



Santiago, January 13, 2017

To:  
Carlos Pavez Tolosa  
Superintendent  
Superintendencia de Valores y Seguros

**RE: ESSENTIAL FACT REPORT**

Dear Mr. Superintendent:

In accordance with articles 9 and the third and fourth paragraphs of article 10 of the Securities Market Law, General Rule No. 30 and Circular No. 687, and having due authorization, I hereby inform you of the following essential fact related to Sociedad Química y Minera de Chile S.A., listed in the Securities Registry under number 184 (the "Company"):

1. Pursuant to the terms disclosed in the confidential essential fact report dated December 28, 2016, on this date, the Company has entered into agreements with the *Department of Justice*, the "DOJ", and the *Securities and Exchange Commission*, the "SEC", both of the United States of America (the "United States"), in relation to the investigations by such agencies of facts related to payments to providers and entities that were tied to persons with political exposure between 2008 and 2015, which facts resulted in an internal investigation on behalf of the Company by an ad hoc committee of the Board of Directors that was led by the law firm *Shearman & Sterling* (the "Investigated Facts"). The Company's securities are publicly traded in the United States and the Company is therefore subject to the legislation of that country. The Company voluntarily presented the results of the internal investigation and supporting documents to the DOJ and the SEC as well as the corresponding authorities in Chile.
2. Pursuant to the terms of the agreement with the DOJ, entitled the *Deferred Prosecution Agreement* (the "DPA"), the Company agrees that the DOJ will file charges against the Company alleging (i) one count of violating sections 78m(b)(2)(B), 78m(b)(5) and 78ff(a) of Title 15, of the United States Code (the "Code"), which violation relates to the failure to implement effective internal accounting systems and internal accounting controls and (ii) one count of violating sections 78m(b)(2)(A), 78m(b)(5) and 78ff(a) of Title 15, of the same Code, which violation relates to the to the failure to maintain accurate books and records related to the Investigated Facts. By virtue of the DPA, the DOJ has agreed not to pursue such charges against the Company for a period of 3 years and release the Company from liability thereafter, as long as during such term the Company complies with the terms

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of the DPA, including the payment of a penalty of 15,487,500 United States dollars (“Dollars”) and the acceptance of an external monitor for a period of 24 months (the “Monitor”) to evaluate the Company’s compliance program, followed by an additional year in which the Company will report independently.

3. In the DPA, the DOJ does not file any other charges in relation to the Investigated Facts. The agreement with the DOJ states that the Company received cooperation credit based on its cooperation with the DOJ investigation, which included, among other things, conducting a thorough internal investigation.
4. In relation to the agreement with the SEC, the Company has agreed (i) to pay a penalty of 15 million dollars and (ii) to maintain a Monitor for the abovementioned period, as a consequence of the violation of sections 13(b)(2)(A) and (B) of the *U.S. Securities Exchange Act* relating to the bookkeeping and internal accounting control systems required of securities issuers in the United States.
5. The SEC has issued a *Cease and Desist Order* that does not identify any other violations of United States law and in which the SEC notes the fact that the Company has taken corrective measures, including the termination of the former CEO, Mr. Patricio Contesse, the creation of a corporate governance committee, the separation and strengthening of the internal auditing and compliance and risk management departments, the hiring of additional experienced compliance and auditing personnel, the expansion of the accounting and compliance systems, and the hiring of external experts to review and improve the Company’s controls and payment process approvals.

Sincerely,

Eugenio Ponce L.  
Chairman of the Board of Directors  
**Sociedad Química y Minera de Chile S.A.**

