



**THE FOUNDATION  
FOR SECURE  
MARKETS**

**#48523**

**Date:** April 01, 2021

**Subject:** Adjusted Sociedad Quimica y Minera de Chile S.A. - Further Adjustment  
Option Symbol: SQM1  
Date: 03/29/2021  
\* \* \* Update \* \* \*

Adjusted Sociedad Quimica y Minera de Chile S.A. options were adjusted on October 8, 2020 (See OCC Information Memo #47750). The new deliverable became 1) 100 Sociedad Quimica y Minera de Chile S.A. (SQM) American Depositary Shares, and 2) \$24.20 Cash.

Sociedad Quimica y Minera de Chile S.A. (SQM) has declared a Rights distribution to SQM American Depositary Shareholders, as described below:

**Rights:** Transferable Preemptive ADS Rights ("Rights") to purchase 1 SQM Series B American Depositary Share per 1 whole Right at an exercise price of \$50.00 plus a \$0.05 ADS issuance fee per New ADS.

**Price:** \$50.05

**Distribution Ratio:** 0.186430441 transferable Rights per 1 SQM American Depositary Share. Fractional Rights will be rounded down to the nearest whole Right.

**Record Date:** March 30, 2021

**Expiration:** 5:00 pm New York City time on April 19, 2021, unless extended

**Depository:** The Bank of New York Mellon

**Guaranty Period:** None

Sociedad Quimica y Minera de Chile S.A. Rights began trading "regular-way" on the New York Stock Exchange (NYSE) on April 1, 2021, under the symbol "SQM RT".

Adjusted SQM1 options will be further adjusted to reflect the rights distribution as described below.

**Contract Adjustment**

**Effective Date:** March 29, 2021

Option Symbol:	SQM1 remains SQM1
Strike Divisor:	1
Contract Multiplier:	1
New Multiplier:	100 (e.g., a premium of 1.50 yields \$150)
New Deliverable Per Contract:	1) 100 Sociedad Quimica y Minera de Chile S.A. (SQM) American Depositary Shares 2) \$24.20 Cash 3) 18 Sociedad Quimica y Minera de Chile S.A. Preemptive ADS (SQM RT) Rights <b>(No longer subject to delayed settlement)</b>
Settlement Allocation:	SQM: 95% SQM RT: 5%
CUSIPS:	SQM: 833635105 SQM RT: 833636111

THE ALLOCATION OF THE AGGREGATE STRIKE PRICE AMOUNT IS BEING PROVIDED SOLELY FOR THE PURPOSE OF THE INTERFACE BETWEEN OCC AND THE NATIONAL SECURITIES CLEARING CORPORATION (NSCC), AND IS NOT INTENDED TO BE USED FOR ANY OTHER PURPOSE, TRANSACTION OR CUSTOMER ACCOUNT STATEMENTS.

### Settlement

The SQM component of the SQM1 exercise/assignment activity will continue to settle through National Securities Clearing Corporation (NSCC). The SQM RT component of SQM1 exercise/ assignment activity, which was delayed from March 29, 2021 through March 31, 2021, is no longer delayed and will now settle through NSCC. The cash component of the SQM1 exercise/assignment activity will continue to be settled by OCC.

**NOTE:** It is anticipated that the Rights will cease trading before the open on April 15, 2021. The Rights are expected to expire on April 19, 2021 at 5:00 pm New York City time, unless extended. The SQM RT component of adjusted option SQM1 will remain part of the SQM1 deliverable until the Rights have expired. Once the expiration of the Rights has been confirmed, the SQM RT component will be removed from the SQM1 deliverable. This change to the deliverables is expected to be effective on April 20, 2021.

### Further Contract Adjustment

When the Rights expire, adjusted SQM1 options will be further adjusted to no longer call for the delivery of the Rights. **No adjustment will be made to the adjusted contracts to compensate for any in-the-money value the SQM Rights may have at the time of their expiration.**

### Exercise Considerations

The Depositary will attempt to sell any unsubscribed Preemptive Share Rights in the Chilean market and distribute the cash proceeds, if any, after conversion from Chilean pesos to US Dollars and deduction of all applicable fees and withholdings, to the holders of Preemptive ADS Rights who do not subscribe in the ADS Rights Offer and have not sold their Preemptive ADS Rights. **Individuals must hold the Rights and must have not subscribed in the ADS Rights Offer in order to receive the distribution, if any is made. As**

such, the adjusted option deliverable will not be adjusted to include this distribution, if and when a distribution is made.

The Rights are to be suspended from trading before the open on April 15, 2021 and are expected to expire on April 19, 2021 at 5:00 pm New York City time. **Call option holders who wish to exercise their adjusted options to obtain the Rights for subsequent exercise, sale, or other purposes bear sole responsibility for determining when to exercise their options as well as complying with all terms and conditions of the Rights offering applicable to Rights exercise or delivery.**

### **Delivery Settlement and Protect Provisions**

Option contracts which are exercised, will require the settlement of all component securities included in the contract deliverable at the time of the option contract exercise, including rights, warrants, or similar instruments. Additional entitlements (such as due bills, eligibility to participate in tender offers, elections, etc.) may also automatically attach to securities deliverable upon option exercise. Conversely, exercised calls may be unable to realize the benefit of securities or entitlements **not** associated to the contract deliverable at the time of the option exercise or Option contract maturity.

Except in unusual cases, securities deliverable as a result of equity option exercises and or Option contract maturity are settled through National Securities Clearing Corporation (NSCC).

Rights and obligations of Members with respect to securities settling at NSCC as a result of an option exercise/assignment are governed by the rules of NSCC. NSCC has its own rules which enable purchasers of securities to protect themselves for value which may be lost if timely delivery is not made to them of securities subject to specific deadlines, such as the expiration of a tender offer, rights offering, election, or similar event. These rules are generally called protect or liability notice procedures, and are intended to protect purchasers by binding the delivering parties to liability if such value is lost because timely delivery is not effected. Purchasers of securities must observe the rules and procedures of NSCC to avail themselves of such protect provisions of NSCC. Questions regarding these provisions should be addressed to NSCC.

### **Special Risks**

#### **Call Holders/ Put Writers**

**As a result of the adjustment described above, the Rights will be part of the adjusted SQM1 options deliverable, but only until the Rights expire, after which time they will be dropped from the deliverable of the option contract. When the Rights expire and are dropped from the deliverable of the option contract, any value the Rights may have had will no longer be associated with the option contract. As a result, holders of in-the-money calls may be disadvantaged unless they exercise in sufficient time to obtain the Rights. After the Rights expire and are dropped from the deliverable of the option contract, holders of short put positions who are assigned will be required to purchase SQM stock *whose value may have been substantially diminished by the Rights distribution.***

#### **Uncovered Short Obligations**

Holders of assigned calls or exercised puts who do not possess the underlying security at the time of assignment or exercise are subject to special risk. Suspension of trading of the underlying security, inability to borrow the security, or similar events may preclude the possibility of effecting timely delivery, thereby exposing persons with an obligation to deliver to liability if timely delivery is not effected (See Delivery Settlement and Protect Provisions above).

### **Disclaimer**

This Information Memo provides an unofficial summary of the terms of corporate events affecting listed options or futures prepared for the convenience of market participants. OCC accepts no responsibility for the accuracy or completeness of the summary, particularly for information which may be relevant to

investment decisions. Option or futures investors should independently ascertain and evaluate all information concerning this corporate event(s).

The determination to adjust options and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. The determination to adjust futures and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article XII, Sections 3, 4, or 4A, as applicable. For both options and futures, each adjustment decision is made on a case by case basis. Adjustment decisions are based on information available at the time and are subject to change as additional information becomes available or if there are material changes to the terms of the corporate event(s) occasioning the adjustment.

ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.

For questions regarding this memo, call Investor Services at 1-888-678-4667 or email [investorservices@theoocc.com](mailto:investorservices@theoocc.com). Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email [memberservices@theoocc.com](mailto:memberservices@theoocc.com).