BRASKEM SA
Form 6-K
March 18, 2019

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 March, 2019
(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 ___X___ 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 ___X___

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

BRASKEM S.A.

National Register of Legal Entities (C.N.P.J.) No. 42.150.391/0001-70

N.I.R.E. 29300006939

Publicly-Held Company

MANAGEMENT PROPOSAL

FOR THE ANNUAL AND EXTRAORDINARY GENERAL MEETING OF BRASKEM S.A.

TO BE HELD ON APRIL 16, 2019

Dear Shareholders,

The Management of Braskem S.A. ("Company" or "Braskem") submits this management proposal ("Proposal") related to the Annual and Extraordinary General Meeting of Braskem to be held on April 16, 2019 ("Meeting"), in accordance with the provisions of the Brazilian Securities Commission ("CVM") Ruling No. 481, of December 17, 2009, as amended ("CVM Ruling No. 481").

Considering the Company's interest, the Management presents the following information with regard to the matters included in the agenda for the aforementioned Meeting:

I. In Annual General Meeting:

1. Review, discuss and vote on the Management Report and respective Manager Accounts and Financial Statements of the Company, containing Explanatory Notes for the fiscal year ended on December 31, 2018, accompanied by the Independent Auditors' Report and the Fiscal Council's Report

As approved by the Company's Board of Directors in a meeting held on march, 13th, 2019, pursuant to Article 26, item "V", of its Bylaws, the Management of the Company submits to your examination the Management Report, the Financial Statements of the Company, containing explanatory notes for the fiscal year ended on December 31, 2018, accompanied by the Independent Auditors' Report and the Company's Fiscal Council's Report, which were made available to the investors on march 13th, 2019. The announcement set forth in the main section and paragraph 1 of article 133 of Law 6,404, of December 15, 1976, as amended ("Corporate Law"), shall be published in the Official Gazette of the State of Bahia and in the newspaper "Correio da Bahia", pursuant to article 124 of the Corporation Law.

Also pursuant to article 133 of the Corporation Law, article 9 of CVM Ruling No. 481, the documents provided by the Company's management for your analysis of the Management accounts are:

(i) Management Report on the company's business and major administrative events of the fiscal year ended on December 31, 2018;

(ii) Financial Statements and explanatory notes for the fiscal year ended on December 31, 2018;

(iii) Form of Standardized Financial Statements - DFP;

(iv) Independent Auditors' Report;

(v) Fiscal Council's Report;

(vi) Statement by the Officers that they have reviewed, discussed and agreed with the opinions expressed in the Independent Auditors' Report, informing the reasons, in case of disagreement;

(vii) Statement by the Officers that they have reviewed, discussed and agreed with the Financial Statements;

(viii) The comments by the Company's managers, pursuant to item 10 of its Reference Form (Exhibit I to this Proposal); and

2. Examine, discuss and vote on the Management Proposal for the allocation of the net profit of the fiscal year ended on December 31, 2018

The Management of the Company proposes that the shareholders resolve on the allocation of the net profit of the fiscal year ended on December 31, 2018, as per Exhibit II to this Proposal.

3. Resolve on the election of members of the Company's Fiscal Council

The Company's Management proposes to resolve on the election of up to five (05) effective members and their respective alternates to the Company's Fiscal Council, for a term of office of one (01) year effective up to the date of the next Annual General Meeting concerning the fiscal year to end on December 31, 2019, pursuant to articles 42 and 43 of the Company's Bylaws.

Exhibit III to this Proposal includes the list and information about the candidates recommended by the Company's controlling company and by Petróleo Brasileiro S.A. Petrobras ("Petrobras") pursuant to the provisions of article 10 of CVM Ruling No. 481.

4. Resolve on the annual and global compensation of the managers and members of the Fiscal Council related to the fiscal year ending on December 31, 2019.

The total amount proposed for the fiscal year of 2019 related to the overall compensation of the Managers in 2019 is 83,039,380.15 Reais (BRL Eighty-three billion, thirty-nine million, three hundred and eighty thousand reais and fifteen cents), including fixed and variable fees related to payroll charges recognized in the Company's results and applicable benefits. Moreover, the Management proposes for the fiscal year of 2019 the amount of 1,101,600.00 Reais (BRL One million, one hundred and one thousand, six hundred reais) concerning compensation to the Fiscal Council's members, in compliance with the provision of article 162, paragraph 3, of the Corporation Law; therefore, totaling a global compensation to the Managers and the Fiscal Council in the amount of 84,140,980.15 Reais RL Eighty-four million, one hundred and forty thousand, nine hundred and eighty reais and fifteen cents)).

Pursuant to article 12 of CVM Ruling No. 481, this Proposal contains thorough information referring to the setting of compensation for Managers and the Fiscal Council, pursuant to its Exhibits IV and V.

The annual and global compensation amount proposed above is based on a composition estimate for Managers' fees pursuant to market reference, considering monthly fees (offset arising from inflation and merits), short-term (according to seniority and goals) and long-term (according to the Long-Term Incentive Plan - ILP approved for the year) variable fees and benefits.

II. <u>In Extraordinary General Meeting</u>:

5. Resolve on the replacement of 3 effective members and 1 alternate member of the Company's Board of Directors, appointed by the controlling shareholder and Petrobras, for the remainder of the current term, which will end on the occasion of the Annual Shareholders' of the fiscal year ending on 12.31.2019

The Management of the Company proposes that the shareholders resolve, on the replacement of 3 effective members and 1 alternate member of the Company's Board of Directors, appointed by the controlling shareholder and Petrobras, for the remainder of the current term, which will end on the occasion of the Annual Shareholders' of the fiscal year ending on 12.31.2019

<u>Exhibit III</u> to this Proposal includes the information about the candidate recommended, pursuant to article 10 of CVM Ruling No. 481.

Therefore, since this is not the election of a new board of directors but a majority vote election for replacement of 3 effective members of a council composed by 11 effective members, cumulative vote or separate election pursuant to art. 141, §4 or §5 of the Corporate Law are not applicable. Such understanding is also reflected in the Remote Voting Bulletin (<u>“Bulletin</u>”), which does not encompass the possibility of requesting cumulative vote or separate election for the Board of Directors.

The Management of the Company informs that Mr. João Cox Neto, effective member of the board of directors, will no longer be appointed by the controlling shareholder as an independent member, and from now on will be appointed by Petrobras as a non-independent member, remaining in his position at the board of directors, explained by the fact that Mr. João Cox was elected to the Board of Directors of Petrobras, a relevant supplier of products to the Company, which implies the loss of his independence. Mr. João Pinheiro Nogueira Batista is now appointed by the controlling shareholder to hold the position formerly occupied by Mr. João Cox Neto.

<u>**III. *Shareholders’ Representation***</u>

Shareholders may participate in the Meeting in person or by an attorney-in-fact duly appointed, or through bulletin, and the detailed guidelines regarding the necessary documentation are set forth in the Bulletin. We describe below additional information on the participation in the Meeting:

(a) In person or by Physical Proxy: with the objective of expediting the works of the Meeting, the Company's Management requests that the Shareholders file with the Company, 72 hours prior to the date scheduled for the Meeting, the following documents: (i) proof of ownership of the share issued by the financial institution depositary of the book-entry shares held thereby, proving ownership of the shares within 8 days from the Meeting; (ii) proxy, duly regularized under the law, in case of representation of the shareholder, with grantor's signature certified by a notary public, notarization, consularization or apostille annotation (as the case may be) and sworn translation, together with the articles of incorporation, bylaws or articles of association, minutes of the Board of Directors' election (if any) and minutes of the Executive Board election if the shareholder is a legal entity; and/or (iii) with regard to the shareholders taking part of the fungible custody of registered shares, a statement of the respective ownership interest, issued by the competent body. Shareholders or their legal representatives shall attend the Meeting in possession of the proper identification documents. However, it is worth stressing that, under paragraph 2 of article 5 of CVM Ruling 481, the shareholder that attends the Meeting with the required documents may participate and vote, even if he/she has not delivered them in advance, as requested by the Company. The Company shall not accept powers of attorney granted by shareholders through electronic means.

(b) Remote Voting Bulletin: the Company shall adopt the remote voting system under the terms of CVM Ruling 481, thus allowing its Shareholders to send their votes: (i) through its respective custody agents; (ii) through the registrar of the Company's shares (Itaú Corretora de Valores S.A.); or (iii) directly to the Company, as per the guidelines contained in the Bulletin and in item 12.2 of the Reference Form.

The Bulletin hereto presents the matters comprising the Meeting's agenda, described in items 1 to 5 of this Proposal. The shareholders who choose to cast their votes remotely at the Meeting shall fill out the Bulletin made available by the Company, stating if they wish to approve, reject or abstain from voting on the resolutions described in the Bulletin, in compliance with the procedures described above.

Finally, all the exhibits are detailed in this Proposal in accordance with the laws and regulations.

The Management

***

BRASKEM S.A.

National Register of Legal Entities (C.N.P.J.) No. 42.150.391/0001-70

N.I.R.E. 29300006939

Publicly-Held Company

EXHIBIT I

MANAGEMENT PROPOSAL

FOR THE ANNUAL AND EXTRAORDINARY GENERAL MEETING OF BRASKEM S.A.

TO BE HELD ON APRIL 16, 2019

Comments by the Company's Managers, pursuant to item 10 of the Reference Form.

10. Officers comments

10.1 General financial and equity conditions

(a) Officers' comments on the general financial and equity conditions

The Officers understand that the Company presents financial and equity conditions that are compatible with its area of operation and are enough to implement its strategic goal of meeting the needs of its Clients in the value chain of the chemical, petrochemical and plastic industry in Brazil and in the world, maximizing the value for its shareholders.

In the fiscal year ended on December 31, 2018, the Company registered an EBITDA of USD 3,105 million (BRL 11,315 million), in comparison with USD 3,872 million (BRL 12,334 million) in the fiscal year ended on December 31, 2017, and USD 3,304 million (BRL 11,507 million) in the fiscal year ended on December 31, 2016. For further information, see item 10.2 (b) of this proposal.

The free cash flow generation of the Company[1] in the fiscal year ended on December 31, 2018 was BRL 7,068 million in comparison with BRL 2,460 million in the fiscal year ended on December 31, 2017, an increase of 187%, which presented a 9%-growth in relation to the fiscal year ended on December 31, 2016 (BRL 2,247 million). For further information, see item 10.2 (b) of this proposal.

On December 31, 2018, the Company’s net indebtedness (USD 5,129 million/BRL 18,873 million) in Dollars was reduced by 15% in comparison to the indebtedness on December 31, 2017 (USD 6,031 million/BRL 19,951 million), which, in turn, was 2% lower than the net indebtedness in Dollars presented on December 31, 2016 (USD 6,139 million/BRL 20,007 million).

---

1 Free Cash Generation refers to the Net Cash Generated by the Operational Activities deducted (i) from the payment of the Leniency Agreement; (ii) from the financial investments on time deposit; and (iii) from the effects of the reclassifications between the lines of Financial Investments and Cash and Cash Equivalents; less the line of Cash Application on Investment Activities.

The Company’s financial leverage, measured by the ratio net debt/EBITDA in Dollars, in the last three fiscal years, , was respectively of 2.06x, 1.91x and 1.95x, a 8%-increase compared to December 31, 2017, which presented a 2%-reduction compared to December 31, 2016. For further information, see item 10.1 (h) of this proposal.

Regarding the equity conditions of the Company, on December 31, 2018, the consolidated shareholders’ equity attributable to the Company’s shareholders[2] was of BRL 6,788 million, compared to BRL 6,518 million on December 31, 2017, and BRL 2,739 million on December 31, 2016. For further information, see item 10.1 (h) of this proposal.

The return on equity, expressed by the net earnings on the shareholders’ equity, in the fiscal years ended on December 31, 2018, 2017 and 2016 were, respectively, of 42%, 63% and -15%.

The Company's liquidity indicators of the last three fiscal years are presented in the table below:

	Fiscal year ended on December 31,		
	2018	**2017**	**2016**
Net Liquidity (x) [(1)]	1.54	1.79	**1.25**
General Liquidity (x) [(2)]	1.16	1.17	**1.07**
Leverage (x) [(3)]	2.06	1.91	**1.95**

[1] General Liquidity = Current Assets / Current Liabilities – Does not consider Braskem Idesa

[2] General Liquidity = (Current Assets + Non-Current Assets) / (Current Liabilities + Non-Current Liabilities) - Does not consider Braskem Idesa

[3]Leverage = [(Gross Debt + Derivatives + Leniency Agreement) – Cash]/ EBITDA – Does not consider Braskem Idesa’s (controlled company) net debt and EBITDA. Sums in USD - Does not consider Braskem Idesa’s net debt, cash and EBITDA. The cash balance and investments exclude [USD 133 million] of financial investments used as collateral for Company’s obligation related to the creation of a reserve account for the project finance of the controlled company Braskem Idesa and considers the financial investments in government bonds kept for trade referring to Treasury Bills (“LFTs”) issued by the Brazilian federal government. These bonds’ maturity exceeds three months, have immediate liquidity and have a short-term realization expectation.

(b) Officers’ comments on the capital structure

The officers indicate, in the table below, the Company’s capital structure evolution in relation to the last three fiscal years:

	Fiscal year ended on December 31,					
Capital Structure	**12/31/2018**		**12/31/2017**		**12/31/2016**	
	BRL million	**%**	**BRL million**	**%**	**BRL million**	**%**
Net equity	5,911	10%	5,690	11%	1,721	3%
Third-Party Equity	53,283	90%	47,651	89%	50,631	97%

The third-party equity is mainly formed as follows:

Third-Party Equity	12/31/2018		12/31/2017		12/31/201	
	BRL million	%	BRL million	%	BRL million	%
Financing	25,193		26,675	50	23,331	4
Stock Market	21,999	41	20,150	42	14,029	2
National Government Officials	330	1	716	2	3,245	6
Foreign Public Officials	1,957	4	742	2	380	1
Structured Operations	499	1	735	2	2,389	5
Working Capital	407	1	1,332	3	3,288	6
Transactions with derivatives	232	0	7	0	890	2
Project Finance Braskem Idesa	10,505	20	9,691	20	10,438	2
Leniency Agreement	1,443	3	1,629	3	2,853	6
Suppliers	8,615	16	5,525	12	6,747	1
Loan from non-controlling shareholder at Braskem Idesa	2,184	4	1,757	4	1,621	3
Others	5,112	10	5,367	11	4,751	9
Total	**53,283**	**100**	**47,651**	**100**	**50,631**	**10**

2 Ignoring (non-controlling shareholder) Idesa S.A.P.I's equity interest in the controlled company Companhia Idesa S.A.P.I..

The Company seeks to diversify its financing sources by using funds from the stock market, government officials, through working capital and other structured operations. The Company's financial strategy remains focused on raising funds on the stock market, keeping back credit lines available for working capital operations.

(c) Officers' comments on the ability to pay financial commitments undertaken

The Company's officers believe that the levels of financial leverage and liquidity are proper for the Company to fulfill its present and future obligations and to capture commercial opportunities as they appear, although the Company's officers cannot guarantee that this situation will remain the same.

The Company assumed commitments (raising funds from third parties[3]) in the fiscal year ended on December 31, 2018, in the total amount of BRL 4,302 million, compared to BRL 8,492 million raised in the fiscal year ended on December 31, 2017, and BRL 4,108 million raised in the fiscal year ended on December 31, 2016. The strategy of undertaking commitments has the purpose of stretching the debt profile. Considering the funds from third parties taken by the controlled company Braskem Idesa, the total amount of funds raised is of BRL 4,302 million in the fiscal year ended on December 31, 2018, BRL 8,680 million in the fiscal year ended on December 31, 2017, and BRL 4,612 million in the fiscal year ended on December 31, 2016.

In all three fiscal years, the Company tried to keep its level of liquidity elevated, reflecting its payment ability via operational cash flow generation and the maintenance of stand-by line, thus ensuring the coverage of its obligations in 48 months on December 31, 2018.

The Company's ability to pay, however, may be affected by several risk factors.

In short, it is possible to say that the Company's main cash needs comprise: (i) working capital needs; (ii) payment of the debt service; (iii) capital investments related to investments in operations, modernization and strategic investments; and (iv) payment of dividends referring to the shares. In order to meet these cash needs, the Company has been traditionally relying on the cash flow derived from its operating activities, with short and long-term loans and issuing bonds in the national and international stock markets.

---

3 This indicator does not consider the controlled company Braskem Idesa's debt, in the amount of USD 2.7 billion, because it is a project finance

and therefore must be exclusively repaid with the project's cash generation.

On December 31, 2018, the Company maintained its investment grade ratings given by Standard & Poor's and Fitch Ratings and presented a credit risk that exceeded the sovereign risk by the three major risk credit rating agencies (S&P, Fitch and Moody’s).

In the fiscal year ended on December 31, 2018, Moodys and S&P changed the Company's perspective of risk from negative to stable. In addition, the Company's credit risk by S&P is 3 notches above Brazil’s sovereign risk for the first time.

Agency/Year	**2018**	**2017**	**2016**
Fitch Ratings	BBB- Stable	BBB- Stable	BBB- Stable
Standard & Poor’s	BBB- Stable	BBB- Negative	BBB- Negative
Moody’s	BBB- Stable	Ba1 Negative	Ba1 Negative

(d) Sources of financing for working capital and capital expenditures used

The Company used as sources of funds for financing of working capital and capital expenditures, in addition to the commitments (raising funds from third parties[4]) mentioned in the previous item, the generation itself of operational cash, which was BRL 9,250 million in the fiscal year ended on December 31, 2018, in comparison with BRL 2,462 million in the fiscal year ended on December 31, 2017 and BRL 4,458 million in the fiscal year ended on December 31, 2016.

§ *Loans and financing for the working capital*: in the last three fiscal year, the Company raised funds with export credit operations, in the types ACCs (Advances on Exchange Contracts) and PPEs (Export Pre-Payment), and true sale/assignment of receivable operations.

§ *Financing of current investment and other strategic projects*: in the last three fiscal years, direct and indirect funds were used, as well as credits insurances, of Brazilian and foreign governmental bodies, such as: Banco Nacional de Desenvolvimento Econômico e Social, Banco do Nordeste do Brasil, FINEP, Fundo de Desenvolvimento do Nordeste, NEXI (Japanese credit agency), SACE (Italian credit agency) and Euler-Hermes (German credit agency).

(e) Sources of financing for working capital and capital expenditures that it intends to use as a means of covering liquidity shortfalls

The officers believe they can cover occasional liquidity shortfalls of the Company with a combination of: (i) funds from general operations of the Company; (ii) funds from financing, including new raising and refinancing of the already existing debt; and (iii) funds from the reduction of the operational cycle and consequent reduction of the need of financing working capital.

4 This indicator does not consider the controlled company Braskem Idesa’s debt, in the amount of USD 2.7 billion, because it is a project finance and therefore must be exclusively

repaid with the project’s cash generation.

(f) Indebtedness levels and the characteristics of such debts

The table below shows the Company's financial leverage evolution in the last 3 fiscal years, measured by the "Net Debt/EBITDA" indicator:

	12/31/2018		12/31/2017		12/31/2016	
(Millions)	**Reais**	**Dollar**	**Reais**	**Dollar**	**Reais**	**Dollar**
Net Debt[(1)]	19,873	5,129	19,951	6,031	20,007	6,139
EBITDA LTM	9,052	2,486	10,045	3,153	11,022	3,155
Leverage (x)	2.20	2.06	1.99	1.91	1.82	1.95

[(1)]Net Indebtedness = Short-Term Loans + Long-Term Loans + Derivatives + Leniency Agreement – Cash and Cash Equivalents. This indicator does not consider the controlled company Braskem Idesa's debtbecause it is a project finance, and therefore must be exclusively repaid with the project's cash generation. Accordingly, Mexico's cash and EBITDA are not considered. The cash balance and investments exclude [USD 133 million] of financial investments used as collateral for Company's obligation related to the creation of a reserve account for the project finance of the controlled company Braskem Idesa and considers the financial investments in government bonds kept for trade referring to Treasury Bills ("LFTs") issued by the Brazilian federal government. These bonds' maturity exceeds three months, have immediate liquidity and have a short-term realization expectation.

The Company's indebtedness profile can be summarized by the table below, which does not consider the controlled company Braskem Idesa's debt, in the amount of USD 2.7 billion , because it is a project finance, and therefore must be exclusively repaid with the project's cash generation:

	12/31/2018	12/31/2017 (BRL million)	12/31/2016
Short-Term Debts	765	1,212	2,594
Long-Term Debts	27,427	22,463	20,737
Debts in Reais	5%	6%	21%
Debts subject to Dollar exchange variation	95%	94%	79%
Debts subject to other currencies exchange variation	0%	0%	0%
Unsecured Debts	98%	96%	86%
Asset-Backed Debts	2%	3%	12%
Debts covered by other types of guarantees	0%	1%	1%

The Company's amortization schedule can be summarized by the table below, which does not consider the controlled company Braskem Idesa's debts, as explained above:

	2019	2020	2021	2022 (BRL million)	2023	2024	2025 onwards	TOTAL
Brazilian Currency [(1)]	155	131	102	97	265	256	26	**1,032**
Foreign Currency [(1)]	673	1,723	3,941	2,260	2,183	3,152	10,365	**24,298**
Total	**828**	**1,854**	**4,044**	**2,357**	**2,448**	**3,407**	**10,391**	**25,330**

(1) This does not consider transaction costs

10

(i) Material loan and financing agreements

The officers of the Company describes below: (I) the main conditions, guarantees and restrictive clauses connected to the loan and financing agreements that they classify as material; (ii) other long-term relationships with financial institutions; (iii) debt subordination levels; and (iv) any possible restrictions imposed to the issuer.

COMPANY

Fixed-rate Notes

Date of Issue/ Date of the Agreement	Operation Currency	Amount Issued (Operation Currency in MM)	Due Date	Interest			Repayment of Principal	Debt Balance Principal and Interest on 12/31/2018	
				Index	Spread (% p.a.)	Payment		Amount USD million	Amount BRL million
May-10	USD	750	May-20	Pre	7.000%	Semi-annual	Final	375	1,451
Apr-11	USD	1,000	Apr-21	Pre	5.750%	Semi-annual	Final	944	3,656
Jul-11	USD	750	Jul-41	Pre	7.125%	Semi-annual	Final	773	2,997
May-12	USD	500	May-22	Pre	5.375%	Semi-annual	Final	504	1,954
Feb-14	USD	750	Feb-24	Pre	6.450%	Semi-annual	Final	770	2,983
Oct-17	USD	500	Jan-23	Pre	3.500%	Semi-annual	Final	508	1,970
Oct-17	USD	1.250	Jan-28	Pre	4.500%	Semi-annual	Final	1,277	4,947

Perpetual Bonds

Date of Issue	Amount (USD million)	Due Date	Interest			Debt Balance Principal and Interest on 12/31/2018	
			Index	Spread (% p.a.)	Payment	Amount USD million	Amount BRL million
Oct-10	700	Oct-15	Pre	7.375%	Quarterly (1)	509	1,972

[1] On September 26, 2018, the Company made the partial redemption of USD 200 million, as part of its strategy to reduce the indebtedness cost.

Credit Lines for Export Pre-Payment

Date of the Agreement	Operation Currency	Amount Issued (Operation Currency in MM)	Due Date	Interest			Repayment of
				Index	Spread (% p.a.)	Payment	
Apr/18	BRL	400	Mar/24	CDI	100.0% CDI + 0.70	Final	Final [1]

[1]The company has a swap operation to compensate the CDI fluctuation.

Financing Lines with Foreign Public Officials

Date of the Agreement	Operation Currency	Amount Issued (Operation Currency in MM)	Due Date	Interest			Repayment of Principa
				Index	Spread (% p.a.)	Payment	
Jan/13	USD	200	Nov/22	LIBOR	1.10%	Semi-annual	Semi-annual (1)
Sep/17	USD	135	Mar/27	LIBOR	1.61%	Semi-annual	Semi-annual (2)
Jul/18	USD	225	Dec/28	LIBOR	0.65%	Semi-annual	Semi-annual (3)

Nov/18	USD	295	Nov/28	LIBOR	0.90%	Semi-annual	Semi-annual (4)

[1] Amortization began in May/13.

[2] The principal will begin to be repaid in Sep/18.

[3] The principal will begin to be repaid in Nov/20.

[4] The principal will begin to be repaid in May/19.

12

Financing Lines with National Public Officials

Date of the Agreement	Operation Currency	Amount Issued (Operation Currency in MM)	Due Date	Interest			Repayment of Principal	A n
				Index	Spread (% p.a.)	Payment		
Dec/10	BRL	200	Dec/22	Pre	8.5%	Monthly	Monthly	

The purpose of the agreement listed above was to finance specially modernization projects of the Company's industrial plants in Brazil.

BRASKEM IDESA - Project Finance

Date of the Agreement	Operation Currency	Amount Issued (Operation Currency in MM)	Due Date	Interest			Repayment of Principal	I Prin o Amo USD r
				Index	Spread (% p.a.)	Payment		
Jul/13 - Sep/15	USD	3,193.1	Feb-19	PRE	4.33% - 6.17%	Quarterly	Quarterly	68
				Libor	2.73% - 4.65%	Quarterly	Quarterly	2,0

13

(ii) Other long-term relations with financial institutions

Except for the relations derived from loan and financing agreements, whose more relevant items were described in item 10.1.f(i) above, the Company has the following long-term relations with financial institutions arising from transactions with derivatives:

Identification	**Type**	**Nominal Value USD Million**	**Protection (Interest rate p.a.)**	**Due**
Interest rate swap linked to Libor (Braskem Idesa)	Swap Libor I to VI	798	1.9825%	Aug-

Identification	**Type**	**Nominal Value BRL million**	**Average Strike (foreign exchange BR**
Dollar purchase and sale option	Puts purchase and calls sale	7,341	3.2983 (put) and 4.606

Identification	**Type**	**Nominal Value BRL million**	**Due Date**	**Fair value, net BRL mill 2018**
Swap IPCA - Dollar	Swap IPCA - Dollar	1,348	Jan-2019 to Jan-2023	184

Identification	**Type**	**Nominal Value BRL million**	**Due Date**	**Fair value, net BRL million 2018**
Swap NCE	Swap NCE	400	Apr-2019 to Mar-2021	5

Identification	**Type**	**Nominal Value USD Million**	**Due Date**	**Fair value, net 2018**
NDF Braskem Argentina	Foreign exchange swap	3	Jan-2019	1

14

Subordination level between the Company's debts

		Fiscal Year (12/31/2018)				
Type of obligation	**Type of Collateral**	**Less than one year**	**One to three years**	**Three to five years**	**Longer than five years**	**Total**
Loan	**Mortgage of plants, pledge of machinery and equipment**	292	132			424
Financing	**Mortgage of plants, pledge of machinery and equipment**	91,436	80,629	22,222		193,287
Loan	**Unsecured guarantees**	69,803	116,244	316,244	403,427	905,718
Financing	**Unsecured guarantees**	202,472	502,901	461,660	948,706	2,115,738
Bonds	**Unsecured guarantees**	412,676	5,050,000	3,874,800	12,593,100	21,930,576
Financing	**Another type of guarantee or privilege**	24,261	46,033	28,960	64	99,318
Bonds	**Another type of guarantee or privilege**	27,994	97,024	101,257	69,524	295,799
Total		827,934	5,892,963	4,805,143	14,014,820	25,540,860

Another Type of Guarantee or Privilege
Bank guarantee
Note
The information above refers to the Company's consolidated financial statements. It does not consider Braskem Idesa' project finance. Amount in BRL thousand

For the purpose of raking the credit, the Company's debts are not guaranteed, except the debts before BNDES, BNB, FINEP and NEXI, which are covered real or financial guarantees. From the contractual point of view, there is no subordination between debts, so the payment of each one of them must respect the maturity date set in each contract, regardless of the payment of the other debts.

We stress that the Company paid approximately BRL 1.6 billion of its debt with BNDES in November 2017. This means that a relevant portion of the asset-backed indebtedness (mortgages) was released. In addition, it should be noted that the Company's new financial agreements in 2018 are free of any real or financial guarantees. Therefore, there has been an improvement in the Company’s credit rating due to the reduction of the subordination degree between its debts.

	12/31/2018	12/31/2017	12/31/2016
		(BRL million)	
Current and Non-Current Liabilities	53,283	47,651	50,631
Shareholders' Equity Attributable to Shareholders	6,788	6,158	2,739
Indebtedness Index	7.8	7.3	18.5

(iii) Restrictions imposed on the Company, especially with regard to indebtedness ratios and limits on new indebtedness, distribution of dividends, divestiture, issuance of new securities, and disposal of ownership control

The Company does not have in force restrictions to limits for certain indicators related to the indebtedness capacity and to the payment of interest. However, some of the financing agreements signed by the Company provide for other obligations that restrict, among other things, the Company and its subsidiaries' ability to assume guarantees or undergo merger or consolidation processes with other entities, change its controlling interest, and otherwise sell its assets. The agreed restrictions, when not formally waived by the creditors, do not cause the acceleration of the financing agreements signed by the Company.

(g) Limits of the contracted financing and percentages already used

All credit limits hired by the Company have been entirely used, except for the stand-by credit line in the amount of USD 1 billion, to become mature in 2023.

In 2018, the Company entered into two financing agreement with foreign government agents. The SACE operation for US$ 295 million was fully disbursed in November 2018. The Euler Hermes operation for US$ 225 million was partially disbursed at US$ 160 million in 2018. It is worth noting that for the latter; disbursements are linked to the expenses related to the construction of the new polypropylene plant in the United States. The remaining amount is expected to be disbursed between 2019 and 2020.

h) material changes in each item of the financial statements

INCOME STATEMENT FOR THE FISCAL YEAR

Income Statement (BRL million) **CONSOLIDATED**	**2018** **(A)**	**AV%**	**2017** **(B)**	**AV%**	**2016** **(C)**	**AV%**	**2018x2017** **(A)/(B)**	**2017x2016** **(B)/(C)**
Net Revenue	**58,000**	**100%**	**49,261**	**100%**	**47,664**	**100%**	**18%**	**3%**
Cost of Goods Sold	(46,407)	-80%	(36,401)	-74%	(34,986)	-73%	27%	4%
Gross Profit	**11,592**	**20%**	**12,860**	**26%**	**12,678**	**27%**	**-10%**	**1%**
Selling and Distribution Expenses	(1,546)	-3%	(1,460)	-3%	(1,404)	-3%	6%	4%
General and Administrative Expenses	(1,633)	-3%	(1,434)	-3%	(1,286)	-3%	14%	12%
Research and Development Expenses	(200)	0%	(167)	0%	(162)	0%	19%	3%
Shareholding interest results	(1)	0%	40	0%	30	0%	-102%	33%
Other Net Revenues (Expenses)	91	0%	(479)	-1%	(3,906)	8%	n.a.	-88%
Operating Profit Before Financial Result	**8,304**	**14%**	**9,359**	**19%**	**5,951**	**12%**	**-11%**	**57%**
Net Financial Result	**(4,651)**	**-8%**	**(3,942)**	**-8%**	**(6,091)**	**-13%**	**18%**	**-35%**
Financial Expenses	(2,984)	-5%	(3,747)	8%	(3,571)	-7%	-20%	5%
Financial Revenues	589	1%	604	1%	690	1%	-2%	-13%
Exchange rate variations, net»	(2,257)	-4%	(799)	-2%	(3,210)	-7%	183%	-75%
Profit Before income tax and social contribution	**3,653**	**6%**	**5,417**	**11%**	**(140)**	**0%**	**-33%**	**n.a.**
Income tax / Social Contribution	(745)							