

BRASKEM SA
Form 6-K
May 04, 2018

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13A-16
OR 15D-16 OF THE SECURITIES EXCHANGE ACT OF 1934**

For the month of May, 2018
(Commission File No. 1-14862)

BRASKEM S.A.
(Exact Name as Specified in its Charter)

N/A
(Translation of registrant's name into English)

Rua Eteno, 1561, Polo Petroquimico de Camacari
Camacari, Bahia - CEP 42810-000 Brazil
(Address of principal executive offices)

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

Form 20-F ☒ 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). ☐

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). ☐

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to
the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ☐ No ☒

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- _____.

NOTIFICATION ON TRANSACTIONS BETWEEN RELATED PARTIES

Parties	Braskem S.A. (“Braskem”) and Refinaria de Petróleo Riograndense Ltda. (“RPR”)
Relationship with the Issuer	Braskem holds a 33.20% interest in RPR voting capital and 33.20% of its total capital
Purpose	Purchase and Sale of Gasoline A, supplied by Braskem to RPR through monthly supply contracts between the parties.
Main terms and conditions	The sale of Gasoline A produced by Braskem for blending in the fuel pool by RPR and later resale to distributors.
Date of execution of the agreement	April 30, 2018
Any participation of counterparty, its partners or managers in the issuer’s decision-making process or in the negotiation of the transaction as representatives of the issuer	Hardi Schuck is member of the Board of Directors of RPR.
Detailed justification of the reasons why the management of the issuer believes the transaction observed commutative conditions or expects adequate compensatory payment	The commercial conditions agreed upon with RPR reflect the market conditions for the sale of Gasoline A in the domestic market, assuring commutativity of the transaction for both parties.

NOTIFICATION ON TRANSACTIONS BETWEEN RELATED PARTIES

Parties	Braskem S.A. (“Braskem” or “Seller”) and Petrobras Distribuidora S.A. – (“BR” or “Buyer”)
Relation with the issuer	BR is the subsidiary of Petrobras. Petrobras holds a 47.03% interest in Braskem’s voting capital and 36.15% of its total capital
Object	Sale of Gasoline A produced by Braskem in its units in the Camaçari (BA), Mauá (SP) and Triunfo (RS) Petrochemical Complexes.
Main terms and conditions	<u>Validity</u> : 60 days from the day April 2, 2018 or until the total delivery of trading volumes.
Date of contract signature	May 02, 2018
Eventual participation of the other party, its partners or administrators in the issuer’s decision process or in the negotiation of the transaction as representatives of the issuer	Petrobras, its partners and administrators did not participate in the negotiations as representatives of the issuer. The transaction is part of the operation that was deliberated by the Board of Directors of Braskem S.A., four of whose eleven members are appointed by Petrobras.
Detailed justification on the reasons why the issuer’s management believes that the transaction complied with commutative conditions or provides for proper compensatory payment	The commercial conditions agreed upon with Petrobras reflect the conditions for the sale of Gasoline A in the domestic market, assuring commutativity of the transaction for both parties.

NOTIFICATION ON TRANSACTIONS BETWEEN RELATED PARTIES

Parties

Construtora Norberto Odebrecht S.A. (CNO) and Braskem S.A. (Braskem)

Relationship with the issuer
Subject

Braskem and CNO are both subsidiaries of Odebrecht S.A. The parties entered into an Alliance Agreement on May 26, 2014, which establishes the general conditions for contracting engineering, construction and project design services and other activities (ACTIVITIES) to be executed by CNO during conservation and maintenance shutdowns, as well as expansion or modification works at the industrial units.

The services are contracted through Specific Activity Agreements (TAE), which are signed for each specific demand.

The TAEs are drafted by an Integrated Project Team formed by representatives from both Parties, which defines the conditions for the execution of each ACTIVITY, stipulating: (i) the financial schedule of the activities; (ii) the composition of costs, contingency amounts and price breakdown of the activities; (iii) the matrix of responsibilities of the activities; (iv) the work instructions related to the activities; (v) the assumptions used to determine the costs, prices and dates of conclusion of the activities; (vi) the guaranties and responsibilities related to the activities, as well as any other specifications and details related to the execution of the ACTIVITIES.

The amount of each TAE includes all the costs to be incurred with the services to be rendered by CNO, including any costs with third parties that may be contracted to provide materials and services, as well as CNO's remuneration, which must be reported at the end of each agreement. CNO's remuneration for the execution of the TAEs under the Alliance Agreement is limited to R\$121 million. This remuneration will be calculated as a percentage of the value of the TAE, according to the type of service to be rendered and the payment of a bonus or discount for penalties, which are calculated as the difference between the Final Price and the Target Price.

Based on this system, the total contracted value based on the Alliance Agreement, resulting from the sum of the set of TAEs, will be determined only at the end of the term of the Alliance Agreement. If the ceiling of CNO's remuneration mentioned

above is reached before the end of the Alliance Agreement, a new contract must be negotiated between the parties.

The scope of the TAE entered into in April 2018 is detailed in the following item (Main terms and conditions).

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Main terms and conditions

TAE 082:

Scope: Management, Supervision and Execution Services for Construction, Assembly and Commissioning Services, in accordance with items “a” and “d” of Clause 2.1 of the Alliance Agreement executed by and between Braskem and Odebrecht, to be performed upon the repowering of Blast Furnaces BA-4101 and BA-1106, the installation of protective barriers on Blast Furnaces BA-1104 and BA-1108, the repowering of Boiler GV-B at the Plant at Q1-BA, including supply of the equipment, by CNO, to be performed at the Chemicals Units of BRASKEM in the municipality of Camaçari, Bahia.

Duration: from Apr. 30, 2018 to Jan. 30, 2019.

Total Price for TAE 082: Twelve million, six hundred seventy-six thousand, eight hundred six reais and twenty-eight centavos (R\$12,676,806.28)

The main terms and conditions of said Alliance Agreement were approved in PD.CA/BAK-03/2014, at a meeting of the Board of Directors of Braskem held on May 7, 2014.

Date of signing of TAE

Execution of TAE 082: Apr. 4, 2018

Any participation by the counterparty, its partners or managers in the issuer’s decision-making process or in the negotiation of the transaction as representatives of the issuer

The Alliance Agreement, which provides for the execution of TAEs, was deliberated at a meeting of the Board of Directors of Braskem S.A., whose members include one director and one alternate director on the board of the direct parent company of Construtora Norberto Odebrecht/the counterparty.

However, no manager of CNO or its parent company participated in negotiations of the transaction as a representative of the issuer.

Detailed justification of the reasons why the management of the issuer believes the transaction was carried out on an arm's length basis or involves adequate compensatory payment

The commercial conditions established in said TAE were based on industry standards, considering the volumes contracted and technical conditions. Braskem conducted a comparative analysis of its routine agreements, maintenance shutdown agreements and market proposals, in particular, an analysis of labor costs, charges, contractual management fees and profit, and the CNO proposal was found technically and commercially competitive. Furthermore, the execution of the Services requires compliance with rigorous cost and deadline targets, as well as high quality and productivity technical standards, with strict compliance with environmental, health and safety standards, and CNO fulfilled all these requirements. CNO holds vast experience in executing the Services under other previous alliance agreements and its performance reviews have always been positive.

The decision-making process involved an analysis and negotiation of the proposal prepared by CNO by the respective Executive Officers of Braskem.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 3, 2018

BRASKEM S.A.

By: /s/ Pedro van Langendonck Teixeira de Freitas

Name: Pedro van Langendonck Teixeira de Freitas
Title: Chief Financial Officer

FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are

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subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.
