UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

MEGAN VILLELLA, Individually and on Behalf of All Others Similarly Situated, Plaintiff, vs. CHEMICAL AND MINING COMPANY OF CHILE INC., et al., Defendants.	Civil Action No. 1:15-cv-02106-ER-GWG (Consolidated) CLASS ACTION DECLARATION OF AELISH M. BAIG IN SUPPORT OF: (1) FINAL APPROVAL OF CLASS ACTION SETTLEMENT; (2) APPROVAL OF PLAN OF ALLOCATION; AND (3) AN AWARD OF ATTORNEYS' FEES AND EXPENSES AND AN AWARD TO LEAD PLAINTIFF PURSUANT TO 15 U.S.C. §78u-4(a)(4)

I, Aelish M. Baig, declare as follows:

1. I am a member of Robbins Geller Rudman & Dowd LLP ("Robbins Geller" or "Lead Counsel"), the Court-appointed Lead Counsel for Lead Plaintiff and Class Representative the Council of the Borough of South Tyneside Acting in Its Capacity as the Administering Authority of the Tyne and Wear Pension Fund ("Lead Plaintiff" or "Tyne & Wear") in this action. I am a member of the State Bar of California and have been admitted to this Court *pro hac vice* for purposes of this litigation. I was actively involved in the prosecution of this action (hereinafter, the "Litigation"), am familiar with its proceedings, and have personal knowledge of the matters set forth herein based upon my supervision of, and participation in, all material aspects of the Litigation.[1]

2. I submit this Declaration in support of Lead Plaintiff's application, pursuant to Rule 23 of the Federal Rules of Civil Procedure, for: (i) final approval of the $62,500,000 cash settlement on behalf of the Class (the "Settlement Amount"); (ii) approval of the proposed Plan of Allocation; and (iii) approval of the application for attorneys' fees and expenses and an award to Lead Plaintiff.

I. PRELIMINARY STATEMENT

3. This Litigation was brought against Defendant Chemical and Mining Company of Chile Inc., a/k/a Sociedad Química y Minera de Chile S.A. ("SQM" or the "Company," and together with Lead Plaintiff, the "Parties"). The Litigation was brought on behalf of the Class for violations of §10(b) of the Securities Exchange Act of 1934 (the "Exchange Act").[2] The alleged violations of

[1] Unless otherwise defined herein, capitalized terms have the meaning ascribed to them in the Stipulation of Settlement executed and filed on December 11, 2020 (ECF No. 234) (the "Stipulation").

[2] The "Class," as certified by the Court on September 24, 2019 (ECF No. 161), consists of all persons who purchased or otherwise acquired SQM American Depository Shares ("ADS") traded on the NYSE between June 30, 2010 and March 18, 2015, inclusive. Excluded from the Class are: (i) SQM; (ii) any entity in which SQM has a controlling interest; (iii) officers and directors of SQM;

the Exchange Act are brought against SQM for alleged misrepresentations and omissions between June 30, 2010 and March 18, 2015, inclusive (the "Class Period").

4. Lead Plaintiff alleges that SQM violated the Exchange Act by publicly issuing materially false and misleading statements regarding its compliance with applicable law and accounting standards, the effectiveness of its internal controls, and the accuracy of its financial statements. Specifically, Lead Plaintiff alleges that the Company did not comply with Chilean or U.S. law or applicable accounting standards, did not have effective internal controls, and did not publish accurate financial statements because the Company, primarily through its former CEO Patricio Contesse ("Contesse"), made illegal payments to politicians and their proxies for over six years and falsified its accounts to hide the scheme. When the true facts concerning the nature, scope and financial impact of these alleged misrepresentations and omissions were revealed, the price of SQM ADS declined and Class Members suffered economic losses.

5. Defendant has denied, and continues to deny, causing any damages to the Class and any liability under §10(b) of the Exchange Act. Among other things, Defendant expressly has denied, and continues to deny, that the price of SQM ADS was artificially inflated during the Class Period as a result of any materially false or misleading statement or omission and that any Class Member, including Lead Plaintiff, has suffered any damages or was harmed by any conduct alleged in the Litigation.

6. This Litigation was vigorously contested for over five years from commencement to resolution with strong advocacy from all sides at every stage, including the filing of two complaints, including a detailed 100-plus-page amended complaint; briefing opposition to a motion to dismiss

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(iv) the legal representatives, heirs, successors or assigns of any such excluded party; and (v) any person who sold the entirety of their position in SQM ADS before January 11, 2015.

with related expert reports concerning Chilean law; extensive fact and expert discovery in the United States and abroad; briefing motions for class certification, summary judgment and to exclude experts pursuant to *Daubert v. Merrell Dow Pharmaceuticals, Inc.*, 509 U.S. 579 (1993); drafting mediation briefs and related presentations; participation in two day-long mediation sessions; and follow-up discussions with the mediator.

7. In summary, the Settlement was only reached after Lead Plaintiff and Lead Counsel:

(a) Thoroughly investigated the facts and transactions giving rise to this Litigation and drafted a comprehensive complaint sufficient to comply with the Exchange Act and the Private Securities Litigation Reform Act of 1995's ("PSLRA") heightened pleading standards;

(b) Successfully opposed Defendant's motion to dismiss the complaint for failure to state a claim and on the basis of *forum non conveniens*;

(c) Aggressively pursued discovery, including the review and analysis of more than 675,000 pages of documents produced by SQM and third parties, including many originally produced in Spanish that had to be translated for further review and use in the Litigation;

(d) Successfully pursued documents and testimony from SQM's former board member in Canada through letters rogatory filed in Saskatoon, Saskatchewan;

(e) Took 11 fact depositions and one expert deposition and defended Lead Plaintiff's deposition as well as the depositions of two experts designated by Lead Plaintiff;

(f) Secured an order certifying the Class pursuant to Fed. R. Civ. P. 23, defeating Defendant's challenge to Lead Plaintiff's reliance and its argument that market efficiency was not established, and defeating SQM's motion to exclude Lead Plaintiff's market efficiency expert;

(g) Moved for partial summary judgment on Lead Plaintiff's §10(b) claim against SQM and defended against SQM's motion for summary judgment;

(h) Moved to exclude two experts Defendant designated and opposed SQM's motion to exclude Lead Plaintiff's expert on loss causation and damages; and

(i) Prepared for and participated in two day-long mediation sessions with the assistance of a former federal judge.

8. The cash settlement of $62,500,000 is the product of five years of hard-fought litigation and negotiations and fully takes into consideration the risks specific to this case. The Settlement, which represents between 22% and 30% of maximum estimated recoverable damages of approximately $207 million associated with the decline in SQM's ADS price on March 18, 2015 and $283 million for the price decline from March 11 through March 18, 2015. Either amount far exceeds Defendant's estimated recoverable damages and is an excellent result for the Class. Lead Plaintiff and Lead Counsel were well aware of the strengths and weaknesses of the case, having conducted an extensive investigation and vigorously litigated every aspect of the case through summary judgment and several *Daubert* motions.

9. At every stage of the Litigation, Defendant aggressively sought to defeat Lead Plaintiff's claims. SQM initially tried to dismiss the case, arguing the case should have been brought in Chile, not New York, and that Lead Plaintiff had failed to sufficiently plead that Defendant's statements were false or material and failed to plead SQM's scienter. Following the defeat of its motion to dismiss, SQM shifted its attack to loss causation and damages. SQM maintained that Lead Plaintiff's claims could not be supported because there was no statistically significant price reaction to any disclosures of information that corrected Defendant's allegedly misleading statements and on the only day with a statistically significant price decline (March 18, 2015), the market was not reacting to learning the truth of SQM's supposed false statements, but rather was reacting to the

sudden resignations of three Board of Directors members and the fear that Potash Corporation of Saskatchewan would sell its 32% stake in SQM.

10. It was not until after Lead Counsel had conducted extensive document discovery, took and defended fact and expert depositions, obtained class certification over vigorous opposition from SQM, and briefed and opposed summary judgment and *Daubert* motions that an agreement-in-principle to settle the Litigation was reached.

11. Even with the proffered testimony of an eminently qualified loss causation and damages expert, there was no guarantee that Lead Plaintiff would prevail on liability or damages, as Defendant had presented equally-qualified experts to counter Lead Plaintiff's evidence. If Defendant's arguments were accepted in whole or in part, any potential recovery could have been eliminated or dramatically reduced. And, even if Lead Plaintiff prevailed on its claims at trial and was awarded damages, there was a substantial risk that SQM would appeal any verdict or award, a process that could take years, during which time the Class would receive no distribution at all.

12. Lead Plaintiff and Lead Counsel believe that the claims alleged in the Litigation have merit and that the evidence uncovered to date supports them. Lead Plaintiff and Lead Counsel also recognize, however, the challenges and risks associated with continuing litigation, including the complexity and challenges of proof in connection with loss causation, damages and other issues SQM vigorously disputed, and additionally, with trying a case in New York when the Defendant and the majority of witnesses reside in Chile.

13. In short, Lead Plaintiff faced numerous obstacles in proving SQM was liable and establishing loss causation and damages. Considering all the circumstances and risks both sides faced at trial, Lead Plaintiff believes that settlement on the agreed-upon terms is an excellent result and in the best interest of the Class. The Settlement confers a substantial benefit on the Class now

and eliminates the significant risks of summary judgment and trial, the outcome of which is uncertain.

14. The Settlement was negotiated by experienced counsel for Lead Plaintiff and Defendant with a comprehensive understanding of both the strengths and weaknesses of their respective positions and with the assistance and oversight of a respected mediator, the Hon. Layn R. Phillips (Ret.), a former federal judge with substantial experience in mediating claims arising under the federal securities laws.

15. Lead Counsel has, as described below, aggressively prosecuted this Litigation on a wholly contingent basis and has advanced or incurred significant litigation expenses. Lead Counsel has long borne the high risk of an unfavorable result, having not received any compensation for its substantial efforts or any payment for expenses during the five-year duration of the Litigation. Specifically, Lead Plaintiff's Counsel have incurred expenses to date of more than $1.1 million. This amount includes: (a) the substantial fees and expenses of consultants, experts and translators whose services were required in the successful prosecution and resolution of this case; (b) travel, document management and court reporter expenses; (c) online factual and legal research expenses; and (d) mediation fees.

16. As set forth in more detail in my accompanying declaration in support of the fee and expense award ("Robbins Geller Declaration"), each of the requested expenses was reasonably and necessarily incurred to plead Lead Plaintiff's claims with particularity, conduct discovery, certify the Class and prepare the case for success at trial. Also submitted herewith is the Declaration of Michael I. Fistel, Jr. filed on behalf of Johnson Fistel, LLP which identifies its expenses.

17. The fee application for 17.5% of the Settlement Fund is fair both to the Class and Lead Counsel and has been recommended by Lead Plaintiff and warrants this Court's approval. *See*

Declaration of Ian Bainbridge in Support of: (1) Final Approval of Settlement; (2) Approval of Plan of Allocation; and (3) an Award of Attorneys' Fees and Expenses and an Award to Lead Plaintiff ("Bainbridge Declaration" or "Bainbridge Decl."), ¶7, submitted herewith. This fee request is well within the range of fees frequently awarded in these types of actions and is justified in light of the substantial benefits conferred on the Class, the risks undertaken, the quality of representation and the nature and extent of legal services performed.

18. Lead Plaintiff Tyne & Wear should also be awarded compensation for time spent over the last five years pursuing recovery for the Class in the Litigation pursuant to the PSLRA, 15 U.S.C. §78u-4(a)(4). As detailed in the accompanying Bainbridge Declaration, Tyne & Wear actively monitored and participated in the prosecution of this lawsuit. The requested award of $12,697 is reasonable given the time and attention expended which was necessary to the successful prosecution of the Litigation.

19. Accordingly, it is respectfully submitted that the Settlement and Plan of Allocation should be approved as fair, reasonable and adequate, and Lead Counsel should be awarded attorneys' fees in the amount of 17.5% of the Settlement Fund and expenses in the amount of $1,152,798.55.

II. THE LITIGATION

A. Tyne & Wear Appointed Lead Plaintiff, Files Consolidated Complaint, and Defeats Motion to Dismiss

20. On March 19, 2015, Megan Villella filed the initial complaint in this action alleging that SQM and certain executives violated §§10(b) and 20(a) of the Exchange Act by issuing materially false and misleading statements and omissions during the period between March 4, 2014 through March 17, 2015, inclusive. ECF No. 1.

21. On May 18, 2015, Tyne & Wear moved for appointment as Lead Plaintiff and approval of its selection of counsel as Lead Counsel. ECF No. 18. On October 14, 2015, the Court entered an order appointing Lead Plaintiff and approving its selection of Lead Counsel. ECF No. 31.

22. On January 15, 2016, after conducting an extensive factual investigation, reviewing and analyzing SQM's SEC filings and other public disclosures, news articles in Chile and the United States, publicly-available Chilean court filings and legal documents, analyst reports, and trading data, Lead Plaintiff filed the Consolidated Complaint for Violation of the Securities Laws ("Complaint") alleging violations of §10(b) of the Exchange Act. ECF No. 39. On February 9, 2016, Lead Plaintiff filed a Corrected Consolidated Complaint for Violation of the Securities Laws that was substantially similar to the Complaint but corrected errors in certain graphics appearing in the Complaint. ECF Nos. 40-41.

23. The Complaint alleged that SQM, since at least 2009, had illegally paid significant amounts of money to Chilean politicians and political candidates through the use of false invoices, *i.e.*, invoices submitted to SQM for non-existent services by politicians and those connected to them, including family members. The scheme, the Complaint alleged, was directed from the very top of SQM, with most of the payments approved by CEO Contesse. Despite the flagrantly illegal conduct, SQM, in filings certified as accurate by Contesse, told investors throughout the Class Period that: (i) the Company believed it was in substantial compliance with all laws and regulations; (ii) it abided by accounting standards including IFRS; (iii) it enforced a Code of Ethics; (iv) its internal controls were effective; and (v) its financial results were accurate. The Complaint alleged that each of these statements was false and misleading and that the Company misled investors about its dispute with a government agency regarding SQM's rights to mine lithium on government property. The Complaint further alleged that when the truth about SQM's scheme and its consequences became

known, including through the resignation of three Board members appointed by Potash Corporation (a 32% owner of SQM), the price of SQM ADSs plummeted and they suffered significant damages.

24. On March 30, 2016, SQM filed a motion to dismiss the Complaint and declarations from two Chilean lawyers in support of the motion. ECF Nos. 42-46. SQM argued the Complaint did not sufficiently allege that the statements were materially false or misleading or that SQM acted with knowledge or reckless disregard. SQM also argued that the case should be dismissed pursuant to the *forum non conveniens* doctrine and litigated in Chile, where the relevant witnesses and evidence were located. On May 26, 2016, Lead Plaintiff filed an opposition to SQM's motion and a declaration from a Chilean lawyer in support of the opposition. ECF Nos. 49-51.

25. On March 28, 2017, the Court issued an Order granting in part and denying in part Defendant's motion to dismiss the Complaint. ECF No. 67. The Order first denied SQM's motion to dismiss the case on the basis of *forum non conveniens*, finding that the relevant factors did not weigh heavily in favor of SQM. *Id* at 17. The Court then addressed whether the alleged misstatements were materially false and concluded that the Complaint had sufficiently alleged material falsity as to SQM's statements regarding legal compliance, accounting standards, the accuracy of its financial statements and the effectiveness of its internal controls. *Id.* at 21-27. The Court further concluded that SQM's statements concerning the Code of Ethics and dispute with the government agency were not false or misleading. *Id.* Finally, the Order found that the Complaint adequately alleged a strong inference of scienter for the false statements upheld by the Court. *Id.* at 27-29.

B. Defendant's Answer to the Complaint

26. SQM filed its Answer to the Complaint on April 25, 2017. ECF No. 72. Defendant's Answer substantially denied Lead Plaintiff's allegations and raised nineteen affirmative defenses. *Id.*

C. Fact Discovery

27. On April 7, 2017, the Parties held their Fed. R. Civ. P. Rule 26(f) conference. Over the following weeks, the Parties met and conferred several times and on April 19, 2017, the Parties submitted a Rule 26(f) discovery plan which set forth competing pretrial schedules. ECF No. 71. On April 20, 2017, the Court held the Initial Case Management conference. On June 8, 2017, the Court issued a scheduling order and did not accept either Party's proposed schedule. ECF No. 73.

28. As set forth below, Lead Plaintiff relentlessly pursued discovery in this Litigation, including, among other efforts, requesting, negotiating for, obtaining and reviewing over 675,000 pages of documents, many of which were produced in Spanish; taking and defending numerous depositions of fact and expert witnesses; seeking documents and testimony in Canada pursuant to letters rogatory; and seeking discovery from many non-parties.

1. Lead Plaintiff's Discovery Demanded from SQM

a. Requests for the Production of Documents

29. On May 8, 2017, following the Parties' Fed. R. Civ. P. 26(f) conference, Lead Plaintiff served SQM with a first set of document requests. These requests primarily sought documents related to the internal investigation of SQM's illegal payments scheme by the U.S. law firm, Shearman & Sterling LLP, and the investigations by the U.S. Securities and Exchange Commission and Department of Justice, both of which resulted in settlements with SQM.

30. As discovery and Lead Plaintiff's evaluation of the facts progressed, on January 12, 2018, Lead Plaintiff served SQM with a second set of document requests seeking approximately

twenty categories of documents, including documents related to: (i) Chilean regulators' and law enforcement's investigations and prosecutions of SQM's misconduct; (ii) payments and communications with politicians and other suspicious vendors who received payments from SQM for questionable services; (iii) SQM's internal controls over the CEO's discretionary budget (the source of many illegal payments); (iv) SQM's May 2015 determination that its internal controls were materially deficient; (v) the termination of CEO Contesse in March 2015; (vi) Board meetings; (vii) communications with investors and analysts; and (viii) the resignations of the three directors nominated by Potash Corp.

31. As part of the effort to obtain relevant documents from SQM, Lead Counsel spent a substantial amount of time negotiating with SQM's counsel in numerous meet and confers and considering alternative approaches proposed by Defendant to facilitate document production in a timely and efficient manner. Lead Counsel also reviewed and analyzed the documents produced and unearthed important evidence in the prosecution of this Litigation. The documents uncovered through this effort were crucial to the taking of depositions and obtaining testimony and moving for and responding to summary judgment and *Daubert* motions. At the time the Parties reached a settlement in the Litigation, Lead Counsel had received more than 531,000 pages of documents from SQM in response to Lead Plaintiff's requests.

b. Requests for Admission

32. On September 17, 2017, Lead Plaintiff served its first set of requests for admission on SQM. The fifty three requests for admission sought SQM's admission of a number of facts that SQM agreed not to contest as part of its settlement with the U.S. Department of Justice as well as the Company's admission that certain unnamed executives and politicians referred to in the DOJ

Deferred Prosecution Agreement were certain executives and politicians Lead Plaintiff identified through document discovery.

33. On October 18, 2017, SQM responded to the first set of requests for admission and admitted entirely 51 of the 53 requests and admitted the facts forming the basis of the remaining two requests. SQM's admissions, including that the Company "knowingly and willfully" failed to maintain effective internal controls and falsified its accounting to conceal unlawful payments to politicians and politically connected people, streamlined discovery and formed the basis of Lead Plaintiff's eventual motion for partial summary judgment on falsity and scienter.

c. Lead Plaintiff's Depositions of SQM's Representatives and Other Fact Witnesses

34. In addition to written discovery, Lead Counsel deposed 11 fact witnesses. To prepare for and efficiently conduct these depositions, Lead Counsel spent an enormous amount of time reviewing, translating, analyzing, categorizing and organizing pertinent documents. Many of the depositions were conducted via a translator who translated the attorney's questions into Spanish and the deponent's responses into English, a cumbersome process that required additional preparation and effectively cut the amount of time for questioning in half. In connection with the depositions, Lead Plaintiff entered nearly 200 exhibits, culled from thousands of documents.

35. On March 1, 2018, Lead Plaintiff noticed, pursuant to Fed. R. Civ. P. 30(b)(6), SQM's deposition for topics that were central to Lead Plaintiff's allegations, including: (i) SQM's internal financial, accounting, and disclosure controls and practices; (ii) SQM's protocols and practices for receiving, processing, and paying invoices; (iii) SQM's Board of Directors meeting, including the one in which CEO Contesse was fired; (iv) the Ad-Hoc Committee of the Board established to investigate the illegal payments; (v) the Potash-nominated Board Members' resignations on March 17, 2015; (vi) SQM's crime prevention model and its implementation under

Chilean law; and (vii) the U.S. and Chilean law enforcement and regulatory investigations of SQM's misconduct.

36. SQM designated three individuals to testify on its behalf in response to Lead Plaintiff's Rule 30(b)(6) notice. On November 14, 2018, Lead Counsel deposed Gonzalo Aguirre, SQM's General Counsel designated to testify on its behalf. On May 3, 2019, Lead Counsel deposed Jose Manuel Vial, a lawyer from the Chilean law firm that assisted Shearman & Sterling in its investigation on behalf of the Ad Hoc Committee. SQM designated Vial to testify on its behalf with respect to the Ad Hoc Committee's investigation. SQM also designated its CEO, Ricardo Ramos, to testify on several topics and on May 17, 2019, Lead Counsel deposed him.

37. In addition to SQM's corporate representatives, Lead Plaintiff deposed several of SQM's top executives and employees, including Patricio de Solminihac, the CEO (and former COO) who replaced CEO Contesse after he was fired for his role in the illegal payments scheme. By the time a settlement in principle was reached in November 2020, Lead Counsel had deposed 9 witnesses from SQM (including the SQM corporate representatives designated under Fed. R. Civ. P. 30(b)(6)). The table below sets forth the depositions of SQM employees and designees:

Date	Deponent	Position
November 14, 2018	Gonzalo Aguirre	General Counsel
April 17, 2019	Patricio Contesse Fica (son of CEO Contesse)	Board Member
May 1, 2019	Kelly O'Brien	Head of Investor Relations
May 3, 2019	Jose Manuel Vial	Outside Counsel to Ad Hoc Committee
May 9, 2019	Gerardo Illanes	CFO, former VP of Finance and Investor Relations
May 17, 2019	Ricardo Ramos	CEO, former CFO
May 24, 2019	Enrique Olivares	In-house counsel

Date	Deponent	Position
May 29, 2019	Patricio de Solminihac	Former CEO and COO
May 31, 2019	Macarena Briseno	Internal Auditor

2. Defendant's Discovery Directed at Lead Plaintiff

a. Defendant's Requests for the Production of Documents

38. On May 25, 2017, SQM propounded its first set of requests for the production of documents on Lead Plaintiff. The 33 requests sought, among other things, production of all documents pertaining to Lead Plaintiff's purchase and sale SQM securities, the decision to purchase or to sell SQM securities, and the decision to become involved in the Litigation. SQM also issued a number of requests for all documents Lead Plaintiff intended to use to support its effort to certify the Class and prove its claims at trial. After responding and objecting to these discovery requests and engaging in lengthy meet and confers regarding the requests, Lead Counsel reviewed, analyzed and produced numerous documents, including trading records, brokerage statements, and investment management agreements. In total, Lead Plaintiff produced 679 documents in response to Defendant's document requests.

b. Defendant's Deposition of Lead Plaintiff and Lead Plaintiff's Investment Manager

39. On February 28, 2018, SQM, pursuant to Fed. R. Civ. P. 30(b)(6), noticed Tyne & Wear's deposition on 13 topics, including Lead Plaintiff's: (i) investment strategy, policies and objectives; (ii) decision to invest in the securities in its portfolio, including SQM; (iii) relationship with, process for selecting, and agreements with investment advisors; (iv) knowledge of SQM and its securities; (v) relationship with Lead Counsel; and (vi) damages claimed in the Litigation.

40. On March 12, 2018, SQM filed a motion requesting the Court issue a letter of request pursuant to the Hague Convention on Taking Evidence Abroad to allow SQM to depose Lead

Plaintiff's United Kingdom-based investment advisor, Sarasin & Partners LLP ("Sarasin"). ECF No. 89. SQM stated its intent to depose Sarasin regarding its reliance on SQM's false statements, as incorporated into the price of SQM ADS, and argued that the evidence showed Sarasin, and thus Lead Plaintiff, did not rely on the alleged false statements. ECF No. 90 at 6-10. On March 19, 2018, Lead Plaintiff filed a response to SQM's request that identified the exceptionally narrow grounds on which fraud-on-the-market reliance can be rebutted and distinguished the cases SQM relied on its motion. ECF No. 96.

41. On June 13, 2018, the Court issued an order granting SQM's request for a letter of request pursuant to the Hague Convention on Taking Evidence Abroad so SQM could depose Sarasin, but largely agreed with Lead Plaintiff's position that the path to rebutting reliance is narrow and the evidence SQM cited was not capable of rebutting the presumption of reliance. ECF No. 118 at 15-18. Following the Court's order, the Parties met and conferred and agreed that SQM would depose Lead Plaintiff's representative in London, UK during the same time that SQM deposed Sarasin so the Parties could avoid multiple international trips.

42. Lead Counsel and Lead Plaintiff expended substantial effort in reviewing and analyzing information concerning the subjects of testimony in preparation for Tyne & Wear's Rule 30(b)(6) deposition. On November 28, 2018, SQM deposed Tyne & Wear's Rule 30(b)(6) designee and Head of Pensions, Ian Bainbridge, in London.

43. On November 29, 2018, SQM deposed Sarasin's representative, Henry Boucher, in London. Prior to the deposition, Sarasin produced 271 documents, which Lead Plaintiff reviewed and analyzed. Following questioning by SQM's counsel, Lead Counsel cross-examined Henry Boucher and admitted several exhibits.

3. Lead Plaintiff's Discovery Sought from Third Parties

44. During the course of the Litigation, Lead Plaintiff issued subpoenas and demanded documents and/or testimony from Sailingstone Capital, Potash Corporation, and numerous securities analysts that published reports about SQM.

a. Sailingstone Capital

45. On May 18, 2018, Lead Plaintiff served a subpoena on Sailingstone Capital, an investment advisory firm that held a substantial stake in SQM ADS during the Class Period and took steps to improve corporate governance at SQM following the revelations that the Company had been illegally paying politicians. As a close follower of SQM and substantial investor in the Company, Sailingstone Capital was an important witness and source of documentation to establish Lead Plaintiff's claims against SQM, including loss causation. The subpoena sought, among other things, Sailingstone Capital's communications with and about SQM and all documents related to several letters it sent to SQM demanding improvements in corporate governance and related steps to address the Company's misconduct.

46. Following meet and confers to discuss and negotiate the scope of the subpoena, Sailingstone Capital produced nearly 9,000 documents on July 13, 2018. These documents produced proved very useful in the Litigation and Lead Plaintiff introduced many of them as exhibits during depositions of various witnesses and relied on them to support its class certification, summary judgment and *Daubert* motions and to oppose SQM's summary judgment and *Daubert* motions.

b. Potash Corporation and Wayne Brownlee

47. On April 20, 2018, Lead Plaintiff filed a motion for letters rogatory to seek discovery from Potash Corporation (which was acquired by Nutrien, Ltd. following Lead Plaintiff's motion) and its former CFO Wayne Brownlee, who was a member of SQM's Board of Directors until his

resignation on March 17, 2015. ECF No. 110. On January 11, 2019, the Court granted Lead Plaintiff's motion and issued letters rogatory to the Saskatchewan Court of Queen's Bench in Canada to compel Wayne Brownlee to testify and produce documents and Nutrien, as Potash Corporation's successor, to produce documents. ECF No. 139.

48. Following the Court's issuance of letters rogatory, Lead Plaintiff, with the assistance of counsel at the Canadian law firm Siskinds LLP, filed the letters rogatory and related filings in the Saskatchewan Court of Queen's Bench in Saskatoon, Saskatchewan. Upon receiving the filing, counsel for Nutrien and Mr. Brownlee contacted Lead Counsel and counsel at Siskinds. Lead Counsel, with assistance from counsel at Siskinds, in an effort to avoid lengthy and costly litigation in Saskatoon, engaged in multiple meet and confers and numerous written communications to successfully negotiate terms of the document productions and Mr. Brownlee's deposition.

49. Nutrien produced 192 documents and on February 25, 2020, Lead Plaintiff deposed Mr. Brownlee in Saskatoon, Saskatchewan. Documents produced by Nutrien and testimony provided by Mr. Brownlee proved very useful in the Litigation and Lead Plaintiff relied on the documents and testimony to support its summary judgment motion and to oppose SQM's summary judgment and *Daubert* motions.

c. Financial Analyst Firms

50. During the Litigation, Lead Plaintiff served third-party subpoenas for the production of documents on the following 17 financial firms whose securities analysts covered SQM: (1) BBVA Securities Inc.; (2) BMO Capital Markets Corp.; (3) BTG Pactual; (4) Citigroup Inc.; (5) Creditcorp Capital Securities Inc.; (6) Credit Suisse Securities (USA) LLC; (7) Deutsche Bank Securities Inc.; (8) HSBC Securities USA LLC; (9) Itau BBA USA Securities Inc.; (10) JP Morgan Securities LLC; (11) LarrainVial Chile; (12) LarrainVial Securities US LLC; (13) Merrill Lynch Pierce Fenner &

Smith Incorporated; (14) Miller Tabak + Co. LLC; (15) Morgan Stanley & Co. LLC; (16) Santander Investment Securities Inc.; and (17) Scotia Capital (USA) Inc. The subpoenas requested, among other things: (i) documents related to the preparation of analyst reports on SQM and documents relied on in issuing such reports; (ii) documents related to SQM from the files of the analysts who followed the Company; (iii) communications with or regarding SQM; and (iv) documents concerning investigations of SQM's illegal payments scheme.

51. As a result of Lead Plaintiff's subpoenas and meet-and-confers, Lead Plaintiff obtained, reviewed and analyzed over 15,000 documents from financial analysts. Documents received from the financial firms in response to Lead Plaintiff's subpoenas helped uncover important evidence relevant to materiality, market efficiency, loss causation and damages, and provided additional evidentiary support for the opinions of Lead Plaintiff's economic expert. Lead Plaintiff also relied on the documents produced by the analysts to support its summary judgment motion and to oppose SQM's summary judgment and *Daubert* motions.

D. Expert Witnesses and Consultants

52. As part of the Litigation and due to the complexity of the issues in dispute, Lead Plaintiff and Lead Counsel retained experts and consultants to help oppose the motion to dismiss, certify the Class, move for and oppose summary judgment and respond to SQM's experts. This work provided valuable insight and perspective to Lead Plaintiff and Lead Counsel in evaluating the costs and benefits of settlement.

(1) Andres Jana L.

53. In support of its motion to dismiss Lead Plaintiff's Complaint, SQM submitted a declaration from a Chilean lawyer and law professor, Pedro Pablo Vergara V. ECF No. 45. Mr. Vergara, among other things, claimed that Chilean law allowed Lead Plaintiff to bring a securities

fraud claim similar to a §10(b) action against SQM in Chile under Chilean law and stated that it was not clear whether SQM violated Chilean law by making the alleged payments. *Id.* Lead Plaintiff retained Andrés Jana L., a Chilean lawyer and law professor, to provide an expert declaration responding to the claims in Mr. Vergara's declaration. ECF No. 51. In his declaration, Mr. Jana provided detailed information rebutting Mr. Vergara's declaration and provided important context regarding Chilean law that Mr. Vergara omitted. *Id.*

54. In its order denying in part SQM's motion to dismiss, the Court cited Mr. Jana's declaration and relied on information he provided to conduct the *forum non conveniens* analysis, which the Court ultimately resolved in Lead Plaintiff's favor. ECF No. 67 at 15, 17.

(2) Bjorn I. Steinholt

55. Lead Plaintiff retained Bjorn I. Steinholt ("Steinholt") of Caliber Advisors, Inc. ("Caliber"), an economic consulting firm, to analyze whether the market for SQM ADS was efficient during the Class Period; that is, whether the price of the shares rapidly incorporated material information about the Company. Mr. Steinholt was also retained to examine whether damages could be calculated on a common basis for all Class Members. These issues were both critical to certification of the Class because plaintiffs must provide evidence that the market is efficient to gain the presumption of reliance pursuant to *Basic, Inc. v. Levinson*, 485 U.S. 224 (1988) and must present a method of calculating damages that is common to all Class Members. Mr. Steinholt prepared a report in which he analyzed market efficiency under the relevant factors and performed an event study analysis to determine the effect of material information on the price of SQM ADS. ECF No. 75-4. Based on his event study and analysis and review of numerous news articles, SQM SEC filings, analyst reports and other documents, Mr. Steinholt concluded that SQM ADS traded in an efficient market and provided a method for calculating damages in a common way for all Class

Members. *Id.* Lead Plaintiff submitted his market efficiency and damages report in support of its motion to certify the Class.

56. SQM deposed Mr. Steinholt on November 9, 2018, for which he prepared thoroughly with Lead Counsel. SQM also filed a motion to exclude his testimony, arguing that he was not qualified to provide the opinions provided and that his methodology was flawed. ECF No. 128. In support of its motion to exclude Mr. Steinholt's testimony and opposition to Lead Plaintiff's motion to certify the Class, SQM submitted a report from its own expert, Walter N. Torous, Ph.D., a professor at the Massachusetts Institute of Technology, to rebut Mr. Steinholt's report. ECF No. 130-31. Dr. Torous opined in his rebuttal report that Mr. Steinholt's event study was flawed and that the price of SQM ADS exhibited a phenomenon known as serial correlation, which indicated the market was not in fact efficient. *Id.* Mr. Steinholt prepared an extensive report responding to Dr. Torous' opinions and, after analyzing each of the criticisms, concluded that his event study was reliable and methodologically sound and that Dr. Torous' serial correlation analysis was incorrect and insufficient to show the market was inefficient. ECF No. 146-2.

57. The Court ultimately rejected SQM's efforts to disqualify Mr. Steinholt and, based on his analysis, concluded that Lead Plaintiff had established the market for SQM ADS was efficient. ECF No. 161. As result, on September 24, 2019, the Court granted Lead Plaintiff's motion to certify the Class. *Id.*

(3) Stephen P. Feinstein, Ph.D., CFA

58. Lead Plaintiff retained the services of Steven P. Feinstein, Ph.D., CFA, Associate Professor of Finance at Babson College, and the founder and president of Crowninshield Financial Research, Inc., to analyze whether the market for SQM ADS was efficient during the Class Period, whether investors who purchased SQM ADS suffered losses as a result of SQM's misstatements

and, if so, the amount of damages per ADS.[3] These issues were critical to Lead Plaintiff's ability to establish the elements of reliance, loss causation and damages and Dr. Feinstein's report provided important evidence and analysis in support of each. Dr. Feinstein also provided a rebuttal report identifying numerous flaws in the expert report submitted by SQM's loss causation and damages expert and Dean of Columbia Business School, Glenn Hubbard, Ph.D.

59. In his report, Dr. Feinstein concluded that the market for SQM ADS was efficient during the Class Period by analyzing the relevant legal factors and performing an event study to empirically test market efficiency. Dr. Feinstein further concluded that the alleged false statements and omissions, which misrepresented SQM's compliance with the law and accounting standards, the effectiveness of its internal controls and the accuracy of its financial statements, artificially inflated the Company's ADS price. Relatedly, Dr. Feinstein concluded, based on an event study, fundamental principles of finance and valuation, and an exhaustive analysis of news articles, analyst reports, Company statements and other documents, that the corrective events between March 11 and 18, 2015 dissipated the artificial inflation, which caused SQM's ADS price to decline, thereby damaging investors. Dr. Feinstein concluded that from March 11 through March 17, 2015, the price of SQM ADS suffered a statistically significant decline and on March 18, 2015 the price further declined by a statistically significant amount.

60. SQM went to great lengths to undermine Dr. Feinstein's report and opinions, including retaining three pedigreed experts – Dr. Torous, Dr. Hubbard and a Chilean lawyer and business consultant, Gabriel Bitran – to each proffer rebuttal reports criticizing Dr. Feinstein's

[3] Because the Court had not yet ruled on SQM's motion to exclude Mr. Steinholt's opinions regarding market efficiency by the date that Lead Plaintiff was required to disclose Dr. Feinstein's expert report (July 1, 2019), Lead Plaintiff requested Dr. Feinstein analyze market efficiency to ensure it had sufficient, admissible evidence of market efficiency in the event Mr. Steinholt's testimony was excluded.

conclusions and methods. Lead Counsel and Dr. Feinstein prepared extensively for his deposition, which SQM's counsel took on October 4, 2019 in Boston, Massachusetts.

E. Lead Plaintiff Obtains Class Certification

61. On January 10, 2018, Lead Plaintiff filed a motion to certify a class of all persons who purchased or acquired SQM ADS between June 30, 2010 and March 18, 2015, appoint Tyne & Wear as class representative and appoint Robbins Geller as class counsel. ECF No. 75. Lead Plaintiff supported its motion for class certification with Mr. Steinholt's expert report discussed above and a declaration from Tyne & Wear's Principal Investment Manager, Tom Morrison. *Id.*

62. In connection with Lead Plaintiff's motion for class certification, SQM, as discussed above, deposed Lead Plaintiff's investment manager, Sarasin, Mr. Steinholt and Tyne & Wear's Head of Pensions, Mr. Bainbridge. On December 12, 2018, SQM moved to exclude Mr. Steinholt's testimony and filed its opposition to Lead Plaintiff's motion for class certification, asserting that Tyne & Wear was not a typical plaintiff because it did not rely on SQM's alleged false statements and Lead Plaintiff had failed to establish market efficiency. ECF No. 127. Specifically, SQM argued that Lead Plaintiff could not have relied on the misstatements because it would have purchased SQM ADS regardless of them. SQM attached several hundred pages of exhibits in support of its opposition and motion to exclude Mr. Steinholt's testimony, including deposition transcripts, numerous documents produced in discovery and Dr. Torous' report rebutting Mr. Steinholt's report. ECF No. 130.

63. On January 25, 2019, Lead Plaintiff filed its reply in support of the class certification motion and its opposition to SQM's motion to exclude Mr. Steinholt. ECF Nos. 144-145. Lead Plaintiff, citing the testimony of its investment manager and other documents relating to its investment in SQM, argued that it had relied on SQM's misstatements and urged the Court to adopt

the rationale in *Glickenhaus & Co. v. Household Int'l, Inc.*, 787 F.3d 408, 432 (7th Cir. 2015), which held the proper question is whether the plaintiff would have paid the same price it paid for the shares even if it knew of the fraud. ECF No. 145. Lead Plaintiff also provided ample explanation as to the reliability of Mr. Steinholt's efficiency analysis and the deficiencies of SQM's arguments.

64. On September 24, 2019, the Court issued an order certifying the Class, appointing Tyne & Wear as class representative and appointing Lead Counsel as Class counsel. ECF No. 161. The Court overwhelmingly agreed with Lead Plaintiff's arguments and adopted the rationale of *Glickenhaus* and rejected SQM's efforts to exclude Mr. Steinholt. *Id.*

F. Summary Judgment and *Daubert* Motions

1. Lead Plaintiff's Motions for Partial Summary Judgment and to Exclude Expert Testimony

65. On April 16, 2020, Lead Plaintiff filed a motion for partial summary judgment seeking judgment as to the elements of falsity and scienter for each of SQM's alleged misrepresentations. ECF No. 186. Lead Plaintiff's motion synthesized evidence gathered in discovery, including SQM's responses to the requests for admission and testimony from several witnesses, and argued that such evidence resoundingly established, as matter of law, that SQM knowingly or recklessly made false statements about its compliance with U.S. and Chilean law and relevant accounting standards, the effectiveness of its internal controls and the accuracy of its financial statements. In addition to the motion for partial summary judgment, Lead Plaintiff also filed motions to exclude the testimony of Defendant's loss causation and damages expert Dr. Hubbard and loss causation expert Mr. Bitran, who Lead Counsel deposed on September 13, 2019. ECF Nos. 178, 182.

66. SQM filed oppositions to Lead Plaintiff's motions for partial summary judgment and to exclude its experts on June 19, 2020. ECF Nos. 196, 200, 204. Lead Plaintiff filed replies in support of each on August 3, 2020. ECF Nos. 215-17.

2. Defendant's Motions for Summary Judgment and to Exclude Expert Testimony

67. In addition to filing its own motions for partial summary judgment and to exclude SQM's experts' testimony, Lead Plaintiff aggressively defended against Defendant's motions for summary judgment and to exclude Dr. Feinstein's testimony. On April 16, 2020, SQM filed a motion for summary judgment on loss causation and damages. ECF No. 169. SQM argued that, based on numerous documents and testimony attached to its motion, Lead Plaintiff was unable to prove loss causation or damages for the decline in SQM's ADS price for the two time periods that Lead Plaintiff's expert testified were corrective: March 11-17, 2015 and March 18, 2015. ECF No. 170. Specifically, SQM argued that Lead Plaintiff could not prove the alleged misstatements caused the March 11 through March 17 price decline because the price of SQM ADS did not suffer a statistically significant decline on any one day in that period. Further, SQM claimed that combining the declines from March 11 through March 17 was unprincipled because corrective information had come out on days outside that period and when those days were included, the cumulative decline was no longer statistically significant. *Id.* at 18-28. SQM also argued that other material information may have been revealed from March 11-17 and Lead Plaintiff failed to determine its effect on the price decline attributed to the fraud. *Id.* As to the decline on March 18, 2015, SQM argued that it was not in fact corrective of the alleged misstatements because the only news was the Potash directors' resignations and that revealed no new information about the illegal payments scheme or SQM's internal controls. *Id.* at 29-38. Finally, SQM argued that the Court was required to consider the increase in SQM's ADS price in April 2015 when Potash nominated new directors to the Board

of Directors to replace those who resigned in March 2015. *Id.* at 38-40. SQM contended that the increase eliminated any damages the Class may have suffered. *Id.*

68. In connection with the motion for summary judgment, SQM also filed a *Daubert* motion to exclude the testimony of Lead Plaintiff's loss causation and damages expert, Dr. Feinstein. ECF No. 173. The motion challenged Dr. Feinstein's methodology on many of the same bases that SQM advanced in its summary judgment motion.

69. On June 19, 2020, Lead Plaintiff filed substantive oppositions to Defendant's summary judgment and *Daubert* motions and a counter-statement of facts responding to SQM's statement of facts filed in support of its motions. ECF Nos. 201, 203, 205. Lead Plaintiff, relying extensively on exhibits and excerpts of deposition testimony gathered during discovery, responded to each of SQM's arguments regarding loss causation, damages and the admissibility of Dr. Feinstein's testimony. Lead Plaintiff laid out in detail how the evidence showed SQM's misstatements caused the price of its ADS to decline, why the cumulative decline from March 11 through 17 was a reliable and logical measure of loss causation and how the news on March 18 revealed the truth of SQM's misstatements to investors.

III. MEDIATION AND SETTLEMENT EFFORTS

70. The proposed $62,500,000 Settlement was the product of vigorous, arm's-length negotiations between the Parties and reflects the strengths and weakness of the case. Settlement on the terms proposed would not have been achieved absent the extensive efforts to prosecute Lead Plaintiff's claims, as described above. Nor would settlement have been achieved without the substantial participation and assistance of a highly-qualified mediator with extensive experience in negotiating resolutions of complex actions of this type.

71. On April 19, 2018, the Parties engaged in an in-person mediation with the Hon. Layn R. Phillips (Ret.), a nationally-recognized mediator and former federal district court judge. In preparation for the mediation, Lead Counsel prepared a comprehensive confidential mediation statement detailing the strength of its case. During the mediation, counsel for all Parties engaged in an extensive exchange of the perceived strengths and weaknesses of their respective cases and addressed challenges presented by Judge Phillips. The case, however, did not settle at the April 19, 2018 mediation, and litigation continued.

72. On October 9, 2020, after the Parties had fully briefed their summary judgment and *Daubert* motions, they attended a second face-to-face mediation session (via Zoom video conferencing) with Judge Phillips. In preparation for the second mediation, Lead Counsel prepared a supplementary confidential mediation statement detailing the strength of its case and developments since the April 19, 2018 mediation. And like the first mediation, counsel analyzed the strengths and weaknesses of their respective case and answered challenging questions raised by Judge Phillips. Again, the case did not settle. However, Judge Phillips continued to assist the Parties' efforts to reach a settlement and issued a "Mediator's Recommendation" for resolution of the action, which all Parties accepted on November 11, 2020.

73. Following the agreement to settle, the Parties worked diligently to document the Settlement and prepare preliminary settlement approval papers, negotiating the details of a stipulation of settlement, plan of allocation and notice to the Class. The Stipulation resolves the claims of the Class against SQM and settles this Litigation for $62,500,000 in cash.

IV. THE SETTLEMENT IS FAIR, REASONABLE AND ADEQUATE

A. The Strengths and Weaknesses of the Case Favor Settlement

74. Based on over five years of litigation – including analyzing more than 675,000 pages of documents, taking and defending numerous fact and expert depositions, and briefing motions to dismiss, certify the class, summary judgment, and to exclude expert testimony – Lead Counsel and Lead Plaintiff have a thorough understanding of the issues and risks present in this case. Lead Plaintiff believes it could have ultimately prevailed on the merits of the case. Indeed, Lead Plaintiff's perseverance throughout the Litigation resulted in the discovery of substantial evidence in support of the alleged claims. However, it was also the case that SQM presented credible arguments supported by evidence that created substantial risks to Lead Plaintiff's ability to prove all the necessary elements of its claims.

1. Risks Related to Proving Material Misrepresentations and Omissions

75. Despite the strength of the evidence supporting the existence of numerous material false and misleading statements developed in discovery, Defendant was confident it would defeat Lead Plaintiff's claims by convincing a jury that the alleged misstatements were not material to investors. Indeed, SQM repeatedly highlighted that the amount of the illegal payments to politicians (approximately $15 million) was only one half of one percent of SQM's net income at the time the payments were made. *See, e.g.*, ECF No. 170 at 7.

2. Risks Related to Loss Causation, and Damages

76. In addition to risks related to proving the materiality of the misstatements, there was a substantial risk that Lead Plaintiff might not be able to prove loss causation and damages at trial. Lead Plaintiff intended to present evidence that although the price of SQM ADS only experienced a statistically significant decline on March 18, 2015 when news of the Potash directors' resignations

was revealed, the cumulative decline from March 11 through March 17, 2015 was statistically significant and caused by SQM's misstatements because each day during that period revealed new, negative information about SQM's illegal payment scheme. SQM, with the assistance of its esteemed experts, including Dr. Hubbard, a former chairman of the Council of Economic Advisors to President George W. Bush, intended to present evidence attacking every aspect of Lead Plaintiff's loss causation theory and Dr. Feinstein's loss causation and damages analysis.

77. For example, Dr. Hubbard opined that the entire price decline on March 18, 2015, which represented over $200 million in recoverable damages under Lead Plaintiff's theory, was not caused by SQM's misstatements and that, if Dr. Feinstein had properly analyzed loss causation, he would have had to add several days to his analysis of the cumulative decline, which would have rendered the decline statistically insignificant and not recoverable. Mr. Bitran, a Chilean lawyer and businessman, was prepared to testify that SQM's payments to politicians were not important to investors and did not cause Class Members' losses because many Chilean companies made similar payments and their stock suffered no significant price declines when the payments were made public. Instead, according to Mr. Bitran, SQM's ADS price declined because SQM investors were concerned that Julio Ponce, the Company's controversial chairman who had previously been charged with insider trading, would have more control over SQM if Potash sold its stake.

78. Although Lead Plaintiff believed it had compelling responses to SQM's evidence, including the expert testimony of Dr. Feinstein, if the Court excluded Dr. Feinstein's testimony or if the jury agreed with SQM, the damages recoverable at trial could have been significantly reduced or eliminated altogether. Indeed, a trial in this case would likely hinge on expert testimony or on *Daubert* limitations to such testimony. Therefore, a substantial risk existed of a party prevailing not

on the merits, but instead on the jury's impression of the experts or the Court's limitation of expert testimony.

3. Trial, Post-Trial and Appellate Risks

79. Assuming Lead Plaintiff defeated SQM's motion for summary judgment, and the case proceeded to trial, Lead Plaintiff faced the real risk that the jury might not be convinced by the evidence presented in support of its complex financial fraud allegations. *See, e.g.*, *In re JDS Uniphase Corp. Sec. Litig.*, No. 02-cv-01486, Corrected Final Judgment (N.D. Cal. Mar. 28, 2008) (Dkt. No. 1422) (case dismissed and judgment entered in favor of defendants after jury trial rejecting plaintiffs' federal securities laws violations).

80. Even if Lead Plaintiff succeeded in establishing Defendant's liability, Lead Plaintiff faced the risk of reduced damages if it prevailed on some, but not all, of the issues. For example, if jurors found that Lead Plaintiff had established loss causation for the price decline from March 11 through March 17, but not the March 18 decline, or vice versa, damages would have been significantly reduced.

81. There was also the risk that even if Lead Plaintiff prevailed at trial, SQM would seek to set aside the verdict or appeal it. For example, in *In re BankAtlantic Bancorp Sec. Litig.*, No. 07 61542-CIV-UNGARO (S.D. Fla.), the plaintiffs convinced the jury at trial that defendants' misrepresentations caused BankAtlantic's stock price to be artificially inflated and obtained a jury award for damages. Thereafter, defendants filed a motion for judgment as a matter of law arguing that plaintiffs failed to include sufficient proof of loss causation and damages. The court, agreeing with BankAtlantic, granted BankAtlantic's motion for judgment as a matter of law and entered judgment. *In re BankAtlantic Bancorp, Sec. Litig.*, 2011 U.S. Dist. LEXIS 48057, at *69-*72, *125-

*126 (S.D. Fla. Apr. 25, 2011). Therefore, Lead Plaintiff considered the risk of no recovery a real possibility.

82. If Lead Plaintiff prevailed, there was a substantial risk that SQM would appeal any verdict achieved in Lead Plaintiff's favor. The appeals process could span years, during which time the Class would receive no recovery. Any appeal would also create the risk of reversal, in which case the Class would receive nothing even after having prevailed on the claims at trial. In *Jaffe v. Household Int'l, Inc.*, No. 1:02-cv-05893 (N.D. Ill.), a securities class action filed in 2002, plaintiffs won a verdict after trial in 2009. After post-trial proceedings, the District Court entered a $2.4 billion judgment in 2013. Defendants appealed to the United States Court of Appeals for the Seventh Circuit arguing, among other things, that plaintiffs' proof of loss causation at trial was insufficient to support the jury verdict. Six years after the jury verdict and 13 years after the case was initially filed, the Seventh Circuit vacated the judgment, finding that plaintiffs' expert on loss causation failed to account for firm-specific non-fraud factors that may have influenced the company's stock price and reversed, granting defendants a new trial on loss causation and whether certain defendants "made" the actionable statements. *Glickenhaus*, 787 F.3d at 423. Similarly, in *In re Pfizer Sec. Litig.*, No. 4-CV-9866-LTS-HBP, 2014 U.S. Dist. LEXIS 92951 (S.D.N.Y. July 8, 2014), that court, just weeks before trial, dismissed plaintiffs' §10(b) claims after eight years of intense litigation.

83. Having considered the foregoing, it was the informed judgment of Lead Plaintiff and Lead Counsel, based upon all proceedings, SQM's summary judgment and *Daubert* arguments, and Lead Counsel's extensive experience litigating shareholder class actions, that the proposed Settlement of this matter for $62,500,000 in exchange for a mutual release of all claims, and

including the other terms set forth in the Stipulation, provides fair, reasonable and adequate consideration, and is in the best interests of the Class.

B. The Plan of Allocation Is Fair and Reasonable

84. Upon approval of the Stipulation by the Court and entry of a judgment, and upon satisfaction of the other conditions to the Settlement, the Settlement Fund will cover certain administrative expenses, including the cost of providing notice to the Class; the cost of publishing notice; payment of taxes assessed against the Settlement Fund; costs associated with the processing of claims submitted; and Lead Counsel's approved fees and expenses. The balance of the Settlement Fund (the "Net Settlement Fund") will be distributed to Class Members who submit valid and timely Proofs of Claim.

85. As detailed in the Notice, the Plan of Allocation will govern how the proceeds of the Net Settlement Fund will be distributed among Class Members who submit timely and valid Proofs of Claim. Lead Plaintiff, with the assistance of its damages expert, developed the Plan of Allocation. As explained in the Notice, the Plan of Allocation apportions the recovery among eligible Class Members based on the timing of purchases and sales of SQM ADS.

86. In accordance with the Plan of Allocation, the Claims Administrator shall determine each Class Member's share of the Net Settlement Fund based upon the recognized loss formula (the "Recognized Loss"). A Recognized Loss will be calculated for each SQM ADS acquired during the Class Period. The Recognized Loss is not intended to estimate the amount a Class Member might have been able to recover after a trial, nor to estimate the amount that will be paid to a Class Member pursuant to the Settlement. The Recognized Loss is the basis upon which the Net Settlement Fund will be proportionately allocated to Class Members.

87. In sum, the Plan of Allocation represents a method to fairly and equitably weigh the claims of claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund.

88. To date, no written objections have been filed by any potential Class Member to the Plan of Allocation.

C. Lead Counsel's Request for Attorneys' Fees and Expenses Is Reasonable

89. Based on the extensive efforts on behalf of the Class, as described above, Lead Counsel is applying for compensation from the Settlement Fund on a percentage basis, and has requested a fee in the amount of 17.5% of the Settlement Fund, plus payment of Lead Plaintiff's Counsel's costs, charges and expenses of $1,152,798.55. In addition, Lead Plaintiff requests an award of $12,697 pursuant to the PSLRA, 15 U.S.C. §78u-4(a)(4), in connection with its representation of the Class. The attorneys' fees and costs, charges and expenses requested will be the only payment to Lead Counsel for its efforts in achieving this outstanding Settlement and for its risk in undertaking this representation for over five years on a wholly contingent basis. In light of the nature and extent of the Litigation, the diligent prosecution of the Litigation, the complexity of the factual and legal issues presented and the other factors described above and in the accompanying motion for approval of the fee award, Lead Plaintiff and Lead Counsel believe that the requested fee of 17.5% of the Settlement Fund is fair and reasonable.

90. A 17.5% fee award is justified by the specific facts and circumstances in this case and the substantial risks that Lead Plaintiff had to overcome at the pleading, class certification, discovery and summary judgment phases of the Litigation, all with an eye to winning at trial, as set forth herein. Indeed, the Settlement Amount, $62,500,000, represents approximately 22%-30% of Lead Plaintiff's estimated recoverable damages of approximately $207-$283 million and far exceeds

Defendant's estimated recoverable damages. The 17.5% requested fee is well within the range of reasonable attorneys' fees and percentage awarded in the Second Circuit.

91. Lead Counsel is among the most experienced and skilled securities litigation law firms in the field. The expertise and experience of its partners are described in Exhibit G to the Robbins Geller Declaration. Robbins Geller has served as lead counsel in scores of class actions throughout the United States and some of the most significant federal securities class actions recovering billions for defrauded investors including: *In re Enron Corp. Sec. Litig.*, No. H-01-3624 (S.D. Tex.) (recovering in excess of $7.2 billion for investors); *Lawrence E. Jaffe Pension Plan v. Household Int'l, Inc., et al.*, No. 02-C- 05893 (N.D. Ill.) (largest securities class action settlement following a trial: $1.575 billion); *In re Valeant Pharm. Int'l Sec. Litig.*, No. 15-7658 (D.N.J.) (recovering $1.21 billion for investors); *In re American Realty Capital Properties, Inc.*, No. 15-CV-00040 (S.D.N.Y.) (recovering $1.025 billion for investors); *In re UnitedHealth Group, Inc. PSLRA Litig.*, No. 06-CV-1691 (D. Minn.) (recovering over $925 million); *In re Cardinal Health, Inc. Sec. Litig.*, No. C2-04-575 (S.D. Ohio) (recovering $600 million for investors).

92. Furthermore, the recovery in this case was not without formidable well- accomplished adversaries. SQM was represented by Milbank LLP and had several eminent experts prepared to testify on its behalf. Despite Milbank's zealous representation at every stage of the Litigation and attempts to dismiss the Complaint, prevent class certification and end the case at summary judgment, Lead Counsel secured the $62,500,000 settlement on behalf of the Class.

93. This Litigation was prosecuted by Lead Counsel on an "at-risk" contingent-fee basis. Lead Counsel fully assumed the risk of an unsuccessful result and has received no compensation for services rendered or the significant expenses incurred in litigating this action for the benefit of the Class. Any fees or expenses awarded to Lead Counsel have always been at risk and completely

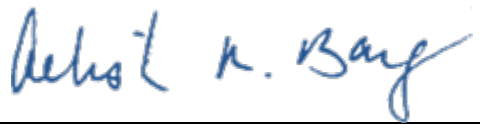
contingent on the result achieved. Because the fee to be awarded in this matter is entirely contingent, the only certainty from the outset was that there would be no fee without a successful result and that such a result would be realized only after a lengthy and difficult effort.

94. Finally, this Litigation could not have been successfully prosecuted without the substantial participation and assistance of Lead Plaintiff, whose representatives spent significant time monitoring the Litigation, consulting with Lead Counsel regarding case developments and prospects for settlement and participating in discovery to demonstrate the typicality of its claims, the adequacy of its representation and the suitability of this case for litigation on a class-wide basis. The time spent by Lead Plaintiff in doing so, as reflected in the accompanying Bainbridge Declaration submitted contemporaneously herewith, was both reasonable and necessary to the prosecution of this case.

V. CONCLUSION

95. For all of the foregoing reasons, Lead Counsel respectfully requests the Court to approve the Settlement and Plan of Allocation and to approve the fee and expense application and award Lead Counsel 17.5% of the Settlement Fund plus $1,152,798.55 in expenses, and to approve the $12,697 PSLRA award requested by Lead Plaintiff.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 26th day of February, 2021, at San Francisco, California.



AELISH M. BAIG

CERTIFICATE OF SERVICE

I, Ellen Gusikoff Stewart, hereby certify that on February 26, 2021, I authorized a true and correct copy of the foregoing document to be electronically filed with the Clerk of the Court using the CM/ECF system, which will send notification of such public filing to all counsel registered to received such notice.

/s/ Ellen Gusikoff Stewart
ELLEN GUSIKOFF STEWART