) Ownership Control Situation

At December 31, 2014, SQM has a "controlling group" as such term is defined in Title XV of the Law No. 18,045. SQM has been informed that, as of December 31, 2014, Mr. Julio Ponce Lerou (ID No. 4.250.719-9) and related persons control 100% of Inversiones SQYA Ltda. ("SQYA") and 100% of Inversiones SQ Ltda. These two companies control indirectly 29.94% of all shares of SQM (consisting of 71,785,716 Series A shares and 7,007,688 Series B shares), as follows: (i) Inversiones SQ Ltda. controls 0.0258% of Norte Grande S.A. ("Norte Grande") and SQYA controls 67.53% of Norte Grande, which controls 76.49% of Sociedad de Inversiones Oro Blanco S.A., which controls 88.64% of Sociedad de Inversiones Pampa Calichera S.A. ("Pampa Calichera"), which controls 19.69% of SQM; (ii) Pampa Calichera controls 99.99% of Inversiones Global Mining Chile Limitada, which controls 3.34% of SQM and (iii) Norte Grande controls 76.34% of Nitratos de Chile S.A., which controls 98.89% of Potasios de Chile S.A., which controls 10.07% of Pampa Calichera and 6.91% of SQM. Thus, Pampa Calichera and its related companies, Inversiones Global Mining Chile Limitada and Potasios de Chile S.A. (together, "Pampa Group"), control 29.94% of SQM. In addition, Pampa Group has also informed SQM that, as of December 31, 2014, it owns an additional 4,499 shares of SQM, included in the 29.94% and currently held under custody at "EuroAmerica Corredores de Bolsa S.A.".

Kowa Company Ltd., Inversiones La Esperanza (Chile) Limitada, Kochi S.A., and La Esperanza Delaware Corporation (together, "Kowa Group") are owners of 2.09% of all shares in SQM. On December 21, 2006, Pampa Group and Kowa Group entered into a Joint Operation Agreement which, together, allows them to control 32% of all shares in SQM. Therefore, Pampa Group, together with Kowa Group, indirectly control 32% of all shares in SQM, giving them the status of "controlling group" of the Company. The aforementioned Joint Operation Agreement refers to the essential fact that was filed by Sociedad de Inversiones Pampa Calichera S.A. on December 21, 2006.

4) Ownership and Shares

Ownership Control Situation

ii) Identification of Non-Controlling Majority Shareholders

As of December 31, 2014, Potash Corporation of Saskatchewan Inc. (“PCS”) owns 100% of Inversiones El Boldo Limitada, 100% of Inversiones RAC Chile Ltda. and 100% of Inversiones PCS Chile Limitada, and, accordingly, is the beneficial owner of 84,222,887 of SQM’s shares, or 32.00% of SQM’s total shares.

4) Ownership and Shares

iii) Identification of 12 Largest Shareholders

As of December 31, 2014, the 12 largest shareholders including both Series A and Series B shares were:

Series A + Series B	Taxpayer ID	Number of Shares	% Ownership
THE BANK OF NEW YORK MELLON ADRS*	59.030.820-K	61,894,725	23.52 %
SOCIEDAD DE INVERSIONES PAMPA CALICHERA SA**	96.511.530-7	51,811,219	19.69 %
INVERSIONES EL BOLDO LIMITADA	77.633.940-7	47,293,872	17.97 %
INVERSIONES RAC CHILE LIMITADA	79.744.950-4	21,403,015	8.13 %
POTASIOS DE CHILE SA**	76.165.311-3	18,179,147	6.91 %
INVERSIONES PCS CHILE LIMITADA	77.297.720-4	15,526,000	5.90 %
INVERSIONES GLOBAL MINING CHILE LIMITADA**	96.863.960-9	8,798,539	3.34 %
BANCO DE CHILE POR CUENTA DE TERCEROS NO RESIDENTES	97.004.000-5	5,795,818	2.20 %
BANCO ITAU POR CUENTA DE INVERSIONISTAS	76.645.030-K	5,433,026	2.06 %
INVERSIONES LA ESPERANZA CHILE LIMITADA**	79.798.650-K	3,711,598	1.41 %
BANCO SANTANDER POR CUENTA DE INVERSIONISTAS EXTRANJEROS	97.036.000-K	2,912,604	1.11 %
EUROAMERICA CORREDORES DE BOLSA S.A.	96.899.230-9	2,073,517	0.79 %
Subtotal 12 Largest Shareholders, Series A and B		244,833,080	93.02 %
Total Shares, Series A and B		263,196,524	100 %

* The Bank of New York Mellon is the depositary bank for the Company's ADSs traded on the New York Stock Exchange. Information about ADS holders is provided at the end of this section.

** Indicates shareholder belongs to Controlling Group.

71

4) Ownership and Shares

As of December 31, 2014, the 12 largest shareholders of Series A shares were:

Series A	R.U.T.	Number of Shares	% Ownership	
SOCIEDAD DE INVERSIONES PAMPA CALICHERA SA**	96.511.530-7	44,803,531	31.37	%
INVERSIONES EL BOLDO LIMITADA	77.633.940-7	29,330,326	20.54	%
INVERSIONES RAC CHILE LIMITADA	79.744.950-4	19,200,242	13.44	%
POTASIOS DE CHILE SA**	76.165.311-3	18,179,147	12.73	%
INVERSIONES PCS CHILE LIMITADA	77.297.720-4	15,526,000	10.87	%
INVERSIONES GLOBAL MINING CHILE LTDA**	96.863.960-9	8,798,539	6.16	%
INVERSIONES LA ESPERANZA CHILE LIMITADA**	79.798.650-K	3,711,598	2.60	%
KOWA CO LTD**	59.046.730-8	781,429	0.55	%
KOCHI SA**	96.518.570-4	737,057	0.52	%
LA ESPERANZA DELAWARE CORPORATION**	59.023.690-K	227,550	0.16	%
INVERSIONES RENTAMAX LIMITADA	76.056.187-8	154,000	0.11	%
EUROAMERICA CORREDORES DE BOLSA S.A.	96.899.230-9	138,321	0.10	%
Subtotal 12 Largest Shareholders, Series A		141,587,740	99.14	%
Total Shares, Series A		142,819,552	100	%

** Indicates shareholder belongs to Controlling Group.

4) Ownership and Shares

As of December 31, 2014, the 12 largest shareholders of Series B shares were:

Series B	R.U.T.	Number of Shares	% Ownership
THE BANK OF NEW YORK MELLON ADRS*	59.030.820-K	61,894,725	51.42 %
INVERSIONES EL BOLDO LIMITADA	77.633.940-7	17,963,546	14.92 %
SOCIEDAD DE INVERSIONES PAMPA CALICHERA SA**	96.511.530-7	7,007,688	5.82 %
BANCO DE CHILE POR CUENTA DE TERCEROS NO RESIDENTES	97.004.000-5	5,795,818	4.81 %
BANCO ITAU POR CUENTA DE INVERSIONISTAS	76.645.030-K	5,412,076	4.50 %
BANCO SANTANDER POR CUENTA DE INVERSIONISTAS EXTRANJEROS	97.036.000-K	2,912,604	2.42 %
INVERSIONES RAC CHILE LIMITADA	79.744.950-4	2,202,773	1.83 %
EUROAMERICA CORREDORES DE BOLSA S.A.	96.899.230-9	1,935,196	1.61 %
BANCHILE CORREDORES DE BOLSA S A	96.571.220-8	1,799,359	1.49 %
AFP PROVIDA S A PARA FDO PENSION C	98.000.400-7	1,469,493	1.22 %
AFP HABITAT S A PARA FDO PENSION C	98.000.100-8	1,016,920	0.84 %
AFP CAPITAL S A FONDO DE PENSION TIPO C	98.000.000-1	818,499	0.68 %
Subtotal 12 Largest Shareholders, Series B		110,228,697	91.57 %
Total Shares, Series B		120,376,972	100 %

* The Bank of New York Mellon is the depositary bank for the Company's ADSs traded on the New York Stock Exchange. Information about ADS holders is provided at the end of this section.

** Indicates shareholder belongs to Controlling Group.

4) Ownership and Shares

The Bank of New York Mellon is the depositary bank for the Company's ADSs traded on the New York Stock Exchange. According to public 13F filings with the U.S. Securities and Exchange Commission, the 12 largest ADS holders as of December 31, 2014 were:

ADSs (Series B)	R.U.T.	Number of ADSs	% Ownership Series B	% Ownership Total Shares
Sailingstone Capital Partners, LLC	N/A	16,157,531	13.42 %	6.14 %
Baillie Gifford & Company, LTD	N/A	5,333,418	4.43 %	2.03 %
Manning & Napier Advisors, LLC	N/A	3,565,095	2.96 %	1.35 %
Fiduciary Management, Inc.	N/A	3,385,360	2.81 %	1.29 %
Sarasin & Partners, LLP	N/A	2,238,879	1.86 %	0.85 %
Aberdeen Asset Managers, LTD (U.K.)	N/A	2,084,050	1.73 %	0.79 %
Delaware Investments	N/A	2,072,407	1.72 %	0.79 %
The Vanguard Group, Inc.	N/A	1,333,393	1.11 %	0.51 %
Fidelity Management & Research Company	N/A	1,171,019	0.97 %	0.44 %
Columbia Wanger Asset Management, LLC	N/A	1,123,860	0.93 %	0.43 %
Templeton Asset Management (Singapore), LTD	N/A	852,217	0.71 %	0.32 %
State Teachers Retirement System of Ohio	N/A	770,000	0.64 %	0.29 %
Subtotal 12 Largest ADS Holders		40,087,229	33.30 %	15.23 %
Total ADSs as of December 31, 2014		61,894,725	51.42 %	23.52 %

iv) <u>Total Number of Shareholders</u>

	Shareholders Registry	ADS Holders	Total Holders

		Registry	
Total Number of Shareholders, Series A and B	1,285	61	1,346
Total Number of Shareholders, Series A	415	-	415
Total Number of Shareholders, Series B	1,190	61	1,251

74

4) Ownership and Shares

v) Significant Changes in SHARE Ownership

There have not been any major changes in SQM's share ownership during the year 2014.

4) b) OWNERSHIP STRUCTURE AND SHARES: SHARES AND THEIR CHARACTERISTICS AND RIGHTS

i) DescripTION OF SERIES OF SHARES

Dividends are annually distributed to the Series A and Series B shareholders of record on the fifth business day prior to the date for payment of the dividends. The By-laws do not specify a time limit after which dividend entitlement elapses but Chilean regulations establish that after 5 years, unclaimed dividends are to be donated to the Chilean Fire Department.

Article 5 of the Company's By-laws establishes that Series B shares may in no case exceed fifty percent of the issued, outstanding and paid shares of SQM. Series B shares have a restricted right to vote as they can only elect one Director of the Company, regardless of their capital stock's share. Series B shares have the right to call for an Ordinary or Extraordinary Shareholders' Meeting when the shareholders of at least 5% of the Series B issued shares request so and for an Extraordinary Board of Directors Meeting without the Chairman's authorization when it is requested by the Director elected by the shareholders of the Series B shares. Series A shares have the option to exclude the Director elected by Series B shareholders from the voting process in which the Chairman of the Board is to be elected, if there is a tie in the first voting process. However, articles 31 and 31 bis of the Company's By-laws establish that in General Shareholders' Meetings each shareholder will have a right to one vote for each share he owns or represents and (a) that no shareholder will have the right to vote for himself or on behalf of other shareholders of the same Series A or Series B shares representing more than 37.5% of the total outstanding shares with right to vote of each Series and (b) that no shareholder will have the right to vote for himself or on behalf of other shareholders representing more than 32% of the total outstanding shares with a right to vote. In calculating a single shareholder's ownership of Series A or B shares, the shareholder's stock and those pertaining to third parties related to them are to be added.

Article 5 bis of the Company's By-laws establishes that no person may directly or by means of related third persons concentrate more than 32% of the Company's total shares with right to vote.

Each Series A share and Series B share is entitled to share equally in the Company's profits, i.e., they have the same rights on any dividends declared on the outstanding shares of SQM.

The Company By-laws do not contain any provision relating to (a) redemption provisions (b) sinking funds or (c) liability to capital calls by the Company.

As established in article 103 of Law No. 18,046, a company subject to the supervision of the

SVS may be liquidated in the following cases:

(a) Expiration of the duration term, if any, as established in its By-laws;
(b) All the shares end up in the possession of one individual for more than ten continuous days;
(c) By agreement of an Extraordinary Shareholders Meeting;
(d) By abolition, pursuant to applicable laws, of the decree that authorized its existence;
(e) Any other reason contemplated in its By-laws.

4) Ownership and Shares

Article 40 of the Company's By-laws states that in the event of liquidation, the Shareholders' Meeting will appoint a three-member receiver committee that will have the authority to carry out the liquidation process. Any surplus will be distributed equally among the shareholders.

The only way to change the rights of the holders of the SQM shares is by modifying its By-laws, which can only be carried out by an Extraordinary Shareholders' Meeting, as established in article

28 of the Company By-laws.

Total number of shares:

- Series A: 142,819,552
- Series B: 120,376,972

ii) DIVIDEND POLICY

SQM's dividend policy for 2014, which was approved at the General Ordinary Shareholders' Meeting on April 25, 2014, states that the Company will pay and distribute to its shareholders 50% of the distributable net income obtained during the 2014 fiscal year.

iii) (1) STATISTICAL INFORMATION: DIVIDENDS

All series A and series B shares carry equal rights to share in any dividend declared on SQM's shareholder capital in circulation. During the past three years, the Company has paid out the following dividends:

Payout Year	US$ Total (in millions)	US$/Share
2012	79.9	0.30350
2012 (Provisional)	250.0	0.94986
2013	74.6	0.28337
2013 (Provisional)	199.0	0.75609

2014	34.6	0.13129
2014 (“*Eventual*”)	230.0	0.87387
2014 (Provisional)	109.2	0.41493

iii) (2) STATISTICAL INFORMATION: SHARE TRANSACTIONS

SQM’s Series A and Series B shares are traded on the Santiago Stock Exchange, the Santiago Electronic Stock Exchange and the Valparaíso Stock Exchange. The Company’s Series B shares are traded as ADSs on the New York Stock Exchange. As of December 31, 2014, the Series B shares had a stock market presence (*presencia bursátil*) in the Santiago Stock Exchange of 100%, and the Series A shares did not have a stock market presence.

4) Ownership and Shares

Information on SQM's shares on the Santiago Stock Exchange:

	Average Price (Ch$/Share)		Number of Shares Traded		Amount Traded (Millions of Ch$)	
	SQM-A	SQM-B	SQM-A	SQM-B	SQM-A	SQM-B
2012						
I Quarter	26,793	28,260	18,256	12,806,955	489	361,927
II Quarter	27,774	27,332	17,994	13,974,466	500	381,952
III Quarter	29,442	29,217	113,626	15,279,934	3,345	446,428
IV Quarter	28,285	27,574	91,538	14,502,171	2,589	399,883
2013						
I Quarter	26,905	26,707	76,387	15,702,209	2,055	419,365
II Quarter	22,709	22,877	10,506	17,121,263	239	391,675
III Quarter	17,960	16,165	194,979	24,919,516	3,502	402,812
IV Quarter	17,658	13,644	15,663,149	13,267,894	276,576	181,031
2014						
I Quarter	17,938	15,716	76,762	11,753,129	1,377	184,718
II Quarter	17,553	16,631	32,135	8,861,831	564	147,379
III Quarter	16,068	16,191	38,992	5,258,285	627	85,138
IV Quarter	16,225	14,669	27,581	6,731,941	447	98,749

Source: Bloomberg, Composite Exchange

Information on SQM's shares on the New York Stock Exchange:

	Average Price (US$/ADS)	Number of Shares Traded	Amount Traded (Millions of US$)
	SQM-B	SQM-B	SQM-B
2012			
I Quarter	57.74	22,559,886	1,303
II Quarter	55.09	22,891,125	1,261
III Quarter	60.89	27,450,076	1,671
IV Quarter	57.67	20,718,423	1,195
2013			

I Quarter	56.47	25,898,128	1,462
II Quarter	46.39	38,173,920	1,771
III Quarter	30.80	72,002,917	2,218
IV Quarter	26.34	46,257,192	1,218
2014			
I Quarter	28.92	59,614,226	1,724
II Quarter	30.38	34,367,580	1,044
III Quarter	28.01	23,737,815	665
IV Quarter	24.17	24,540,528	593

Source: Bloomberg, Composite Exchange

5) Management and Personnel

5) a) MANAGEMENT AND PERSONNEL: ORGANIZATIONAL CHART

Organizational Chart

(1) On March 16, 2015, Mr. Patricio Contesse G.'s employment contract with SQM was terminated.
(2) On March 16, 2015, Mr. Patricio de Solminihac T. was named as Chief Executive Officer of SQM.

5) b) MANAGEMENT AND PERSONNEL: INFORMATION ABOUT THE BOARD OF DIRECTORS

i) GENERAL INFORMATION ABOUT THE BOARD OF DIRECTORS

SQM's Board of Directors comprises 8 members, none of which are alternate directors. The entire Board of Directors is regularly elected every three years at our ordinary shareholders' meeting. The Board of Directors may appoint replacements to fill any vacancies that occur during periods between elections. If a vacancy occurs, the entire Board must be elected or re-elected at the next regularly scheduled meeting of shareholders. The last election of the Board of Directors took place at the ordinary shareholders' meeting held on April 25, 2013.

5) Management and Personnel

ii) IDENTIFICATION OF THE BOARD MEMBERS

Directors as of December 31, 2014:

Name	Title	Profession	Chilean Taxpayer ID	Date of Original Election	Date of Last Reelection
Julio Ponce Lerou	Chairman	Forestry Engineer	4.250.719-9	Sept. 1987	Apr. 2013
Wayne R. Brownlee (1)	Vice Chairman	Economist	Canadian Passport No. BD108168	Dec. 2001	Apr. 2013
Hernán Büchi Buc	Director	Civil Engineer	5.718.666-6	Apr. 1993	Apr. 2013
Patricio Contesse Fica	Director	Lawyer	15.315.085-0	Apr. 2013	N/A
José María Eyzaguirre Baeza (1)	Director	Lawyer	7.011.679-0	Dec. 2001	Apr. 2013
Juan Antonio Guzmán Molinari	Director	Chemical and Industrial Engineer	5.123.918-0	Apr. 2013	N/A
Alejandro Montero Purviance (1)	Director	Bachelor of Business Administration	6.939.458-2	Apr. 2013	N/A
Wolf Von Appen Behrmann	Director	Entrepreneur	2.884.455-7	May 2005	Apr. 2013

(1) On March 17, 2015, Messrs. Wayne R. Brownlee, José María Eyzaguirre Baeza and Alejandro Montero Purviance resigned from the Board of Directors of SQM S.A.

Directors not on the Board as of December 31, 2014 but who were on the Board within the last two years:

Name	Title	Profession	Chilean Taxpayer ID	Date of Original Election	Date of Last Reelection	Date Left Board
Eduardo Novoa Castellón	Director	Bachelor of Business Administration	7.836.212-K	Apr. 2008	Apr. 2011	Apr. 2013
Kendrik T. Wallace	Director	Lawyer	U.S. Passport No. 71298876	Dec. 2001	Apr. 2011	Apr. 2013
Daniel Yarur Elsaca	Director	IT Engineer	6.022.573-7	Apr. 2003	Apr. 2011	Apr. 2013

79

5) Management and Personnel

iii) REMUNERATIONS OF THE DIRECTORS

Summary of remunerations paid to members of the Board of Directors between January and December 2014 (in Ch$):

	SQM S.A.								SQMC S.A.
	Board of Directors			Directors' Committee		Safety, Health and Environment Committee (1)			Board of Directors
Directors	Fixed	Variable	Other	Fixed	Variable	Fixed	Variable	Total	Fixed
Julio Ponce Lerou	79,048,392	915,002,244	-	-	-	-	-	994,050,636	86,438,001
Wayne R. Brownlee	27,027,920	104,571,541	-	-	-	5,075,089	-	136,674,550	-
Hernán Buchi Buc	28,189,750	104,571,541	-	15,082,529	33,985,961	-	-	181,829,781	-
Patricio Contesse Fica	24,673,770	104,571,541	-	-	-	5,074,789	-	134,320,100	-
José María Eyzaguirre Baeza	27,027,913	104,571,541	-	-	-	5,075,089	-	136,674,543	-
Juan Antonio Guzmán Molinari	27,027,919	104,571,541	-	14,687,506	33,985,961	-	-	180,272,927	-
Alejandro Montero	27,030,623	104,571,541	-	-	-	-	-	131,602,164	-
Purviance Wolf Von Appen Behrman	28,189,752	104,571,541	-	15,082,530	33,985,961	-	-	181,829,784	-
TOTAL	268,216,039	1,647,003,031	-	44,852,565	101,957,883	15,224,967	-	2,077,254,485	86,438,001

(1) The Safety, Health and Environment Committee was created at the Ordinary Shareholders' Meeting held on April 25, 2014.

5) Management and Personnel

Summary of remunerations paid to members of the Board of Directors between January and December 2013 (in Ch$):

	SQM S.A.						SQMC S.A.		
	Board of Directors			Directors' Committee			Board of Directors	Directors' Committee	
Directors	Fixed	Variable	Other	Fixed	Variable	Total	Fixed	Variable	Total
Julio Ponce Lerou	96,518,550	1,078,877,316	-	-	-	1,175,395,866	82,791,807	-	82,791,807
Wayne R. Brownlee	21,706,484	123,300,278	-	-	-	145,006,762	-	-	-
Hernán Büchi Buc	13,003,357	123,300,278	-	3,900,827	40,072,697	180,277,159	-	-	-
Patricio Contesse Fica	9,227,566	-	-	-	-	9,227,566	-	-	-
José María Eyzaguirre Baeza	13,776,898	123,300,278	-	-	-	137,077,176	-	-	-
Juan Antonio Guzmán Molinari	8,062,089	-	-	2,741,109	-	10,803,198	-	-	-
Alejandro Montero Purviance	8,062,089	-	-	-	-	8,062,089	-	-	-
Wolf Von Appen Behrman	21,708,378	123,300,278	-	3,900,827	40,072,697	188,982,180	-	-	-
Eduardo Novoa Castellón	4,572,771	123,300,278	-	1,554,741	40,072,697	169,500,487	-	-	-
Kendrik T. Wallace	13,644,395	123,300,278	-	-	-	136,944,673	-	-	-
Daniel Yarur Elsaca	4,572,771	123,300,278	-	-	-	127,873,049	-	-	-
TOTAL	214,855,348	1,941,979,262	-	12,097,504	120,218,091	2,289,150,205	82,791,807	-	82,791,807

5) Management and Personnel

iv) ADVISORY SERVICES CONTRACTED BY THE BOARD OF DIRECTORS

During 2014, the Company incurred audit expenses amounting to 32,400 UF (approximately US$1.3 million as of December 31, 2014).

5) c) MANAGEMENT AND PERSONNEL: INFORMATION ABOUT THE DIRECTORS' COMMITTEE

i) DIRECTORS' COMMITTEE FORMED IN ACCORDANCE WITH ARTICLE 50 PART TWO OF LAW NO. 18,046

As of December 31, 2014, the Company had a Directors' Committee to carry out the functions established under Article 50, part two, of Law No. 18,046.

ii) IDENTIFICATION OF MEMBERS OF THE DIRECTORS' COMMITTEE

As of December 31, 2014, the company's Directors' Committee comprised Hernán Büchi B., Juan Antonio Guzmán and Wolf von Appen B. Under the regulations in force as of December 31, 2014, Juan Antonio Guzmán held and continues to hold the position of Independent Director and Chairman of the Directors' Committee.

The members of this Directors' Committee were elected at the shareholders' meeting held on April 25, 2013. On that date Juan Antonio Guzmán M was elected as a new member of the Directors' Committee, replacing Eduardo Novoa C. The Directors' Committee had previously remained unchanged since April 28, 2011.

iii) REMUNERATIONS OF THE DIRECTORS' COMMITTEE

On April 25, 2014, it was agreed at the SQM S.A. Ordinary Shareholders' Meeting that each Director sitting on the Directors' Committee would receive monthly remunerations of 75 UF, and annual remunerations equivalent to 0.02% of the Company's liquid net earnings for the 2014 financial year. This compensation package is fixed regardless of the number of sessions held by the Committee during the period, and separate to the remunerations received by the members in their capacity as members of the Company's Board of Directors. At the same Shareholders' Meeting, an operating budget for the Directors' Committee equivalent to the sum of the aforementioned remunerations was agreed.

On April 25, 2013, it was agreed at the SQM S.A. Ordinary Shareholders' Meeting that each Director sitting on the Directors' Committee would receive monthly remunerations of 17 UF, and annual remunerations equivalent to 0.013% of the Company's liquid net earnings for the 2013 financial year. This compensation package is fixed regardless of the number of sessions held by the Committee during the period, and separate to the remunerations received by the members in their capacity as members of the Company's Board of Directors. At the same Shareholders' Meeting, an operating budget for the Directors' Committee equivalent to the sum of the aforementioned remunerations was agreed.

For further information about remunerations paid to the members of the Directors' Committee during 2014 and 2013, see section 5)b)iii) Remunerations of the Directors.

5) Management and Personnel

iv) ACTIVITIES OF THE DIRECTORS' COMMITTEE

During 2014, the Directors' Committee of SQM (the "Committee") essentially analyzed **-one-** the Company's Unaudited Financial Statements and Reports **-two-** the Company's Audited Financial Statements and Reports **-three-** the Reports and proposals of External Auditors, Accounts Inspectors, and Independent Risk Rating Agencies for the Company **-four-** the proposal to SQM's Board of Directors about the External Auditors and Independent Rating Agencies that the Board could recommend to the respective Shareholders' Meeting for their subsequent appointment **- five-** the tax and other services, other than audit services, provided by the Company's External Auditors for the Company and its subsidiaries in Chile and abroad **-six-** the remuneration and compensation plans for the Company's main executives **-seven-** the information related to the Company's operations as referred to in Title XVI of the Corporations Act **-eight-** the Report on Internal Control of the Company and **-nine-** the various matters referred to in the "Directors Committee" section of SQM's Financial Statements as of December 31, 2014.

In this context and regarding the above, the Committee:

(a) Examined the information regarding the Financial Statements of SQM for the 2013 business year and the Report issued thereon by the External Auditors of SQM.- Similarly, it also examined the Company's Interim Consolidated Financial Statements for the 2014business year.

(b) Examined **–i–** during its **Meeting N°88 on January 07, 2014** the subscription of two "Maritime Transport Contracts" between the "SQM Group" and the "Ultramar Group" –linked to Mr. Wolf von Appen B., Director of SQM S.A.–. The Company's Directors' Committee approved said subscriptions and the Board of Directors of SQM S.A., subsequently, in its **Board of Directors Meeting N°680 on January 21, 2014**, was informed in a timely manner about said approvals and, in turn, also confirmed that said Contracts were agreed upon with the prices, terms, and other conditions similar to those prevailing in the respective markets at the pertinent time and, consequently, the Directors present unanimously approved their subscription with the sole abstention of the Director Mr. Von Appen– and declared that the latter does not constitute an Essential fact for to Company **–ii–** the two "Maritime Transport Contracts" between the "SQM Group" and the "Ultramar Group" –linked to Mr. Wolf von Appen B., Director of SQM S.A.– and which the Board of Directors SQM S.A., during its **Board of Directors Meeting N°690 on September 16, 2014**, confirmed that said contracts were agreed upon with the prices, terms, and other conditions similar to those prevailing in the respective markets at the pertinent time and, consequently, the Directors present unanimously approved their subscription with the sole abstention of the Director Mr. Von Appen – and declared that the latter does not constitute an Essential Fact for to Company **–iii–** during its **Meeting N°94 on December 16, 2014** the three "Legal Services Provision Agreements" between the "SQM Group" and the Law Firm, "Estudio de Abogados Claro y Cía.", –Linked to Messieurs Wayne R. Brownlee and José María Eyzaguirre B., Directors of SQM–. The Company's Directors Committee approved said Agreements and the Board of Directors of SQM S.A., subsequently, in its **Board of Directors Meeting N°694 on December 16, 2014**, was informed in a timely manner

about said approvals and, in turn, also confirmed that said Contracts were agreed upon with the prices, terms, and other conditions similar to those prevailing in the respective markets at the pertinent time and, consequently, unanimously approved the latter–by the Directors present with the sole abstention of the Directors Messieurs Wayne R. Brownlee and José María Eyzaguirre B.– and declared that the latter does not constitute an Essential Fact for the Company, and **–iv–** during its **Meeting N°94 on December 16, 2014** the subscription of a "Maritime Transport Contract" between the "SQM Group" and the "Ultramar Group" –linked to Mr. Wolf von Appen B., Director of SQM S.A. The Company's Directors' Committee approved said subscription and the Board of Directors of SQM S.A., subsequently, in its **Board of Directors Meeting N°694 on December 16, 2014**, was informed in a timely manner about said approval and, in turn, also confirmed that said Contract was agreed upon with the prices, terms, and other conditions similar to those prevailing in the respective markets at the pertinent time and, consequently, the Directors present unanimously approved this subscription with the sole abstention of the Director Mr. Von Appen – and declared that the latter does not constitute an Essential Fact for to Company.

83

5) Management and Personnel

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

(d) Examined the remuneration system and the compensation plans for the Company's employees and Top Executives.

Finally, the Directors' Committee issued the Annual Management Report referred to in Law 18,046.

v) ADVISORY SERVICES CONTRACTED BY THE DIRECTORS' COMMITTEE

During 2014 the Directors' Committee did not incur expenses for advisory services.

5) d) MANAGEMENT AND PERSONNEL: MAIN EXECUTIVES

i) IDENTIFICATION OF EXECUTIVE OFFICERS

As of December 31, 2014, the following executives served on the Company's executive management team:

Name	Position	Profession	Chilean Taxpayer ID	In Position Since	Years of Service at SQM (1)
Patricio Contesse G. (2)	Chief Executive Officer	Forestry Engineer	6.356.264-5	Mar. 1990	25 years
Patricio de Solminihac T. (3)	Executive Vice President and Chief Operating Officer	Industrial Civil Engineer	6.263.302-6	Jan. 2000	27 years
Matías Astaburuaga S.	General Counsel	Lawyer	7.080.469-7	Feb. 1989	26 years
Juan Carlos Barrera P.	Senior Vice President of Operations, Potassium and	Industrial Civil Engineer	10.528.182-K	Jan. 2007	24 years

Macarena Briseño C.	Lithium Head of Risk Management and Compliance	Civil Engineer	8.402.701-4	Aug. 2013	21 years
Pauline De Vidts S.	Senior Vice President of Human Resources and Sustainability	Industrial Civil Engineer	9.668.138-0	Aug. 2013	19 years
Carlos Díaz O.	Senior Vice President of Operations, Nitrates and Iodine	Industrial Civil Engineer	10.476.287-5	Oct. 2012	19 years
Daniel Jiménez Sch.	Senior Vice President of Exploration	Industrial Civil Engineer	6.362.533-7	Aug. 2013	24 years
Eugenio Ponce L.	Senior Commercial Vice President	Mechanical Engineer	5.370.715-7	Mar. 1999	34 years
Ricardo Ramos R.	Senior Vice President of Finance and Development	Industrial Civil Engineer	8.037.690-1	Nov. 1994	26 years

(1) Years of service at SQM includes SQM S.A. and its subsidiaries.

(2) On March 16, 2015, Mr. Patricio Contesse G.'s employment contract with SQM was terminated.

(3) On March 16, 2015, Mr. Patricio de Solminihac T. was named as Chief Executive Officer of SQM.

5) Management and Personnel

ii) REMUNERATIONS OF MAIN EXECUTIVES

Remunerations for the main executives for 2014 and 2013 were as follows:

Year	Number of Executives (1)	Fixed Salary (Millions of Ch$)	Variable Salary (Millions of Ch$)	Total Salary (MMCh$)
2013	117	10,723	1,946	12,669
2014	108	11,394	4,179	15,573

(1) Considers the average number of executives during the period.

iii) COMPENSATION PLANS

Executive incentive plans: The organization’s goal is to create value for its interest groups, and to this end SQM S.A. has developed a variable incentives system that recognizes people’s commitment to the organization and its operating results.

Directors: The only remunerations assigned to the Board of Directors are disclosed in section 5)b)iii) Remunerations of the Directors. The Company has not implemented any incentive plans for its Directors.

SQM Executive Officers: The Company provides annual and biennial bonus plans for its executives, taking into account achievement of targets and individual contribution to the Company’s operating results. These incentives are based on the following variables: a) Short term (annual): the Company’s operating results and safety indices; b) Long term (biennial): the Company’s after-tax return on equity. SQM also operates a compensation plan designed to retain its executives by providing bonuses linked to the Company’s share price. For more information, see Note 3.35 – Compensation plans in SQM’s Financial Statements.

5) e) MANAGEMENT AND PERSONNEL: NUMBER OF EMPLOYEES

As of December 31, 2014, SQM and its subsidiaries had 4,800 employees, detailed as follows:

Employee Type	Parent	Subsidiaries	Total
Executives	29	76	105
Professionals	108	884	992
Technicians and operators	266	3,247	3,513
Foreigners		190	190
Total	403	4,397	4,800

5) Management and Personnel

5) f) MANAGEMENT AND PERSONNEL: SHARE OWNERSHIP OF EXECUTIVE OFFICERS AND BOARD MEMBERS

We have been informed that the following Directors own shares of SQM as of December 31, 2014:

Name	Position	Percentage of Shares in SQM	
Julio Ponce Lerou	Chairman	0	%
Wayne R. Brownlee (1)	Vice Chairman	0	%
Hernán Büchi Buc	Director	0	%
Patricio Contesse Fica	Director	0	%
José María Eyzaguirre Baeza (1)	Director	0	%
Juan Antonio Guzmán Molinari	Director	0	%
Alejandro Montero Purviance (1)	Director	<1	%
Wolf Von Appen Behrmann	Director	0	%

(1) On March 17, 2015, Messrs. Wayne R. Brownlee, José María Eyzaguirre Baeza and Alejandro Montero Purviance resigned from the Board of Directors of SQM S.A.

We have been informed that the following executive officers own shares of SQM as of December 31, 2014:

Name	Position	Percentage of Shares in SQM	
Patricio Contesse G. (1)	Chief Executive Officer	<1	%
Patricio de Solminihac T.	Executive Vice President and Chief Operating Officer	0	%
Matías Astaburuaga S.	General Counsel	0	%
Juan Carlos Barrera P.	Senior Vice President of Operations, Potassium and Lithium	<1	%
Macarena Briseño C.	Head of Risk Management and Compliance	0	%
Pauline De Vidts S.	Senior Vice President of Human Resources and Sustainability	0	%
Carlos Díaz O.	Senior Vice President of Operations, Nitrates and Iodine	0	%
Daniel Jiménez Sch.	Senior Vice President of Exploration	0	%
Eugenio Ponce L.	Senior Commercial Vice President	0	%
Ricardo Ramos R.	Senior Vice President of Finance and Development	0	%

(2) On March 16, 2015, Mr. Patricio Contesse G.'s employment contract with SQM was terminated.

6) Information about Subsidiaries and Associates

6) a) INFORMATION ABOUT SUBSIDIARIES AND ASSOCIATES: SUBSIDIARIES AND ASSOCIATES

Subsidiaries in Chile

AGRORAMA S.A.:

Type of company:	Corporation
Capital:	US$165,000
Ownership:	99.999% SQMC S.A. 0.001% minority interest
Investment as % of SQM S.A.'s individual assets:	0.0008028%
Corporate purpose:	Sales and distribution of fertilizers, pesticides and agricultural inputs
Board of Directors:	Carlos Ríos Christian Izarnotegui Claudio Morales
CEO:	Christian Izarnotegui L.
Relationship with parent company:	Distribution
Contracts with parent company:	Not applicable
Address:	El Trovador 4285, Las Condes, Santiago, Chile
Telephone:	(56) 2 2425 2000
Fax:	(56) 2 2425 2068

AJAY-SQM CHILE S.A.:

Type of company:	Corporation
Capital:	US$5,313,794
Ownership:	51% SQM S.A. 49% Non-related parties
Investment as % of SQM S.A.'s individual assets:	0.2055468%
Corporate purpose:	Iodine processing
Board of Directors:	Eugenio Ponce L.* Felipe Smith de A.* Alan Shipp Charles Pittard
CEO:	Patricio Covarrubias G.
Relationship with parent company:	Production
Contracts with parent company:	Distribution
Address:	Avda Pdte. Eduardo Frei N° 4900, Santiago, Chile
Telephone:	(56) 2 2443 7110
Fax:	(56) 2 2443 7114

ALMACENES Y DEPOSITOS LTDA.:

Type of company:	Limited liability corporation
Capital:	US$1,281,810
Ownership:	99% SQM Potasio S.A. 1% SQM S.A.
Investment as % of SQM S.A.'s individual assets:	0.0082692%
Corporate purpose:	General deposit activities
Board of Directors:	None
CEO:	Patricio Contesse G.*
Address:	El Trovador 4285, Las Condes, Santiago, Chile
Relationship with parent company:	Support
Contracts with parent company:	Not applicable
Telephone:	(56) 2 2425 2000
Fax:	(56) 2 2425 2268

* Employee of SQM S.A.

6) Information about Subsidiaries and Associates

COMERCIAL AGRORAMA LTDA

Type of company:	Limited liability corporation
Capital:	US$1,320,000
Ownership:	70% SQMC S.A. 30% Non-related parties
Investment as % of SQM S.A.'s individual assets:	0.0110921%
Corporate purpose:	Sales and distribution of fertilizers, pesticides and agricultural inputs
Board of Directors:	Carlos Ríos Christian Izarnotegui Tullio Callegari Alejandro Bitrán
CEO:	Christian Izarnotegui L.
Relationship with parent company:	Distribution
Contracts with parent company:	Not applicable
Address:	El Trovador 4285, Las Condes, Santiago, Chile
Telephone:	(56) 2 2425 2000
Fax:	(56) 2 2425 2068

COMERCIAL HYDRO S.A.:

Type of company:	Corporation
Capital:	US$4,818,186
Ownership:	99.9999% SQMC S.A. 0.0001% SQMC Internacional Ltda.
Investment as % of SQM S.A.'s individual assets:	0.1199918%
Corporate purpose:	Import and marketing of fertilizers
CEO:	Claudio Morales*
Board of Directors:	Eugenio Ponce Ricardo Ramos Claudio Morales
Relationship with parent company:	Support
Contracts with parent company:	None
Address:	El Trovador 4285, Las Condes, Santiago, Chile
Telephone:	(56) 2 2425 2525
Fax:	(56) 2 2425 2268

EXPLORACIONES MINERAS S.A.:

Type of company:	Corporation
Capital:	US$30,100,000
Ownership:	0.269103% SQM S.A. 99.730897% SQM Potasio S.A.
Investment as % of SQM S.A.'s individual assets:	0.6278822%

Corporate purpose:	Operation of other mines and quarries
Board of Directors:	Patricio de Solminihac T.*
	Ricardo Ramos R.*
	Patricio Contesse G.*
CEO:	Patricio Contesse G.*
Relationship with parent company:	Support
Contracts with parent company:	Not applicable
Address:	El Trovador 4285, Las Condes, Santiago, Chile
Telephone:	(56) 2 2425 2000
Fax:	(56) 2 2425 2434

6) Information about Subsidiaries and Associates

INSTITUCION DE SALUD PREVISIONAL NORTE GRANDE LTDA.:

Type of company:	Limited liability corporation
Capital:	US $82,500
Ownership:	99% SQM Industrial S.A. 1% SQM S.A.
Investment as % of SQM S.A.'s individual assets:	0.0131239%
Corporate purpose:	Administration of health matters for SQM S.A.
Board of Directors:	Not applicable
CEO:	Humberto Riquelme
Relationship with parent company:	Support
Contracts with parent company:	Support
Address:	Aníbal Pinto N° 3228, Antofagasta, Chile
Telephone:	(55) 412621
Fax:	(55) 412632

ORCOMA ESTUDIOS SPA:

Type of company:	Joint stock company
Capital:	US$1,500
Ownership:	51% SQM S.A. 49% Non-related parties
Investment as % of SQM S.A.'s individual assets:	0.0548844%
Corporate purpose:	Exploration, measurement, prospection and research of mineral deposits for extraction, production and mineral processing
Legal representative:	Patricio de Solminihac* Ricardo Ramos*
Relationship with parent company:	Not applicable
Contracts with parent company:	None
Address:	Apoquindo 3721, office 131, Las Condes, Santiago, Chile
Telephone:	(56) 2 367 3000

ORCOMA SPA:

Type of company:	Joint stock company
Capital:	US$2,357,731
Ownership:	100% SQM S.A.

Investment as % of SQM S.A.'s individual assets:	0.0547025%
Corporate purpose:	Exploration, measurement, prospection, Research, development and operation of mineral deposits for extraction, production and processing
Legal representative:	Patricio de Solminihac* Ricardo Ramos*
Relationship with parent company:	Not applicable
Contracts with parent company:	None
Address:	Apoquindo 3721, office 131, Las Condes, Santiago, Chile
Telephone:	(56) 2 367 3000

89

6) Information about Subsidiaries and Associates

PROINSA LTDA.:

Type of company:	Limited liability corporation
Capital:	US$67,743
Ownership:	99.9% SQMC S.A. 0.1% Non-related parties
Investment as % of SQM S.A.'s individual assets:	0.0024625%
Corporate purpose:	Production and marketing of fertilizers
Board of Directors:	None
CEO:	Claudio Morales
Relationship with parent company:	Support
Contracts with parent company:	Not applicable
Address:	El Trovador 4285, Las Condes, Santiago, Chile
Telephone:	(56) 2 2425 2525
Fax:	(56) 2 2425 2268

SERVICIOS INTEGRALES DE TRANSITOS Y TRANSFERENCIAS S.A.:

Type of company:	Corporation
Capital:	US$9,873,573
Ownership:	99.99966% SQM Industrial S.A. 0.00034% SQM S.A.
Investment as % of SQM S.A.'s individual assets:	0.9701733%
Corporate purpose:	Transport and storage of merchandise
Board of Directors:	Eugenio Ponce L.* Ricardo Ramos R.* Patricio de Solminihac T.* Daniel Jiménez Sch.* Carlos Diaz O. *
CEO:	Patricio Contesse G.*
Relationship with parent company:	Distribution
Contracts with parent company:	Not applicable
Address:	Arturo Prat N° 1060, Tocopilla, Chile
Telephone:	(55) 414452
Fax:	(55) 414488

SOCIEDAD PRESTADORA DE SERVICIOS DE SALUD CRUZ DEL NORTE S.A.:

Type of company:	Corporation
Capital:	US$82,500
Ownership:	99% SQM Industrial S.A. 1% SQM Potasio S.A.
Investment as % of SQM S.A.'s individual assets:	0.0010917%

Corporate purpose:	Provision of health-related services
Board of Directors:	None
CEO:	Not applicable
Relationship with parent company:	Support
Contracts with parent company:	Support
Address:	El Trovador 4285, Las Condes, Santiago, Chile
Telephone:	(56) 2 2425 2000
Fax:	(56) 2 2425 2068

6) Information about Subsidiaries and Associates

SOQUIMICH COMERCIAL S.A.:

Type of company:	Open stock corporation
Capital:	US$61,745,898
Ownership:	60.6383212% SQM Industrial S.A. 0.0000004% SQM S.A. 39.3616784% Non-related parties
Investment as % of SQM S.A.'s individual assets:	1.7447198%
Corporate purpose:	Production and marketing of fertilizers
Board of Directors:	Julio Ponce L. Eugenio Ponce L.* Radomiro Blas Tomic E. Patricio de Solminihac T.* Patricio Contesse G.* Julio Ponce P. Ricardo Ramos R.*
CEO:	Claudio Morales*
Relationship with parent company:	Distribution
Contracts with parent company:	Supply
Address:	El Trovador 4285, Las Condes, Santiago, Chile
Telephone:	(56) 2 2425 2525
Fax:	(56) 2 2425 2268

SQM INDUSTRIAL S.A.:

Type of company:	Corporation
Capital:	US$715,066,287
Ownership:	99.047043% SQM S.A. 0.952957% SQM Potasio S.A.
Investment as % of SQM S.A.'s individual assets:	21.0575254%
Corporate purpose:	Operation of extraction plants, holdings and transfer of minerl substances and raw materials
CEO:	Patricio Contesse G.*
Board of Directors:	Patricio de Solminihac T.* Ricardo Ramos* Carlos Diaz O.*
Relationship with parent company:	Production
Contracts with parent company:	Not applicable
Address:	El Trovador 4285, Las Condes, Santiago, Chile
Telephone:	(56) 2 2425 2525
Fax:	(56) 2 2425 2268

SQM NITRATOS S.A.:

Type of company:	Corporation
Capital:	US$30,349,981
Ownership:	99.99999782% SQM S.A. 0.00000218% SQM Potasio S.A.
Investment as % of SQM S.A.'s individual assets:	1.0801125%
Corporate purpose:	Production and sale of fertilizers
Board of Directors:	Patricio Contesse G.* Patricio de Solminihac T.* Ricardo Ramos R.* Daniel Jiménez Sch.* Carlos Diaz O.*
CEO:	Patricio Contesse G.*
Relationship with parent company:	Production
Contracts with parent company:	Not applicable
Address:	El Trovador 4285, Las Condes, Santiago, Chile
Telephone:	(56) 2 2425 2000
Fax:	(56) 2 2425 2268

6) Information about Subsidiaries and Associates

SQM POTASIO S.A.:

Type of company:	Corporation
Capital:	US$257,010,492
Ownership:	99.999999% SQM S.A. 0.000001% Non-related parties
Investment as % of SQM S.A.'s individual assets:	25.0252995%
Corporate purpose:	Extraction of minerals for fertilizer and chemical production
Board of Directors:	Patricio de Solminihac T.* Ricardo Ramos R.* Carlos Diaz O.* Patricio Contesse G.* Daniel Jiménez Sch.*
CEO:	Patricio Contesse G.*
Relationship with parent company:	Production
Contracts with parent company:	Not applicable
Address:	El Trovador 4285, Las Condes, Santiago, Chile
Telephone:	(56) 2 2425 2000
Fax:	(56) 2 2425 2268

SQM SALAR S.A.:

Type of company:	Corporation
Capital:	US$38,000,000
Ownership:	81.82% SQM Potasio S.A. 18.18% SQM S.A.
Investment as % of SQM S.A.'s individual assets:	22.4524501%
Corporate purpose:	Exploitation and marketing of potassium, lithium and other products
Board of Directors:	Patricio De Solminihac T.* Daniel Jiménez Sch.* Ricardo Ramos R.* Carlos Diaz O.* Patricio Contesse G.*
CEO:	Patricio Contesse G.*
Relationship with parent company:	Production
Contracts with parent company:	Not applicable
Address:	El Trovador 4285, Las Condes, Santiago, Chile
Telephone:	(56) 2 2425 2000
Fax:	(56) 2 2425 2268

SQMC INTERNACIONAL LTDA.:

Type of company:	Limited liability corporation
Capital:	US$957,105
Ownership:	99.7423% SQMC S.A.

	0.2577% Proinsa Ltda.
Investment as % of SQM S.A.'s individual assets:	0.0032255%
Corporate purpose:	Marketing, import and export of fertilizers
Board of Directors:	None
CEO:	Claudio Morales
Relationship with parent company:	Soporte
Contracts with parent company:	Not applicable
Address:	El Trovador 4285, Las Condes, Santiago, Chile
Telephone:	(56) 2 2425 2525
Fax:	(56) 2 2425 2268

6) Information about Subsidiaries and Associates

Associates in Chile

SALES DE MAGNESIO LTDA.:

Type of company:	Limited liability corporation
Capital:	US$188,100
Ownership:	50% SQM Salar S.A. 50% Non-related parties
Investment as % of SQM S.A.'s individual assets:	0.0269099%
Corporate purpose:	Marketing of magnesium salts
Board of Directors:	None
CEO:	José Tomás Ovalle
Relationship with parent company:	Distribution
Contracts with parent company:	Office rental
Address:	El Trovador 4285, Las Condes, Santiago, Chile
Telephone:	(56) 2 2425 2428
Fax:	(56) 2 2425 2434

International Subsidiaries

ADMINISTRACION Y SERVICIOS SANTIAGO S.A. DE C.V.:

Type of company:	Variable capital corporation
Capital:	US$6,612
Ownership:	99.998% SQM Industrial S.A. 0.002% SQM North America Corporation
Investment as % of SQM S.A.'s individual assets:	-0.0144944%
Corporate purpose:	Services
Board of Directors:	Christian Lüders M.* Ricardo Ramos R.* Eugenio Ponce L.* Gerardo Illanes G.* Patricio de Solminihac T.* Enrique Olivares C.* Francisco Sanchez V.*
CEO:	Christian Lüders M.*
Relationship with parent company:	Support
Contracts with parent company:	Not applicable
Address:	Av. Moctezuma 144-4, Ciudad del Sol. CP 45050, Zapopan, Jalisco, Mexico
Telephone:	(52 33) 35401100
Fax:	(52 33) 35401100

6) Information about Subsidiaries and Associates

COMERCIAL CAIMÁN INTERNACIONAL S.A.:

Type of company:	Corporation
Capital:	US$1,000
Ownership:	100% SQM Investment Corporation N.V.
Investment as % of SQM S.A.'s individual assets:	-0.0198834%
Corporate purpose:	Marketing, importing and exporting
Board of Directors:	Christian Lüders M.* Gerardo Illanes G.* Francisco Sánchez V.
CEO:	Christian Lüders M.*
Relationship with parent company:	Support
Contracts with parent company:	Not applicable
Address:	Edificio Plaza Bancomer, Calle 50, Panama, Republic of Panama
Telephone:	(52 33) 35101100
Fax:	(52 33) 35101100

NITRATOS NATURAIS DO CHILE SERVICIOS LTDA.:

Type of company:	Limited liability corporation
Capital:	US$202,567
Ownership:	99.9999% SQM Industrial S.A. 0.0001% SQM Brasil Ltda.
Investment as % of SQM S.A.'s individual assets:	-0.0978837%
Corporate purpose:	Marketing advisory services, representation of other foreign and local companies, administrative support in general
Board of Directors:	None
Legal representative:	Martim de Almeida Sampaio
Relationship with parent company:	Support
Contracts with parent company:	Not applicable
Address:	Calçada das Margaridas, nº 163, sala 02, Centro Comercial de Alphaville, Alphaville, Barueri, CEP 06453-038, Sao Paulo, Brazil.
Telephone:	(55 11) 4195 6315

NORTH AMERICAN TRADING COMPANY:

Type of company:	Corporation
Capital:	US$338,124
Ownership:	100% SQM North America Corporation

Investment as % of SQM S.A.'s individual assets:	0.0061787%
Corporate purpose:	Investment company
Board of Directors:	Ricardo Ramos* Daniel Jiménez*
President:	Sebastián Sánchez
Relationship with parent company:	Support
Contracts with parent company:	Not applicable
Address:	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA 30339
Telephone:	(1 770) 916 9400
Fax:	(1 770) 916 9401

6) Information about Subsidiaries and Associates

ROYAL SEED TRADING A.V.V.:

Type of company:	Limited liability corporation
Capital:	US$6,000
Ownership:	1.67% SQM S.A. 98.33% SQM Potasio S.A.
Investment as % of SQM S.A.'s individual assets:	-0.4022432%
Corporate purpose:	Investment and marketing of moveable property and real estate
Board of Directors:	IMC International Management & Trust Company N.V
CEO:	IMC International Management & Trust Company N.V
Relationship with parent company:	Support
Contracts with parent company:	Not applicable
Address:	L. G. Smith Blv 62 Miramar Building, Suite 304, Orangestad, Aruba
Telephone:	297 582 3301
Fax:	297 583 6454

RS AGRO CHEMICAL TRADING CORP. A.V.V.:

Type of company:	Limited liability corporation
Capital:	US$6,000
Ownership:	98.3333% SQM S.A. 1.6667% SQM Potasio S.A.
Investment as % of SQM S.A.'s individual assets:	0.1208100%
Corporate purpose:	Investment and marketing of moveable property and real estate
Board of Directors:	IMC International Management & Trust Company N.V
CEO:	IMC International Management & Trust Company N.V
Relationship with parent company:	Support
Contracts with parent company:	Not applicable
Address:	L. G. Smith Blv 62 Miramar Building, Suite 304, Orangestad, Aruba
Telephone:	297 582 3301
Fax:	297 583 6454

SOQUIMICH EUROPEAN HOLDINGS B.V.:

Type of company:	Limited liability corporation
Capital:	US$15,815,547
Ownership:	100% SQM Corporation N.V.
Investment as % of SQM S.A.'s individual assets:	2.4509728%
Corporate purpose:	Investment company
Board of Directors:	Frank Biot Patrick Vanbeneden Paul van Duuren Dennis Beets
CEO:	None

Relationship with parent company:	Distribution
Contracts with parent company:	Not applicable
Address:	Luna ArenA, Herikerbergweg 238, 1101 CM Amsterdam Zuid-Oost, Netherlands
Telephone:	(31 20) 5755600
Fax:	(31 20) 6730016

95

6) Information about Subsidiaries and Associates

SOQUIMICH S.L.R. ARGENTINA:

Type of company:	Limited liability corporation
Capital:	S$1,656,500
Ownership:	99.99906% SQM Investment Corporation 0.00094% SQM Industrial S.A.
Investment as % of SQM S.A.'s individual assets:	0.0041579%
Corporate purpose:	Import, export, sales and marketing of fertilizers, sodium nitrate, iodine, iodine salts, sodium sulfate, potassium nitrate and all classes of agricultural and industrial inputs
Board of Directors:	None
CEO:	Carlos Balter
Relationship with parent company:	Support
Contracts with parent company:	Not applicable
Address:	Espejo 65 – Oficina 6 – 5500 Mendoza, Argentina
Telephone:	(54 261) 434 0301
Fax:	(54 261) 434 0301

SQI CORPORATION N.V.:

Type of company:	Corporation
Capital:	US$6,300
Ownership:	99.98413% SQM Potasio S.A. 0.01587% SQM S.A.
Investment as % of SQM S.A.'s individual assets:	-0.0015331%
Corporate purpose:	Investment in moveable goods and real estate
Board of Directors:	TMF Group
CEO:	TMF Group
Relationship with parent company:	Support
Contracts with parent company:	Not applicable
Address:	Pietermaai 15, Curacao
Telephone:	(59) (99) 4612544
Fax:	(59) (99) 4612647

SQM AFRICA (PTY) LTDA.:

Type of company:	Limited liability corporation
Capital:	US$70,699
Ownership:	100% Soquimich European Holdings B.V.

Investment as % of SQM S.A.'s individual assets:	0.2179504%
Corporate purpose:	Marketing of specialty plant nutrients and industrial products
Board of Directors:	Frank Biot Patrick Vanbeneden
CEO:	Ettianne Strydom
Relationship with parent company:	Distribution
Contracts with parent company:	Not applicable
Address:	Building 33 Waterford Office Park, Waterford Drive, 2191 Fourways, Johannesburg, South Africa
Telephone:	(27 11) 6588640
Fax:	(27 11) 6581101

96

6) Information about Subsidiaries and Associates

SQM AGRO INDIA PVT LTD:

Type of company:	Limited liability corporation
Capital:	US$81,509
Ownership:	100% Soquimich European Holdings B.V.
Investment as % of SQM S.A.'s individual assets:	0.0000929%
Corporate purpose:	Agent and distributor of specialty plant nutrients in India
Board of Directors:	Patrick Vanbeneden Alex Nijo Olaf Rietveld
CEO:	Not applicable
Relationship with parent company:	Distribution
Contracts with parent company:	Not applicable
Address:	C 30 Chiragh Enclave, New Dehli, 110048 India
Telephone:	(91 11) 26 44 24 98
Fax:	(91 11) 26 23 82 73

SQM (BEIJING) COMMERCIAL CO. LTDA.:

Type of company:	Limited liability corporation
Capital:	US$1,600,000
Ownership:	100% SQM Industrial S.A.
Investment as % of SQM S.A.'s individual assets:	0.0535411%
Corporate purpose:	Commission agent and marketing of chemical products
Board of Directors:	Patricio de Solminihac T.* Eugenio Ponce L.* Ricardo Ramos R.*
CEO:	Olaf Rietveld
Relationship with parent company:	Distribution
Contracts with parent company:	Commercial agency agreement
Address:	Room 1502, CBD International Mansion No. 16 Yong An Dong Li, Jian Wai Ave Beijing, 100022, P.R. China.
Telephone:	(86 10) 6461 8950
Fax:	(86 10) 8454 0885

SQM BRASIL SERVICIOS LTDA.:

Type of company:	Limited liability corporation
Capital:	US$2,190,000

Ownership:	98.91% SQM Industrial 1.09% SQM S.A.
Investment as % of SQM S.A.'s individual assets:	0.0020673%
Corporate purpose:	Marketing advisory services, representation of other foreign and domestic companies, administrative support in general
Board of Directors:	None
Representante legal:	Martim de Almeida Sampaio
Relationship with parent company:	Support
Contracts with parent company:	Not applicable
Address:	Calçada das Margaridas, nº 163, sala 02, Centro Comercial de Alphaville, Alphaville, Barueri, CEP 06453-038, Sao Paulo, Brazil
Telephone:	(55 11) 4195 6315

6) Information about Subsidiaries and Associates

SQM COMERCIAL DE MEXICO S.A. de C.V.:

Type of company:	Variable capital corporation
Capital:	US$22,044,533
Ownership:	99.9459% SQM Industrial S.A. 0.0536% SQM Potasio S.A. 0.0005% SQM S.A.
Investment as % of SQM S.A.'s individual assets:	0.6752445%
Corporate purpose:	Import, export and marketing of fertilizers
Board of Directors:	Christian Lüders M.* Ricardo Ramos R.* Eugenio Ponce L.* Gerardo Illanes G.* Patricio de Solminihac T.* Enrique Olivares C.* Francisco Sanchez V.*
CEO:	Christian Lüders M.*
Relationship with parent company:	Distribution
Contracts with parent company:	Not applicable
Address:	Av. Moctezuma 144-4, Ciudad del Sol. CP 45050, Zapopan, Jalisco, Mexico
Telephone:	(52 33) 35401100
Fax:	(52 33) 35401100

SQM CORPORATION N.V.:

Type of company:	Corporation
Capital:	US$12,939,718
Ownership:	99.9794% SQM Industrial S.A. 0.0204% SQI Corporation N.V. 0.0002% SQM S.A.
Investment as % of SQM S.A.'s individual assets:	2.1284624%
Corporate purpose:	Investment in moveable goods and real estate
Board of Directors:	TMF Group
CEO:	TMF Group
Relationship with parent company:	Support
Contracts with parent company:	Not applicable
Address:	Pietermaai 15, Curacao
Telephone:	(59) (99) 4335119

Fax:	(59) (99) 4335119

SQM ECUADOR S.A.:

Type of company:	Corporation
Capital:	US$416,900
Ownership:	99.996% SQM Industrial S.A. 0.004% SQM S.A.
Investment as % of SQM S.A.'s individual assets:	0.0091287%
Corporate purpose:	Wholesale fertilizer sales
Board of Directors:	None
CEO:	Andrés Yaksic*
Relationship with parent company:	Distribution
Contracts with parent company:	Not applicable
Address:	Av. José Orrantia y Av. Juan Tanca Marengo, Edificio Executive Center, Piso 3 Oficina 304-305, Guayaquil, Ecuador
Telephone:	(593 4) 2158639
Fax:	(593 4) 2158639 ext 11

6) Information about Subsidiaries and Associates

SQM EUROPE N.V.:

Type of company:	Corporation
Capital:	US$21,736,572
Ownership:	99.42% Soquimich European Holdings B.V. 0.58% SQM S.A.
Investment as % of SQM S.A.'s individual assets:	1.1577180%
Corporate purpose:	Distribution and marketing of specialty plant nutrients and industrial products in Europe, Northern Africa and the Middle and Far East
Board of Directors:	Ricardo Ramos R.* Eugenio Ponce L.* Patricio de Solminihac T.* Daniel Jiménez S.* Enrique Olivares*
CEO:	Frank Biot
Relationship with parent company:	Support and Distribution
Contracts with parent company:	Not applicable
Address:	Houtkok-Noordkaai 25a, 2030. Antwerp, Belgium
Telephone:	(32 3) 2039700
Fax:	(32 3) 2312782

SQM FRANCE S.A.

Type of company:	Corporation
Capital:	US$204,061
Ownership:	100% Soquimich European Holdings NV
Investment as % of SQM S.A.'s individual assets:	0.0055051%
Corporate purpose:	Distribution
Board of Directors:	
Representante Legal:	Oliver Lecaplain
Relationship with parent company:	Support
Contracts with parent company:	Not applicable
Address:	Zac Des Pommiers, 27930 Fauville, France
Telephone:	None

SQM IBERIAN S.A.

Type of company:	Corporation
Capital:	US$133,127

Ownership:	100% Soquimich European Holdings B.V.
Investment as % of SQM S.A.'s individual assets:	0.1254324%
Corporate purpose:	Distribution and marketing of specialty plant nutrients and technical products in Spain
Board of Directors:	Frank Biot Jorge Lütken Erik Borghys Andrés Yaksic*
Gerencia:	José Andrés Cayuela Enrique Torras Erik Lütken
Relationship with parent company:	Distribution
Contracts with parent company:	Not applicable
Address:	Provenza 251 Principal 1a CP 08008 Barcelona, Spain
Telephone:	(34 93) 4877806
Fax:	(34 93) 4872344

6) Information about Subsidiaries and Associates

SQM INDONESIA S.A.:

Type of company:	Corporation
Capital:	US$35,629
Ownership:	80% Soquimich European Holding B.V. 20% Non-related parties
Investment as % of SQM S.A.'s individual assets:	0.0000557%
Corporate purpose:	Import trading and distribution services
Board of Directors:	Frank Biot (President) Patrick Vanbeneden Marnix Van Hyfte Rudy Ismanto
CEO:	Not applicable
Relationship with parent company:	Not applicable
Contracts with parent company:	Not applicable
Address:	Puri Sentra Niaga Blok B 25, JL. Wiraloka, Kalimalang, Jakarta, 13620
Telephone:	(62 21) 86607760
Fax:	(62 21) 86607761

SQM INVESTMENT CORPORATION N.V.:

Type of company:	Corporation
Capital:	US$50,000
Ownership:	99.00% SQM Potasio S.A. 1.00% SQM S.A.
Investment as % of SQM S.A.'s individual assets:	0.722570%
Corporate purpose:	Investment and marketing of moveable goods and real estate
Board of Directors:	TMF Group
CEO:	TMF Group
Relationship with parent company:	Support
Contracts with parent company:	Not applicable
Address:	Pietermaai 15, Curacao
Telephone:	(59) (99) 4335119
Fax:	(59) (99) 4335119

SQM ITALIA SRL:

Type of company:	Limited liability corporation
Capital:	US$308,652
Ownership:	100% Soquimich European Holdings NV
Investment as % of SQM S.A.'s individual assets:	0.0286172%
Corporate purpose:	Distribution

Board of Directors:	
CEO:	Silvio Maria Parri
	Frank Biot
Relationship with parent company:	Support
Contracts with parent company:	Not applicable
Address:	Via A. Meucci, N°5, 50012 – Bagno A Ripoli –Firenze, Italy
Telephone:	+39 055 644 418
Fax:	None

100

6) Information about Subsidiaries and Associates

SQM JAPAN CO. LTD.:

Type of company:	Limited liability corporation
Capital:	US$87,413
Ownership:	99% SQM Potasio S.A. 1% SQM S.A.
Investment as % of SQM S.A.'s individual assets:	0.0382104%
Corporate purpose:	Marketing of products in Asia/Oceania and marketing assistance
Board of Directors:	Patricio Contesse* Eugenio Ponce* Mayo Shibazaki
CEO:	Mayo Shibazaki
Relationship with parent company:	Distribution and marketing
Contracts with parent company:	Commercial agency agreement
Address:	From 1st Bldg 207, 5-3-10 Minami- Aoyama, Minatoku, Tokyo, Japan 107-0062
Telephone:	(81 3) 5778 3311
Fax:	(81 3) 5778 3312

SQM LITHIUM SPECIALTIES LIMITED PARTNERSHIP, L.L.P:

Type of company:	Limited liability partnership
Capital:	US$33,712,430
Ownership:	99% SQM Virginia LLC 1% North American Trading Co.
Investment as % of SQM S.A.'s individual assets:	0.3370880%
Corporate purpose:	Production and marketing of lithium derivatives
Board of Directors:	None
President:	Sebastian Sanchez
Relationship with parent company:	Soporte
Contracts with parent company:	Not applicable
Address:	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA 30339
Telephone:	1 (770) 916 9400
Fax:	1 (770) 916 9401

SQM NITRATOS MEXICO S.A. de C.V.:

Type of company:	Variable capital corporation
Capital:	US$5,636
Ownership:	99.998% SQM Industrial S.A. 0.002% SQM North America Corporation
Investment as % of SQM S.A.'s	

individual assets:	0.0002091%
Corporate purpose:	Services
Board of Directors:	Christian Lüders M.* Ricardo Ramos R.* Eugenio Ponce L.* Gerardo Illanes G.* Patricio de Solminihac T.* Enrique Olivares C.* Francisco Sanchez V.*
CEO:	Christian Lüders M.*
Relationship with parent company:	Support
Contracts with parent company:	Not applicable
Address:	Av. Moctezuma 144-4, Ciudad del Sol. CP 45050, Zapopan, Jalisco, Mexico
Telephone:	(52 33) 35401100
Fax:	(52 33) 35401100

101

6) Information about Subsidiaries and Associates

SQM NORTH AMERICA CORPORATION:

Type of company:	Corporation
Capital:	US$30.140.100
Ownership:	51% SQM Industrial S.A. 40% SQM S.A. 9% Soquimich European Holdings B.V.
Investment as % of SQM S.A.'s individual assets:	0.7050464%
Corporate purpose:	Marketing of nitrates, fertilizers, iodine and lithium in North America
Board of Directors:	Patricio Contesse G.* Patricio de Solminihac T.* Eugenio Ponce L.* Ricardo Ramos R.* Daniel Jiménez S. *
President:	Sebastian Sanchez
Relationship with parent company:	Distribution
Contracts with parent company:	Not applicable
Address:	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA 30339
Telephone:	(1 770) 916 9400
Fax:	(1 770) 916 9401

SQM OCEANIA PTY LIMITED:

Type of company:	Limited liability corporation
Capital:	US$1
Ownership:	100% SQM Soquimich European Holdings B.V.
Investment as % of SQM S.A.'s individual assets:	0.0489651%
Corporate purpose:	Import, export and distribution of fertilizers and industrial products
Board of Directors:	Frank Biot Patrick Vanbeneden Gerardo Illanes G.* Carlos Díaz O.* Geoffrey Walker
CEO:	None
Relationship with parent company:	Distribution
Contracts with parent company:	Not applicable
Address:	LEVEL 16 201 ELIZABETH STREET SYDNEY NSW 2000
Telephone:	(61 412) 558911
Fax:	(61 293) 479221

6) Information about Subsidiaries and Associates

SQM PERÚ S.A.:

Type of company:	Corporation
Capital:	US$17,427
Ownership:	99.02% SQM Industrial S.A. 0.98% SQM S.A.
Investment as % of SQM S.A.'s individual assets:	-0.0150983%
Corporate purpose:	Marketing of agricultural and industrial inputs
Board of Directors:	Ricardo Ramos* Enrique Olivares" Andrés Yaksic*
CEO:	Andrés Yaksic*
Relationship with parent company:	Support
Contracts with parent company:	Not applicable
Address:	Avenida Camino Real Nº 390 of 801, San Isidro, Lima, Peru
Telephone:	(511) 6112121
Fax:	(511) 6112122

SQM (THAILAND) LIMITED:

Type of company:	Limited liability corporation
Capital:	US$3,364,341
Ownership:	99.996% SQM European Holdings NV 0.004% Non-related parties
Investment as % of SQM S.A.'s individual assets:	0.0645719%
Corporate purpose:	Marketing of fertilizers and industrial chemicals
Board of Directors:	Andrés Yaksic* Patrick Vanbeneden Bert Desmet Pattamakan Suparp
Representante legal:	Bert Desmet
Relationship with parent company:	Distribution
Contracts with parent company:	Not applicable
Address:	Unit 2962, Level 29, No. 388, Exchange Tower, Sukhumvit Road, Klongtoey District, Bangkok, Thailand
Telephone:	(66) 2104 9136

SQM VIRGINIA L.L.C.:

Type of company:	Limited liability corporation
Capital:	US $33,375,305
Ownership:	100% SQM North America Corporation
Investment as % of SQM S.A.'s individual assets:	0.3337199%
Corporate purpose:	Investment company
Board of Directors:	Eugenio Ponce L.* Gerardo Illanes G.*
President:	Sebastián Sánchez
Relationship with parent company:	Support
Contracts with parent company:	Not applicable
Address:	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA 30339
Telephone:	(1 770) 916 9400
Fax:	(1 770) 916 9401

6) Information about Subsidiaries and Associates

SQMC HOLDING CORPORATION:

Type of company:	Corporation
Capital:	US$3,000,000
Ownership:	99.9% SQM Potasio S.A. 0.1% SQM S.A.
Investment as % of SQM S.A.'s individual assets:	0.7434891%
Corporate purpose:	Investment company
Board of Directors:	Eugenio Ponce L.* Felipe Smith*
President:	Sebastián Sánchez
Relationship with parent company:	Support
Contracts with parent company:	Not applicable
Address:	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA 30339
Telephone:	(1 770) 916 9400
Fax:	(1 770) 916 9401

International Associates

ABU DHABI FERTILIZER INDUSTRIES CO. W.L.L.:

Type of company:	Limited liability corporation
Capital:	US$1,440,217
Ownership:	37% SQM Corporation N.V. 63% Non-related parties
Investment as % of SQM S.A.'s individual assets:	0.2385560%
Corporate purpose:	Distribution and marketing of specialty plant nutrients
Board of Directors:	Yousef Al Tawil Patrick Vanbeneden Frank Biot
CEO:	Yousef Al Tawil
Relationship with parent company:	Distribution
Contracts with parent company:	Not applicable
Address:	PO Box 71871, Abu Dhabi, United Arab Emirates
Telephone:	(971) 25511700
Fax:	(971) 25511702

AJAY EUROPE SARL:

Type of company:	Limited liability corporation
Capital:	US$4,206,847
Ownership:	50% Soquimich European Holdings B.V. 50% Non-related parties
Investment as % of SQM S.A.'s individual assets:	0.1859303%

Corporate purpose:	Production and distribution of iodine
Board of Directors:	Eugenio Ponce*
	Alan Shipp
	Felipe Smith*
	Alec Poitevint
CEO:	Alan Shipp
Relationship with parent company:	Production
Contracts with parent company:	Supply
Address:	Z.I. du Grand Verger BP 227 53602, Evron Cedex, France
Telephone:	(33 24) 3013535
Fax:	(33 24) 3017618

6) Information about Subsidiaries and Associates

AJAY NORTH AMERICA L.L.C.:

Type of company:	Limited liability corporation
Capital:	US$10,383,786
Ownership:	49% SQMC Holding Corporation 51% Non-related parties
Investment as % of SQM S.A.'s individual assets:	0.3142865%
Corporate purpose:	Production and marketing of iodine derivatives
Board of Directors:	Eugenio Ponce* Felipe Smith* Alan Shipp Alec Poitevint
CEO:	Alan Shipp
Relationship with parent company:	Production
Contracts with parent company:	Supply
Address:	1400 Industry Road, Power Springs, GA 30129
Telephone:	1 (770) 943 6202
Fax:	1 (770) 439 0369

CHARLEE SQM THAILAND:

Type of company:	Limited liability corporation
Capital:	US$2,432,000
Ownership:	40% Soquimich European Holdings B.V. 60% Non-related parties
Investment as % of SQM S.A.'s individual assets:	0.0419316%
Corporate purpose:	Distribution and marketing of specialty plant nutrients
Board of Directors:	Patrick Vanbeneden Olaf Rietveld Chali Arjananont Vashirasak Arjananont Wachirachai Utjananont
Relationship with parent company:	Distribution
Contracts with parent company:	Not applicable
Address:	31 Soi 138 (Meesuk) Ladpraw Road, Bangkapi, 10240 Bangkok, Thailand
Telephone:	(662) 3778668
Fax:	(662) 3773578

6) Information about Subsidiaries and Associates

DOKTOR TARSA TARIM SANAYI A.S.:

Type of company:	Corporation
Capital:	US$17,680,795
Ownership:	50% Soquimich European Holdings B.V. 50% Non-related parties
Investment as % of SQM S.A.'s individual assets:	0.3454689%
Corporate purpose:	Distribution, marketing and production of specialty fertilizers
Board of Directors:	Frank Biot Ali B. Ozman Fahri Harmansah
CEO:	Ali B. Ozman
Relationship with parent company:	Distribution
Contracts with parent company:	Not applicable
Address:	Organize Sanayi Bolgesi, Ikinci Kisim, 22 cadde TR07100 Antalya, Turkey.
Telephone:	(90 2) 422494646
Fax:	(90 2) 422494600

SQM MED TARIM SANAYI VE TICARET A.S.:

Type of company:	Corporation
Capital:	US$283.906
Ownership:	50% Soquimich European Holdings B.V. 50% Non-related parties
Investment as % of SQM S.A.'s individual assets:	0.0020441%
Corporate purpose:	Production and marketing of specialty products
Board of Directors:	Patrick Vanbeneden Ali B. Özman
CEO:	Ali B. Özman
Relationship with parent company:	Support
Contracts with parent company:	None
Address:	Organize Sanayi Bolgesi, Ikinci,Kisim, 22 cadde TR07100 Antalya, Turkey
Telephone:	(90 2) 422494646
Fax:	(90 2) 422494600

There were no significant changes in the ownership structure of SQM's subsidiaries and associates during 2014.

6) Information about Subsidiaries and Associates

107

6) Information about Subsidiaries and Associates

6) b) INFORMATION ABOUT OTHER INVESTEES

Joint Ventures or Joint Control

COROMANDEL (SQM INDIA) P LTD.:

Type of company:	Limited liability corporation
Capital:	US$1,579,200
Ownership:	50% Soquimich European Holdings NV 50% Non-related parties
Investment as % of SQM S.A.'s individual assets:	0.0174909%
Corporate purpose:	Distribution, marketing and production of specialty fertilizers
Board of directors:	Patrick Vanbeneden Olaf Rietvald Gopala Krishna Mr. Sankarasubramanian
CEO:	Mahadev Suvarna
Relationship with parent company:	Distribution
Contracts with parent company:	Not applicable
Address:	Coromandel House 1-2-10, Sardar Patel Road, Secunderabad-500 003, Andhra Pradesh, India
Telephone:	91-40-27842034

QINGDAO SQM-STAR CROP NUTRITION CO. LTD.:

Type of company:	Limited liability corporation
Capital:	US$2,000,000
Ownership:	50% SQM Industrial S.A. 50% Non-related parties
Investment as % of SQM S.A.'s individual assets:	0.0457364%
Corporate purpose:	Production and marketing of soluble fertilizers
Board of directors:	Li Xiang Andrés Yaksic* Wan Taibin Frank Biot
CEO:	Li Xiang
Relationship with parent company:	Producción
Contracts with parent company:	Not applicable
Address:	No. 36, Road 7 Longquan River, Longquan Town, Jimo City, Qingdao Municipality, Shangdong Province, China
Telephone:	(86) 532 809 65 366

SICHUAN SQM-MIGAO CHEMICAL FERTILIZER CO. LTD.:

Type of company:	Limited liability corporation
Capital:	US$28,000,000
Ownership:	50% SQM Industrial S.A. 50% Migao Corporation
Investment as % of SQM S.A.'s individual assets:	0.2977510%
Corporate purpose:	Production and marketing of fertilizers
Board of directors:	Andrés Yaksic* Liu Yaqin Liu Guocai Frank Biot
CEO:	Liu Guocai.
Relationship with parent company:	Production
Contracts with parent company:	Not applicable
Address:	Huangjin Road, Dawan Town, Qingbaijiang District, Chengdu Municipality, Sichuan Province, China.
Telephone:	(86) 532 809 65 366

6) Information about Subsidiaries and Associates

SQM VITAS BRASIL:

Type of company:	Limited liability corporation
Capital:	US$5,373,325
Ownership:	99.99% SQM Vitas FZCO 0.01% Non-related parties
Investment as % of SQM S.A.'s individual assets:	0.0658389 %
Corporate purpose:	Production, distribution and marketing of specialty plant nutrients
Board of directors:	Frank Biot Karina Kuzmak-Bourdet Alfredo Doberti
CEO:	Leandro Ries
Relationship with parent company:	Production and distribution
Contracts with parent company:	Not applicable
Address:	Via Candeias, Km. 01, Sem Numero, Lote 4, Bairro Cia Norte, Candeias, Bahia – Brazil CEP 43.805 – 190, Caixa Postal 138
Telephone:	(55) 71 3602 3056
Fax:	None

SQM VITAS B.V.

Type of company:	Limited liability corporation
Capital:	US$121,040
Ownership:	50% Soquimich European Holdings NV 50% Non-related parties
Investment as % of SQM S.A.'s individual assets:	0.0307890%
Corporate purpose:	Investment company
Board of directors:	Frank Biot Patrick Vanbeneden Paul van Duuren Dennis Beets
CEO:	Not applicable
Relationship with parent company:	Support
Contracts with parent company:	Not applicable
Address:	Luna ArenA, Herikerbergweg 238, 1101 CM Amsterdam Zuid-Oost, Netherlands
Telephone:	(31 20) 5755600
Fax:	(31 20) 6730016

109

6) Information about Subsidiaries and Associates

SQM VITAS FZCO:

Type of company:	Free zone company
Capital:	US$1.415.440
Ownership:	49.5% SQM Industrial S.A. 0.5% SQM S.A. 50% Non-related parties
Investment as % of SQM S.A.'s individual assets:	0.2134326%
Corporate purpose:	Production, distribution and marketing of specialty plant nutrients
Board of directors:	Patrick Vanbeneden Karina Kuzmak-Bourdet Frank Biot
CEO:	Patrick Vanbeneden
Relationship with parent company:	Production and distribution
Contracts with parent company:	Not applicable
Address:	Jebel Ali Free Zone, PO Box 18222, Dubai, United Arab Emirates
Telephone:	(971 4) 8838506
Fax:	(971 4) 8838507

SQM VITAS PERÚ S.A.C.:

Type of company:	Corporation
Capital:	US$4.420.440
Ownership:	99.99999% SQM Vitas FZCO 0.00001% SQM Industrial S.A.
Investment as % of SQM S.A.'s individual assets:	0.0580009%
Corporate purpose:	Production, distribution and marketing of specialty plant nutrients
Board of directors:	Frank Biot Karina Kuzmak-Bourdet Alfredo Doberti
CEO:	Carlos Arredondo
Relationship with parent company:	Production and distribution
Contracts with parent company:	Not applicable
Address:	Av. Juan de Arona N°151 Of. 303, Torre B, San Isidro, Lima, Peru
Telephone:	(511) 611 2121
Fax:	(511) 611 2121

SQM VITAS PLANTACOTE BV:

Type of company:	Limited liability corporation
Capital:	US$1,815,600
Ownership:	100% SQM Vitas BV
Investment as % of SQM S.A.'s	

individual assets:	0.0131704%
Corporate purpose:	Production, distribution and marketing of specialty plant nutrients
Board of directors:	Patrick Vanbeneden Frank Biot Karina Kuzmak-Bourdet
CEO:	Toon Vanderhallen
Relationship with parent company:	Production and distribution
Contracts with parent company:	Not applicable
Address:	Luna ArenA, Herikerbergweg 238, 1101 CM Ambsterdam Zuid-Oost, Netherlands
Telephone:	(32) 471 953405
Fax:	None

110

6) Information about Subsidiaries and Associates

SQM VITAS SOUTHERN AFRICA PTY:

Type of company:	Proprietary company
Capital:	US$1,180,814
Ownership:	100% SQM Vitas FZCO
Investment as % of SQM S.A.'s individual assets:	0.0020905%
Corporate purpose:	Production, distribution and marketing of specialty plant nutrients
Board of directors:	Patrick Vanbeneden Frank Biot Karina Kuzmak-Bourdet
CEO:	Adriaan Boersma
Relationship with parent company:	Production and distribution
Contracts with parent company:	Not applicable
Address:	33, Waterford Office Park, Waterford Drive, Fourways 2162, Johannesburg, South Africa
Telephone:	(27) 11 658 0018
Fax:	None

SQM VITAS SPAIN:

Type of company:	Corporation
Capital:	US$1,210,400
Ownership:	100% SQM Vitas BV
Investment as % of SQM S.A.'s individual assets:	0.0118812%
Corporate purpose:	Production of specialty plant nutrients
Board of directors:	Patrick Vanbenden Frank Biot Karina Kuzmak-Bourdet
CEO:	Juan Carlos García
Relationship with parent company:	Production
Contracts with parent company:	Not applicable
Address:	11510-Puerto Real, calle Manuel Echeverría, Manzana 2, Muelle de la Cabezuela, Cádiz, Spain
Telephone:	(34) 956567946
Fax:	(34) 956479059

7) Information about Relevant or Essential Facts

7) INFORMATION ABOUT RELEVANT OR ESSENTIAL FACTS

Relevant or Essential Facts Pertaining to SQM S.A.

On March 4, 2014, SQM informed that its Board of Directors, who met in an Ordinary Meeting on March 4th, 2014, unanimously agreed to recommend at the next Annual General Shareholders' Meeting of SQM to distribute and pay, by way of final dividend, 50% of the distributable net income obtained by SQM during the exercise of the fiscal year 2013. This recommendation implies maintaining SQM's current "Dividend Policy for the Exercise of the Business Year 2013" which was informed to SQM's Annual General Shareholders' Meeting held on April 25th, 2013. Therefore, and subject to the approval of SQM's shareholder at the next Annual Meeting on April 25th of this year, the Company shall pay a final dividend of US$ 0.88738 per share as a consequence of the distributable net income obtained during the 2013 fiscal year. Nevertheless, the amount of US$ 0.75609 must be deducted from said definitive dividend, which was already paid as an provisional dividend, and the balance, in the amount of US$ 0.13129 per share, shall be paid and distributed to SQM Shareholders who are registered in the respective Registry by the fifth business day before the day on which the same shall be paid. Said amount, if applicable, shall be paid in the equivalent in Chilean national currency according to the value of the "Observed Dollar" or "US Dollar" that appears published in the Official Gazette on April 25, 2014. This shall be paid to the corresponding 7) Information about Relevant or Essential Facts shareholders, in person or through their duly authorized representatives, as of 9:00am on Thursday, May 8th this year.

On May 20, 2014, SQM informed that its Board of Directors met in an Ordinary Board Meeting, where they were informed about the law suit that the Economic Development Corporation (CORFO) filed against SQM Salar S.A. (SQMS) –and also against SQM, as guarantor and securing co-debtor for SQMS – and about the law suit that SQMS filed against CORFO. Both law suits involve the Leasing Contract that CORFO and SQMS signed on November 12, 1993 (CONTRACT) in relation to certain OMA Mining Deposits of CORFO which are constituted on part of the area of the Salar de Atacama in the Antofagasta Region (DEPOSITS). In addition the Directors of SQM were informed and agreed upon the following:

1. Said two law suits were filed on Friday, May 16, 2014 in the presence of a "mixed" arbitrator – or arbitrator regarding the procedure and the law in terms of the ruling- who was appointed by the Santiago Arbitration and Mediation Center of the Santiago Chamber of Commerce and the law suits were reciprocally notified to the parties on May 19, 2014.

2. The effective period of the CONTRACT runs from November 12, 1993 to December 31, 2030 and the latter, therefore, has been in force for more than 21 continuous and uninterrupted years without there ever being any legal or arbitral conflict between the parties or concerns that have not been immediately clarified by SQMS. During this

period, SQMS has always provided to CORFO, every three calendar months, the respective “payments and it has also fully paid CORFO the corresponding “quarterly lease payments”. SQMS has issued a total of 81 payments which have contained all necessary information to sustain each one of said payments and the consequent calculation and payment of the corresponding “quarterly payments”.

3. Notwithstanding the above, SQM’s Board of Directors, in relation to CORFO’s lawsuit, were informed about the principal terms and modalities of the latter and by means of which CORFO is basically requesting that the Arbiter **–i-** declare that SQMS has not fully paid the quarterly payments in a timely manner that it had to pay to CORFO since the year 2009 thereinafter, and which amount to a total of US$8,940,829 plus the pertinent interests **–ii-** declare that SQMS has not fulfilled its obligation to conserve, maintain and replace the Measured Landmarks of the MINING DEPOSITS **–iii-** declare the early termination of the CONTRACT as a consequence of that set forth in paragraph –i- or, alternatively, that expressed in above paragraph –ii- **-iv-** declare that SQMS must pay a compensation to CORFO equivalent to the lease payment that CORFO must receive until December 31, 2030 – date of the conventional termination of the CONTRACT- **-v-** declare that SQMS must pay to CORFO, for concept of non-material damage, the amount equivalent to 30% of the material damages that are determined in the arbitration proceedings, and **–vi-** declare that SQMS must return the MINING DEPOSITS to CORFO with their permits paid. The law suit, alternatively, and in the case that the arbitrator rejects said request for early termination of the CONTRACT, partially reproduces the above and basically requests, and in that corresponding to the arbitrator, that he declare that SQMS must pay the amount of US$8,940,829 plus interests to CORFO, that SQMS must maintain and replace the Measured Landmarks of the DEPOSITS and that SQMS must pay to CORFO, for the concept of non-material damage, the amount equivalent to 30% of the material damages as determined in the trial.

4. In addition, SQM’s Board of Directors, in relation to the lawsuit of SQMS, was informed in detail about the reason for which SQMS sustains that it does not owe any amount to CORFO pursuant to the CONTRACT, and, consequently, requests it to declare that the payments that SQMS delivered to CORFO and the payments made by SQMS to CORFO have fully complied with that set forth in the CONTRACT and the agreements made by the parties.To approve the salaries to be paid to the Directors of SQM S.A.

7) Information about Relevant or Essential Facts

5. The lawyers of SQMS and of SQM has informed them that the lawsuit of CORFO has no prospect for success since it is plainly contradictory to the uniform interpretation and application that the parties granted to the CONTRACT for more than 21 uninterrupted years, and that SQMS has fully complied with its obligation to protect the DEPOSITS and that the latter, as a result of the above, are currently totally in force and legally protected.

On June 6, 2014, SQM informed that its Board of Directors met today in an extraordinary Board meeting to discuss the following:

1. Partially modify the current "Dividend Policy for the 2014 fiscal year" that was approved at the Company's Annual General Shareholder meeting that took place on April 25, 2014, with the essential purpose of incorporating in said "Policy" an eventual dividend payment of US$230 million – equivalent to approximately US$0.87387 per share. This dividend will be distributed during 2014 and charged to SQM's retained earnings.

2. To convene an Extraordinary General Shareholder meeting at 10:00am on July 7, 2014, with the purpose of presenting the dividend payment presented above.

On October 15, 2014, SQM informed that it is subject to the obligations of the Chilean Income Tax Law (*Ley sobre Impuesto a la Renta*), including, when applicable, the payment of the corporate income taxes (*Impuesto de Primera Categoria,* or "First Category Tax") established by such law. On September 29, 2014, Law 20,780 was published in the Official Gazette. This law modified the Chilean Income Tax Law and introduced a progressive increase in the First Category Tax, which will reach a rate of 25% beginning in 2017, subject to the application of the Attributed Income System (*sistema de renta atribuida*), or a rate of 27% beginning in 2018, subject to the application of the Semi-Integrated System (*sistema parcialmente integrado*). SQM S.A. will be affected by these modifications to the Chilean Income Tax Law, regardless of which of the two systems it chooses to apply. In accordance with International Financial Reporting Standards (IFRS), SQM S.A. must immediately recognize, in its consolidated statements of income, the effect that this increase in the First Category Tax will have on its deferred tax liabilities. SQM S.A. estimates that the effect, under the Semi-Integrated System, will be between US$55 million and US$60 million. Notwithstanding the foregoing, once the final amount has been determined, it will be recognized and charged to profit in SQM S.A.'s interim consolidated financial statements for the third quarter of 2014, which will be published during the month of November 2014.

On October 23, 2014, SQM informed that is subject to the obligations of the Chilean Income Tax Law (*Ley sobre Impuesto a la Renta)* and, when applicable, the payment of the corporate income taxes (*Impuestos de Primera Categoria)* or "First Category Tax" established by such law.

On October 15, 2014, by means of an Essential Fact and a 6-K, SQM announced the effects that Law N° 20,780 would have on its consolidated statements of income due to deferred tax liabilities as a result of the increase in the First Category Tax. SQM estimated that the effect, under the Semi-Integrated System would be between US$55 million and US$60 million. Notwithstanding the foregoing, once the final amount was determined, it would be recognized and charged to profit in SQM S.A.'s interim consolidated financial statements for the third quarter 2014. On October 17, 2014, by means of Bulletin N° 856, the Chilean Securities and Insurance Commission (*Superintendencia de Valores y Seguros*, or "SVS") informed that these effects should be accounted for against equity. Thus, the application of Law N° 20,780 will not impact the consolidated statement of income or the determination of the distributable net income of SQM. According to Bulletin N°856, SQM would generate, then, a direct charge against equity for an amount ranging between US$55 and US$60 million that will be finally accounted for in the Interim Consolidated Financial Statements of SQM for the third quarter of 2014, of which the Company shall inform its shareholders and the relevant authorities in November.

7) Information about Relevant or Essential Facts

On October 23, 2014, SQM informed that that it has priced today a US$250 million aggregate principal amount of 4.375% Notes due 2025 (equivalent to a spread of 215 basis points over the US treasury). The notes were offered to investors at a price of 99.410% of principal amount. The notes will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or under any U.S. state securities laws. The notes are being offered solely (1) to qualified institutional buyers (as defined in Rule 144A under the Securities Act) and (2) to persons outside the United States in compliance with Regulation S under the Securities Act. The notes will not be registered with the Chilean Securities and Insurance Commission (*Superintendencia de Valores y Seguros*) under Law 18,045, as amended, and accordingly, may not be offered to persons in Chile other than in circumstances that do not constitute a public offering under Chilean law.

On October 28, 2014, SQM informed that it issued today, in the international markets, US$250 million 4.375% unsecured notes due 2025, which will be used to refinance existing indebtedness. The Company filed today the information below with the Chilean Securities and Insurance Commission (Superintendencia de Valores y Seguros or “SVS”) in compliance with the Official Notice No.1072 issued by the SVS, and as a material event in compliance with articles 9 and 10 of Law No.18,045 and SVS Rule No. 30 and in response to the Letter – Material Event dated October 23, 2014.

On November 19, 2014, SQM informed that its Board of Directors, who met in an Ordinary Board of Director Meeting on November 18, 2014, unanimously agreed to pay and distribute a provisional dividend. This payment is referred to in the current “SQM’s 2014 Dividend Policy " that was reported at the SQM Annual General Shareholders Meeting held on April 25th of this year. SQM shall pay and distribute, on of December 12, 2014, a provisional dividend of US$ 0.41493 per share, which is approximately equivalent to the total amount of US$ 109 million and, the latter, to 50% of the distributable net income of the fiscal year 2014, accumulated as of September 30 of this year. This shall be charged against the net income of said fiscal year, in favor of the Shareholders who appear in SQM’s Registry of Shareholders on the fifth business day prior to December 12, 2014, and in its equivalent in national currency (Chilean pesos) according to the value of the "Observed Dollar" or "United States of America Dollar" as published in the Official Gazette on December 5, 2014.

Relevant or Essential Facts Pertaining to Soquimich Comercial S.A.

On March 17, 2014, SQM’s subsidiary Soquimich Comercial informed the SVS of an essential fact, in which the Board of Directors of Soquimich Comercial S.A. unanimously agreed, at a session held on that date, to propose a definitive dividend payment for a sum of Chilean pesos, the national legal tender currency, equivalent at the observed dollar exchange rate on the date of approval at the company’s Ordinary General Shareholders Meeting to US$0.01892 per share, payable to the shareholders registered in the corresponding Registry on the fifth working day in advance of the payment date. This proposition, following approval at the company’s Ordinary General Shareholders Meeting to be

held on April 24, 2014, will allow the company to distribute an annual dividend equivalent to 50% of its liquid net earnings from the 2013 business year. The corresponding sum shall be paid to eligible shareholders, in person or through duly authorized representatives, starting at 09:00 am on Monday, May 19 of this year.

For information about relevant or essential facts that have taken place prior to the period covered by this Annual Report but that during the current period have had a significant effect or influence on our business, financial statements or securities, or could have such effect or influence in the future, see sections 3) a) Historical Information, 3) c) Activities and Businesses and 3) e) Risk Factors.

8) SUMMARY OF COMMENTS AND PROPOSALS BY SHAREHOLDERS AND THE DIRECTORS' COMMITTEE

According to Chilean Law No. 18,046, section 3, article 74, there have been no comments or proposals from SQM's shareholders or Directors' Committee regarding the Company's business.

9) Financial Reports

9) a) FINANCIAL REPORTS OF THE REPORTING ENTITY

Report of Independent Auditors

115

9) Financial Reports

116

9) Financial Reports

Consolidated Financial Statements

Index to the Consolidated Financial Statements

9) Financial Reports

9) Financial Reports

9) Financial Reports

9) Financial Reports

Consolidated Classified Statements of Financial Position

Assets	Note	As of December 31, 2014 ThUS$	As of December 31, 2013 ThUS$
Current assets			
Cash and cash equivalents	7.1	354,566	476,622
Other current financial assets	10.1	670,602	460,173
Other current non-financial assets	25	43,736	44,230
Trade and other receivables, current	10.2	340,830	330,992
Trade receivables due from related parties, current	9.5	134,506	128,026
Current inventories	8	919,603	955,530
Current tax assets	28.1	47,975	59,476
Total current assets		2,511,818	2,455,049
Non-current assets			
Other non-current financial assets	10.1	427	95
Other non-current non-financial assets	25	32,171	36,505
Trade receivables, non-current	10.2	2,044	1,282
Investments in associates	11.1	49,723	51,075
Investments in joint ventures	12.3	26,055	25,943
Intangible assets other than goodwill	13.1	114,735	104,363
Goodwill	13.1	38,388	38,388
Property, plant and equipment	14.1	1,887,954	2,054,377
Deferred tax assets	28.4	340	531
Total non-current assets		2,151,837	2,312,559
Total assets		4,663,655	4,767,608

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

9) Financial Reports

Consolidated Classified Statements of Financial Position (continued)

Liabilities and Equity	Note	As of December 31, 2014 ThUS$	As of December 31, 2013 ThUS$
Liabilities			
Current liabilities			
Other current financial liabilities	10.4	213,172	401,426
Trade and other payables, current	10.5	145,160	150,960
Trade payables due to related parties, current	9.6	231	-
Other current provisions	18.1	27,747	17,953
Current tax liabilities	28.2	28,983	31,707
Provisions for employee benefits, current	15.1	18,384	25,236
Other current non-financial liabilities	18.3	90,010	95,353
Total current liabilities		523,687	722,635
Non-current liabilities			
Other non-current financial liabilities	10.4	1,574,225	1,417,390
Other non-current provisions	18.1	8,890	8,633
Deferred tax liabilities	28.4	223,349	154,295
Provisions for employee benefits, non-current	15.1	33,801	32,414
Total non-current liabilities		1,840,265	1,612,732
Total liabilities		2,363,952	2,335,367
Equity	17		
Share capital		477,386	477,386
Retained earnings		1,775,612	1,909,725
Other reserves		(13,162)	(10,491)
Equity attributable to owners of the Parent		2,239,836	2,376,620
Non-controlling interests		59,867	55,621
Total equity		2,299,703	2,432,241
Total liabilities and equity		4,663,655	4,767,608

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

9) Financial Reports

Consolidated Statements of Income by Function

	Note	January to December 2014 ThUS$	2013 ThUS$
Revenue	20	2,014,214	2,203,140
Cost of sales	27.2	(1,431,242)	(1,481,690)
Gross profit		582,972	721,450
Other income	27.3	24,055	96,716
Administrative expenses	27.4	(96,532)	(105,189)
Other expenses by function	27.5	(57,107)	(49,397)
Other gains (losses)	27.6	4,424	(11,391)
Profit (loss) from operating activities		457,812	652,189
Finance income		16,142	12,696
Finance costs	22	(63,373)	(58,608)
Share of profit of associates and joint ventures accounted for using the equity method		18,116	18,786
Foreign currency translation differences	23	(16,545)	(11,954)
Profit (loss) before taxes		412,152	613,109
Income tax expense, continuing operations	28.4	(108,382)	(138,539)
Profit (loss) from continuing operations		303,770	474,570
Profit for the year		303,770	474,570
Profit attributable to			
Owners of the Parent		296,381	467,113
Non-controlling interests		7,389	7,457
Profit for the year		303,770	474,570

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

9) Financial Reports

Consolidated Statements of Income by Function (continued)

	Note	January to December 2014 US$	2013 US$
Earnings per share			
Common shares			
Basic earnings per share (US$ per share)	21	1.1261	1.7748
Basic earnings per share (US$ per share) from continuing operations		1.1261	1.7748
Diluted common shares			
Diluted earnings per share (US$ per share)	21	1.1261	1.7748
Diluted earnings per share (US$ per share) from continuing operations		1.1261	1.7748

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

9) Financial Reports

Consolidated Statements of Comprehensive Income

	January to December	
	2014	2013
Consolidated Statements of comprehensive income	ThUS$	ThUS$
Profit for the year	303,770	474,570
Components of other comprehensive income before taxes and foreign currency translation differences		
Gain (loss) from foreign currency translation differences, before taxes	(4,016)	(3,559)
Other comprehensive income before taxes and foreign currency translation differences	(4,016)	(3,559)
Cash flow hedges		
(Gain) loss from cash flow hedges before taxes	2,196	15,779
Other comprehensive income before taxes and cash flow hedges	2,196	15,779
Other comprehensive income before taxes and actuarial gains (losses) from defined benefit plans	(672)	1,012
Other miscellaneous reserves	-	-
Other components of other comprehensive income before taxes	(2,492)	13,231
Income taxes associated with components of other comprehensive income		
Income taxes associated with cash flow hedges in other comprehensive income	(311)	(3,023)
Income taxes associated with components of other comprehensive income	(311)	(3,023)
Other comprehensive income	(2,803)	10,209
Total comprehensive income	300,967	484,779
Comprehensive income attributable to		
Owners of the Parent	293,710	477,394
Non-controlling interests	7,257	7,385
Total comprehensive income	300,967	484,779

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

9) Financial Reports

Consolidated Statements of Cash Flows

Consolidated Statements of cash flows	Note	January to December 2014 ThUS$	2013 ThUS$
Cash flows from (used in) operating activities			
Types of receipts from operating activities			
Cash receipts from sales of goods and rendering of services		1,944,072	2,392,696
Types of payments			
Cash payments to suppliers for the provision of goods and services		(1,179,413)	(1,496,053)
Cash payments to and on behalf of employees		(42,218)	(48,033)
Other payments related to operating activities		(9,770)	(24,774)
Dividends received		11,817	16,423
Interest paid		(83,592)	(87,018)
Interest received		16,142	12,696
Reimbursed (paid) income taxes		(76,810)	(119,107)
Other incomes (outflows) of cash		10,816	4,883
Net cash generated from (used in) operating activities		591,044	651,713
Cash flows from (used in) investing activities			
Cash receipts from the loss of control of subsidiaries and other businesses		5,000	-
Other cash payments made to acquire interest in joint ventures		4,223	(69)
Proceeds from the sale of property, plant and equipment		156	216
Proceeds from sales of intangible assets		15,431	86,157
Acquisition of intangible assets		-	-
Acquisition of property, plant and equipment		(112,143)	(386,495)
Cash advances and loans granted to third parties		(2,470)	528
Other incomes (outflows) of cash (*)		(221,561)	(187,722)
Net cash generated from (used in) investing activities		(311,364)	(487,385)

(*) Includes other cash receipts (payments), investments and redemptions of time deposits and other financial instruments, which do not qualify as cash and cash equivalents in accordance with IAS 7.7 as they record a maturity date from their date of origin greater than 90 days.

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

9) Financial Reports

Consolidated Statements of Cash Flows (continued)

	Note	January to December	
		2014	2013
		ThUS$	ThUS$
Cash flows from (used in) financing activities			
Proceeds from long-term borrowings		250,000	300,000
Proceeds from short-term borrowings		180,000	160,000
Total proceeds from borrowings		430,000	460,000
Repayment of borrowings		(230,000)	(176,485)
Dividends paid		(379,044)	(279,668)
Other cash receipts (payments)		(208,991)	(6,132)
Net cash generated from (used in) financing activities		(388,035)	(2,285)
Net increase (decrease) in cash and cash equivalents before the effect of changes in the exchange rate		(108,355)	162,043
Effects of exchange rate fluctuations on cash held		(13,701)	(9,774)
Net (decrease) increase in cash and cash equivalents		(122,056)	152,269
Cash and cash equivalents at beginning of period		476,622	324,353
Cash and cash equivalents at end of period		354,566	476,622

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

9) Financial Reports

Consolidated Statements of Changes in Equity

2014	Share capital	Foreign currency translation difference reserves	Cash flow hedge reserves	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$
Equity at beginning of the year	477,386	(3,817)	(3,766)	(1,231)	(1,677)	(10,491)	1,909,725	2,376,620	55,621	2,432,241
Profit for the year)	-	-	-	-	-	-	296,381	296,381	7,389	303,770
Other comprehensive income	-	(3,884)	1,885	(672)	-	(2,671)	-	(2,671)	(132)	(2,803)
Comprehensive income	-	(3,884)	1,885	(672)	-	(2,671)	296,381	293,710	7,257	300,967
Dividends	-	-	-	-	-	-	(378,190)	(378,190)	(5,280)	(383,470)
Increase (decrease) in transfers and other changes (*)	-	-	-	-	-	-	(52,304)	(52,304)	-	(52,304)
Increase (decrease) due to changes in interests in subsidiaries	-	-	-	-	-	-	-	-	2,269	2,269
Increase (decrease) in equity	-	(3,884)	1,885	(672)	-	(2,671)	(134,113)	(136,784)	4,246	(132,538)
Equity as of December 31, 2014	477,386	(7,701)	(1,881)	(1,903)	(1,677)	(13,162)	1,775,612	2,239,836	59,867	2,299,703

(*) Mainly corresponds to the effect of tax rate (see note 28).

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

9) Financial Reports

Consolidated Statements of Changes in Equity

2013	Share capital	Foreign currency translation difference reserves	Cash flow hedge reserves	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$
Equity at beginning of the year	477,386	(330)	(16,522)	(2,243)	(1,677)	(20,772)	1,676,169	2,132,783	54,663	2,187,446
Profit for the year)	-	-	-	-	-	-	467,113	467,113	7,457	474,570
Other comprehensive income	-	(3,487)	12,756	1,012	-	10,281	-	10,281	(72)	10,209
Comprehensive income	-	(3,487)	12,756	1,012	-	10,281	467,113	477,394	7,385	484,779
Dividends	-	-	-	-	-	-	(233,557)	(233,557)	(6,427)	(239,984)
Increase (decrease) in transfers and other changes (*)	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in equity	-	(3,487)	12,756	1,012	-	10,281	233,556	243,837	958	244,795
Equity as of December 31, 2013	477,386	(3,817)	(3,766)	(1,231)	(1,677)	(10,491)	1,909,725	2,376,620	55,621	2,432,241

(*) Mainly corresponds to the effect of tax rate (see note 28).

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

9) Financial Reports

Note 1 Identification and activities of the Company and Subsidiaries

1.1 Historical background

Sociedad Química y Minera de Chile S.A. "SQM" is an open stock corporation organized under the laws of the Republic of Chile, Tax Identification No. 93.007.000-9.

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

The Company is registered with the Securities Registry of the Chilean Superintendence of Securities and Insurance (SVS) under No. 0184 dated March 18. 1983 and is subject to the inspection of the SVS.

1.2 Main domicile where the Company performs its production activities

The Company’s main domiciles are: Calle Dos Sur plot No. 5 - Antofagasta; Arturo Prat 1060 - Tocopilla; Administración Building w/n - Maria Elena; Administración Building w/n Pedro de Valdivia - María Elena, Anibal Pinto 3228 - Antofagasta, Kilometer 1378 Ruta 5 Norte Highway - Antofagasta, Coya Sur Plant w/n - Maria Elena, kilometer 1760 Ruta 5 Norte Highway - Pozo Almonte, Salar de Atacama (Atacama Saltpeter deposit) potassium chloride plant s/n - San Pedro de Atacama, potassium sulfate plant at Salar de Atacama s/n – San Pedro de Atacama, mining works at Salar de Ascotán Region II of Chile, Minsal Mining Camp s/n CL Plant CL, Potassium– San Pedro de Atacama.

1.3 Codes of main activities

The codes of the main activities as established by the Chilean Superintendence of Securities and Insurance are 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 within the Atacama Desert in northern Chile, contain high concentrations of lithium and potassium as well as significant concentrations of sulfate and boron.

9) Financial Reports

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

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

From our caliche ore deposits located in the north of Chile, we produce a wide range of nitrate-based products used for specialty plant nutrients and industrial applications, as well as iodine and iodine derivatives. At the Salar de Atacama, we extract brines rich in potassium, lithium, sulfate and boron in order to produce potassium chloride, potassium sulfate, lithium solutions, boric acid 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.

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

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

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

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

Lithium: the Company’s lithium is mainly used for manufacturing rechargeable batteries for cell phones, cameras and notebooks. Through the manufacturing of lithium-based products, SQM provides significant materials to face great

challenges such as the efficient use of energy and raw materials. Lithium is not only used for rechargeable batteries and in new technologies for vehicles propelled by electricity, but is also used in industrial applications to lower melting temperature and to help saving costs and energy.

Industrial Chemicals: Industrial chemicals are products used as supplies for a number of production processes. SQM has operated in this market for more than 30 years producing sodium nitrate, potassium nitrate, boric acid and potassium chloride. Industrial nitrates have increased their importance over the last few years due to their use as storage means for thermal energy at solar energy plants, which are used in countries such as Spain and the United States, which seek to decrease their CO_2 emissions**.**

Potassium: Potassium is one of the three macronutrients that a plant needs to develop. Although potassium does not form part of a plant's structure, it is essential to the development of its basic functions, validating the quality of a crop, increasing post-crop life, improving the crop's flavor, vitamin content and physical appearance. Within this business line, SQM sells potassium chloride and potassium sulfate, both extracted from the Salar de Atacama.

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

9) Financial Reports

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

1.5 Other background

Staff

As of December 31, 2014 and December 31, 2013, staff was detailed as follows:

	12/31/2014	12/31/2013
Permanent Staff	4,800	4,792

Main shareholders

The table below establishes certain information about the beneficial property of Series A and Series B shares of SQM as of December 31, 2014 and December 31, 2013. In respect to each shareholder which has interest of more than 5% of outstanding Series A or B shares. The information below is taken from our records and reports controlled in the Central Securities Depository and reported to the Superintendence of Securities and Insurance (SVS) and the Chilean Stock Exchange, whose main shareholders are as follows:

Shareholder as of December 31, 2014	No. of Series A shares owned	% of Series A shares		No. of Series B shares owned	% of Series B shares		% of total shares	
The Bank of New York Mellon, ADRs	-	-		61,894,725	51.42	%	23,52	%
Sociedad de Inversiones Pampa Calichera S.A.(*)	44,803,531	31.37	%	7,007,688	5.82	%	19,69	%
Inversiones El Boldo Limitada	29,330,326	20.54	%	17,963,546	14.92	%	17,97	%
Inversiones RAC Chile Limitada	19,200,242	13.44	%	2,202,773	1.83	%	8,13	%
Potasios de Chile S.A.(*)	18,179,147	12.73	%	-	-		6,91	%
Inversiones PCS Chile Limitada	15,526,000	10.87	%	-	-		5,90	%
Inversiones Global Mining (Chile) Limitada (*)	8,798,539	6.16	%	-	-		3,34	%
Banco de Chile on behalf of non-resident third parties	-	-		5,795,818	4.81	%	2,20	%

Banco Itau on behalf of investors	20,950	0.01	%	5,412,076	4.50	%	2,06	%
Inversiones La Esperanza Limitada	3,711,598	2.60	%	-	-		1,41	%

(*) Total Pampa Group 29.94%

Shareholder as of December 31, 2013	No. of Series A shares owned	% of Series A shares		No. of Series B shares owned	% of Series B shares		% of total shares	
The Bank of New York Mellon, ADRs	-	-		56,302,367	46.77	%	21.39	%
Sociedad de Inversiones Pampa Calichera S.A.(*)	44,758,830	31.34	%	6,971,799	5.79	%	19.65	%
Inversiones El Boldo Limitada	29,225,196	20.46	%	18,028,676	14.98	%	17.95	%
Inversiones RAC Chile Limitada	19,200,242	13.44	%	2,202,773	1.83	%	8.13	%
Potasios de Chile S.A.(*)	18,179,147	12.73	%	-	-		6.91	%
BTG Pactual Chile S.A. C de B	15,593,709	10.92	%	797,393	0.66	%	6.23	%
Inversiones Global Mining (Chile) Limitada (*)	8,798,539	6.16	%	-	-		3.34	%
Banco Itau on behalf of investors	20,950	0.01	%	5,428,234	4.51	%	2.07	%
Banco de Chile on behalf of non-resident third parties	-	-		5,234,823	4.35	%	1.99	%
Inversiones La Esperanza Limitada	3,693,977	2.59	%	-	-		1.40	%

(*) Total Pampa Group 29.90%

On December 31, 2014 the total number of shareholders was 1,285.

9) Financial Reports

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 for the years ended December 31, 2014 and December 31, 2013.

- Consolidated Statements of Changes in Equity for the years ended December 31, 2014 and 2013.

- Consolidated Statements of Comprehensive Income for the periods between January and December 31, 2014 and 2013.

- Statements of Direct-Method Cash Flows for the years ended December 31, 2014 and 2013.

2.2 Financial statements

The consolidated financial statements of Sociedad Química y Minera de Chile S.A. and Subsidiaries, have been prepared in accordance with International Financial Reporting Standards (hereinafter “IFRS”) and represent the full, explicit and unreserved application of the aforementioned international standards issued by the International Accounting Oversight Board (IASB). As of September the only instruction issued by the Chilean Superintendence of Securities and Insurance that contravenes IFRS refers to the particular recognition of the effect of deferred taxes.

On September 26, 2014, Law No. 20.780 was enacted and published on September 29, 2014, which introduces amendments to the tax system in Chile referred to income taxes, among other matters. On October 17, 2014, the Chilean Superintendence of Securities and Insurance issued Circular No. 856 which required that the adjustment of deferred tax assets and liabilities generated as a direct effect of an increase in the corporate income tax rate provided by Law 20.780 (the Tax Reform) will be made against equity and not as required by IAS 12. Notes 3.38 and 28.5 provide a detail of criteria used and impacts related to the recording of the effects resulting from such tax reform and the application of the aforementioned Circular.

These consolidated financial statements reflect fairly the Company's equity and financial position and the results of its operations, changes in the statement of recognized revenue and expenses and cash flows, which have occurred during the periods then ended.

IFRS establish certain alternatives for their application. Those applied by the Company and its subsidiaries are included in detail in this Note.

The accounting policies used in the preparation of these consolidated annual and interim accounts comply with each IFRS in force at their date of presentation. Certain reclassifications have been made for comparative purposes.

2.3 Basis of measurement

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

- Inventories are recorded at the lower of cost and net realizable value.
- Other current and non-current asset and financial liabilities at amortized cost.
- Financial derivatives at fair value; and
- Staff severance indemnities and pension commitments at actuarial value.

9) Financial Reports

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, 2014:

Standards and interpretations	**Mandatory for annual periods beginning on**
IFRIC 21 "Levies"-Issued in May 2013. Indicates the accounting treatment for a liability to pay a levy if such levy falls within the scope of IAS 37. It proposes that the liability be recognized when the obligation triggering event occurs and payment cannot be avoided. The obligation triggering event will be established in the related legislation and may occur at a given date or gradually over time. Early adoption is permitted.	01/01/2014

Amendments	**Mandatory for annual periods beginning on**
Amendment to IAS 32 "Financial Instruments: Presentation"- On the offsetting of financial assets and financial liabilities. Issued in December 2011. It clarifies the requirements for the offsetting of financial assets and financial liabilities in the Statement of financial position. Early adoption is permitted.	01/01/2014
Amendment to IAS 27 "Separate Financial Statements", IFRS 10 "Consolidated Financial Statements" and IFRS 12 "Disclosure of Interests in Other Entities"-Issued in October 2012. The amendments include the definition of an investment entity and provide an exception for the consolidation of certain subsidiaries of entities meeting the definition for an "investment entity". The amendments also introduce new disclosure requirements relative to investment entities in IFRS 12 and IAS 27.	01/01/2014
Amendment to IAS 36 "Impairment of assets"- Issued in May 2013. It amends the disclosure of the recoverable amount of non-financial assets aligning them to the requirements of IFRS 13. Early adoption is permitted.	01/01/2014
Amendment to IAS 39 "Financial Instruments: Recognition and Measurement" – on the novation of derivatives and hedge accounting – Published in June 2013. It establishes certain	01/01/2014

conditions that must be met for the novation of derivatives to allow the continuance of hedge accounting; this in order to avoid novations that are the result of laws and regulations affecting the financial statements. Early adoption is permitted.

The adoption of the standards, amendments and interpretations described above have no significant impact on the Company’s consolidated financial statements.

9) Financial Reports

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

2.4 Accounting pronouncements, continued

b) New amendments, interpretations and amendments issued, not effective for 2014, which the Company has not adopted early are as follows:

Standards and interpretations	**Mandatory for annual periods beginning on**
IFRS 9 “Financial Instruments”- Published in July 2014. The IASB has issued the full version of IFRS 9, which supersedes the application guidance in IAS 39. This final version includes requirements on the classification and measurement of financial assets and financial liabilities and an expected credit losses model that replaces the incurred loss impairment model used today. The final hedging part of IFRS 9 was issued in November 2013. Early adoption is permitted.	01/01/2018
IFRS 15 “Revenue from Contracts with Customers”-Published in May 2014. This standard establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. For such purposes, the basic principle is that an entity will recognize revenue representing the transfer of goods or services to customers in an amount that reflects the consideration that the entity expects to receive in exchange for such goods or services. The application of this standard will replace IAS 11 Construction Contracts and IAS 18 Revenue, as well as IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue-Barter Transactions Involving Advertising Services. Early application is permitted.	01/01/2017

Amendments and improvements	**Mandatory for annual periods beginning on**
Amendment of IAS 19 “Employee Benefits” on defined benefit plans – Issued in November 2013. This amendment applies to employee or third party contributions in defined benefit plans. Amendments are intended to simplify the accounting for contributions that are independent of the number of years of service of employees; e.g., contributions by employees that are calculated in accordance with a fixed percentage of the employee’s salary.	01/07/2014
Amendment to IFRS 11 “Joint Arrangements” – on the acquisition of interest in a joint operation – Issued in May 2014. This amendment includes guidance relates to the method for	01/01/2016

accounting for an acquisition of an interest in a joint operation in which the activity constitutes a business, specifying the proper treatment for such acquisitions.	
Amendment to IAS 16 “Property, Plant and Equipment” and IAS 38 “Intangible Assets” on depreciation and amortization – Issued in May 2014. The amendments clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate because revenue generated by such an activity in general reflects other factors other than the use of the economic benefits embedded in the asset. Likewise, the amendments clarify that a revenue-based amortization method is inappropriate to measure the use of the economic benefits embedded in the intangible asset.	01/01/2016
Amendments to IAS 16 “Property, Plant and Equipment” and IAS 41 “Agriculture” on bearer plants – Issued in June 2014. These amendments modify the financial information for “bearer plants”, such as vineyards, rubber wood tree and oil palm. The amendments define the concept of “bearer plant” and establish that they should be accounted for in the same way as property, plant and equipment because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41. Early adoption is permitted.	01/01/2016
Amendments to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures”- Issued in September 2014. This amendment addresses an inconsistency between the requirements of IFRS 10 and IAS 28 for the treatment of a sale or contribution of assets between an investor and its associate or joint venture. The main consequence of this amendment is the recognition of a full gain or loss when the transaction involves a business (whether or not in a subsidiary) and a partial gain or loss when the transaction involves assets that are not a business, even if such assets are in a subsidiary	01/01/2016

9) Financial Reports

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

2.4 Accounting pronouncements, continued

Amendments and improvements	**Mandatory for annual periods beginning on**
Amendment to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” - Issued in December 2014. The amendment clarifies the application of the exception from consolidation for investment entities and its subsidiaries. The amendment to IFRS 10 clarifies on the exception on consolidation available for entities in group structures that include investment entities. The amendment to IAS 28 allows an entity that is not an investment entity, but has an interest in an associated or joint venture that is an investment entity, an option of accounting policy in the application of the equity method. The entity may opt for maintaining measurement at fair value applied by the associate or joint venture that is an investment entity or, consolidating at investment entity level (associate or joint venture). Early adoption is permitted.	01/01/2016
Amendment to IAS 1 “Presentation of Financial Statements”- Issued in December 2014. This amendment clarifies the application guidance of IAS 1 on materiality and aggregation, presentation of subtotals, structure of the financial statements and disclosure of accounting policies. The amendments are part of the IASB’s Initiative on Disclosures. Early adoption is permitted.	01/01/2016

Improvements to Information Financial Reporting Standards (2012)

Issued in December 2013	**Mandatory for annual periods beginning on**
IFRS 2 “Share-based Payment” – It clarifies the definition of “vesting conditions and “market conditions” and defines separately “performance conditions” and “service conditions.” Such an amendment should be applied prospectively on share-based payment transactions whose grant date is July 1, 2014 or after. Early adoption is permitted.	07/01/2014
IFRS 3, "Business Combinations" – The standard is modified to clarify that the obligation to pay a contingent consideration that meets the definition of a financial instrument is classified as a financial liability or equity, on the basis of the definitions in IAS 32, "Financial Instruments: Presentation." The standard was additionally amended to clarify that all non-equity contingent consideration, both financial and non-financial, is measured at its fair value at each reporting date recognizing changes in fair value in profit or loss. Consequently, there are also changes to IFRS 9, IAS 37 and IAS 39. The amendment is applicable prospectively for business combinations the acquisition date of which is July 1, 2014 or	

after. Early adoption is permitted provided that amendments to IFRS 9 and IAS 37 also issued as part of the 2012 improvements plan are also applied.	
IFRS 8 “Operating Segments” – The standard is amended to include the requirement to disclose the judgments made by management in the aggregation of operating segments. The standard was additionally modified to require a reconciliation of assets of the segments to assets of an entity, when assets are reported by segment. Early adoption is permitted.	
IFRS 13 "Fair Value Measurement” – IASB has modified the basis for conclusions of IFRS 13 to clarify that it did not intend to eliminate the ability to measure short-term receivables and payables at nominal amounts if the effect of not adjusting is not significant.	07/01/2014
IAS 16 "Property, Plant and Equipment" and IAS 38, "Intangible Assets" – Both standards are amended to clarify the treatment of the gross carrying amount and accumulated depreciation when an entity uses the revaluation model. Early adoption is permitted.	
IAS 24 "Related party Disclosures" – The standard is modified to include, as related party, an entity that provides key management personnel services to the reporting entity of the Parent of the reporting entity (“the managing entity”). Early adoption is permitted.	

9) Financial Reports

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

2.4 Accounting pronouncements, continued

Improvements to International Financial Reporting Standards (2013)

Issued in December 2013	**Mandatory for annual periods beginning on**
IFRS 1 “First-time Adoption of International Financial Reporting Standards” – It clarifies that when a new version of a standard is not yet mandatory but is available for early adoption, a first-time adopter of IFRS may opt to apply the older or new version of the standard, provided that the same standard is applied to all periods presented.	
IFRS 3 “Business Combinations” – The standard is modified to clarify that IFRS 3 is not applicable to the accounting recognition of the formation of a new joint arrangement under IFRS 11. This amendment also clarifies that only the scope exemption is applied to the financial statements of the joint arrangement.	07/01/2014
IFRS 13 “Fair Value Measurement” – It clarifies that the portfolio exception in IFRS 13, that allows an entity to measure the fair value of a group of financial assets and financial liabilities as at their net amount, applies to all contracts (including non-financial contracts) within the scope of IAS 39 or IFRS 9. An entity must apply the amendments prospectively from the start of the first annual period in which IFRS 13 is applied.	

Improvements to International Financial Reporting Standards (2014)

Issued in September 2014	**Mandatory for annual periods beginning on**
IFRS 7 "Financial Instruments: Disclosures-"This includes two amendments of IFRS 7. (1) Service contracts: If an entity transfers a financial asset to a third party in conditions that allow the transferor to derecognize the asset, IFRS 7 requires the disclosure of any type of continuing involvement that the entity may still have in the transferred assets. IFRS 7 provides guidance on what is understood as continuing involvement within this context. The amendment is prospective and can be applied retrospectively. This also affects IFRS 1 to provide the same option to the first-time adopters of IFRS. (2) Interim financial statements. The amendment clarifies that the additional disclosure required by amendments of IFRS 7 "Offsetting of financial assets and financial liabilities” is not specifically required for all interim periods unless required by IAS 34. Such amendment is retrospective.	01/01/2016

IAS 19 "Employee Benefits" – This amendment clarifies that in order to determine the discount rate for post-employment benefit obligations, the important aspect is the currency in which liabilities are denominated, not the country where they generate. The evaluation of whether a deep market exists for high-quality corporate bonds is based on corporate bonds in such currency, not in corporate bonds of a particular country. Likewise, where there is no deep market for high-quality corporate bonuses in such currency, government bonds in the related currency have to be used, Such amendment is retrospective but limited at the beginning of the first period presented.

The Company's management believes that the adoption of standards, amendments and interpretations described above are under evaluation and it is expected that they will not have a significant impact on the Consolidated Financial Statements of the Company.

9) Financial Reports

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

2.5 Basis of consolidation

(a) Subsidiaries

Subsidiaries include all the entities over which Sociedad Química y Minera de Chile S.A. has control, defined as when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those variable returns through its power over the entity. Subsidiaries apply the same accounting policies of their Parent.

To account for acquisitions, 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, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingencies assumed in a business combination are measured initially at fair value at the acquisition date. For each business combination, the Company will measure non-controlling interest of the acquiree either at fair value or as proportional share of net identifiable assets of the acquiree.

Companies included in consolidation:

TAX ID No.	Foreign subsidiaries	Country of origin	Functional currency	Ownership interest 12/31/2014	
				Direct	Indirect
Foreign	Nitratos Naturais Do Chile Ltda.	Brazil	US$	0.0000	100.0000
Foreign	Nitrate Corporation Of Chile Ltd.	United Kingdom	US$	0.0000	100.0000
Foreign	SQM North America Corp.	USA	US$	40.0000	60.0000
Foreign	SQM Europe N.V.	Belgium	US$	0.5800	99.4200
Foreign	Soquimich S.R.L. Argentina	Argentina	US$	0.0000	100.0000
Foreign	Soquimich European Holding B.V.	Netherlands	US$	0.0000	100.0000
Foreign	SQM Corporation N.V.	Dutch Antilles	US$	0.0002	99.9998
Foreign	SQI Corporation N.V.	Dutch Antilles	US$	0.0159	99.9841
Foreign	SQM Comercial De México S.A. de C.V.	Mexico	US$	0.0013	99.9987
Foreign	North American Trading Company	USA	US$	0.0000	100.0000
Foreign	Administración Y Servicios Santiago S.A. de C.V.	Mexico	US$	0.0000	100.0000
Foreign	SQM Peru S.A.	Peru	US$	0.9800	99.0200

Foreign	SQM Ecuador S.A.	Ecuador	US$	0.0040	99.9960
Foreign	SQM Nitratos Mexico S.A. de C.V.	Mexico	US$	0.0000	100.000
Foreign	SQMC Holding Corporation L.L.P.	USA.	US$	0.1000	99.9000
Foreign	SQM Investment Corporation N.V.	Dutch Antilles	US$	1.0000	99.0000
Foreign	SQM Brasil Limitada	Brazil	US$	1.0900	98.9100
Foreign	SQM France S.A.	France	US$	0.0000	100.000
Foreign	SQM Japan Co. Ltd.	Japan	US$	1.0000	99.0000
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	US$	1.6700	98.3300
Foreign	SQM Oceania Pty Limited	Australia	US$	0.0000	100.000
Foreign	Rs Agro-Chemical Trading Corporation A.V.V.	Aruba	US$	98.3333	1.6667
Foreign	SQM Indonesia S.A.	Indonesia	US$	0.0000	80.0000
Foreign	SQM Virginia L.L.C.	USA	US$	0.0000	100.000
Foreign	SQM Italia SRL	Italy	US$	0.0000	100.000
Foreign	Comercial Caimán Internacional S.A.	Panama	US$	0.0000	100.000
Foreign	SQM Africa Pty.	South Africa	US$	0.0000	100.000
Foreign	SQM Lithium Specialties LLC	USA	US$	0.0000	100.000
Foreign	SQM Iberian S.A.	Spain	US$	0.0000	100.000
Foreign	SQM Agro India Pvt.Ltd.	India	US$	0.0000	100.000
Foreign	SQM Beijing Commercial Co. Ltd.	China	US$	0.0000	100.000
Foreign	SQM Thailand Limited	Thailand	US$	0.0000	99.996

9) Financial Reports

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

2.5 Basis of consolidation, continued

TAX ID No.	Domestic subsidiaries	Country of origin	Functional currency	Ownership interest 12/31/2014			12/31/2013
				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.	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	-	51.0000	100.0000
76.360.575-2	Orcoma SPA	Chile	US$	100.0000	-	100.0000	100.0000

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 depending companies acquired or disposed of during the year are included in profit or loss accounts consolidated from the effective date of acquisition or up to the effective date of disposal, as applicable.

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

2.6 Significant accounting judgments, estimates and assumptions

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 IFRSs, as issued by the International Accounting Standards Board (IASB), have been applied in full (with the exception of SVS Bulletin No. 856).

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:

- The useful lives of property, plant and equipment, and intangible assets and their residual value;

- Impairment losses of certain assets, including trade receivables;

- Assumptions used in calculating the actuarial amount of pension-related and severance indemnity payment benefit commitments;

- Provisions for commitments assumed with third parties and contingent liabilities;

- Provisions on the basis of technical studies that cover the different variables affecting products in stock (density and moist, among others), and allowance for slow-moving spare-parts in stock;

- Future cost for closure of mining sites;

- The determination of the fair value of certain financial assets and derivative instruments;

- The determination and assignment of fair values in business combinations.

9) Financial Reports

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

2.6 Significant accounting judgments, estimates and assumptions, continued

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

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 remaining recovery (maturity) dates; i.e., those maturing on a date equal to or lower than twelve months are classified as current and those with maturity dates exceeding the aforementioned period are classified as non-current.

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

3.2 Functional and presentation currency

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

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

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

3.3 Foreign currency translation

(a) Domestic entities:

Assets and liabilities denominated in Chilean pesos and other currencies other than the functional currency (U.S. dollar) as of December 31, 2014 and December 31, 2013 have been translated to U.S. dollars at the exchange rates prevailing at those dates. The corresponding Chilean pesos were converted at Ch$606.75 per US$1.00 as of December 31, 2014, and Ch$524.61 per US$1.00 as of December 31, 2013.

The values of the UF (a Chilean peso-denominated, inflation-indexed monetary unit) used to convert the UF-denominated assets and liabilities as of December 31, 2014 amounted to Ch$24,627.1 (US$40.59), and as of December 31, 2013 amounted to Ch$23,309.56 (US$44.43).

9) Financial Reports

Note 3 Significant accounting policies (continued)

3.3 Foreign currency translation, continued

(b) Foreign entities:

The conversion of the financial statements of foreign companies with functional currency other than U.S. dollars is performed as follows:

- Assets and liabilities using the exchange rate prevailing on the closing date of the consolidated financial statements.

- Statement of income account items using the average exchange rate for the year.

- Equity accounts are stated at the historical exchange rate prevailing at the acquisition date.

Foreign currency translation differences which arise from the conversion of financial statements are recorded in the account “Foreign currency translation differences," within equity.

The exchange rates used to translate the monetary assets and liabilities expressed in foreign currency at the closing date of each period in respect to the U.S. dollar are detailed as follows:

	12/31/2014 **US$**	12/31/2013 **US$**
Brazilian real	2.65	2.34
New Peruvian sol	2.97	2.75
Argentine peso	8.45	6.48
Japanese yen	120.55	105.39
Euro	0.82	0.73
Mexican peso	14.74	13.07
Australian dollar	0.82	1.12

Pound Sterling	0.64	0.61
South African rand	11.55	10.56
Ecuadorian dollar	1.00	1.00
Chilean peso	606.75	524.61
UF	40.59	44.43

(c) Transactions and balances

Non-monetary transactions in currencies other than the functional currency (U.S. dollar) foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. 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 effective hedge for a net investment in a foreign operation. These items are recognized in other comprehensive income on the disposal of the investment; at the time 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.

9) Financial Reports

Note 3 Significant accounting policies (continued)

3.3 Foreign currency translation, continued

(d) 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.

3.4 Subsidiaries

SQM S.A. establishes, as basis, the control exercised in subsidiaries, to determine their share in the consolidated financial statements. 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 in 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 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

Management determines the classification of its financial assets at the time of initial recognition, (on the basis of the business model) for the management of financial assets and the characteristics of contractual cash flows from the financial assets. In accordance with IFRS 9, financial assets are measured initially at fair value plus transaction costs that may have been incurred and are directly attributable to the acquisition of the financial asset. Subsequently, financial assets are measured at amortized cost or fair value.

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

9) Financial Reports

Note 3 Significant accounting policies (continued)

3.7 Financial liabilities

Management determines the classification of its financial liabilities at the time of initial recognition. As established in IFRS 9, financial liabilities at the time of initial recognition are measured at fair value, less transaction costs that may have been incurred and are directly attributable to the issue of the financial liability. Subsequently, these are measured at amortized cost using the effective interest method. For financial liabilities that have been initially recognized at fair value through profit or loss, these will be measured subsequently at fair value.

3.8 Financial instruments at fair value through profit or loss

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

3.9 Financial instrument offsetting

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

3.10 Reclassification of financial instruments

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

For financial liabilities these could not be reclassified.

3.11 Derivative and hedging financial instruments

Derivatives are recognized initially at fair value as of the date on which the derivatives contract is signed and, subsequently, are 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 possible foreseen transaction (cash flow hedge).

At the beginning of the transaction, the Company documents the relationship existing 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 derivatives used in hedging transactions are highly effective to offset changes in the fair value or in cash flows of hedged items.

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

Investing derivatives are classified as a current asset or liability, and the change in their fair value is recognized directly in profit or loss.

9) Financial Reports

Note 3 Significant accounting policies (continued)

3.11 Derivative and hedging financial instruments, continued

(a) Fair value hedge

The change in the fair value of a derivative is recognized with a debit or credit to profit or loss, as applicable. The change in the fair value of the hedged entry attributable to hedged risk is recognized as part of the carrying value of the hedged entry and is also recognized with a debit or credit to profit or loss.

For fair value hedges related to items recorded at amortized cost, the adjustment of the fair value is amortized against profit or loss during the period, through maturity. Any adjustment to the carrying value of a hedged financial instrument, for which the effective rate is used, is amortized with a debit or credit to profit or loss at its fair value, attributable to the risk being covered.

If the hedged entry is derecognized, the fair value not amortized is immediately recognized with a debit or credit to profit or loss.

(b) Cash flow hedges

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

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

Should the expected firm transaction or commitment no longer be 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.

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, paying to the creditor or its legally extinguished entity the primary responsibility for the liability.

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 transaction costs are recognized when incurred. Subsequent to initial recognition, changes in 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 December 31, 2014 and 2013, there are no embedded derivatives.

9) Financial Reports

Note 3 Significant accounting policies (continued)

3.14 Fair value 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 Leases

(a) Lease - Finance lease

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

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

(b) Lease – Operating lease

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

3.16 Deferred acquisition costs from insurance contracts

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

assets.

These are expensed considering the proportional period of time they cover, regardless of the related payment dates.

3.17 Trade and other receivables

Trade and other receivables relate to non-derivative financial assets with fixed and determinable payments and are not quoted in any active market. These arise from sales operations involving the products and/or services, of which the Company commercializes directly to its customers.

These assets are initially recognized at their fair value and subsequently at amortized cost according to the effective interest rate method, less a provision for impairment loss. An allowance for impairment loss is established for trade receivables when there is objective evidence that the Company will not be able to collect all the amounts which are owed to it, according to the original terms of receivables.

Implicit interest in installment sales is recognized as interest income when interest is accrued over the term of the operation.

9) Financial Reports

Note 3 Significant accounting policies (continued)

3.18 Inventory measurement

The Company states inventories for the lower of cost and net realizable value. The cost price of finished products and products in progress includes the direct cost of materials and, when applicable, labor costs, indirect costs incurred to transform raw materials into finished products, and general expenses incurred in carrying inventories to their current location and conditions. The method used to determine the cost of inventories is weighted average cost.

Commercial discounts, rebates obtained, and other similar entries are deducted in the determination of the acquisition price.

The net realizable value represents the estimate of the sales price, less all finishing estimated costs and costs which will be incurred in commercialization, sales, and distribution processes.

The Company conducts an evaluation of the net realizable value of inventories at the end of each year, recording an estimate with a charge to income when these are overstated. When a situation arises whereby the circumstances, which previously caused the rebate to cease to exist, or when there is clear evidence of an increase in the net realizable value due to a change in the economic circumstances or prices of main raw materials, the estimate made previously is modified.

The valuation of obsolete, impaired or slow-moving products relates to their net estimated, net realizable value.

Provisions on the Company's inventories have been made based on a technical study which covers the different variables which affect products in stock (density and humidity, among others).

Raw materials, supplies and materials are recorded at the lower of acquisition cost or market value. Acquisition cost is calculated according to the average price method.

3.19 Investments in associates and joint ventures

Interests in companies on which joint control is exercised (joint venture) or where an entity has 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 considering the interest percentage the Company has on 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 considering the proportional amounts with a charge or credit to “Other reserves” and classified considering 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 proportional share of profit or loss.

9) Financial Reports

Note 3 Significant accounting policies (continued)

3.19 Investments in associates and joint ventures, continued

If the resulting amount according to the equity method is negative, the share of profit or loss is reflected at zero value 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 in conformity with the share of equity are included in the consolidated profit or loss accounts in the caption "Equity share of profit (loss) of associates and joint ventures that are accounted for using the equity method of accounting".

3.20 Transactions with non-controlling interests

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

3.21 Related party transactions

Transactions between the Company and its subsidiaries are part of the Company's normal operations within its scope of business activities. Conditions for such transactions are those normally effective for those types of operations with regard to terms and market prices. Also, these transactions have been eliminated in consolidation. Expiration conditions for each case vary by virtue of the originating transaction.

3.22 Property, plant and equipment

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 which are directly attributable to the acquisition, construction or production of qualifying assets, which are those that require a substantial period prior to being ready for use. The interest rate used is that related to the project's specific financing or, should this not exist, the average financing rate of the investor company.

2. The future costs that the Company will have to experience, related to the closure of its facilities at the end of their useful life, are included at the present value of disbursements expected to be required to settle the obligation.

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

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

9) Financial Reports

Note 3 Significant accounting policies (continued)

3.22 Property, plant and equipment, continued

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.

Based on the impairment analysis conducted by the Company's management, it has been considered that the carrying value of assets does not exceed the net recoverable value of such assets.

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 daily maintenance of property, plant and equipment are recognized when incurred.

3.23 Depreciation of property, plant and equipment

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

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

Types of property, plant and equipment	Minimum life or rate	Maximum life or rate

Buildings	3	60
Plant and equipment	3	35
Information technology equipment	3	10
Fixtures and fittings	3	35
Motor vehicles	5	10
Other property, plant and equipment	2	30

3.24 Goodwill

Goodwill acquired represents the excess in acquisition cost on the fair value of the Company's ownership of the net identifiable assets of the subsidiary on the acquisition date. Goodwill acquired related to the acquisition of subsidiaries is included in goodwill, which is subject to impairment tests every time consolidated financial statements are issued, 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.

3.25 Intangible assets other than goodwill

Intangible assets mainly relate to water rights, trademarks, and rights of way related to electric lines, development expenses, and computer software licenses.

(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.

9) Financial Reports

Note 3 Significant accounting policies (continued)

3.25 Intangible assets other than goodwill, continued

(b) Right 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 in third party land. These rights are presented under intangible assets. Amounts paid are capitalized at the date of the agreement and charged to income, according to the life of the right of way.

(c) Computer software

Licenses for IT programs acquired are capitalized based on costs that have been incurred to acquire them and prepare them to use the specific program. 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 costs during more than a year, are recognized as intangible assets. Direct costs include expenses incurred for employees who develop IT programs and an adequate percentage of general expenses.

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

(d) Mining property and concession rights

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

No impairment of intangible assets exists as of December 31, 2014 and December 31, 2013.

3.26 Research and development expenses

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

3.27 Prospecting expenses

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

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

- Disbursements for geological reconnaissance evaluation

- Disbursements for drilling

- Disbursements for drilling work and sampling

- Disbursements for activities related to technical assessment and trading feasibility of drilling work

- And any disbursement directly related to specific projects where its objective is finding mining resources.

9) Financial Reports

Note 3 Significant accounting policies (continued)

3.27 Prospecting expenses, continued

Subsequently, the Company distinguishes exploration and evaluation projects according to the economic feasibility of the mineral extracted in the area or exploration, among those that finally will deliver future benefits to the Company (profitable projects) and those projects for which it is not probable that economic benefit will flow to the Company in the future (i.e., when the mine site has low ore grade and its exploitation is not economically profitable).

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

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

Paragraph 17 of IFRS 6 establishes that an asset for exploitation and evaluation should be classified as such when it loses the technical feasibility and trading feasibility for extraction and, therefore, must be impaired. For this reason and because our disbursements correspond to proven reserves with a trading feasibility and used as main raw material in our production processes, these are presented as inventories that will be exploited within the commercial year and the remainder as development expenses for small deposits and prospecting expenses in the caption “other non-current assets”.

3.28 Impairment of non-financial assets

Assets subject to depreciation and amortization are 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 discount rate before taxes which reflects current market evaluation on the time value of money and specific asset risks.

An appropriate valuation model is used to determine the fair value less selling costs. These calculations are confirmed by valuation multiples, quoted share prices for subsidiaries quoted publicly or other available fair value indicators.

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.

As of December 31, 2013, the Company was unaware of any indication of impairment with respect to its assets.

9) Financial Reports

Note 3 Significant accounting policies (continued)

3.28 Impairment of non-financial assets, continued

For assets other than acquired goodwill, an annual evaluation is conducted of whether there are impairment loss indicators recognized previously that might have already decreased or ceased to exist. The recoverable amount is estimated if such indicators exist. An impairment loss previously recognized is reversed only if there have been changes in estimates used to determine the asset's recoverable amount from the last time in which 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 would have not been recognized in prior years. This reversal is recognized with a credit to profit or loss unless an asset is recorded at the revalued amount. Should this be the case, the reversal is treated as an increase in revaluation.

3.29 Minimum dividend

As required by the Shareholders' Corporations Act, unless decided otherwise by the unanimous vote by the shareholders of subscribed and paid shares, a public company must distribute dividends as agreed by the shareholders at the General Shareholders' Meeting held each year with a minimum of 30% of its profit for the year ended December 31, 2014, except when the Company records unabsorbed losses from prior years.

However, the Company defines as policy the distribution of 50% of its profit for the year ended December 31, 2014.

3.30 Earnings per share

The net basic earnings per share amounts are calculated by dividing profit for the year attributable to 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 assumes diluted earnings per share other than the basic earnings per share.

3.31 Trade and other payables

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

3.32 Interest-bearing borrowings

At initial recognition, interest-bearing borrowings are measured at fair value. 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 they are accrued following a financial criterion.

9) Financial Reports

Note 3 Significant accounting policies (continued)

3.33 Other provisions

Provisions are recognized when:

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

3.34 Obligations related to employee termination benefits and pension commitments

Obligations with the Company's employees are in accordance with that established in the collective bargaining agreements in force, formalized through collective employment agreements and individual employment contracts, except for the United States that is regulated in accordance with employment plans in force up to 2002.

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. This, considering criteria in force contained in the revised IAS 19.

Actuarial gains and losses that may be generated by variations in defined, pre-established obligations are directly recorded in profit or loss for the year and not within "other comprehensive income," considering their insignificant amount.

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

The discount rate used by the Company for calculating the obligation was 5.5% for the periods ended December 31, 2014 and December 31, 2013.

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 6.5% interest rate for 2014 and 2013. The net balance of this obligation is presented under the non-current provisions for employee benefits.

9) Financial Reports

Note 3 Significant accounting policies (continued)

3.35 Compensation plans

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

3.36 Revenue recognition

Revenue includes the fair value of considerations received or receivable for the sale of goods and services during 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 possible that the future economic rewards will flow to the entity and the specific conditions for each type of activity related revenue are complied with, as follows:

(a) Sale of goods

The sale of goods is recognized when the Company has delivered products to the customer, and there is no obligation pending compliance that could affect the acceptance of products by the customer. The delivery does not occur until products have been shipped to the customer or confirmed as received by customers. When the related risks of obsolescence and loss have been transferred to the customer and the customer has accepted 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.

3.37 Finance income and finance costs

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

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

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

9) Financial Reports

Note 3 Significant accounting policies (continued)

3.37 Finance income and finance costs, continued

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 exist, the average financing rate of the subsidiary that makes the investment is utilized.

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

3.38 Income tax and deferred taxes

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

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

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

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

Tax on companies and variations in deferred tax assets or liabilities that are not the result of business combinations are recorded in 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 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.

With respect to deductible temporary differences associated with investments in subsidiaries, associated companies and interest in joint ventures, deferred tax assets are recognized solely provided that it is more likely than not that the temporary differences will be reversed in the near future and that there will be taxable income with which they may be used.

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.

In accordance with the instructions issued by the Chilean Superintendence of Securities and Insurance in its Circular No. 856 of October 17, 2014, the effects generated by the change in the income tax rate approved by Law No. 20.780 (the Tax Reform) on income and deferred taxes, which in accordance with IAS 12 should be charged to profit or loss for the period, have been accounted for as retained earnings. Subsequent amendments will be recognized in profit or loss for the period in accordance with IAS 12.

9) Financial Reports

Note 3 Significant accounting policies (continued)

3.39 Segment reporting

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

An operating segment is a group of assets and operations responsible for providing products or services subject to risks and performance 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 different from those of other segments that operate 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
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 Financial risk management

4.1 Financial risk management policy

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

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

Potentially, additional known or unknown risks may exist, of which we currently deem not 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.

9) Financial Reports

Note 4 Financial risk management, continued

4.2 Risk factors

4.2.1 Market risk

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

a) Country risk: The economic situation of the countries where the Company operates may affect its financial position. For example, sales conducted in emerging markets expose SQM to risks related to economic conditions and trends in those countries. In addition, inventories may also be affected by the economic scenario in such countries and/or the global economy, among other probable economic impacts.

b) Price risk: The Company's product prices are affected by the fluctuations in international prices of fertilizers and chemicals, as well as changes in productive capacities or market demand, all of which might affect the Company's business, financial position and results of operations.

c) Commodity price risk: The Company is exposed to changes in commodity prices and energy which may have an impact on its production costs that may cause unstable results.

As of to-date, the SQM Group incurs an annual expenditure of approximately US$140 million associated with fuel, gas and equivalents, including approximately US$54 million related to direct electrical supply consumption. A change of 10% in the prices of energy required for the Company's operations may involve costs of approximately US$14 million in short-term movements.

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

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

4.2.2 Doubtful accounts risk

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

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

9) Financial Reports

Note 4 Financial risk management, continued

4.2.3 Currency risk

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

A significant portion of the Company's costs, particularly payroll, is denominated in Chilean pesos. Accordingly, an increase or decrease in the exchange rate against the U.S. dollar would affect the Company's profit for the period. Approximately US$ 470 million of the Company's costs are denominated in Chilean pesos. A significant portion of the effect of such obligations on the statement of financial position is hedged by derivative instrument transactions on the balance mismatch in such currency.

As of December 31, 2013, the Company recorded derivative instruments classified as currency and interest rate hedges associated with all the bonds payable, denominated both in Chilean pesos and UF, with a fair value of US$23.6 million in favor of SQM. As of December 31, 2014, this amounts to US$37 million against SQM.

As of December 31, 2014, the Chilean peso to U.S. dollar exchange rate was Ch$606.75 per US$1.00 (Ch$ 524.61 per US$ 1.00 as of December 31, 2013).

4.2.4 Interest rate risk

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

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

As of December 31, 2014, approximately 14% of the Company’s financial liabilities are measured at LIBOR. Accordingly, any significant increase in this rate may have an impact on the Company’s financial position. A 100 basic point variation in this rate may trigger variations in financial expenses of close to US$ 0.6 million. However, this effect is significantly counterbalanced by the returns of the Company’s investments that are also strongly related to LIBOR.

In addition, as of December 31, 2014, the Company's financial liabilities are mainly concentrated in the long-term and approximately 9% have maturities of less than 12 months, decreasing in the process the exposure to changes in interest rates.

9) Financial Reports

Note 4 Financial risk management, continued

4.2.5 Liquidity risk

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

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

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

SQM constantly monitors the matching of its obligations with its investments, taking due care of maturities of both, from a conservative perspective, as part of this financial risk management strategy. As of December 31, 2014, the Company had unused, available revolving credit facilities with banks, for a total of approximately US$546 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.

4.3 Risk measurement

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

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

5.1 Changes in accounting estimates

There are no changes in accounting estimates as of the closing date of the consolidated financial statements.

5.2 Changes in accounting policies

As of December 31, 2014, the Company's consolidated financial statements present no changes in accounting policies or estimates compared to the prior period.

The consolidated statements of financial position as of December 31, 2014 and December 31, 2013, and statements of the comprehensive income, changes in equity and cash flows for the periods ended December 31, 2014 and 2013, have been prepared in accordance with International Financial Reporting Standards (IFRS) except for that indicated in Note 2.2. and the principles and criteria have been applied consistently.

Note 6 Background of companies included in consolidation

6.1 Parent's stand-alone assets and liabilities

	12/31/2014 ThUS$	12/31/2013 ThUS$
Assets	4,305,107	4,269,749
Liabilities	(2,065,271)	(1,893,129)
Equity	2,239,836	2,376,620

9) Financial Reports

Note 6 Background of companies included in consolidation (continued)

6.2 Parent entity

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

6.3 Joint arrangements of controlling interest

Sociedad de Inversiones Pampa Calichera S.A., Potasios de Chile S.A., and Inversiones Global Mining (Chile) Limitada, collectively the Pampa Group, are the owners of a number of shares that are equivalent to 29.94% as of December 31, 2014 of the current total amount of shares issued, subscribed and fully-paid of the Company. In addition, Kowa Company Ltd., Inversiones La Esperanza (Chile) Limitada, Kochi S.A. and La Esperanza Delaware Corporation, collectively the Kowa Group, are the owners of a number of shares equivalent to 2.10% of the total amount of issued, subscribed and fully-paid shares of SQM S.A..

The Pampa Group and the Kowa Group have informed SQM S.A., the Chilean SVS and the relevant stock exchanges in Chile and abroad that they are not and have never been related parties between them. In addition, this is regardless of the fact that both Groups on December 21, 2006 have entered into a Joint Action Agreement (JAA) related to those shares. Consequently, the Pampa Group, by itself, does not concentrate more than 32% of the voting right capital of SQM S.A., and the Kowa Group does not concentrate by itself more than 32% of the voting right capital of SQM S.A..

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

Detail of effective concentration

Tax ID No.	Name	Ownership interest %

96.511.530-7	Sociedad de Inversiones Pampa Calichera S.A.	19.69
96.863.960-9	Inversiones Global Mining (Chile) Limitada	3.34
76.165.311-5	Potasios de Chile S.A.	6.91
Total Pampa Group		29.94
79.798.650-k	Inversiones la Esperanza (Chile) Ltda.	1.41
59.046.730-8	Kowa Co Ltd.	0.30
96.518.570-4	Kochi S.A.	0.30
59.023.690-k	La Esperanza Delaware Corporation	0.09
Total Kowa Group		2.10

159

9) Financial Reports

Note 6 Background of companies included in consolidation (continued)

6.4 General information on consolidated subsidiaries

As of December 31, 2014 and December 31, 2013, the general information of the companies on which the Company exercises control and significant influence is as follows:

Subsidiary	Tax ID	Address	Country of incorporation	Functional currency	Ownership interest		
					Direct	Indirect	Total
SQM Nitratos S.A.	96.592.190-7	El Trovador 4285 Las Condes	Chile	US$	99.9999	0.0001	100.0000
Proinsa Ltda.	78.053.910-0	El Trovador 4285 Las Condes	Chile	Ch$	-	60.5800	60.5800
SQMC Internacional Ltda.	86.630.200-6	El Trovador 4285 Las Condes	Chile	Ch$	-	60.6381	60.6381
SQM Potasio S.A.	96.651.060-9	El Trovador 4285 Las Condes	Chile	US$	99.9999	-	99.9999
Serv. Integrales de Tránsito y Transf. S.A.	79.770.780-5	Arturo Prat 1060, Tocopilla	Chile	US$	0.0003	99.9997	100.0000
Isapre Norte Grande Ltda.	79.906.120-1	Anibal Pinto 3228, Antofagasta	Chile	Ch$	1.0000	99.0000	100.0000
Ajay SQM Chile S.A.	96.592.180-K	Av. Pdte. Eduardo Frei 4900, Santiago	Chile	US$	51.0000	-	51.0000
Almacenes y Depósitos Ltda.	79.876.080-7	El Trovador 4285 Las Condes	Chile	Ch$	1.0000	99.0000	100.0000
SQM Salar S.A.	79.626.800-K	El Trovador 4285 Las Condes	Chile	US$	18.1800	81.8200	100.0000
SQM Industrial S.A.	79.947.100-0	El Trovador 4285 Las Condes	Chile	US$	99.0470	0.9530	100.0000
Exploraciones Mineras S.A.	76.425.380-9	Los Militares 4290 Las Condes	Chile	US$	0.2691	99.7309	100.0000
Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	76.534.490-5	Anibal Pinto 3228, Antofagasta	Chile	Ch$	-	100.0000	100.0000

Soquimich Comercial S.A.	79.768.170-9	El Trovador 4285 Las Condes	Chile	US$	-	60.6383	60.6383
Comercial Agrorama Ltda.	76.064.419-6	El Trovador 4285 Las Condes	Chile	Ch$	-	42.4468	42.4468
Comercial Hydro S.A.	96.801.610-5	El Trovador 4285 Las Condes	Chile	Ch$	-	60.6383	60.6383
Agrorama S.A.	76.145.229-0	El Trovador 4285 Las Condes	Chile	Ch$	-	60.6377	60.6377
Orcoma Estudios SPA	76.359.919-1	Apoquindo 3721 Of.131 Las Condes	Chile	US$	51.0000	-	51.0000
Orcoma SPA	76.360.575-2	Apoquindo 3721 Of.131 Las Condes	Chile	US$	100.0000	-	100.0000
SQM North America Corp.	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA	United States	US$	40.0000	60.0000	100.0000
RS Agro Chemical Trading Corporation A.V.V.	Foreign	Caya Ernesto O. Petronia 17, Orangestad	Aruba	US$	98.3333	1.6667	100.0000
Nitratos Naturais do Chile Ltda.	Foreign	Al. Tocantis 75, 6° Andar, Conunto 608 Edif. West Gate, Alphaville Barureri, CEP 06455-020, Sao Paulo	Brazil	US$	-	100.0000	100.0000
Nitrate Corporation of Chile Ltd.	Foreign	1 More London Place London SE1 2AF	United Kingdom	US$	-	100.0000	100.0000
SQM Corporation N.V.	Foreign	Pietermaai 123, P.O. Box 897, Willemstad, Curacao	Dutch Antilles	US$	0.0002	99.9998	100.0000
SQM Peru S.A.	Foreign	Avenida Camino Real N° 348 of. 702, San Isidro, Lima	Peru	US$	0.9800	99.0200	100.0000
SQM Ecuador S.A.	Foreign	Av. José Orrantia y Av. Juan Tanca Marengo Edificio Executive Center Piso 2 Oficina 211	Ecuador	US$	0.0040	99.9960	100.0000
SQM Brasil Ltda.	Foreign	Al. Tocantis 75, 6° Andar, Conunto 608 Edif. West Gate, Alphaville Barureri, CEP 06455-020, Sao Paulo	Brazil	US$	1.0900	98.9100	100.0000

9) Financial Reports

Note 6 Background of companies included in consolidation (continued)

6.4 General information on consolidated subsidiaries, continued

Subsidiary	Tax ID	Address	Country of incorporation	Functional currency	Ownership interest		
					Direct	Indirect	Total
SQI Corporation N.V.	Foreign	Pietermaai 123, P.O. Box 897, Willemstad, Curacao	Dutch Antilles	US$	0.0159	99.9841	100.0000
SQMC Holding Corporation L.L.P.	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta	United States	US$	0.1000	99.9000	100.0000
SQM Japan Co. Ltd.	Foreign	From 1st Bldg 207, 5-3-10 Minami- Aoyama, Minato-ku, Tokyo	Japan	US$	1.0000	99.0000	100.0000
SQM Europe N.V.	Foreign	Houtdok-Noordkaai 25a B-2030 Amberes Bélgica	Belgium	US$	0.5800	99.4200	100.0000
SQM Italia SRL	Foreign	Via A. Meucci, 5 500 15 Grassina Firenze	Italy	US$	-	100.0000	100.0000
SQM Indonesia S.A.	Foreign	Perumahan Bumi Dirgantara Permai, Jl Suryadarma Blok Aw No 15 Rt 01/09 17436 Jatisari Pondok Gede	Indonesia	US$	-	80.0000	80.0000
North American Trading Company	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA	United States	US$	-	100.0000	100.0000
SQM Virginia LLC	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA	United States	US$	-	100.0000	100.0000
SQM Comercial de México S.A. de C.V.	Foreign	Av. Moctezuma 144-4 Ciudad del Sol. CP 45050, Zapopan, Jalisco México	Mexico	US$	0.0010	99.9900	100.0000
SQM Investment Corporation N.V.	Foreign	Pietermaai 123, P.O. Box 897, Willemstad, Curacao	Dutch Antilles	US$	1.0000	99.0000	100.0000
	Foreign		Aruba	US$	1.6700	98.3300	100.0000

Royal Seed Trading Corporation A.V.V.		Caya Ernesto O. Petronia 17, Orangestad					
SQM Lithium Specialties LLP	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA	United States	US$	-	100.0000	100.0000
Soquimich SRL Argentina	Foreign	Espejo 65 Oficina 6 – 5500 Mendoza	Argentina	US$	-	100.0000	100.0000
Comercial Caimán Internacional S.A.	Foreign	Edificio Plaza Bancomer Calle 50	Panama	US$	-	100.0000	100.0000
SQM France S.A.	Foreign	ZAC des Pommiers 27930 FAUVILLE	France	US$	-	100.0000	100.0000
Administración y Servicios Santiago S.A. de C.V.	Foreign	Av. Moctezuma 144-4 Ciudad del Sol. CP 45050, Zapopan, Jalisco México	Mexico	US$	-	100.0000	100.0000
SQM Nitratos México S.A. de C.V.	Foreign	Av. Moctezuma 144-4 Ciudad del Sol. CP 45050, Zapopan, Jalisco México	Mexico	US$	-	100.0000	100.0000

9) Financial Reports

Note 6 Background of companies included in consolidation (continued)

6.4 General information on consolidated subsidiaries, continued

Subsidiary	Tax ID	Address	Country of incorporation	Functional currency	Ownership interest		
					Direct	Indirect	Total
Soquimich European Holding B.V.	Foreign	Loacalellikade 1 Parnassustoren 1076 AZ Amsterdan	Netherlands	US$	-	100.0000	100.0000
SQM Iberian S.A	Foreign	Provenza 251 Principal 1a CP 08008, Barcelona	Spain	US$	-	100.0000	100.0000
SQM Africa Pty Ltd.	Foreign	Tramore House, 3 Wterford Office Park, Waterford Drive, 2191 Fourways, Johannesburg	South Africa	US$	-	100.0000	100.0000
SQM Oceania Pty Ltd.	Foreign	Level 9, 50 Park Street, Sydney NSW 2000, Sydney	Australia	US$	-	100.0000	100.0000
SQM Agro India Pvt. Ltd.	Foreign	C 30 Chiragh Enclave New Dehli, 110048	India	US$	-	100.0000	100.0000
SQM Beijing Commercial Co. Ltd.	Foreign	Room 1001C, CBD International Mansion N 16 Yong An Dong Li, Jian Wai Ave Beijing 100022, P.R.	China	US$	-	100.0000	100.0000
SQM Thailand Limited	Foreign	Unit 2962, Level 29, N° 388, Exchange Tower Sukhumvit Road, Klongtoey Bangkok	Thailand	US$	-	99.996	99.996

6.5 Information attributable to non-controlling interests

Subsidiary	% of interests in the ownership held by non-controlling interests.		Profit (loss) attributable to non-controlling interests		Equity, non-controlling interests		Dividends paid to non-controlling interests	
			12/31/2014 ThUS$	12/31/2013 ThUS$	12/31/2014 ThUS$	12/31/2013 ThUS$	12/31/2014 ThUS$	12/31/2013 ThUS$
Proinsa Ltda.	0,1	%	-	-	-	-	-	-
SQM Potasio S.A.	0,0000001	%	-	-	-	-	-	-
Ajay SQM Chile S.A.	49	%	(2,595)	(3,389)	8,502	8,806	(2,899)	4,400

SQM Indonesia S.A.	20	%	-	-	1	16	-	-
Soquimich Comercial S.A.	39,3616784	%	(4,763)	(4,051)	48,757	46,448	(2,381)	2,026
Comercial Agrorama Ltda.	30	%	(30)	(18)	337	351	-	-
Agrorama S.A.	0,001	%	-	-	-	-	-	-
Orcoma Estudios SPA	49	%	(1)	-	2,270	-	-	-
SQM (Thailand) Limited.	0.004	%	-	-	-	-	-	-
Total			(7,389)	(7,458)	59,867	55,621	(5,280)	6,426

9) Financial Reports

Note 6 Background of companies included in consolidation (continued)

6.6 Information on consolidated subsidiaries

12/31/2014

Subsidiary	**Assets**		**Liabilities**				**Comprehensive income (loss)**
	Current	**Non-current**	**Current**	**Non-current**	**Revenue**	**Profit (loss)**	
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
SQM Nitratos S.A.	638,071	109,356	679,642	21,285	123,390	(529)	(529)
Proinsa Ltda.	174	1	-	-	-	1	1
SQMC Internacional Ltda.	229	-	-	-	-	(1)	(1)
SQM Potasio S.A.	167,134	934,783	3,703	20,847	2,379	166,673	167,019
Serv. Integrales de Tránsito y Transf. S.A.	430,047	82,657	459,844	11,093	48,747	7,008	7,008
Isapre Norte Grande Ltda.	698	767	702	198	4,577	41	-
Ajay SQM Chile S.A.	18,198	1,126	1,135	839	57,305	5,296	5,296
Almacenes y Depósitos Ltda.	311	46	1	-	-	(20)	(30)
SQM Salar S.A.	563,756	938,389	353,808	181,732	771,133	171,406	171,253
SQM Industrial S.A.	1,183,420	803,100	987,048	92,923	719,384	73,289	69,116
Exploraciones Mineras S.A.	478	31,713	5,160	-	-	(219)	(219)
Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	507	506	430	537	2,547	(63)	(65)
Soquimich Comercial S.A.	132,805	22,271	30,261	943	199,367	12,100	11,902
Comercial Agrorama Ltda.	12,048	1,815	12,632	106	14,724	102	103
Comercial Hydro S.A.	8,663	105	148	101	61	281	281
Agrorama S.A.	13,577	487	13,990	18	13,404	(103)	(103)
Orcoma SpA	3	2,356	4	-	-	(3)	(3)
Orcoma Estudio SpA	4,630	1,375	1,372	-	-	2	2
SQM North America Corp.	177,628	16,494	161,988	1,781	322,671	(1,622)	(2,294)
RS Agro Chemical Trading Corporation A.V.V.	5,201	-	-	-	-	(3)	(3)
Nitratos Naturais do Chile Ltda.	4	233	4,452	-	-	223	223
Nitrate Corporation of Chile Ltd.	5,076	-	-	-	-	-	-
SQM Corporation N.V.	669	116,031	3,722	-	-	25,082	21,908
SQM Peru S.A.	520	1	1,172	-	-	(40)	(40)
SQM Ecuador S.A.	11,101	69	10,720	56	16,737	194	194

SQM Brasil Ltda.	724	1	636	-	453	220	220
SQI Corporation N.V.	-	23	89	-	-	5	4
SQMC Holding Corporation L.L.P.	17,552	15,481	1,024	-	-	3,944	3,944
SQM Japan Co. Ltd.	2,472	243	621	449	3,493	163	163

163

9) Financial Reports

Note 6 Background of companies included in consolidation (continued)

6.6 Information on consolidated subsidiaries, continued

12/31/2014

Subsidiary	Assets		Liabilities				
	Current	Non-current	Current	Non-current	Revenue	Profit (loss)	Comprehensive income (loss)
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
SQM Europe N.V.	313,336	1,265	264,760	-	552,444	12,966	12,966
SQM Italia SRL	1,247	-	16	-	-	-	-
SQM Indonesia S.A.	4	-	1	-	-	-	-
North American Trading Company	159	145	39	-	-	-	-
SQM Virginia LLC	14,821	14,367	14,821	-	-	(7)	(7)
SQM Comercial de México S.A. de C.V.	81,196	1,302	53,428	-	178,243	916	916
SQM Investment Corporation N.V.	73,432	265	39,164	856	20	8,552	8,552
Royal Seed Trading Corporation A.V.V.	165,908	162	103,387	80,000	-	(4,941)	(4,384)
SQM Lithium Specialties LLP	15,774	3	1,264	-	-	(7)	(7)
Soquimich SRL Argentina	396	-	217	-	-	(17)	(17)
Comercial Caimán Internacional S.A.	266	-	1,122	-	-	(5)	(5)
SQM France S.A.	345	6	114	-	-	-	-
Administración y Servicios Santiago S.A. de C.V.	177	-	689	111	3,562	145	145
SQM Nitratos México S.A. de C.V.	38	4	29	4	262	6	6
Soquimich European Holding B.V.	77,712	117,371	89,566	-	-	26,368	23,180
SQM Iberian S.A.	54,332	72	49,004	-	132,270	5,781	5,782
SQM Africa Pty Ltd.	66,427	752	57,796	-	92,462	952	952
SQM Oceanía Pty Ltd.	3,257	-	1,149	-	3,550	(1,016)	(1,016)
SQM Agro India Pvt. Ltd.	4	-	1	-	-	(1)	(1)
SQM Beijing Commercial Co. Ltd.	5,491	31	3,217	-	7,764	143	143

SQM Thailand Limited	15,424	35	12,679	-	11,042	228	228
Total	4,285,442	3,215,209	3,426,767	413,879	3,281,991	513,490	502,783

9) Financial Reports

Note 6 Background of companies included in consolidation (continued)

6.6 Information on consolidated subsidiaries, continued

12/31/2013

Subsidiary	Assets		Liabilities				Comprehensive income (loss)
	Current	Non-current	Current	Non-current	Revenue	Profit (loss)	
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
SQM Nitratos S.A.	490.084	124.966	525.924	15.545	184.487	18.434	18.434
Proinsa Ltda.	200	1	-	-	-	(2)	(2)
SQMC Internacional Ltda.	266	-	-	-	-	(1)	(1)
SQM Potasio S.A.	109.408	1.049.628	3.411	15.749	2.052	184.948	185.458
Serv. Integrales de Tránsito y Transf. S.A.	348.685	86.935	389.980	8.423	50.135	6.149	6.149
Isapre Norte Grande Ltda.	916	829	924	192	4.192	28	334
Ajay SQM Chile S.A.	22.720	1.232	5.226	755	67.413	6.916	6.916
Almacenes y Depósitos Ltda.	362	50	1	-	-	(11)	(40)
SQM Salar S.A.	678.215	1.000.954	453.864	216.110	792.109	206.745	206.679
SQM Industrial S.A.	1.110.303	820.831	872.216	79.021	925.167	64.602	61.547
Exploraciones Mineras S.A.	477	31.537	4.765	-	-	(312)	(312)
Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	762	243	322	556	2.276	31	46
Soquimich Comercial S.A.	143.515	22.582	47.121	973	214.350	10.291	10.162
Comercial Agrorama Ltda.	15.450	2.148	16.314	114	16.009	61	62
Comercial Hydro S.A.	8.302	134	124	72	109	370	370
Agrorama S.A.	15.722	568	16.074	36	16.122	37	37
Orcoma SpA	2	2.356	-	-	-	-	-
Orcoma Estudio SpA	2	-	-	-	-	-	-
SQM North America Corp.	214.359	17.058	197.077	1.781	365.691	(4.763)	(3.751)
RS Agro Chemical Trading Corporation A.V.V.	5.204	-	-	-	-	(9)	(9)
Nitratos Naturais do Chile Ltda.	3	254	4.695	-	-	278	278
Nitrate Corporation of Chile Ltd.	5.076	-	-	-	-	-	-
SQM Corporation N.V.	669	93.936	3.725	-	-	10.441	7.377

SQM Peru S.A.	578	1	1.190	-	1	(191	)	(191	)
SQM Ecuador S.A.	10.644	81	10.533	42	25.475	(1.224	)	(1.224	)
SQM Brasil Ltda.	680	40	851	-	802	88		88	
SQI Corporation N.V.	-	19	62	-	-	(1	)	(2	)
SQMC Holding Corporation L.L.P.	11.978	16.394	1.000	-	-	5.267		5.267	
SQM Japan Co. Ltd.	1.948	263	234	494	2.468	(283	)	(283	)

165

9) Financial Reports

Note 6 Background of companies included in consolidation (continued)

6.6 Information on consolidated subsidiaries, continued

12/31/2013

Subsidiary	Assets		Liabilities				
	Current	Non-current	Current	Non-current	Revenue	Profit (loss)	Comprehensive income (loss)
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
SQM Europe N.V.	316,396	383	280,092	-	677,497	1,608	1,608
SQM Italia SRL	1,421	-	18	-	-	-	-
SQM Indonesia S.A.	4	-	(76)	-	-	-	-
North American Trading Company	160	145	39	-	-	(1)	(1)
SQM Virginia LLC	14,828	14,374	14,828	-	-	(1)	(1)
SQM Comercial de México S.A. de C.V.	88,252	1,427	61,534	-	178,180	4,724	4,724
SQM Investment Corporation N.V.	62,496	282	36,805	851	50	1,097	1,097
Royal Seed Trading Corporation A.V.V.	240,231	442	83,606	170,000	-	(2,537)	(1,904)
SQM Lithium Specialties LLP	15,781	3	1,264	-	-	(1)	(1)
Soquimich SRL Argentina	414	-	218	-	-	(49)	(49)
Comercial Caimán Internacional S.A.	271	-	1,122	-	-	(38)	(38)
SQM France S.A.	345	6	114	-	-	-	-
Administración y Servicios Santiago S.A. de C.V.	153	-	795	127	3,243	(7)	(7)
SQM Nitratos México S.A. de C.V.	26	4	23	4	186	(7)	(7)
Soquimich European Holding B.V.	79,966	96,670	93,496	987	-	8,849	5,785
SQM Iberian S.A.	101,299	70	101,757	-	166,087	66	66
SQM Africa Pty Ltd.	55,635	729	47,932	-	109,968	1,611	1,611
SQM Oceanía Pty Ltd.	4,251	-	811	-	3,542	51	51
SQM Agro India Pvt. Ltd.	7	-	2	-	-	(2)	(2)
	2,415	80	301	-	9,915	(1,164)	(1,164)

SQM Beijing Commercial Co. Ltd.							
SQM Thailand Limited	7,052	36	4,510	-	4,379	(787)	(787)
Total	4,187,933	3,387,691	3,284,824	511,832	3,821,905	521,301	514,370

166

9) Financial Reports

Note 6 Background of companies included in consolidation (continued)

6.7 Detail of transactions between consolidated companies

a) Transactions conducted in 2014

At the Extraordinary Shareholders' Meeting of the subsidiary Orcoma Estudios SPA held on November 21, 2014, the shareholders agreed to increase capital by US$ 1,500, divided into 150,000 single-series shares with no par value. SQM S.A. was not involved in such increase decreasing its ownership in this company to 51%.

At the General Shareholders' Meeting of the subsidiary SQM Ecuador S.A., the shareholders agreed to absorb the accumulated losses of the company of ThUS$ 455.

Transactions conducted in 2013

On December 31, 2013, the subsidiary Orcoma Estudios SPA was incorporated where Sociedad Quimica y Minera de Chile S.A. made a capital contribution of US$ 1,500.

On December 31, 2013, the subsidiary Orcoma SPA was incorporated where Sociedad Quimica y Minera de Chile S.A. made a capital contribution of ThUS$ 2,358.

On March 25, 2013, SQM Industrial S.A. increased by ThUS$ 1,500 the capital of its subsidiary SQM Beijing Commercial Co. Ltd.

During the first half of 2013 Iodine Minera was absorbed into Soquimich European Holdings.

During the first half of 2013 Soquimich European Holdings B.V. purchased shares of SQM Thailand Limited, acquiring 99.996% of this company.

Note 7 Cash and cash equivalents

7.1 Types of cash and cash equivalents

As of December 31, 2014 and December 31, 2013, cash and cash equivalents are detailed as follows:

a) Cash	12/31/2014 ThUS$	12/31/20131 ThUS$
Cash on hand	88	119
Cash in banks	29,404	29,671
Other demand deposits	-	3,625
Total cash	29,492	33,415

b) Cash equivalents	12/31/2014 ThUS$	12/31/2013 ThUS$
Short-term deposits, classified as cash equivalents	29,492	158,208
Short-term investments, classified as cash equivalents	295,582	284,999
Total cash equivalents	325,074	443,207
Total cash and cash equivalents	354,566	476,622

9) Financial Reports

Note 7 Cash and cash equivalents (continued)

7.2 Short-term investments, classified as cash equivalents

As of December 31, 2014 and December 31, 2013, short-term investments, classified as cash and cash equivalents relate to mutual funds (investment liquidity funds) for investments in:

Institution	12/31/2014 ThUS$	12/31/2013 ThUS$
Legg Mason - Western Asset Institutional Cash Reserves	100,988	95,941
BlackRock - Institutional US Dollar Liquidity Fund	97,351	94,726
JP Morgan US dollar Liquidity Fund Institutional	97,243	94,332
Total	295,582	284,999

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

7.3 Information on cash and cash equivalents by currency

As of December 31, 2014 and December 31, 2013, information on cash and cash equivalents by currency is detailed as follows:

Original currency	12/31/2014 ThUS$	12/31/2013 ThUS$
Chilean Peso (*)	6,355	25,391
US Dollar	328,392	430,263
Euro	10,449	9,230
Mexican Peso	736	429
South African Rand	4,046	7,229
Japanese Yen	1,701	1,435
Peruvian Sol	1	2
Brazilian Real	29	73
Chinese Yuan	769	384
Indonesian Rupiah	4	4

Indian Rupee	12	7
Thai Baht	2,055	2,161
Argentine Peso	12	-
Pound Sterling	5	14
Total	354,566	476,622

(*) The Company maintains financial derivative policies which allow dollarizing these term deposits in Chilean pesos.

7.4 Amount of significant 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 December 31, 2014 and December 31, 2013, the Company has no significant cash balances with any type of restriction.

9) Financial Reports

Note 7 Cash and cash equivalents (continued)

7.5 Short-term deposits, classified as cash equivalents

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

2014 Receiver of the deposit	Type of deposit	Original Currency	Interest rate	Placement date	Expiration date	Principal ThUS$	Interest accrued to-date ThUS$	31/12/201 ThUS$
Banco Estado	Fixed term	Ch$	0.24	12/30/2014	01/08/2015	4,121	-	4,121
Banco Crédito e Inversiones	Fixed term	Ch$	0.23	12/30/2014	01/08/2015	824	-	824
Banco BBVA Chile	Fixed term	US$	0.45	10/29/2014	01/06/2015	20,000	16	20,016
BBVA Banco Francés	Fixed term	US$	18.5	12/29/2014	01/28/2015	362	-	362
ABN Amro Bank	Fixed term	Euro	-	12/31/2014	01/31/2015	4,169	-	4,169
Total						29,476	16	29,492

2013 Receiver of the deposit	Type of deposit	Original Currency	Interest rate	Placement date	Expiration date	Principal ThUS$	Interest accrued to-date ThUS$	31/12/2 ThUS$
Banco BBVA Chile	Fixed term	US$	0.50	12/20/2013	01/09/2014	10,000	2	10,002
Banco BBVA Chile	Fixed term	US$	0.50	12/20/2013	01/09/2014	10,000	2	10,002
Banco BBVA Chile	Fixed term	US$	0.50	12/20/2013	01/09/2014	10,000	2	10,002
Banco Crédito e Inversiones	Fixed term	US$	0.40	12/16/2013	01/16/2014	20,000	3	20,003
Banco Crédito e Inversiones	Fixed term	US$	0.48	12/16/2013	02/06/2014	20,000	4	20,004
Banco Crédito e Inversiones	Fixed term	US$	0.50	10/17/2013	01/03/2014	10,093	10	10,103
Banco Crédito e Inversiones	Fixed term	US$	0.58	12/16/2013	03/11/2014	20,000	5	20,005
Banco Crédito e Inversiones	Fixed term	Ch$	0.37	12/30/2013	01/13/2014	4,384	-	4,384
	Fixed term	Ch$	0.38	12/27/2013	01/09/2014	4,193	2	4,195

Banco Crédito e Inversiones								
Banco Santander - Santiago	Fixed term	US$	0.48	12/09/2013	01/23/2014	20,314	6	20,320
Banco Santander - Santiago	Fixed term	US$	0.52	12/04/2013	01/03/2014	10,104	4	10,108
Banco Santander - Santiago	Fixed term	Ch$	0.43	10/21/2013	01/03/2014	14,352	148	14,500
IDBI Bank	Fixed term	Indian rupee	-	12/31/2013	6/30/2014	2	-	2
Citibank New York	Overnight	US$	0.01	12/31/2013	01/02/2014	444	-	444
Citibank New York	Overnight	US$	0.01	12/31/2013	01/02/2014	640	-	640
Citibank New York	Overnight	US$	0.01	12/31/2013	01/02/2014	1,301	-	1,301
ABN Amro Bank	Fixed term	Euro	-	12/31/2013	01/31/2014	2,193	-	2,193
Total						158,020	188	158,20

9) Financial Reports

Note 8 Inventories

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

Type of inventory	12/31/2014 ThUS$	12/31/2013 ThUS$
Raw materials	9,540	8,552
Supplies for production	30,398	42,366
Products-in-progress	453,816	400,824
Finished product	425,849	503,788
Total	919,603	955,530

Inventory provisions recognized as of December 31, 2014 amount to ThUS$82,966, and ThUS$97,248 as of December 31, 2013. Inventory provisions have been made based on a technical study that covers the different variables affecting products in stock (density and humidity, among others). Additionally, provisions are recognized if goods are sold cheaper than the related cost, and for differences that arise from inventory counts.

As of December 31, 2014, the sum registered as cost of sale related to inventory in the statement of income amounts to ThUS$1,259,983 and to ThUS$1,314,276 as of December 31, 2013.

The breakdown of inventory reserves is detailed as follows:

Type of inventory	12/31/2014 ThUS$	12/31/2013 ThUS$
Raw material provisions	93	93
Supplies for production provisions	500	500
Products-in-progress provisions	55,994	65,768
Finished product provisions	26,379	30,887
Total	82,966	97,248

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

Note 9 Related party disclosures

9.1 Related party disclosures

Balances pending at period-end are not guaranteed, accrue no interest and are settled in cash. No guarantees have been delivered or received for trade and other receivables due from related parties or trade and other payables due to related parties. For the period ended December 31, 2014, the Company has not recorded any impairment in accounts receivable related to amounts owed by related parties. This evaluation is conducted every year through an examination of the financial position of the related party in the market in which it operates.

9.2 Relationships between the parent and the entity

According to the Company’s by-laws, no shareholder can own more than 32% of the Company’s voting right shares.

Sociedad de Inversiones Pampa Calichera S.A., Potasios de Chile S.A., and Inversiones Global Mining (Chile) Ltda., collectively the Pampa Group, are the owners of a number of shares that are equivalent to 29.94% as of December 31, 2014 of the current total amount of shares issued, subscribed and fully-paid of the Company. In addition, Kowa Company Ltd., Inversiones La Esperanza (Chile) Limitada, Kochi S.A. and La Esperanza Delaware Corporation, collectively the Kowa Group, are the owners of a number of shares equivalent to 2.10% of the total amount of shares of SQM S.A. issued, subscribed and fully-paid.

9) Financial Reports

Note 9 Related party disclosures (continued)

9.2 Relationships between the parent and the entity, continued

The Pampa Group and the Kowa Group have informed SQM S.A., the Chilean SVS and the relevant stock exchanges in Chile and abroad that they are not and have never been related parties between them. In addition, this is regardless of the fact that both Groups on December 21, 2006 have entered into a Joint Action Agreement (JAA) related to those shares. Consequently, the Pampa Group, by itself, does not concentrate more than 32% of the voting right capital of SQM S.A., and the Kowa Group does not concentrate by itself more than 32% of the voting right capital of SQM S.A.

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

Detail of effective concentration

Tax ID No.	Name	Ownership interest %
96.511.530-7	Sociedad de Inversiones Pampa Calichera S.A.	19.69
96.863.960-9	Inversiones Global Mining (Chile) Ltda.	3.34
76.165.311-5	Potasios de Chile S.A.	6.91
Total Pampa Group		29.94
79.798.650-k	Inversiones la Esperanza (Chile) Ltda.	1.41
59.046.730-8	Kowa Co Ltd.	0.30
96.518.570-4	Kochi S.A.	0.30
59.023.690-k	La Esperanza Delaware Corporation	0.09
Total Kowa Group		2.10

9.3 Detailed identification of the link between the Parent and subsidiary

As of December 31, 2014 and December 31, 2013, 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.	Dutch Antilles	US$	Subsidiary
Foreign	SQI Corporation N.V.	Dutch Antilles	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.	Dutch Antilles	US$	Subsidiary
Foreign	SQM Brasil Limitada	Brazil	US$	Subsidiary
Foreign	SQM France S.A.	France	US$	Subsidiary
Foreign	SQM Japan Co. Ltd.	Japan	US$	Subsidiary
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	US$	Subsidiary
Foreign	SQM Oceania Pty Limited	Australia	US$	Subsidiary
Foreign	Rs Agro-Chemical Trading Corporation A.V.V.	Aruba	US$	Subsidiary
Foreign	SQM Indonesia S.A.	Indonesia	US$	Subsidiary
Foreign	SQM Virginia L.L.C.	United States	US$	Subsidiary
Foreign	SQM Italia SRL	Italy	US$	Subsidiary
Foreign	Comercial Caiman Internacional S.A.	Panamá	US$	Subsidiary
Foreign	SQM Africa Pty. Ltd.	South Africa	US$	Subsidiary
Foreign	SQM Lithium Specialties LLC	United States	US$	Subsidiary
Foreign	SQM Iberian S.A.	Spain	US$	Subsidiary
Foreign	SQM Agro India Pvt. Ltd.	India	US$	Subsidiary
Foreign	SQM Beijing Commercial Co. Ltd.	China	US$	Subsidiary
Foreign	SQM Thailand Limited	Thailand	US$	Subsidiary

9) Financial Reports

Note 9 Related party disclosures (continued)

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

As of December 31, 2014 and December 31, 2013, the detail of entities that are a related parties of the SQM S.A: Group is as follows:

Tax ID No.	Name	Country of origin	Functional currency	Nature
96.801.610-5	Comercial Hydro S.A.	Chile	Chilean peso	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.	Chile	Chilean peso	Subsidiary
79.947.100-0	SQM Industrial S.A.	Chile	US$	Subsidiary
79.906.120-1	Isapre Norte Grande Ltda.	Chile	Chilean peso	Subsidiary
79.876.080-7	Almacenes y Depósitos Ltda.	Chile	Chilean peso	Subsidiary
79.770.780-5	Servicios Integrales de Tránsitos y Transferencias S.A.	Chile	US$	Subsidiary
79.768.170-9	Soquimich Comercial S.A.	Chile	US$	Subsidiary
79.626.800-K	SQM Salar S.A.	Chile	US$	Subsidiary
78.053.910-0	Proinsa Ltda.	Chile	Chilean peso	Subsidiary
76.534.490-5	Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	Chile	Chilean peso	Subsidiary
76.425.380-9	Exploraciones Mineras S.A.	Chile	US$	Subsidiary
76.064.419-6	Comercial Agrorama Ltda.	Chile	Chilean peso	Subsidiary
76.145.229-0	Agrorama S.A.	Chile	Chilean peso	Subsidiary
76.359.919-1	Orcoma Estudios SPA	Chile	US$	Subsidiary
76.360.575-2	Orcoma SPA	Chile	US$	Subsidiary
77.557.430-5	Sales de Magnesio Ltda.	Chile	Chilean peso	Associate
Foreign	Abu Dhabi Fertilizer Industries WWL	United Arab Emirates	Arab Emirates dirham	Associate
Foreign	Doktor Tarsa Tarim Sanayi AS	Turkey	Turkish lira	Associate
Foreign	Ajay North America	United States	US$	Associate
Foreign	Ajay Europe SARL	France	Euro	Associate
Foreign	SQM Eastmed Turkey	Turkey	Euro	Associate
Foreign	Charlee SQM Thailand Co. Ltd.	Thailand	Thai baht	Associate
Foreign	Sichuan SQM Migao Chemical Fertilizers Co Ltda.	China	US$	Joint venture
Foreign	Coromandel SQM	India	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 Spain	Spain	Euro	Joint control or significant influence
Foreign	SQM Vitas Holland	Dutch Antilles	Euro	Joint venture
Foreign	SQM Vitas Plantacote B.V	Dutch Antilles	Euro	Joint control or significant influence
Foreign	Kowa Company Ltd.	Japan	US$	Joint control
96.511.530-7	Sociedad de Inversiones Pampa Calichera	Chile	US$	Joint control
96.529.340-k	Norte Grande S.A.	Chile	Chilean peso	Other related parties
79.049.778-9	Callegari Agricola S.A.	Chile	Chilean peso	Other related parties
Foreign	Coromandel Internacional	India	Indian rupee	Other related parties
Foreign	Vitas Roullier SAS	France	Euro	Other related parties
Foreign	SQM Vitas Brasil Agroindustria	Brazil	US$	Joint control or significant influence
Foreign	SQM Vitas Peru S.A.C.	Peru	US$	Joint control or significant influence
Foreign	SQM Vitas Southern Africa Pty.	South Africa	US$	Joint control or significant influence

9) Financial Reports

Note 9 Related party disclosures (continued)

9.4 Detail of related parties and related party transactions

Transactions between the Parent and its subsidiaries 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 December 31, 2014 and December 31, 2013, there are no allowances for doubtful accounts related to balances pending of transactions with related parties as there is no impairment in them.

As of December 31, 2014 and December 31, 2013, the detail of transactions with related parties is as follows:

Tax ID No.	Company	Nature	Country of origin
Foreign	Doktor Tarsa Tarim Sanayi As	Associate	Turkey
Foreign	Doktor Tarsa Tarim Sanayi As	Associate	Turkey
Foreign	Ajay Europe S.A.R.L.	Associate	France
Foreign	Ajay Europe S.A.R.L.	Associate	France
Foreign	Ajay North America LLC.	Associate	United States
Foreign	Ajay North America LLC.	Associate	United States
Foreign	Ajay North America LLC.	Associate	United States
Foreign	Abu Dhabi Fertilizer Industries WWL	Associate	United Arab Emirate
Foreign	Charlee SQM Thailand Co. Ltd.	Associate	Thailand
77.557.430-5	Sales de Magnesio Ltda.	Associate	Chile
77.557.430-5	Sales de Magnesio Ltda.	Associate	Chile
77.557.430-5	Sales de Magnesio Ltda.	Associate	Chile
96.529.340-k	Norte Grande S.A.	Other related parties	Chile
79.049.778-9	Callegari Agrícola S.A.	Other related parties	Chile
Foreign	Kowa Company Ltd.	Other related parties	Japan
Foreign	Kowa Company Ltd.	Other related parties	Japan
Foreign	SQM Vitas Brasil Agroindustria	Joint control or significant influence	Brazil

Foreign	SQM Vitas Peru S.A.C.	Joint control or significant influence	Peru
Foreign	SQM Vitas Southern Africa Pty.	Joint control or significant influence	South Africa
Foreign	SQM Vitas Fzco.	Joint venture	United Arab Emirate
Foreign	SQM Vitas Fzco.	Joint venture	United Arab Emirate
Foreign	Sichuan SQM Migao Chemical Fertilizers Co Ltda.	Joint venture	China
Foreign	Sichuan SQM Migao Chemical Fertilizers Co Ltda.	Joint venture	China

9) Financial Reports

Note 9 Related party disclosures (continued)

9.4 Detail of related parties and related party transactions, continued

Tax ID No.	Company	Nature	Country of origin	Transaction	12/31/2012 ThUS$	12/31/2 ThUS$
Foreign	Coromandel SQM India	Joint venture	India	Sale of products	4,930	5,242
Foreign	SQM Star Qingdao Corp Nutrition Co., Ltd.	Joint venture	China	Sale of services	-	148
Foreign	SQM Vitas Spain	Joint venture	Spain	Sale of products	7,700	1,624
Foreign	SQM Vitas Plantacote B.V.	Joint venture	Netherlands	Sale of products	4	-

9.5 Trade receivables due from related parties, current:

Tax ID N°	Company	Nature	Country of origin	Currency
77.557.430-5	Sales de Magnesio Ltda.	Associate	Chile	Ch$
Foreign	Charlee SQM Thailand Co. Ltd.	Associate	Thailand	US$
Foreign	Doktor Tarsa Tarim Sanayi AS	Associate	Turkey	US$
Foreign	Ajay Europe S.A.R.L.	Associate	France	Euro
Foreign	Ajay North America LLC.	Associate	United States	US$
Foreign	Abu Dhabi Fertilizer Industries WWL	Associate	United Arab Emirates	Arab Emi
Foreign	Kowa Company Ltd.	Jointly controlled entity	Japan	US$
96.511.530-7	Soc.de Inversiones Pampa Calichera	Jointly controlled entity	Chile	US$
Foreign	SQM Vitas Brasil Agroindustria	Joint venture	Brazil	US$
Foreign	SQM Vitas Peru S.A.C.	Joint venture	Peru	US$
Foreign	SQM Vitas Southern Africa PTY	Joint venture	South Africa	US$
Foreign	Coromandel SQM India	Joint venture	India	Indian rup
Foreign	Sichuan SQM Migao Chemical Fertilizers Co Ltda.	Joint venture	China	US$
79.049.778-9	Callegari Agrícola S.A.	Other related parties	Chile	Ch$
Foreign	SQM Vitas Fzco.	Joint venture	United Arab Emirates	Arab Emi
Foreign	SQM Vitas Spain	Joint venture	Spain	Euro
Foreign	SQM Vitas Plantacote B.V.	Joint venture	Holland	Euro
Foreign	SQM Star Qingdao Corp Nutrition Co., Ltd.	Joint venture	China	US$
Foreign	SQM Vitas Holland	Joint venture	Holland	Euro
Total				

9.6 Trade payables due to related parties, current:

Tax ID No.	Company.	Nature	Country of origin	Currency	12/31/2014 ThUS$	12/31/2013 ThUS$
Foreign	Doktor Tarsa Tarim Sanayi AS	Associate	Turkey	Turkish lira	71	-
Foreign	SQM Vitas Plantacote B.V.	Joint venture	Holland	Euro	160	-
Total as of to-date					231	-

9) Financial Reports

Note 9 Related party disclosures (continued)

9.7 Board of Directors and Senior Management

1) Board of directors

The Company is managed by a Board of Directors which is composed of eight regular directors who are elected for a three-year period. The present Board of Directors was elected by the shareholders at the Ordinary Shareholders' Meeting of April 25, 2013.

As of December 31, 2014, the Company has an Audit Committee made up of three members of the Board of Directors. This Committee performs those duties provided in Article 50 bis of Law No. 18,046 on Shareholders Company, the Shareholders' Corporations Act.

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.

2) Directors' Compensation

2.1.1 Board of Directors

Directors' compensation is detailed as follows:

a) A payment of a monthly fixed gross amount of UF 300 in favor of the Chairman of the Company's Board of Directors and UF 125 in favor of the seven remaining board members regardless of their attendance at Board meetings or the number of meetings attended during the respective 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 0.35% of profit for the period effectively earned by the Company during

fiscal year 2014.

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 0.05% of profit for the period effectively earned by the Company during fiscal years 2014.

d) The fixed and variable amounts indicated above will not be subject to any charge between them, and those expressed as a percentage will be paid immediately after the shareholders at the respective Annual General Shareholders' Meeting of the Company approve the statement of financial position (balance sheet), the financial statements, the annual report, the report by the account inspectors and the report of external auditors for the fiscal years ending December 31, 2014.

9) Financial Reports

Note 9 Related party disclosures (continued)

9.7 Board of Directors and Senior Management, continued

e) Therefore, the remunerations and profit sharing paid to members of the Board of Directors and Audit Committee during 2014 amount to ThUS$3,424 (ThUS$ 4,827 as of December 31, 2013).

3) Audit Committee

The remuneration of Directors Committee is composed of:

a) A payment of a monthly, fixed and gross amount of UF 17 in favor of each of the three Directors who are a part of the Company's Audit Committee, regardless of the number of meetings conducted during the respective month.

b) A payment in domestic currency and in favor of each of the three Directors of a variable and gross amount equivalent to 0.013% of the Company's profit for the period effectively earned by the Company during fiscal years 2014 and 2013.

4) No guarantees have been constituted in favor of the directors.

5) Senior management compensation:

As of December 31, 2014, the global compensation paid to the 108 main executives amounts to ThUS$25,666 (ThUS$32,888 as of December 31, 2013). This includes monthly fixed salary and variable performance bonuses.

The Company has a bonuses intermediate and bi-intermediate plan for compliance target and level of individual contribution to the Company's profit or loss. These benefits are structured in a minimum and maximum of gross remunerations which are paid once a year or every two years.

6)

Additionally, the Company has retention bonuses for the Company’s executives. The amount of these bonuses is linked to the price of the Company’s share and is payable in cash between 2012 and 2016 (see Note 16).

7) No guarantees have been constituted in favor of the Company’s management.

8) The Company’s Managers and Directors do not receive or have not received any benefit during the period ended December 31, 2014 and the year ended December 31, 2013 or compensation for the concept of pensions, life insurance, paid time off, profit sharing, incentives, or benefits due to disability other than those mentioned in the preceding points.

9) In accordance with IAS 24, we should report that the Company's Director Mr. Wolf Von Appen B. is also a member of the Ultramar Group. As of December 31, 2014, the amount of transactions with this Group is approximately ThUS$12,287 (ThUS$16,850 as of December 31, 2013). In addition, Director José María Eyzaguirre is also a partner of Claro y Compañía. As of December 31, 2014, the amount of transactions with this Group is approximately ThUS$242 (ThUS$85 as of December 31, 2013).

9.8 Key management personnel compensation

	12/31/2014 ThUS$	12/31/2013 ThUS$
Key management personnel compensation	25,666	24,150

9) Financial Reports

Note 10 Financial instruments

Financial assets in conformity with IAS 39 are detailed as follows:

10.1 Types of other financial assets

Description of other financial assets	12/31/2014 ThUS$	12/31/2013 ThUS$
Other current financial assets (1)	653,442	431,883
Derivatives (2)	17,160	3,283
Hedging assets, current	-	25,007
Total other current financial assets	670,602	460,173
Other non-current financial assets	427	95
Hedging assets, non-current	-	-
Total other non-current financial assets	427	95

(1) Relates to term deposits with maturities exceeding 90 days and less than 360 days from the investment date.
(2) Relate to forwards and options that were not classified as hedging instruments (see detail in Note 10.3).

Detail of other current financial assets

Institution	12/31/2014 ThUS$	12/31/2013 ThUS$
Banco Santander	141,914	131,534
BBVA	91,718	80,206
Banco de Crédito e Inversiones	140,216	79,530
Banco de Chile	60,153	42,095
Corpbanca	91,372	61,244
Banco Itaú	100,136	30,207
Banco Security	24,683	7,067
Morgan Stanley	3,250	-
Total	653,442	431,883

177

9) Financial Reports

Note 10 Financial instruments (continued)

10.2 Trade and other receivables, current and non-current

	12/31/2014			12/31/2013		
	Current ThUS$	Non-current ThUS$	Total ThUS$	Current ThUS$	Non-current ThUS$$	Total ThUS$
Trade receivables	322,231	-	322,231	314,151	-	314,151
Prepayments	11,378	-	11,378	12,127	-	12,127
Other receivables	7,221	2,044	9,265	4,714	1,282	5,996
Total trade and other receivables	340,830	2,044	342,874	330,992	1,282	332,274

	12/31/2014			12/31/2013		
	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	337,296	(15,065)	322,231	330,052	(15,901)	314,151
Trade receivables, current	337,296	(15,065)	322,231	330,052	(15,901)	314,151
Prepayments, current	14,178	(2,800)	11,378	14,927	(2,800)	12,127
Other receivables, current	9,184	(1,963)	7,221	6,663	(1,949)	4,714
Current trade and other receivables	360,658	(19,828)	340,830	351,642	(20,650)	330,992
Other receivables, non-current	2,044	-	2,044	1,282	-	1,282
Non-current receivables	2,044	-	2,044	1,282	-	1,282
Total trade and other receivables	362,702	(19,828)	342,874	352,924	(20,650)	332,274

178

9) Financial Reports

Note 10 Financial instruments (continued)

10.2 Trade and other receivables, continued

Portfolio stratification, continued

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

Unsecuritized portfolio

As of December 31, 2014 and December 31, 2013, the detail of the unsecuritized portfolio is as follows:

12/31/2014

	Not overdue	1 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days	121 - 150 days	151 - 180 days	181 - 210 days	211 - 250 days	Over 250 days	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Number of customers, portfolio under no renegotiated terms	2,997	574	533	90	305	297	15	269	283	1,779	7,142
Portfolio under no renegotiated terms	243,255	51,738	21,425	5,883	718	1,062	127	520	162	6,659	331,549
Number of customers under renegotiated terms portfolio	49	7	2	2	1	1	1	2	1	81	147
	1,027	55	20	1,052	412	958	22	6	15	2,180	5,747

Portfolio under renegotiated terms, gross											
Total gross portfolio	244,282	51,793	21,445	6,935	1,130	2,020	149	526	177	8,839	337,296

12/31/2013

	Not overdue	1 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days	121 - 150 days	151 - 180 days	181 - 210 days	211 - 250 days	Over 250 days	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Number of customers, portfolio under no renegotiated terms	3,175	1,055	515	395	332	304	303	294	312	1,817	8,502
Portfolio under no renegotiated terms	269,970	29,722	4,144	432	572	210	1,138	118	8,955	8,371	323,632
Number of customers under renegotiated terms portfolio	42	8	2	2	3	1	5	6	12	113	194
Portfolio under renegotiated terms, gross	2,964	79	15	69	42	13	87	85	447	2,619	6,420
Total gross portfolio	272,934	29,801	4,159	501	614	223	1,225	203	9,402	10,990	330,052

179

9) Financial Reports

Note 10 Financial instruments (continued)

10.2 Trade and other receivables, continued

The detail of allowances is as follows:

Provision and write-offs	12/31/2014 ThUS$	12/31/2013 ThUS$
Allowance for portfolio under no renegotiated terms	16,585	16,711
Allowance for portfolio with renegotiated terms	3,717	4,459
Write-offs for the period	(474)	(520)
Total	19,828	20,650

a) Credit risk concentration

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

10.3 Hedging assets and liabilities

The balance represents derivative instruments measured at fair value which have been classified as hedges from exchange and interest rate risks related to the total obligations associated with bonds of the Company in Chilean pesos and UF (and the exchange risk in Chilean pesos of the Company's investment plans). As of December 31, 2014, the face value of cash flows in Cross Currency Swap contracts agreed upon in US dollars amounted to ThUS$368,017 and as of December 31, 2013 such contracts amounted to ThUS$555,303.

Hedging liabilities	Derivative instruments (CCS) ThUS$	Effect on profit or loss for the period Derivative instruments ThUS$	Hedging reserve in gross equity ThUS$	Deferred tax hedging reserve in equity ThUS$	Hedging reserve in equity ThUS$
December 31, 2014	37,034	(43,236)	1,638	(311)	1,327

Hedging assets	Derivative instruments (CCS)	Effect on profit or loss for the period Derivative instruments	Hedging reserve in gross equity	Deferred tax hedging reserve in equity	Hedging reserve in equity
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
December 31, 2013	23,602	(45,312)	(3,307)	661	(2,646)

180

9) Financial Reports

Note 10 Financial instruments (continued)

10.3 Hedging assets and liabilities, continued

Hedging liabilities	Derivative instruments (IRS) ThUS$	Effect on profit or loss for the period derivative instruments ThUS$	Hedging reserve in gross equity ThUS$	Deferred tax hedging reserve in equity ThUS$	Hedging reserve in equity ThUS$
December 31, 2014	736	(1,050)	(596)	-	(596)
December 31, 2013	1,339	(93)	(1,153)	-	(1,153)

The balances in the “effect on profit or loss” column consider the interim effects of the contracts in force as of December 31, 2014 and December 31, 2013.

Derivative contract maturities are detailed as follows:

Series	Contract amount ThUS$	Currency	Maturity date
C	73,059	UF	12/01/2026
H	162,353	UF	01/05/2018
M	40,588	UF	02/01/2017
O	60,882	UF	02/01/2017

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

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

Hedge Accounting

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

a) Fair value hedge

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

The Company documents the relationship between hedge instruments and the hedged item along with the objectives of its risk management and strategy to carry out different hedging transactions. In addition, upon commencement of the period hedged and then on a quarterly basis the Company documents whether hedge instruments have been efficient and met the objective of hedging market fluctuations for the purpose of which we use the effectiveness test. A hedge instrument is deemed effective if the effectiveness test result is between 80% to 120%.

9) Financial Reports

Note 10 Financial instruments (continued)

10.3 Hedging assets and liabilities, continued

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

b) Cash flow hedges

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

10.4 Financial liabilities

Other current and non-current financial liabilities

As of December 31, 2014 and December 31, 2013, the detail is as follows:

	12/31/2014			12/31/2013		
	Current	Non-current	Total	Current	Non-current	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Bank borrowings	191,116	219,838	410,954	171,347	309,489	480,836
Obligations with the public	19,453	1,317,429	1,336,882	227,652	1,106,496	1,334,148
Derivatives	1,791	-	1,791	1,088	-	1,088
Hedging liabilities	812	36,958	37,770	1,339	1,405	2,744
Total	213,172	1,574,225	1,787,397	401,426	1,417,390	1,818,816

Current and non-current borrowings

As of December 31, 2014 and December 31, 2013, the detail is as follows:

	12/31/2014 ThUS$	12/31/2013 ThUS$
Long-term borrowings	219,838	309,489
Short-term borrowings	100,057	100,135
Current portion of long-term borrowings	91,059	71,212
Short-term loans and current portion of long-term borrowings	191,116	171,347
Total borrowings assumed	410,954	480,836

9) Financial Reports

Note 10 Financial instruments (continued)

10.4 Financial liabilities, continued

a) Bank loans, current:

As of December 31, 2014 and December 31, 2013, the detail of this caption is as follows:

Debtor			Creditor			Currency or		Eff
Tax ID No	Subsidiary	Country	Tax ID No.	Financial institution	Country	adjustment index	Repayment	rate
93.007.000-9	SQM.S.A.	Chile	97.018.000-1	Scotiabank Sud Americano	Chile	US$	Upon maturity	0.
93.007.000-9	SQM.S.A.	Chile	97.018.000-1	Scotiabank Sud Americano	Chile	US$	Upon maturity	0.
93.007.000-9	SQM.S.A.	Chile	97.030.000-7	Banco Estado	Chile	US$	Upon maturity	0.
93.007.000-9	SQM S.A.	Chile	Foreign	Banco Estado NY Branch	United States	US$	Upon maturity	3.
79.626.800-K	SQM Salar S.A.	Chile	97.018.000-1	Scotiabank Sud Americano	Chile	US$	Upon maturity	0.
79.947.100-0	SQM Industrial S.A.	Chile	97.030.000-7	Banco Estado	Chile	US$	Upon maturity	0.
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Scotiabank & Trust (Cayman) Ltd.	Cayman Islands	US$	Upon maturity	2.
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Bank of America	United States	US$	Upon maturity	2.
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Export Development Canada	Canada	US$	Upon maturity	2.
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	The Bank of Tokyo-Mitsubishi UFJ, Lda. (New York)	United States	US$	Upon maturity	2.

Debtor	Creditor	12/31/2014 Nominal amounts			12/31/2014 Current amounts				
Subsidiary	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 Sud Americano	-	20,000	20,000	5	20,000	20,005	-	20,005
SQM.S.A.	Scotiabank Sud Americano	-	20,000	20,000	9	20,000	20,009	-	20,009
SQM.S.A.	Banco Estado	-	20,000	20,000	-	20,026	20,026	-	20,026
SQM S.A.	Banco Estado NY Branch	-	-	-	988	-	988	-	988
SQM Salar S.A.	Scotiabank Sud Americano	-	20,000	20,000	9	20,000	20,009	-	20,009
SQM Industrial S.A.	Banco Estado	20,000	-	20,000	20,008	-	20,008	-	20,008
Royal Seed Trading Corporation A.V.V.	Scotiabank & Trust (Cayman) Ltd.	-	50,000	50,000	-	50,137	50,137	(85)	50,052
Royal Seed Trading Corporation A.V.V.	Bank of America	-	-	-	-	117	117	(66)	51
Royal Seed Trading Corporation A.V.V.	Export Development Canada	-	20,000	20,000	-	20,013	20,013	(60)	19,953
Royal Seed Trading Corporation A.V.V.	The Bank of Tokyo-Mitsubishi UFJ, Lda. (New York)	-	20,000	20,000	-	20,084	20,084	(69)	20,015
Total		20,000	170,000	190,000	21,019	170,377	191,396	(280)	191,116

183

9) Financial Reports

Note 10 Financial instruments (continued)

10.4 Financial liabilities, continued

Debtor			Creditor			Currency or adjustment	Repayment	Effective	Nomi
Tax ID No	Subsidiary	Country	Tax ID No.	Financial institution	Country	index		rate	rate
93.007.000-9	SQM.S.A.	Chile	97.018.000-1	Scotiabank Sud Americano	Chile	USD	Upon maturity	0.65%	0.65
93.007.000-9	SQM.S.A.	Chile	97.018.000-1	Scotiabank Sud Americano	Chile	USD	Upon maturity	0.47%	0.47
93.007.000-9	SQM S.A.	Chile	Foreign	Banco Estado NY Branch	United States	USD	Upon maturity	3.10%	2.39
79.626.800-K	SQM Salar S.A.	Chile	97.030.000-7	Banco Estado	Chile	USD	Upon maturity	0.61%	0.61
79.626.800-K	SQM Salar S.A.	Chile	97.018.000-1	Scotiabank Sud Americano	Chile	USD	Upon maturity	0.59%	0.59
79.947.100-0	SQM Industrial S.A.	Chile	97.030.000-7	Banco Estado	Chile	USD	Upon maturity	0.75%	0.75
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Bank of America	United States	USD	Upon maturity	1.75%	1.27
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Export Development Canada	Canada	USD	Upon maturity	1.69%	1.30
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Scotiabank & Trust (Cayman) Ltd.	Cayman Islands	USD	Upon maturity	1.35%	1.24
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Scotiabank & Trust (Cayman) Ltd.	Cayman Islands	USD	Upon maturity	1.73%	1.41
Foreign	Royal Seed Trading	Aruba	Foreign	The Bank of Tokyo-Mitsubishi	United States	USD	Upon maturity	1.37%	1.01

Corporation A.V.V.		UFJ, Lda. (New York)	

Debtor	Creditor	12/31//2013 Nominal amounts			12/31/2013 Current amounts				
Filial	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 Sud Americano	-	20,000	20,000	3	20,000	20,003	-	20,003
SQM.S.A.	Scotiabank Sud Americano	-	20,000	20,000	7	20,000	20,007	-	20,007
SQM S.A.	Banco Estado NY Branch	-	-	-	1,012	-	1,012	(26)	986
SQM Salar S.A.	Banco Estado	20,000	-	20,000	20,033	-	20,033	-	20,033
SQM Salar S.A.	Scotiabank Sud Americano	-	20,000	20,000	11	20,000	20,011	-	20,011
SQM Industrial S.A.	Banco Estado	-	20,000	20,000	-	20,081	20,081	-	20,081
Royal Seed Trading Corporation A.V.V.	Bank of America	-	-	-	-	120	120	(65)	55
Royal Seed Trading Corporation A.V.V.	Export Development Canada	-	10,000	10,000	-	10,014	10,014	(60)	9,954
Royal Seed Trading Corporation A.V.V.	Scotiabank & Trust (Cayman) Ltd.	-	50,000	50,000	189	50,000	50,189	(43)	50,146
Royal Seed Trading Corporation A.V.V.	Scotiabank & Trust (Cayman) Ltd.	-	-	-	-	139	139	(106)	33
Royal Seed Trading Corporation A.V.V.	The Bank of Tokyo-Mitsubishi UFJ, Lda. (New York)	-	10,000	10,000	-	10,108	10,108	(70)	10,038
Total		20,000	150,000	170,000	21,255	150,462	171,717	(370)	171,347

9) Financial Reports

Note 10 Financial instruments (continued)

10.4 Financial liabilities, continued

b) Unsecured obligations, current:

As of December 31, 2014 and December 31, 2013, the detail of current unsecured interest-bearing obligations is composed of promissory notes and bonds, as follows:

Bonds

Debtor			Number of registration or ID of the instrument	Series	Maturity date	Currency or adjustment index	Periodicity Payment of interest	Repayment	E ra
Tax ID No.	**Subsidiary**	País							
93.007.000-9	SQM S.A.	Chile	-	ThUS$200,000	04/15/2015	US$	Semiannual	Upon maturity	6
93.007.000-9	SQM S.A.	Chile	-	ThUS$250,000	04/21/2015	US$	Semiannual	Upon maturity	5
93.007.000-9	SQM S.A.	Chile	-	ThUS$250,000	01/28/2015	US$	Semiannual	Upon maturity	4
93.007.000-9	SQM S.A.	Chile	-	ThUS$300,000	04/03/2015	US$	Semiannual	Upon maturity	3
93.007.000-9	SQM S.A.	Chile	446	C	06/01/2015	UF	Semiannual	Semiannual	6
93.007.000-9	SQM S.A.	Chile	564	H	01/05/2015	UF	Semiannual	Semiannual	4
93.007.000-9	SQM S.A.	Chile	700	M	02/01/2015	UF	Semiannual	Upon maturity	3
93.007.000-9	SQM S.A.	Chile	699	O	02/01/2015	UF	Semiannual	Upon maturity	3

			12/31/2014 Nominal maturities			12/31/2014 Current maturities				
Subsidiary	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$200,000	-	-	-	-	2.586	2.586	(293)	2.293
SQM S.A.	Chile	ThUS$250,000	-	-	-	-	2.674	2.674	(384)	2.290
SQM S.A.	Chile	ThUS$250,000	-	-	-	1.914	-	1.914	(433)	1.481
SQM S.A.	Chile	ThUS$300,000	-	-	-	-	2.658	2.658	(614)	2.044
SQM S.A.	Chile	C	-	6.088	6.088	-	6.329	6.329	-	6.329
SQM S.A.	Chile	H	-	-	-	3.843	-	3.843	(139)	3.704
SQM S.A.	Chile	M	-	-	-	554	-	554	(130)	424
SQM S.A.	Chile	O	-	-	-	955	-	955	(67)	888
Total			-	6.088	6.088	7.266	14.247	21.513	(2.060)	19.453

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.

9) Financial Reports

Note 10 Financial instruments (continued)

10.4 Financial liabilities, continued

Debtor Tax ID No.	Subsidiary	Country	Number of registration or ID of the instrument	Series	Maturity date	Currency or adjustment index	Periodicity Payment of interest	Repayment	Ef ra
93.007.000-9	SQM S.A.	Chile	-	ThUS$200,000	04/15/2014	US$	Semiannual	Upon maturity	6
93.007.000-9	SQM S.A.	Chile	-	ThUS$250,000	04/21/2014	US$	Semiannual	Upon maturity	5
93.007.000-9	SQM S.A.	Chile	-	ThUS$300,000	04/03/2014	US$	Semiannual	Upon maturity	3
93.007.000-9	SQM S.A.	Chile	446	C	06/01/2014	UF	Semiannual	Semiannual	4
93.007.000-9	SQM S.A.	Chile	563	G	01/05/2014	Ch$	Semiannual	Upon maturity	7
93.007.000-9	SQM S.A.	Chile	564	H	01/05/2014	UF	Semiannual	Semiannual	5
93.007.000-9	SQM S.A.	Chile	563	I	04/01/2014	UF	Semiannual	Upon maturity	3
93.007.000-9	SQM S.A.	Chile	563	J	04/01/2014	Ch$	Semiannual	Upon maturity	6
93.007.000-9	SQM S.A.	Chile	700	M	02/01/2014	UF	Semiannual	Upon maturity	3
93.007.000-9	SQM S.A.	Chile	699	O	02/01/2014	UF	Semiannual	Upon maturity	3

			12/31/2013 Nominal maturities			12/31/2013 Current maturities				
Subsidiary	Country	Series	Up to 90 days ThUS$	91 days to 1 year ThUS$	Total ThUS$	Up to 90 days ThUS$	91 days to 1 year ThUS$	Subtotal ThUS$	Bond issuance costs ThUS$	Total ThUS$
SQM S.A.	Chile	ThUS$200,000	-	-	-	-	2,586	2,586	(293)	2,293
SQM S.A.	Chile	ThUS$250,000	-	-	-	-	2,674	2,674	(384)	2,290
SQM S.A.	Chile	ThUS$300,000	-	-	-	-	2,658	2,658	(614)	2,044
SQM S.A.	Chile	C	-	6,665	6,665	-	6,951	6,951	(210)	6,741
SQM S.A.	Chile	G	40,030	-	40,030	41,377	-	41,377	-	41,377
SQM S.A.	Chile	H	-	-	-	4,207	-	4,207	(139)	4,068
SQM S.A.	Chile	I	66,648	-	66,648	-	67,144	67,144	(87)	67,057
SQM S.A.	Chile	J	99,121	-	99,121	-	100,466	100,466	(139)	100,327

SQM S.A.	Chile	M	-	-	-	606	-	606	(130)	476
SQM S.A.	Chile	O	-	-	-	1,045	-	1,045	(66)	979
Total			205,799	6,665	212,464	47,235	182,479	229,714	(2,062)	227,652

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.

9) Financial Reports

Note 10 Financial instruments (continued)

10.4 Financial liabilities, continued

c) Types of interest-bearing borrowings, non-current

Non-current interest-bearing borrowings as of December 31, 2014 and December 31, 2013 are detailed as follows:

Debtor			Creditor			Currency or adjustment		Effective	Nominal
Tax ID No.	Subsidiary	Country	Tax ID No.	Financial institution	Country	index	Repayment	rate	rate
93.007.000-9	SQM S.A.	Chile	Foreign	Banco Estado NY Branch	United States	US$	Upon maturity	3.56%	2.33%
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Scotiabank & Trust (Caimán) Ltd.	Cayman Islands	US$	Upon maturity	2.27%	1.37%
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Bank of America	United States	US$	Upon maturity	2.70%	1.23%
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Export Development Canada	Canada	US$	Upon maturity	2.12%	1.27%
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	The Bank of Tokyo-Mitsubishi UFJ, Ltd (New York)	United States	US$	Upon maturity	2.45%	0.97%

		Nominal non-current maturities 31/12/2014				Non-current maturities 31/12/2014					
Subsidiary	Financial institution	Over 1 year to 2	Over 2 years to 3	Over 3 years to 4	Total	Over 1 year to 2	Over 2 years to 3	Over 3 years to 4	Subtotal	Borrowings costs	Total

		ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
SQM S.A.	Banco Estado NY Branch	-	140,000	-	140,000	-	140,000	-	140,000	-	140,000
Royal Seed Trading Corporation A.V.V.	Bank of America	-	40,000	-	40,000	-	40,000	-	40,000	(49)	39,951
Royal Seed Trading Corporation A.V.V.	Export Development Canada	-	20,000	-	20,000	-	20,000	-	20,000	(59)	19,941
Royal Seed Trading Corporation A.V.V.	The Bank of Tokyo-Mitsubishi UFJ, Ltd (New York)	-	20,000	-	20,000	-	20,000	-	20,000	(54)	19,946
Total		-	220,000	-	220,000	-	220,000	-	220,000	(162)	219,838

9) Financial Reports

Note 10 Financial instruments (continued)

10.4 Financial liabilities, continued

Debtor			Creditor			Currency or adjustment		Effective	Nominal
Tax ID No.	Subsidiary	Country	Tax ID No.	Financial institution	Country	index	Repayment	rate	rate
93.007.000-9	SQM S.A.	Chile	Foreign	Banco Estado NY Branch	United States	USD	Upon maturity	3.10%	2.39%
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Scotiabank & Trust (Caimán) Ltd.	Islas Caimán	USD	Upon maturity	1.35%	1.41%
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Bank of America	United States	USD	Upon maturity	1.75%	1.27%
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	Export Development Canada	Canada	USD	Upon maturity	1.69%	1.30%
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Foreign	The Bank of Tokyo-Mitsubishi UFJ, Ltd (New York)	United States	USD	Upon maturity	1.37%	1.01%

		Nominal non-current maturities 12/31/2013				Non-current maturities 12/31/2013					
Subsidiary	Financial institution	Over 1 years to 2 ThUS$	Over 2 years to 3 ThUS$	Over 3 years to 4 ThUS$	Total ThUS$	Over 1 years to 2 ThUS$	Over 2 years to 3 ThUS$	Over 3 years to 4 ThUS$	Subtotal ThUS$	Borrowi costs ThUS$	T
SQM S.A.	Banco Estado NY Branch	-	-	140,000	140,000	-	-	140,000	140,000	(70)	
Royal Seed Trading Corporation A.V.V.	Scotiabank & Trust (Caimán) Ltd.	50,000	-	-	50,000	50,000	-	-	50,000	(85)	
Royal Seed Trading Corporation	Bank of America	-	40,000	-	40,000	-	40,000	-	40,000	(114)	

A.V.V. Royal Seed Trading Corporation	Export Development Canada	-	40,000	-	40,000	-	-	40,000	40,000	(119)
A.V.V. Royal Seed Trading Corporation	The Bank of Tokyo-Mitsubishi UFJ, Ltd (New York)	-	40,000	-	40,000	-	40,000	-	40,000	(123)
A.V.V. Total		50,000	120,000	140,000	310,000	50,000	80,000	180,000	310,000	(511)

188

9) Financial Reports

Note 10 Financial instruments (continued)

10.4 Financial liabilities, continued

d) Non-current unsecured interest-bearing bonds

The breakdown of non-current unsecured interest-bearing bonds as of December 31, 2014 and December 31, 2013 is detailed as follows:

Tax ID No.	Subsidiary	Country	Number of registration or ID of the instrument	Series	Maturity date	Currency or adjustment index	Periodicity Payment of interest	Repayment	Effective rate
93.007.000-9	SQM S.A.	Chile	-	ThUS$200,000	04/15/2016	US$	Semiannual	Upon maturity	6.25%
93.007.000-9	SQM S.A.	Chile	-	ThUS$250,000	04/21/2020	US$	Semiannual	Upon maturity	5.67%
93.007.000-9	SQM S.A.	Chile	-	ThUS$250,000	01/28/2025	US$	Semiannual	Upon maturity	4.46%
93.007.000-9	SQM S.A.	Chile	-	ThUS$300,000	04/03/2023	US$	Semiannual	Upon maturity	3.86%
93.007.000-9	SQM S.A.	Chile	446	C	12/01/2026	UF	Semiannual	Semiannual	6.34%
93.007.000-9	SQM S.A.	Chile	564	H	01/05/2030	UF	Semiannual	Semiannual	4.23%
93.007.000-9	SQM S.A.	Chile	700	M	02/01/2017	UF	Semiannual	Upon maturity	3.20%
93.007.000-9	SQM S.A.	Chile	699	O	02/01/2033	UF	Semiannual	Upon maturity	3.74%

Nominal non-current maturities 12/31/2014							Non-current maturities 12/31/2014				
Series	Over 1 year to 2	Over 2 years to 3	Over 3 Years	Over 4 Years	Over 5 years	Total	Over 1 year to 2	Over 2 years to 3	Over 3 Years	Over 4 Years	Over 5 years

			to 4	to 5					to 4	to 5	
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
ThUS$200,000	200,000	-	-	-	-	200,000	200,000	-	-	-	-
ThUS$250,000	-	-	-	-	250,000	250,000	-	-	-	-	250,000
ThUS$250,000	-	-	-	-	250,000	250,000	-	-	-	-	250,000
ThUS$300,000	-	-	-	-	300,000	300,000	-	-	-	-	300,000
C	6,088	6,088	6,088	6,088	42,619	66,971	6,088	6,088	6,088	6,088	42,619
H	-	-	-	-	162,354	162,354	-	-	-	-	162,354
M	-	40,588	-	-	-	40,588	-	40,588	-	-	-
O	-	-	-	-	60,883	60,883	-	-	-	-	60,883
Total	206,088	46,676	6,088	6,088	1,065,856	1,330,796	206,088	46,676	6,088	6,088	1,065,856

189

9) Financial Reports

Note 10 Financial instruments (continued)

10.4 Financial liabilities, continued

d) Unsecured interest-bearing liabilities, non-current, continued

As of December 31, 2014 and December 31, 2013, the breakdown of unsecured interest-bearing liabilities, non-current is as follows:

Tax ID No.	Subsidiary	Country	Number of registration or ID of the instrument	Series	Maturity date	Currency or adjustment index	Periodicity Payment of interest	Repayment	Effective rate	N r
93.007.000-9	SQM S.A.	Chile	-	ThUS$200,000	04/15/2016	US$	Semiannual	Upon maturity	6.32%	
93.007.000-9	SQM S.A.	Chile	-	ThUS$250,000	04/21/2020	US$	Semiannual	Upon maturity	5.70%	
93.007.000-9	SQM S.A.	Chile	-	ThUS$300,000	04/03/2023	US$	Semiannual	Upon maturity	3.87%	
93.007.000-9	SQM S.A.	Chile	446	C	12/01/2026	UF	Semiannual	Semiannual	4.44%	
93.007.000-9	SQM S.A.	Chile	564	H	01/05/2030	UF	Semiannual	Semiannual	5.10%	
93.007.000-9	SQM S.A.	Chile	700	M	02/01/2017	UF	Semiannual	Upon maturity	3.62%	
93.007.000-9	SQM S.A.	Chile	699	O	02/01/2033	UF	Semiannual	Upon maturity	3.95%	

Nominal non-current maturities 12/31/2013							Non-current maturities 12/31/2013					
Series	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	S
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	T
ThUS$200,000	-	200,000	-	-	-	200,000	-	200,000	-	-	-	2

ThUS$250,000	-	-	-	-	250,000	250,000	-	-	-	-	250,000	2
ThUS$300,000	-	-	-	-	300,000	300,000	-	-	-	-	300,000	3
C	6,665	6,665	6,665	6,665	53,318	79,978	6,665	6,665	6,665	6,665	53,318	7
H	-	-	-	-	177,729	177,729	-	-	-	-	177,729	1
M	-	-	44,432	-	-	44,432	-	-	44,432	-	-	4
O	-	-	-	-	66,648	66,648	-	-	-	-	66,648	6
Total	6,665	206,665	51,097	6,665	847,695	1,118,787	6,665	206,665	51,097	6,665	847,695	1

9) Financial Reports

Note 10 Financial instruments (continued)

10.4 Financial liabilities, continued

e) Additional information

Bonds

As of December 31, 2014 and December 31, 2013, bonds of ThUS$19,453 and ThUS$227,652 respectively were classified as short-term, consisting of the current portion due plus accrued interest to date, excluding bond issue costs. The non-current portion consisted of ThUS$1,317,429 as of December 31, 2014 and ThUS$1,106,496 as of December 31, 2013, corresponding to the issuance of series C bonds, Single series bonds (ThUS$200), series H bonds second issue single series bonds (ThUS$250), series M bonds, series O bonds, third issue single series bonds (ThUS$300) and fourth issue single series bonds (ThUS$250) excluding debt issue costs.

As of December 31, 2014 and December 31, 2013, the details of each issuance are as follows:

Series “C” bonds

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

As of December 31, 2014 and December 31, 2013, the Company has made the following payments with a charge to the Series C bonds:

Payments made	12/31/2014	12/31/2013
	ThUS$	ThUS$
Principal payment	6.301	6.858
Interest payment	3.184	4.004

Single series first issue ThUS$200,000

On April 5, 2006, the Company placed Single Series bonds for ThUS$200,000 at an annual rate of 6.125% under "Rule 144 and regulation S of the U.S. Securities Act of 1933."

As of December 31, 2014 and December 31, 2013, the Company has made the following payments with a charge to the Single Series bonds:

Payments made	12/31/2014 ThUS$	12/31/2013 ThUS$
Payments of interest	12,250	12,250

191

9) Financial Reports

Note 10 Financial instruments (continued)

10.4 Financial liabilities, continued

Series “G” and “H” bonds

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

As of December 31, 2014 and December 31, 2013, the Company has made the following payments with a charge to the Series G and H bonds:

Payments made	12/31/2014 ThUS$	12/31/2013 ThUS$
Payment of principal of Series G bonds	39,713	-
Payments of interest, Series G bonds	1,366	2,845
Payments of interest, Series H bonds	8,496	8,565

Series “J” and “I” bonds

On May 8, 2009, the Company placed two bond series in the domestic market. Series J for ThCh$52,000,000 (ThUS$92,456) which was placed at a term of 5 years with single payment at the expiration date of the term and annual interest rate of 5.5% and Series I for UF 1,500,000 (ThUS$56,051) which was placed at a term of 5 years with single payment at the maturity of the term and annual interest rate of 3.00%.

As of December 31, 2014 and December 31, 2013, the Company has made the following payments with a charge to the Series J and I bonds:

Payments made	12/31/2014 ThUS$	12/31/2013 ThUS$
Payments of principal Series J bonds	94,454	-
Payment of interest, Series J bonds	2,563	5,879
Payments of principal Series I bonds	64,083	-
Payment of interest, Series I bonds	1,206	2,100

Single series bonds, second issue ThUS$250,000

On April 21, 2010, the Company informed the Chilean Superintendence of Securities and Insurance 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 December 31, 2014 and December 31, 2013, the detail of payments charged to the line of single series bonds, second issue is as follows:

Payments made	12/31/2014 ThUS$	12/31/2013 ThUS$
Interest payment	13,750	13,750

192

9) Financial Reports

Note 10 Financial instruments (continued)

10.4 Financial liabilities, continued

Series “M” and “O” bonds

On April 4, 2012, the Company placed two bond series in the domestic market. Series M for UF 1,000,000 (ThUS$46,601) was placed at a term of 5 years with a single payment at the maturity of the term and an annual interest rate of 3.3%, and 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 December 31, 2014, and December 31, 2013 the Company has made the following payments with a charge to the Series M and O bonds:

Payments made	12/31/2014 ThUS$	12/31/2013 ThUS$
Payment of interest, Series M bonds	1,380	765
Payment of interest, Series O bonds	2,381	1,320

Single series bonds, third issue ThUS$300,000

On April 3, 2013 in the United States, the Company issued a non-guaranteed bond 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 December 31, 2014 and December 31, 2013, the following payments have been made with a debit to the line of single-series bonds, third issue:

Payments made	12/31/2014 ThUS$	12/31/2013 ThUS$
Payment of interest	10,875	5,438

Single series bonds, fourth issuance ThUS$ 250

On October 23, 2014, the Company informed the Chilean Superintendence of Securities and Insurance that Sociedad Química y Minera de Chile S.A. agreed to issue and place unsecured bonds of ThUS$ 250,000 in international markets. This, essentially, maturing in 2025 with a cover annual interest rate of 4.375% equivalent to a spread of 215 basis points on comparable US Treasury bonds, which were offered to the 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 December 31, 2014, no payments have been made.

9) Financial Reports

Note 10 Financial instruments (continued)

10.5 Trade and other payables

	12/31/2014			12/31/2013		
	Current	Non-current	Total	Current	Non-current	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Accounts payable	144,998	-	144,998	150,322	-	150,322
Retained (or accrued)	162	-	162	638	-	638
Total	145,160	-	145,160	150,960	-	150,960

Purchase commitments held by the Company are recognized as liabilities when the goods and services are received by the Company. As of December 31, 2014, the Company has purchase orders amounting to ThUS$15,966 (ThUS$29,395 as of December 31, 2013).

10.6 Financial liabilities at fair value through profit or loss

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

Financial liabilities at fair value through profit or loss	12/31/2014 ThUS$	Effect on profit or loss as of 12/31/2014 ThUS$	12/31/2013 ThUS$	Effect on profit or loss as of 12/31/2013 ThUS$
Current				
Derivative instruments (forward)	-	-	423	5,100
Derivative instruments (options)	-	-	665	1,827
Derivative instruments (IRS)	736	1,637	1,339	251
	736	1,637	2,427	7,178

Balances in the column effect on profit or loss consider the effects of agreements which were in force as of December 31, 2014, including derivates, received during the year.

194

9) Financial Reports

Note 10 Financial instruments (continued)

10.7 Financial asset and liability categories

a) Financial Assets

Description of financial assets	12/31/2014 Current Amount ThUS$	Non-current Amount ThUS$	Total Amount ThUS$	12/31/2013 Current Amount ThUS$	Non-current Amount ThUS$	Total Amount ThUS$
Financial assets measured at amortized cost	653,442	-	653,442	431,883	-	431,883
Investments held-to-maturity measured at amortized cost	-	427	427	-	95	95
Loans and receivables measured at amortized cost	340,830	2,044	342,874	330,992	1,282	332,274
Total financial assets measured at amortized cost	994,272	2,471	996,743	762,875	1,377	764,252
Financial assets at fair value through profit or loss	17,160	-	17,160	3,283	-	3,283
Financial assets at fair value through other comprehensive income	-	-	-	25,007	-	25,007
Total financial assets at fair value	17,160	-	17,160	28,290	-	28,290
Total financial assets	1,011,432	2,471	1,013,903	791,165	1,377	792,542

9) Financial Reports

Note 10 Financial instruments (continued)

10.7 Financial asset and liability categories (continued)

b) Financial liabilities

Description of financial liabilities	12/31/2014 Current Amount ThUS$	12/31/2014 Non-current Amount ThUS$	12/31/2014 Total Amount ThUS$	12/31/2013 Current Amount ThUS$	12/31/2013 Non-current Amount ThUS$	12/31/2013 Total Amount ThUS$
Financial liabilities at fair value through profit or loss	2,603	36,958	39,561	2,427	1,405	3,832
Financial liabilities at fair value through profit or loss	2,603	36,958	39,561	2,427	1,405	3,832
Financial liabilities measured at amortized cost	355,729	1,537,267	1,892,996	549,959	1,415,985	1,965,944
Total financial liabilities measured at amortized cost	355,729	1,537,267	1,892,996	549,959	1,415,985	1,965,944
Total financial liabilities	358,332	1,574,225	1,932,557	552,386	1,417,390	1,969,776

196

9) Financial Reports

Note 10 Financial instruments (continued)

10.8 Fair value measurement of assets and liabilities

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

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

In the case of CCS, the entry data used for the valuation models are UF, peso, 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 actual market value of guaranteed and non-guaranteed long-term obligations; bonds denominated in local currency ($/UF) and foreign currency (US$), credits denominated in foreign currency (US$).

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').

10.9 Financial assets pledged as guarantee

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

As of December 31, 2014 and December 31, 2013, assets pledged as guarantees are as follows:

Restricted cash	12/31/2014 ThUS$	12/31/2013 ThUS$
Isapre Norte Grande Ltda.	682	708
Total	682	708

9) Financial Reports

Note 10 Financial instruments (continued)

10.10 Estimated fair value of financial instruments and financial derivatives

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

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

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

- Cash equivalent approximates fair value due to the short-term maturities of these instruments.

- Other current financial liabilities are considered at fair value equal to their carrying values.

- For interest-bearing liabilities with original maturity of more than a year, fair values are calculated at discounting contractual cash flows at their original current market with similar terms.

- For forward and swap contracts, fair value is determined using quoted market prices of financial instruments with similar characteristics.

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

	12/31/2014		12/31/2013	
	Carrying value	Fair value	Carrying value	Fair value

	ThUS$	ThUS$	ThUS$	ThUS$
Cash and cash equivalents	354,566	354,566	476,622	476,622
Current trade and other receivables	340,830	340,830	330,992	330,992
Other financial assets, current:				
- Time deposits	653,442	653,442	431,883	431,883
- Derivative instruments	17,160	17,160	3,283	3,283
- Current hedging assets	-	-	25,007	25,007
Total other current financial assets	670,602	670,602	460,173	460,173
Non-Current Trade Receivables	2,044	2,044	1,282	1,282
Other non-current financial assets:	427	427	95	95
Other non-current financial assets:	427	427	95	95
Other financial liabilities, current:				
- Bank loans	191,116	191,116	171,347	171,347
- Derivative instruments	1,791	1,791	1,088	1,088
- Hedging liabilities	812	812	1,339	1,339
- Unsecured obligations	19,453	19,453	227,652	227,652
Other financial liabilities, current	213,172	213,172	401,426	401,426
Current and non-current accounts payable	145,160	145,160	150,960	150,960
Other non-current financial liabilities:				
- Bank loans	219,838	180,756	309,489	324,246
- Unsecured obligations	1,317,429	1,584,237	1,106,496	1,077,049
- Non-current hedging liabilities	36,958	36,958	1,405	1,405
Other non-current financial liabilities:	1,574,225	1,801,951	1,417,390	1,402,700

Fair value hierarchy

Fair value hierarchies are as follows:

a) Level 1: When only quoted (unadjusted) prices have been used in active markets.

b) Level 2: When in a phase in the valuation process variable other than prices quoted in Level 1 have been used which are directly observable in markets.

c) Level 3: When in a phase in the valuation process variable which are not based in observable market data have been used.

9) Financial Reports

Note 10 Financial instruments (continued)

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

The valuation techniques used to determine the fair value of our hedging instruments, bank loans, and unsecurable obligations are level 2 fair value instruments, based on discounted cash flows using market based rates as of year-end.

10.11 Nature and scope of risks arising from financing instruments

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

199

9) Financial Reports

Note 11 Equity-accounted investees

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

As of December 31, 2014 and December 31, 2013, 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 on profit (loss) of associates and joint ventures accounted for using the equity method		Share on other comprehensive income of associates and joint ventures accounted for using the equity method, net of tax		Share on total other comprehensive income of associates and joint ventures accounted for using the equity method	
	12/31/2014 ThUS$	12/31/2013 ThUS$	12/31/2014 ThUS$	12/31/2013 ThUS$	12/31/2014 ThUS$	12/31/2013 ThUS$	12/31/2014 ThUS$	12/31/2013 ThUS$
Sales de Magnesio Ltda.	1,159	1,649	942	1,005	-	-	942	1.005
Abu Dhabi Fertilizer Industries WWL	10,269	11,453	1,783	1,596	-	-	1,783	1.596
Doktor Tarsa Tarim Sanayi AS	14,869	15,193	4,138	2,192	-	-	4,138	2.192
Ajay North America	13,530	13,125	6,188	7,919	-	-	6,188	7.919
Ajay Europe SARL	8,004	7,924	2,570	3,825	(30)	-	2,540	3.825
SQM Eastmed Turkey	88	142	(21)	132	-	-	(21)	132
Charlee SQM Thailand Co. Ltd.	1,804	1,589	158	237	-	-	158	237
Total	49,723	51,075	15,758	16,906	(30)	-	15,728	16.906

Associate	Description of the nature of the relationship	Domicile	Country of incorporation	Share of ownership in associates	Dividends received 12/31/2014 ThUS$	12/31/2013 ThUS$
	Commercialization of magnesium salts.		Chile	50 %	1,245	892

Sales de Magnesio Ltda.		El Trovador 4285, Las Condes					
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	%	-	-
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 commercialization of iodine derivatives.	1400 Industry RD Power Springs GA 30129	United States	49	%	7,139	10,437
Ajay Europe SARL	Production and commercialization of iodine derivatives.	Z.I. du Grand Verger BP 227 53602 Evron Cedex	France	50	%	2,728	5,093
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	%	-	-

9) Financial Reports

Note 11 Equity-accounted investees (continued)

11.2 Assets, liabilities, revenue and expenses of associates

12/31/2014

	Assets	Liabilities						
	Current ThUS$	Non-current ThUS$	Current ThUS$	Non-current ThUS$	Revenue ThUS$	Gain (loss) from continuing operations ThUS$	Other comprehensive income ThUS$	Comprehensive income ThUS$
Sales de Magnesio Ltda.	3,957	481	2,099	22	12,750	1,883	-	1,883
Abu Dhabi Fertilizer Industries WWL	31,010	2,795	6,048	-	53,186	4,819	-	4,819
Doktor Tarsa Tarim Sanayi AS	75,497	10,099	39,515	16,344	83,397	8,275	-	8,275
Ajay North America	20,912	10,269	3,568	-	60,101	12,628	-	12,628
Ajay Europe SARL	21,929	2,103	8,023	-	51,687	5,142	(59)	5,083
SQM Eastmed Turkey	10	228	62	-	-	(42)	-	(42)
Charlee SQM Thailand Co. Ltd.	8,279	669	4,435	-	12,968	394	-	394
Total	**161,594**	**26,644**	**63,750**	**16,366**	**274,089**	**33,099**	**(59)**	**33,040**

12/31/2013

	Assets	Liabilities						
	Current ThUS$	Non-current ThUS$	Current ThUS$	Non-current ThUS$	Revenue ThUS$	Gain (loss) from continuing operations ThUS$	Other comprehensive income ThUS$	Comprehensive income ThUS$
Sales de Magnesio Ltda.	4,519	309	1,512	18	14,370	2,009	-	2,009
Abu Dhabi Fertilizer Industries WWL	26,645	2,321	6,059	-	44,689	3,192	-	3,192
Doktor Tarsa Tarim Sanayi AS	67,603	6,563	37,696	6,082	73,905	4,385	-	4,385
Ajay North America	23,728	9,289	6,230	-	72,297	16,161	-	16,161

Ajay Europe SARL	22,247	2,370	8,770	-	67,361	7,649	-	7,649
SQM Eastmed Turkey	149	305	169	-	139	265	-	265
Charlee SQM Thailand Co. Ltd.	6,104	572	2,706	-	19,179	593	-	593
Total	**150,995**	**21,729**	**63,142**	**6,100**	**291,940**	**34,254**	**-**	**34,254**

201

9) Financial Reports

Note 11 Investment in Associates (continued)

11.3 Other information

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

The Company presents no investments unaccounted for according to the equity method of accounting.

The equity method was applied to the Statement of Financial Position as of December 31, 2014 and December 31, 2013.

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.

Note 12 Joint Ventures

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

The method for the recognition of 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 of the entity which correspond to the investor. Profit or loss for the period of the investor will collect the portion which belongs to it in the results of the controlled entity as a whole.

12.2 Disclosures of interest in joint ventures

a) Operations conducted in 2014

During the second quarter of 2014, SQM Industrial S.A. received a reimbursement of capital amounting to ThUS$2,011 from SQM Vitas Fzco., resulting in a decrease capital, and maintaining the interest in this Company.

b) Operations conducted in 2013

As of December 31, there are no changes in the breakdown of interests in joint ventures.

202

9) Financial Reports

Note 12 Joint Ventures (continued)

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

Joint venture	Description of the nature of the relationship	Domicile	Country of Incorporation	Share of interest in ownership		Dividends received 12/31/2014 ThUS$	12/31/2013 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 Brazil Agroindustria	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	%	-	-
			Peru	50	%	-	-

SQM Vitas Peru S.A.C.	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					
SQM Vitas Southern Africa Pty.	Production and commercialization of specialty plant and animal nutrition and industrial hygiene	33 Waterford Office Park Waterford Drive Fourways, 2055 South Africa	South Africa	50	%	-	-
SQM Vitas Spain	Production and commercialization of specialty plant nutrition	C/Manuel Echeverria Manzana 2 Muelle de la Cab (Puerto Real)	Spain	50	%	-	-
SQM Vitas Holland	Without information	Herikerbergweg 238, 1101 CM Amsterdam Zuidoost	Holland	50	%	-	-
SQM Vitas Plantacote B.V.	Production and commercialization of controlled-released fertilizers	Herikerbergweg 238, 1101 CM Amsterdam Zuidoost	Holland	50	%	-	-

9) Financial Reports

Note 12 Joint Ventures (continued)

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

Joint Venture	Equity-accounted investees		Share on profit (loss) of associates and joint ventures accounted for using the equity method		Share on other comprehensive income of associates and joint ventures accounted for using the equity method, net of tax		Share on total other comprehensive income of associates and joint ventures accounted for using the equity method	
	12/31/2014 ThUS$	12/31/2013 ThUS$	12/31/2014 ThUS$	12/31/2013 ThUS$	12/31/2014 ThUS$	12/31/2013 ThUS$	12/31/2014 ThUS$	12/31/2013 ThUS$
Sichuan SQM Migao Chemical Fertilizers Co. Ltd.	12,819	11,504	(414)	255	(1)	13	(415)	267
Coromandel SQM India	754	801	128	90	-	-	128	89
SQM Vitas Fzco.	9,189	12,762	2,049	1,807	(457)	(339)	1,592	1,467
SQM Star Qingdao Corp. Nutrition Co. Ltd.	1,969	1,475	494	396	-	-	494	395
SQM Vitas Holland	1,324	(599)	101	-	-	-	101	(667)
Total	**26,055**	**25,943**	**2,358**	**2,548**	**(458)**	**(326)**	**1,900**	**1,551**

The following companies are subsidiaries of

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

Joint Venture	Equity-accounted investees		Share on profit (loss) of associates and joint ventures accounted for using the equity method		Share on other comprehensive income of associates and joint ventures accounted for using the equity method, net of tax		Share on total other comprehensive income of associates and joint ventures accounted for using the equity method	
	12/31/2014 ThUS$	12/31/2013 ThUS$	12/31/2014 ThUS$	12/31/2013 ThUS$	12/31/2014 ThUS$	12/31/2013 ThUS$	12/31/2014 ThUS$	12/31/2013 ThUS$
SQM Vitas Brazil (1)	5,670	4,747	1,045	2,538	-	-	522	1,152
SQM Vitas Peru (1)	4,993	4,314	948	(224)	-	-	474	93

SQM Vitas Southern Africa (1)	180	1,096	(907)	55	-	-	(453)	102
SQM Vitas Spain (2)	1,023	-	291	-	-	-	145	(177)
SQM Vitas Plantacote B.V. (2)	1,135	-	1	-	-	-	-	(385)
Total	**13,001**	**10,157**	**1,378**	**2,369**	**-**	**-**	**688**	**785**

204

9) Financial Reports

Note 12 Joint Ventures (continued)

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

	12/31/2014							
	Assets		**Liabilities**			**Gain (loss) from**	**Other**	
Joint Venture	**Current**	**Non-current**	**Current**	**Non-current**	**Revenue**	**Continuing operations**	**comprehensive income**	**Comprehensive income**
	ThUS$	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**
Sichuan SQM Migao Chemical Fertilizers Co. Ltda.	61,381	8,734	44,478	-	95,292	(829)	(2)	(831)
Coromandel SQM India	4,820	1,043	4,294	63	6,723	256	-	256
SQM Vitas Fzco.	6,366	13,611	1,600	-	25,485	4,098	(913)	3,185
SQM Star Qingdao Corp. Nutrition Co. Ltd.	4,363	229	634	20	9,496	988	-	988
SQM Vitas Brazil	39,006	8,644	41,980	-	83,022	1,046	-	1,046
SQM Vitas Peru	25,346	3,146	23,463	35	39,321	949	-	949
SQM Vitas Southern Africa	3,703	720	4,243	-	17,117	(907)	-	(907)
SQM Vitas Spain	2,066	808	1,851	-	10,969	252	-	252
SQM Vitas Holland	512	2,158	19	-	-	204	-	204
SQM Vitas Plantacote B.V.	1,529	6	401	-	4,010	1	-	1
Total	149,092	39,099	122,963	118	291,435	6,058	(915)	5,143

	12/31/2013							
	Assets		**Liabilities**			**Gain (loss) from**	**Other**	
Joint Venture	**Current**	**Non-current**	**Current**	**Non-current**	**Revenue**	**continuing operations**	**comprehensive income**	**Comprehensive income**
	ThUS$	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**
Sichuan SQM Migao Chemical Fertilizers Co. Ltda.	68,241	9,414	54,650	-	41,744	509	26	535
Coromandel SQM India	4,545	1,158	4,037	63	7,842	179	-	179

SQM Vitas Fzco.	12,790	13,772	1,039	-	18,779	3,614	(679)	2,935
SQM Star Qingdao Corp. Nutrition Co. Ltd.	3,570	228	838	10	7,649	791	-	791
SQM Vitas Brazil	31,243	7,158	25,615	8,039	87,927	2,305	-	2,305
SQM Vitas Peru	21,481	1,722	18,890	-	35,267	185	-	185
SQM Vitas Southern Africa	5,164	829	4,896	-	21,234	204	-	204
SQM Vitas Spain	1,318	949	2,492	-	1,854	(355)	-	(355)
SQM Vitas Holland	95	-	316	977	-	(1,335)	-	(1,335)
SQM Vitas Plantacote B.V.	1,323	6,548	8,623	-	2,157	(770)	-	(770)
Total	149,770	41,778	121,396	9,089	224,453	5,327	(653)	4,674

9) Financial Reports

Note 12 Joint Ventures (continued)

12.5 Other Joint Venture disclosures:

	Cash and cash equivalents		Other current financial liabilities		Other non-current financial liabilities	
	12/31/2014 ThUS$	**12/31/2013 ThUS$**	**12/31/2014 ThUS$**	**12/31/2013 ThUS$**	**12/31/2014 ThUS$**	**12/31/2013 ThUS$$**
Sichuan SQM Migao Chemical Fertilizers Co. Ltda.	234	8,049	-	7,660	-	-
Coromandel SQM India	69	197	158	880	-	-
SQM Vitas Fzco.	12,043	10,605	-	-	-	-
SQM Star Qingdao Corp. Nutrition Co. Ltd.	2,487	1,988	-	-	-	-
SQM Vitas Brazil	1,312	854	8,488	-	-	8,600
SQM Vitas Peru	605	1,166	-	-	-	-
SQM Vitas Southern Africa	448	351	-	-	-	-
SQM Vitas Spain	34	310	-	-	-	-
SQM Vitas Holland	149	26	-	-	-	-
SQM Vitas Plantacote B.V.	458	109	-	5,567	-	-
Total	**17,839**	**23,655**	**8,646**	**14,107**	**-**	**8,600**

	Depreciation and amortization expense		Interest expense		Income tax expense, continuing operations	
	12/31/2014 ThUS$	**12/31/2013 ThUS$**	**12/31/2014 ThUS$**	**12/31/2013 ThUS$**	**12/31/2014 ThUS$**	**12/31/2013 ThUS$**
Sichuan SQM Migao Chemical Fertilizers Co. Ltda.	(680)	(549)	(831)	(813)	212	(12)
Coromandel SQM India	(70)	(2)	(47)	(87)	(122)	(92)
SQM Vitas Fzco.	(1,032)	(1,001)	(38)	(16)	-	-
SQM Star Qingdao Corp. Nutrition Co. Ltd.	(60)	(71)	(1)	-	(331)	(242)
SQM Vitas Brazil	(405)	(328)	(1,310)	(931)	220	-
SQM Vitas Peru	(136)	(82)	(15)	(445)	(243)	91
SQM Vitas Southern Africa	(82)	(67)	(44)	(104)	(156)	-
SQM Vitas Spain	(113)	-	(17)	(14)	-	-
SQM Vitas Holland	-	-	(6)	(2)	-	-

SQM Vitas Plantacote B.V.	(2)	-	(181)	(176)	-	-
Total	**(2,580)**	**(2,100)**	**(2,490)**	**(2,588)**	**(420)**	**(255)**

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.

9) Financial Reports

Note 13 Intangible assets and goodwill

13.1 Balances

	12/31/2014 ThUS$	12/31/2013 ThUS$
Intangible assets other than goodwill	114,735	104,363
Goodwill	38,388	38,388
Total	**153,123**	**142,751**

13.2 Disclosures on intangible assets and goodwill

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

Balances and movements in the main classes of intangible assets as of December 31, 2014 and December 31, 2013 are detailed as follows:

		12/31/2014		
Intangible assets and goodwill	**Useful life**	**Gross amount ThUS$**	**Accumulated Amortization ThUS$**	**Net Value ThUS$**
Trademarks	Finite	3,821	(3,821)	-
Software	Finite	23,062	(9,996)	13,066
Intellectual property rights, patents and other industrial property rights, service and exploitation rights	Finite	1,524	(939)	585
Intellectual property rights, patents and other industrial property rights, service and exploitation rights	Indefinite	97,386	-	97,386
Other intangible assets	Indefinite	3,698	-	3,698
Intangible assets other than goodwill		**129,491**	**(14,756)**	**114,735**
Goodwill	Indefinite	38,388	-	38,388
Total intangible assets and goodwill		**167,879**	**(14,756)**	**153,123**

		12/31/2013		
Intangible assets and goodwill	**Useful life**	**Gross amount**	**Accumulated Amortization**	**Net Value**
		ThUS$	**ThUS$**	**ThUS$**
Trademarks	Finite	3,821	(3,821)	-
Software	Finite	5,342	(3,146)	2,196
Intellectual property rights, patents and other industrial property rights, service and exploitation rights	Finite	1,576	(882)	694
Intellectual property rights, patents and other industrial property rights, service and exploitation rights	Indefinite	97,392	-	97,392
Other intangible assets	Indefinite	4,081	-	4,081
Intangible assets other than goodwill		**112,212**	**(7,849)**	**104,363**
Goodwill	Indefinite	38,388	-	38,388
Total intangible assets and goodwill		**150,600**	**(7,849)**	**142,751**

9) Financial Reports

Note 13 Intangible assets and goodwill (continued)

13.2 Disclosures on intangible assets and goodwill, continued

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

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

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

Intellectual property rights, patents and other industrial property rights, service and exploitation rights, mainly relate to water rights and are obtained as indefinite.

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

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

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

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

Trademarks	1 year	5 years
Software	2 years	3 years

d) Information to be disclosed on assets generated internally

The Company has no intangible assets generated internally.

e) Other information to disclose on intangible assets

SQM has property rights and mining concessions of the Chilean Government, intended for the exploration and exploitation of saltpeter and brine. Such rights, have had no initial cost over registration costs, which are insignificant.

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

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

9) Financial Reports

Note 13 Intangible assets and goodwill (continued)

13.2 Disclosures on intangible assets and goodwill, continued

f) Movements in identifiable intangible assets as of December 31, 2014:

Movements in identifiable intangible assets, gross	Trademarks	Software	Intellectual property rights, patents and other industrial property rights, service and operating concession exploitation rights	Intellectual property rights, patents and other industrial property rights, service and operating concession exploitation rights, right of way	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance	**3,821**	**5,342**	**1,576**	**97,392**	**4,081**	**38,388**	**150,600**
Additions	-	14,462	-	-	-	-	14,462
Other increases (decreases)	-	3,258	(52)	(6)	(383)	-	2,817
Final balance	**3,821**	**23,062**	**1,524**	**97,386**	**3,698**	**38,388**	**167,879**

Movements in identifiable intangible assets, accumulated amortization	Trademarks	Software	Intellectual property rights, patents and other industrial property rights, service and operating concession exploitation rights	Intellectual property rights, patents and other industrial property rights, service and operating concession exploitation rights, right of way	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance	**(3,821)**	**(3,146)**	**(882)**	**-**	**-**	**-**	**(7,849)**
Additions	-	-	-	-	-	-	-
Amortization	-	(3,547)	(58)	-	-	-	(3,605)
Other increases (decreases)	-	(3,303)	1	-	-	-	(3,302)
Final balance	**(3,821)**	**(9,996)**	**(939)**	**-**	**-**	**-**	**(14,756)**

9) Financial Reports

Note 13 Intangible assets and goodwill (continued)

13.2 Disclosures on intangible assets and goodwill, continued

f) Movements in identifiable intangible assets as of December 31, 2014, continued

Movements in identifiable intangible assets, net	Trademarks	Software	Intellectual property rights, patents and other industrial property rights, service rights and exploitation right, rights of way	Intellectual property rights, patents and other industrial property rights, service rights and exploitation right, rights of way	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance	**-**	**2,196**	**694**	**97,392**	**4,081**	**38,388**	**142,751**
Additions	-	14,462	-	-	-	-	14,462
Amortization	-	(3,547)	(58)	-	-	-	(3,605)
Other increases (decreases)	-	(45)	(51)	(6)	(383)	-	(485)
Final balance	**-**	**13,066**	**585**	**97,386**	**3,698**	**38,388**	**153,123**

g) Movements in identifiable intangible assets as of December 31, 2013:

Movements in identifiable intangible assets, gross	Trademarks	Software	Intellectual property rights, patents and other industrial property rights, service rights and exploitation right, rights of way	Intellectual property rights, patents and other industrial property rights, service rights and exploitation right, rights of way	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance	**3,821**	**3,446**	**5,340**	**93,996**	**1,360**	**38,388**	**146,351**
Additions	-	1,576	377	3,396	2,721	-	8,070
Other increases (decreases)	-	320	(4,141)	-	-	-	(3,821)
Final balance	**3,821**	**5,342**	**1,576**	**97,392**	**4,081**	**38,388**	**150,600**

9) Financial Reports

Note 13 Intangible assets and goodwill (continued)

13.2 Disclosures on intangible assets and goodwill, continued

g) Movements in identifiable intangible assets as of December 31, 2013:

Movements in identifiable intangible assets, accumulated amortization	Trademarks	Software	Intellectual property rights, patents and other industrial property rights, service and exploitation rights	Intellectual property rights, concessions, licenses, franchises, right of way	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance	**(3,821)**	**(1,796)**	**(4,962)**	**-**	**-**	**-**	**(10,579)**
Additions	-	-	-	-	-	-	-
Amortization	-	(1,019)	(61)	-	-	-	(1,080)
Other increases (decreases)	-	(331)	4,141	-	-	-	3,810
Final balance	**(3,821)**	**(3,146)**	**(882)**	**-**	**-**	**-**	**(7,849)**

Movements in identifiable intangible assets, net	Trademarks	Software	Intellectual property rights, patents and other industrial property rights, service and exploitation rights	Intellectual property rights, concessions, licenses, franchises, right of way	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance	**-**	**2,196**	**694**	**97,392**	**4,081**	**38,388**	**142,751**
Additions	-	764	-	-	-	-	764
Amortization	-	(1,019)	(61)	-	-	-	(1,080)
Other increases (decreases)	-	41	(32)	(6)	-	-	3
Final balance	**-**	**1,982**	**601**	**97,386**	**4,081**	**38,388**	**142,438**

9) Financial Reports

Note 14 Property, plant and equipment

As of December 31, 2014 and December 31, 2013, the detail of property, plant and equipment is as follows:

14.1 Types of property, plant and equipment

Description of types of property, plant and equipment	12/31/2014 ThUS$	12/31/2013 ThUS$
Property, plant and equipment, net		
Land	34,622	33,812
Buildings	233,175	190,529
Machinery	361,882	465,327
Transport equipment	81,673	105,979
Furniture and fixtures	9,016	9,534
Office equipment	6,365	6,062
Constructions in progress	237,321	415,740
Other property, plant and equipment (1)	923,900	827,394
Total	**1,887,954**	**2,054,377**
Property, plant and equipment, gross		
Land	34,622	33,812
Buildings	411,633	364,695
Machinery	1,168,018	1,179,860
Transport equipment	261,394	263,268
Furniture and fixtures	32,082	27,575
Office equipment	35,512	39,142
Constructions in progress	237,321	415,740
Other property, plant and equipment	1,731,599	1,506,708
Total	**3,912,181**	**3,830,800**
Accumulated depreciation and value impairment of property, plant and equipment, total		
Accumulated depreciation and value impairment of buildings	178,458	174,166
Accumulated depreciation and value impairment of machinery	806,136	714,533
Accumulated depreciation and value impairment of transport equipment	179,721	157,289
Accumulated depreciation and value impairment of furniture and fixtures	23,066	18,041
Accumulated depreciation and value impairment of office equipment	29,147	33,080
Accumulated depreciation and value impairment of other property, plant and equipment	807,699	679,314
Total	**2,024,227**	**1,776,423**

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

	31/12/2014	31/12/2013
	ThUS$	ThUS$
Other property, plant and equipment, net		
Conveyor belt	53,648	53,783
Tank (TK)	36,236	25,781
Geomembrane/liner	158,839	169,255
Electric facilities	61,795	21,889
Lights	3,648	28,748
Other constructions	122,287	62,390
Piping	27,637	22,499
Pool	168,469	181,844
Well (water)	49,818	39,963
Pipes/HD lines	148,590	101,886
Railroad track	25,314	21,628
Other property, plant and equipment	65,619	97,728
Total	**923,900**	**827,394**

9) Financial Reports

Note 14 Property, plant and equipment (continued)

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

Reconciliation entries of changes in property, plant and equipment by type as of December 31, 2014, gross	Land	Buildings	Machinery	Transport equipment	Furniture and fixtures	Office equipment	Construction in progress	Oth pro plan equ
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThU
Opening balance	**33.812**	**364.695**	**1.179.860**	**263.268**	**27.575**	**39.142**	**415.740**	**1.5**
Changes								
Additions	-	72	370	-	71	1.514	134.663	287
Divestitures	-	-	(93)	(85)	(86)	(58)	(2.235)	(1
Increase(decrease) in foreign currency exchange	(87)	(6)	(56)	(33)	-	(65)	4	(19
Reclassification	812	46.872	(12.083)	(1.742)	4.522	(4.983)	(256.528)	22
Other increases (decreases) (*)	85	-	20	(14)	-	(38)	(54.323)	1.6
Total changes	**810**	**46.938**	**(11.842)**	**(1.874)**	**4.507**	**(3.630)**	**(178.419)**	**224**
Final balance	**34.622**	**411.633**	**1.168.018**	**261.394**	**32.082**	**35.512**	**237.321**	**1.7**

Reconciliation entries of changes in property, plant and equipment by type as of December 31, 2014, Accumulated depreciation	Land	Buildings	Machinery	Transport equipment	Furniture and fixtures	Office equipment	Construction in progress	Other properties, plant and equipment	Pro plan equ
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThU
Opening balance	**-**	**(174.166)**	**(714.533)**	**(157.289)**	**(18.041)**	**(33.080)**	**-**	**(679.314)**	**(1.7**
Changes									
Additions	-	-	-	-	-	-	-	-	-
Divestitures	-	-	11	54	16	125	-	-	206
Depreciation expense	-	(19.669)	(88.242)	(29.417)	(2.772)	(2.811)	-	(108.380)	(25
Increase(decrease) in foreign currency exchange	-	1	40	17	-	25	-	21	104
Reclassification	-	15.375	(3.414)	6.899	(2.269)	6.561	-	(23.152)	-
Other increases (decreases) (*)	-	1	2	15	-	33	-	3.126	3.1
Total changes	**-**	**(4.292)**	**(91.603)**	**(22.432)**	**(5.025)**	**3.933**	**-**	**(128.385)**	**(24**
Final balance	**-**	**(178.458)**	**(806.136)**	**(179.721)**	**(23.066)**	**(29.147)**	**-**	**(807.699)**	**(2.0**

213

9) Financial Reports

Note 14 Property, plant and equipment (continued)

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

Reconciliation entries of changes in property, plant and equipment by type as of December 31, 2014, net	**Land**	**Buildings**	**Machinery**	**Transport equipment**	**Furniture and fixtures**	**Office equipment**	**Construction in progress**	**Other property, plant and equip**
	ThUS$	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS**
Opening balance	**33.812**	**190.529**	**465.327**	**105.979**	**9.534**	**6.062**	**415.740**	**827.**
Changes								
Additions	-	72	370	-	71	1.514	134.663	287
Divestitures	-	-	(82)	(31)	(70)	67	(2.235)	(1
Depreciation expense	-	(19.669)	(88.242)	(29.417)	(2.772)	(2.811)	-	(108
Increase(decrease) in foreign currency exchange	(87)	(5)	(17)	(16)	-	(40)	4	(172
Reclassification	812	62.248	(15.496)	5.158	2.253	1.577	(256.528)	199.9
Other increases (decreases) (*)	85	-	22	-	-	(4)	(54.323)	4.796
Total changes	**810**	**42.646**	**(103.445)**	**(24.306)**	**(518)**	**303**	**(178.419)**	**96.5**
Final balance	**34.622**	**233.175**	**361.882**	**81.673**	**9.016**	**6.365**	**237.321**	**923.**

(*) The net balance of other increases (decreases) corresponds to: 1) investment plan expenses which are expensed to profit or loss (forming part of cost of sales and other expenses per function, as appropriate), 2) the variation representing the purchase and use of materials and spare parts and 3) projects corresponding mainly to exploration expenditures and stain development.

9) Financial Reports

Note 14 Property, plant and equipment (continued)

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

Reconciliation entries of changes in property, plant and equipment by type as of December 31 2013, gross	Land	Buildings	Machinery	Transport equipment	Furniture and fixtures	Office equipment	Construction in progress	Oth pro pla equ
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThU
Opening balance	**33.320**	**329.397**	**1.065.641**	**224.462**	**22.665**	**36.215**	**423.184**	**1.3**
Changes								
Additions	778	47	2.100	3	60	835	416.471	3.3
Divestitures	-	(38)	(521)	(35)	-	(2)	(5.045)	(24
Increase(decrease) in foreign currency exchange	(36)	(8)	(39)	(24)	-	(43)	-	(98
Reclassification	-	35.700	115.281	38.847	4.874	2.154	(366.516)	169
Other increases (decreases) (*)	(250)	(403)	(2.602)	15	(24)	(17)	(52.354)	(3.
Total changes	**492**	**35.298**	**114.219**	**38.806**	**4.910**	**2.927**	**(7.444)**	**169**
Final balance	**33.812**	**364.695**	**1.179.860**	**263.268**	**27.575**	**39.142**	**415.740**	**1.5**

Reconciliation entries of changes in property, plant and equipment by type as of December 31, 2013, Accumulated depreciation	Land	Buildings	Machinery	Transport equipment	Furniture and fixtures	Office equipment	Construction in progress	Other property, plant and equipment	Property, plant and equipment