

BRASKEM SA
Form 6-K
November 02, 2016

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 November, 2016
(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 OF RELATED-PARTY TRANSACTIONS

| | |
|------------------------------|---|
| Parties | Construtora Norberto Odebrecht S.A. (CNO) and Braskem S.A. (Braskem) |
| Relationship with the issuer | Braskem and CNO are both subsidiaries of Odebrecht S.A. |
| Purpose | <p>The parties entered into an Alliance Agreement on May 26, 2014, which contains the general conditions for the rendering of engineering, construction and design services and other activities (ACTIVITIES) to be executed by CNO during conservation and maintenance shutdowns, as well as expansions or modifications of industrial units.</p> <p>The services are contracted through Specific Activity Agreements (TAE's), which are signed for each specific demand.</p> <p>The TAE's are drafted by an Integrated Project Team formed by representatives from both Parties, which defines the conditions for the execution of each ACTIVITY, which provides for: i) the financial schedule of the activities; ii) the composition of the costs, contingency amounts and price of the activities; iii) the responsibilities matrix of the activities; iv) the work instructions related to the activities; v) the assumptions used to determine the costs, prices and completion dates 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.</p> <p>The amount of each TAE includes all costs to be incurred with the performance of 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 the subject-matter of a rendering of accounts at the end of each agreement. CNO's remuneration for the execution of the TAE's under the Alliance Agreement is limited to R\$121 million. Such remuneration is calculated as a percentage of the value of the agreement, in accordance with the type of service to be rendered and the payment of a bonus or discount due to penalties that may be determined</p> |

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 TAE's is 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 September is detailed in the following item (Main terms and conditions).

Main terms and conditions

TAE 052:

Scope: repowering of Furnace BA-1103 located at the Basic Petrochemicals Unit in Camaçari, Bahia;

Duration: Sept. 17, 2016 to Oct. 17, 2016.

Total Price of TAE 052: four million, nine hundred ninety-seven thousand, two hundred and two reais and sixty-one centavos (R\$ 4,997,202.61).

TAE 059:

Scope: repowering of Furnace BA-104 located at the Basic Petrochemicals Unit in Duque de Caxias, Rio de Janeiro;

Duration: Sept. 12, 2016 to Oct. 14, 2016.

Total Price of TAE 059: one million, eight hundred and eighty thousand, sixty reais and eighty-nine centavos (R\$1,880,060.89).

TAE 060:

Scope: retrofitting of Olefins 2 Plant located at the Basic Petrochemicals Unit in Camaçari, Bahia.

Duration: Sept. 15, 2016 to Dec. 30, 2016.

Total Price of TAE 60: three million, five hundred and eighty thousand, three hundred forty-two reais and thirty-three centavos (R\$3,580,342.33).

TOTAL VALUE OF TAE's entered into in September 2016: ten million, four hundred fifty-seven thousand, six hundred and five reais and eighty-three centavos (R\$10,457,605.83).

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

Execution date of TAE's

Execution of TAE 052: Sept. 17, 2016

Execution of TAE 059: Sep. 12, 2016.

Execution of TAE 060: Sept. 15, 2016

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 the TAE's, was considered and voted on by the Board of Directors of Braskem S.A., whose composition includes three members (one sitting and two alternate members) in common with the Board of Directors of CNO. However, such managers did not participate in the negotiation of the transaction as representatives 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 by the TAE's 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 deemed technically and commercially competitive. Furthermore, the execution of the Services require compliance with rigorous cost and deadline targets, as well as with high quality and productivity technical standards, including rigorous compliance with environmental, health and safety standards, and CNO fulfilled all requirements. CNO holds long experience in executing the Services under other previous alliance agreements, with its performance reviews always very positive.

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

