ORIGINAL

WMP/DK:AES/JN
F. #2016R00709

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK
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UNITED STATES OF AMERICA

- against -

BRASKEM S.A.,

Defendant.

PLEA AGREEMENT

Cr. No. 16-644 (RJD)

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The United States of America, by and through the Department of Justice, Criminal Division, Fraud Section (the "Fraud Section"), and the United States Attorney's Office for the Eastern District of New York (the "EDNY"), and Braskem S.A. (the "Defendant"), by and through its undersigned attorneys, and through its authorized representative, pursuant to authority granted by the Defendant's Board of Directors hereby submit and enter into this plea agreement (the "Agreement"), pursuant to Rule 11(c)(1)(C) of the Federal Rules of Criminal Procedure. The terms and conditions of this Agreement are as follows:

TERM OF THE DEFENDANT'S OBLIGATIONS UNDER THE AGREEMENT

1. Except as otherwise provided in Paragraph 11 below in connection with the Defendant's cooperation obligations, the Defendant's obligations under the Agreement shall last and be effective for a period beginning on the date on which the Information is filed and ending three years from the later of the date on which the Information is filed or the date on which the independent compliance monitor (the "Monitor") is retained by the Defendant, as described in Paragraphs 30 to 32 below (the "Term"). The Defendant agrees, however, that, in the event the Fraud Section and EDNY determine, in their sole discretion, that the Defendant has failed

specifically to perform or to fulfill completely each of the Defendant's obligations under this Agreement, an extension or extensions of the Term may be imposed by the Fraud Section and EDNY, in their sole discretion, for up to a total additional time period of one year, without prejudice to the Fraud Section and EDNY's right to proceed as provided in Paragraphs 30 to 32 below. Any extension of the Term extends all terms of this Agreement, including the terms of the monitorship in Attachment D, for an equivalent period. Conversely, in the event the Fraud Section and EDNY find, in their sole discretion, that there exists a change in circumstances sufficient to eliminate the need for the monitorship in Attachment D, and that the other provisions of this Agreement have been satisfied, the Term may be terminated early, except for the Defendant's cooperation obligations described in Paragraph 11 below.

RELEVANT CONSIDERATIONS

2. The Fraud Section and EDNY enter into this Agreement based on the individual facts and circumstances presented by this case, including:

a. the Defendant did not voluntarily disclose to the Fraud Section and EDNY the conduct described in the Statement of Facts, attached here to as Attachment B (the "Statement of Facts"). Although the Defendant notified the Fraud Section about publicly-reported allegations in Brazil prior to the Fraud Section and EDNY contacting the Defendant, because the Fraud Section and EDNY were already aware of the allegations, the Defendant was not eligible for voluntary disclosure credit;

b. the Defendant received partial cooperation credit for its cooperation with the Fraud Section and EDNY's investigation by reviewing, collecting and producing evidence located in foreign countries, analyzing and summarizing voluminous accounting records and providing those summaries to the Fraud Section and to EDNY, producing documents that were

provided to foreign authorities along with translations, facilitating the cooperation of its former executives in Brazil as part of the Brazilian leniency proceedings, providing multiple reports to the Fraud Section and EDNY summarizing information regarding Braskem's transfer of funds into the Odebrecht S.A. off-book accounting system, and providing non-privileged facts relating to individual involvement in the conduct described in the Statement of Facts and conduct disclosed to the Fraud Section and EDNY prior to the Agreement. Once the Defendant became aware of additional allegations, it expanded its internal investigation to include those allegations. The Defendant did not receive additional cooperation credit because the Defendant did not begin to fully cooperate until the Fraud Section and EDNY developed significant independent evidence of the Defendant's conduct. For example, the Defendant failed to produce any documents, information about witness statements, or information about the facts gathered from its internal investigation until seven months after its initial contact with the Fraud Section and EDNY;

c. the Defendant engaged in extensive remedial measures, including steps to improve its anti-corruption compliance program by, among other things, increasing the number of independent board members, creating a board-level compliance committee, hiring a chief compliance officer, instructing outside counsel to conduct a global anti-corruption compliance risk assessment and adopting the recommendations arising from that risk assessment, increasing the importance of anti-corruption compliance messaging within the company with regular statements from the company's new CEO, conducing an independent risk assessment of the company's financial controls and enhancing those controls, in conjunction with the parent company, developing a new comprehensive anti-corruption compliance policy, designing an enhanced anti-corruption third-party due diligence process, standardizing anti-corruption language in its contracts, and providing anti-corruption training to the board, senior management,

and other company employees. Because the senior management at the Defendant were in a position to discipline employees were themselves involved in the misconduct, the Defendant was unable to discipline wrongdoers until after the senior management resigned or were terminated, at which point there were no longer any employees left at the Defendant who had been engaged in the misconduct or had failed to effectively supervise or detect the misconduct;

d. although the Defendant had inadequate anti-corruption controls and little or no anti-corruption compliance program during the period of the conduct described in the Statement of Facts, the Defendant has been enhancing and has committed to continue to enhance its anti-corruption compliance program and internal controls, including ensuring that its compliance program satisfies the minimum elements set forth in Attachment C to this Agreement;

e. because the Defendant has not yet fully implemented or tested its compliance program, the Defendant has agreed to the imposition of an independent compliance monitor to reduce the risk of recurrence of misconduct (as set forth in Paragraphs 30 to 32 below);

f. the nature and seriousness of the offense including a scheme to pay $250 million in improper payments to Brazilian government officials during the relevant period carried out by high-level executives and directors at the Defendant;

g. the Defendant has no prior criminal history;

h. the Defendant has agreed to continue to cooperate with the Fraud Section and EDNY in any ongoing investigation of the conduct of the Defendant and its officers, directors, employees, agents, business partners, and consultants relating to violations of the Foreign Corrupt Practices Act of 1977 ("FCPA"); and

i. accordingly, after considering (a) through (h) above, the Defendant received an aggregate discount of 15 percent off of the bottom of the applicable U.S. Sentencing Guidelines fine range.

THE DEFENDANT'S AGREEMENT

3. Pursuant to Fed. R. Crim. P. 11(c)(1)(C), the Defendant agrees to knowingly waive indictment and its right to challenge venue in the United States District Court for the Eastern District of New York, and to plead guilty to a one-count criminal Information charging the Defendant with conspiracy to commit offenses against the United States, in violation of Title 18, United States Code, Section 371, that is, to violate the anti-bribery provisions of the FCPA, as amended, Title 15, United States Code, Sections 78dd-1 (the "Information"). The Defendant further agrees to persist in that plea through sentencing.

4. The Defendant understands that, to be guilty of this offense, the following essential elements of the offense must be satisfied:

a. An unlawful agreement between two or more individuals to violate the FCPA existed; specifically, as an issuer, to make use of the mails and means and instrumentalities of interstate commerce corruptly in furtherance of an offer, payment, promise to pay, and authorization of the payment of any money, offer, gift, promise to give, and authorization of the giving of anything of value, to a foreign official, and to a person, while knowing that all or a portion of such money and thing of value would be and had been offered, given, and promised to a foreign official, for purposes of: (i) influencing acts and decisions of such foreign official in his or her official capacity; (ii) inducing such foreign official to do and omit to do acts in violation of the lawful duty of such official; (iii) securing an improper advantage; and (iv) inducing such foreign official to use his or her influence with a foreign

government and agencies and instrumentalities thereof to affect and influence acts and decisions of such government and agencies and instrumentalities, in order to assist the Defendant and its co-conspirators in obtaining and retaining business for and with, and directing business to, any person;

b. The Defendant knowingly and willfully joined that conspiracy;

c. One of the members of the conspiracy knowingly committed or caused to be committed, in the Eastern District of New York or elsewhere in the United States, at least one of the overt acts charged in the Information; and

d. The overt acts were committed to further some objective of the conspiracy.

5. The Defendant understands and agrees that this Agreement is between the Fraud Section, EDNY and the Defendant and does not bind any other division or section of the Department of Justice or any other federal, state, local, or foreign prosecuting, administrative, or regulatory authority. Nevertheless, the Fraud Section and EDNY will bring this Agreement and the nature and quality of the conduct, cooperation and remediation of the Defendant, its direct or indirect affiliates, subsidiaries, and joint ventures, to the attention of other prosecuting authorities or other agencies, as well as debarment authorities and Multilateral Development Banks ("MDBs"), if requested by the Defendant. By agreeing to provide this information to such authorities, the Fraud Section and EDNY are not agreeing to advocate on behalf of the Defendant, but rather are agreeing to provide facts to be evaluated independently by such authorities.

6. The Defendant agrees that this Agreement will be executed by an authorized corporate representative. The Defendant further agrees that a resolution duly adopted by the

Defendant's Board of Directors, in the form attached to this Agreement as Attachment A ("Certificate of Corporate Resolutions"), authorizes the Defendant to enter into this Agreement and take all necessary steps to effectuate this Agreement, and that the signatures on this Agreement by the Defendant and its counsel are authorized by the Defendant's Board of Directors, on behalf of the Defendant.

7. The Defendant agrees that it has the full legal right, power, and authority to enter into and perform all of its obligations under this Agreement.

8. The Defendant agrees to abide by all terms and obligations of this Agreement as described herein, including, but not limited to, the following:

a. to plead guilty as set forth in this Agreement;

b. to abide by all sentencing stipulations contained in this Agreement;

c. to appear, through its duly appointed representatives, as ordered for all court appearances, and obey any other ongoing court order in this matter, consistent with all applicable U.S. and foreign laws, procedures, and regulations;

d. to commit no further crimes;

e. to be truthful at all times with the Court;

f. to pay the applicable fine and special assessment;

g. to cooperate fully with the Fraud Section and EDNY as described in Paragraph 11;

h. to implement a compliance program as described in Paragraph 9 and Attachment C; and

i. to retain an independent compliance monitor pursuant to Paragraphs 30 to 32 and Attachment D.

9. The Defendant represents that it has implemented and will continue to implement a compliance and ethics program throughout its operations, including those of its affiliates, agents, and joint ventures, and those of its contractors and subcontractors whose responsibilities include interacting with foreign officials or other activities carrying a high risk of corruption, designed to prevent and detect violations of the FCPA and other applicable anti-corruption laws. In order to address any deficiencies in its internal accounting controls, policies, and procedures, the Defendant represents that it has undertaken, and will continue to undertake in the future, in a manner consistent with all of its obligations under this Agreement, a review of its existing internal accounting controls, policies, and procedures regarding compliance with the FCPA and other applicable anti-corruption laws. Where necessary and appropriate, the Defendant will adopt new or modify existing internal controls, policies, and procedures in order to ensure that the Defendant maintains: (a) an effective system of internal accounting controls designed to ensure the making and keeping of fair and accurate books, records, and accounts; and (b) a rigorous anti-corruption compliance program that incorporates relevant internal accounting controls, as well as policies and procedures designed to effectively detect and deter violations of the FCPA and other applicable anti-corruption laws. The compliance program, including the internal accounting controls system will include, but not be limited to, the minimum elements set forth in Attachment C. The Fraud Section and EDNY, in their sole discretion, may consider the Monitor's certification decision in assessing the Defendant's compliance program.

10. Except as may otherwise be agreed by the parties in connection with a particular transaction, the Defendant agrees that in the event that, during the Term of the Agreement, it undertakes any change in corporate form, including if it sells, merges, or transfers business operations that are material to the Defendant's consolidated operations, or to the operations of

any subsidiaries or affiliates involved in the conduct described in the Statement of Facts, as they exist as of the date of this Agreement, whether such sale is structured as a sale, asset sale, merger, transfer, or other change in corporate form, it shall include in any contract for sale, merger, transfer, or other change in corporate form a provision binding the purchaser, or any successor in interest thereto, to the obligations described in this Agreement. The purchaser or successor in interest must also agree in writing that the Fraud Section and EDNY's ability to declare a breach under this Agreement is applicable in full force to that entity. The Defendant agrees that the failure to include these provisions in the transaction will make any such transaction null and void. The Defendant shall provide notice to the Fraud Section and EDNY at least 30 days prior to undertaking any such sale, merger, transfer, or other change in corporate form. If the Fraud Section and EDNY notify the Defendant prior to such transaction (or series of transactions) that it has determined that the transaction(s) has the effect of circumventing or frustrating the enforcement purposes of this Agreement, as determined in the sole discretion of the Fraud Section and EDNY, the Defendant agrees that such transaction(s) will not be consummated. In addition, if at any time during the Term of the Agreement the Fraud Section and EDNY determine in their sole discretion that the Defendant has engaged in a transaction(s) that has the effect of circumventing or frustrating the enforcement purposes of this Agreement, it may deem it a breach of this Agreement pursuant to Paragraphs 24 to 27 of this Agreement. Nothing herein shall restrict the Defendant from indemnifying (or otherwise holding harmless) the purchaser or successor in interest for penalties or other costs arising from any conduct that may have occurred prior to the date of the transaction, so long as such indemnification does not have the effect of circumventing or frustrating the enforcement purposes of this Agreement, as determined by the Fraud Section and EDNY.

11. The Defendant shall cooperate fully with the Fraud Section and EDNY in any and all matters relating to the conduct described in this Agreement and the Statement of Facts, and any individual or entity referred to therein, as well as any and all matters relating to corrupt payments, false books and records, the failure to implement adequate internal accounting controls, investment adviser fraud, mail, wire, securities, or bank fraud, false statements to a bank, obstruction of justice, and money laundering, subject to applicable law and regulations, until the later of the date upon which all investigations, prosecutions and proceedings, including those involving Odebrecht S.A. ("Odebrecht"), an entity with a controlling stake in the Defendant, arising out of such conduct are concluded, or the end of the Term. At the request of the Fraud Section and EDNY, the Defendant shall also cooperate fully with other domestic or foreign law enforcement and regulatory authorities and agencies, as well as the MDBs in any investigation of the Defendant, its affiliates, including Odebrecht and its affiliates, or any of its present or former officers, directors, employees, agents, and consultants, or any other party, in any and all matters relating to corrupt payments, false books and records, the failure to implement adequate internal accounting controls, investment adviser fraud, mail, wire, securities, or bank fraud, false statements to a bank, obstruction of justice, and money laundering. The Defendant agrees that its cooperation pursuant to this Paragraph shall include, but not be limited to, the following, subject to local law and regulations, including relevant data privacy and national security laws and regulations:

a. The Defendant shall truthfully disclose all factual information not protected by a valid claim of attorney-client privilege or work product doctrine with respect to its activities, those of its parent company and affiliates, and those of its present and former directors, officers, employees, agents, and consultants, including any evidence or allegations and internal

or external investigations, about which the Defendant has any knowledge or about which the Fraud Section and EDNY may inquire. This obligation of truthful disclosure includes, but is not limited to, the obligation of the Defendant to provide to the Fraud Section and EDNY, upon request, any document, record or other tangible evidence about which the Fraud Section and EDNY may inquire of the Defendant.

b. Upon request of the Fraud Section and EDNY, the Defendant shall designate knowledgeable employees, agents or attorneys to provide to the Fraud Section and EDNY the information and materials described in Paragraph 11(a) above on behalf of the Defendant. It is further understood that the Defendant must at all times provide complete, truthful, and accurate information.

c. The Defendant shall use its best efforts to make available for interviews or testimony, as requested by the Fraud Section and EDNY, present or former officers, directors, employees, agents and consultants of the Defendant. This obligation includes, but is not limited to, sworn testimony before a federal grand jury or in federal trials, as well as interviews with domestic or foreign law enforcement and regulatory authorities. Cooperation under this Paragraph shall include identification of witnesses who, to the knowledge of the Defendant, may have material information regarding the matters under investigation.

d. With respect to any information, testimony, documents, records or other tangible evidence provided to the Fraud Section and EDNY pursuant to this Agreement, the Defendant consents to any and all disclosures, subject to applicable law and regulations, to other governmental authorities, including United States authorities and those of a foreign government, as well as the MDBs, of such materials as the Fraud Section and EDNY, in their sole discretion, shall deem appropriate.

12. In addition to the obligations in Paragraph 11, during the Term, should the Defendant learn of any evidence or allegation of conduct that would be a possible violation of the FCPA anti-bribery or accounting provisions had the conduct occurred within the jurisdiction of the United States, the Defendant shall promptly report such evidence or allegation to the Fraud Section and EDNY. Thirty days prior to the end of the Term, the Defendant, by the Chief Executive Officer of the Defendant and the Chief Financial Officer of the Defendant, will certify to the Fraud Section and EDNY that the Defendant has met its disclosure obligations pursuant to this Paragraph. Each certification will be deemed a material statement and representation by the Defendant to the executive branch of the United States for purposes of 18 U.S.C. § 1001, and it will be deemed to have been made in the judicial district in which this Agreement is filed.

13. The Defendant agrees that any fine or restitution imposed by the Court will be due and payable within 10 business days of sentencing, and the Defendant will not attempt to avoid or delay payment, except as otherwise specified in Paragraph 21 below. The Defendant further agrees to pay to the Clerk of the Court for the United States District Court for the Eastern District of New York the mandatory special assessment of $400 (pursuant to 18 U.S.C. § 3103(a)(2)(B)) within 10 business days from the date of sentencing.

THE UNITED STATES' AGREEMENT

14. In exchange for the guilty plea of the Defendant and the complete fulfillment of all of its obligations under this Agreement, the Fraud Section and EDNY agree that they will not file additional criminal charges against the Defendant or any of its direct or indirect subsidiaries or joint ventures relating to any of the conduct described in the Information or the Statement of Facts, except for the charges specified in the Information and Plea Agreement between the Fraud Section and EDNY and Odebrecht S.A. filed on December 21, 2016 ("Odebrecht Plea

Agreement"). The Fraud Section and EDNY, however, may use any information related to the conduct described in the Statement of Facts against the Defendant: (a) in a prosecution for perjury or obstruction of justice; (b) in a prosecution for making a false statement; (c) in a prosecution or other proceeding relating to any crime of violence; or (d) in a prosecution or other proceeding relating to a violation of any provision of Title 26 of the United States Code. This Agreement does not provide any protection against prosecution for any future conduct by the Defendant. In addition, this Agreement does not provide any protection against prosecution of any individuals, regardless of their affiliation with the Defendant. The Defendant agrees that nothing in this Agreement is intended to release the Defendant from any and all of the Defendant's tax liabilities and reporting obligations for any and all income not properly reported and/or legally or illegally obtained or derived.

FACTUAL BASIS

15. The Defendant is pleading guilty because it is guilty of the charges contained in the Information. The Defendant admits, agrees, and stipulates that the factual allegations set forth in the Information and the Statement of Facts are true and correct, that it is responsible for the acts of its officers, directors, employees, and agents described in the Information and the Statement of Facts, and that the Information and the Statement of Facts accurately reflect the Defendant's criminal conduct. The Defendant stipulates to the admissibility of the Statement of Facts in any proceeding by the Fraud Section and EDNY, including any trial, guilty plea, or sentencing proceeding, and will not contradict anything in the attached Statement of Facts at any such proceeding.

THE DEFENDANT'S WAIVER OF RIGHTS, INCLUDING THE RIGHT TO APPEAL

16. Federal Rule of Criminal Procedure 11(f) and Federal Rule of Evidence 410 limit the admissibility of statements made in the course of plea proceedings or plea discussions in both civil and criminal proceedings, if the guilty plea is later withdrawn. The Defendant expressly warrants that it has discussed these rules with its counsel and understands them. Solely to the extent set forth below, the Defendant voluntarily waives and gives up the rights enumerated in Federal Rule of Criminal Procedure 11(f) and Federal Rule of Evidence 410. Specifically, the Defendant understands and agrees that any statements that it makes in the course of its guilty plea or in connection with the Agreement are admissible against it for any purpose in any U.S. federal criminal proceeding if, even though the Fraud Section and EDNY have fulfilled all of their obligations under this Agreement and the Court has imposed the agreed-upon sentence, the Defendant nevertheless withdraws its guilty plea.

17. The Defendant is satisfied that the Defendant's attorneys have rendered effective assistance. The Defendant understands that by entering into this Agreement, the Defendant surrenders certain rights as provided in this Agreement. The Defendant understands that the rights of criminal defendants include the following:

a. the right to plead not guilty and to persist in that plea;

b. the right to a jury trial;

c. the right to be represented by counsel – and if necessary have the court appoint counsel – at trial and at every other stage of the proceedings;

d. the right at trial to confront and cross-examine adverse witnesses, to be protected from compelled self-incrimination, to testify and present evidence, and to compel the attendance of witnesses; and

e. pursuant to Title 18, United States Code, Section 3742, the right to appeal the sentence imposed.

Nonetheless, the Defendant knowingly waives the right to appeal or collaterally attack the conviction and any sentence within the statutory maximum described below (or the manner in which that sentence was determined) on the grounds set forth in Title 18, United States Code, Section 3742, or on any ground whatsoever except those specifically excluded in this Paragraph, in exchange for the concessions made by the Fraud Section and EDNY in this plea agreement. This Agreement does not affect the rights or obligations of the Fraud Section and EDNY as set forth in Title 18, United States Code, Section 3742(b). The Defendant also knowingly waives the right to bring any collateral challenge challenging either the conviction, or the sentence imposed in this case. The Defendant hereby waives all rights, whether asserted directly or by a representative, to request or receive from any department or agency of the United States any records pertaining to the investigation or prosecution of this case, including without limitation any records that may be sought under the Freedom of Information Act, Title 5, United States Code, Section 552, or the Privacy Act, Title 5, United States Code, Section 552a. The Defendant waives all defenses based on the statute of limitations and venue with respect to any prosecution related to the conduct described in the Information and the Statement of Facts including any prosecution that is not time-barred on the date that this Agreement is signed in the event that: (a) the conviction is later vacated for any reason; (b) the Defendant violates this Agreement; or (c) the plea is later withdrawn, provided such prosecution is brought within one year of any such vacation of conviction, violation of the Agreement, or withdrawal of plea plus the remaining time period of the statute of limitations as of the date that this Agreement is signed. The Fraud Section and EDNY are free to take any position on appeal or any other post-judgment matter.

The parties agree that any challenge to the Defendant's sentence that is not foreclosed by this Paragraph will be limited to that portion of the sentencing calculation that is inconsistent with (or not addressed by) this waiver. Nothing in the foregoing waiver of appellate and collateral review rights shall preclude the Defendant from raising a claim of ineffective assistance of counsel in an appropriate forum.

PENALTY

18. The statutory maximum sentence that the Court can impose for a violation of Title 18, United States Code, Section 371, is: a fine of $500,000 or twice the gross pecuniary gain or gross pecuniary loss resulting from the offense, whichever is greatest, Title 15, United States Code, Section 78ff(a) and Title 18, United States Code, Section 3571(c), (d); five years' probation, Title 18, United States Code, Section 3561(c)(1); and a mandatory special assessment of $400 per count, Title 18, United States Code, Section 3013(a)(2)(B). In this case, the parties agree that the gross pecuniary gain resulting from the offense is $465,165,688.83. Therefore, pursuant to 18 U.S.C. § 3571(d), the maximum fine that may be imposed is twice the gross gain, or approximately $930 million per offense.

SENTENCING RECOMMENDATION

19. The parties agree that pursuant to *United States v. Booker*, 543 U.S. 220 (2005), the Court must determine an advisory sentencing guideline range pursuant to the United States Sentencing Guidelines. The Court will then determine a reasonable sentence within the statutory range after considering the advisory sentencing guideline range and the factors listed in Title 18, United States Code, Section 3553(a). The parties' agreement herein to any guideline sentencing factors constitutes proof of those factors sufficient to satisfy the applicable burden of proof. The

Defendant also understands that if the Court accepts this Agreement, the Court is bound by the sentencing provisions in Paragraph 18.

20. The Fraud Section, EDNY and the Defendant agree that a faithful application of the United States Sentencing Guidelines (U.S.S.G.) to determine the applicable fine range yields the following analysis:

a. The 2016 USSG are applicable to this matter.

b. Offense Level—Bribery Conduct (Highest Offense Level). Based upon USSG § 2C1.1, the total offense level is 46, calculated as follows:

| | | |
|---|---|---|
| (a)(2) | Base Offense Level | 12 |
| (b)(1) | More than One Bribe | +2 |
| (b)(2) | Value of Benefit more than $250,000,000 | +28 |
| (b)(3) | High Level Official Involved | +4 |
| **Total Offense Level** | | 46 |

c. Base Fine. Based upon USSG § 8C2.4(a)(2), the base fine is $465,165,688.83.

d. Culpability Score. Based upon USSG § 8C2.5, the culpability score is 8, calculated as follows:

| | | |
|---|---|---|
| (a) | Base Culpability Score | 5 |
| (b)(1)(A)(i) | 5,000 or More Employees and Participation by High-Level Personnel | +5 |
| (g)(2) | Cooperation and Acceptance | -2 |
| **TOTAL** | | 8 |

Calculation of Fine Range:

| | |
|---|---|
| Base Fine (USSG § 8C2.4(a)(2)) | $465,165,688.83 |
| Multipliers (USSG § 8C2.6) | 1.6 (min)/ 3.2 (max) |
| Fine Range (USSG § 8C2.7) | $744,265,102.13 to $1,488,530,204.26 |

21. Pursuant to Rule 11(c)(1)(C) of the Federal Rules of Criminal Procedure, the Fraud Section, EDNY and the Defendant agree that the following represents the appropriate disposition of the case:

a. Disposition. Pursuant to Fed. R. Crim, P. 11(c)(l)(C), the Fraud Section, EDNY and the Defendant agree that the appropriate disposition of this case is as set forth above, and agree to recommend jointly that the Court, at a hearing to be scheduled at an agreed upon time, impose a sentence requiring the Defendant to pay a criminal fine, as noted below. Specifically, the parties agree, based on the application of the United States Sentencing Guidelines, that the appropriate total criminal penalty is $632,625,336.81 ("Total Criminal Penalty"). This reflects a 15 percent discount off the bottom of the applicable Sentencing Guidelines fine range. The Fraud Section and EDNY believe that a disposition that includes a fine of $632,625,336.81 and disgorgement of $325 million is appropriate based on the factors outlined in Paragraph 2 of the Agreement and those in 18 U.S.C. § 3553(a).

b. The Fraud Section, EDNY and the Defendant further agree that the Defendant will pay the United States $94,893,800.52, equal to 15 percent of the Total Criminal Penalty. The Defendant agrees to pay $94,893,800.52 to the United States Treasury within 10 days of the entry of the judgment of Defendant's sentence by the Court.

c. The Fraud Section, EDNY and the Defendant further agree that the remaining amount of the Total Criminal Penalty will be paid to Brazil, which will receive 70 percent of the remaining penalty, equal to $442,837,735.77, and to Switzerland, which will receive 15 percent of the remaining penalty, equal to $94,893,800.52, and that such amounts will be credited by the Fraud Section and EDNY. The Defendant's payment obligations to the United States will be complete upon the Defendant's payment of $94,893,800.52, equal to 15 percent of the Total Criminal Penalty, so long as the Defendant pays the remaining amount of the Total Criminal Penalty to Brazil and Switzerland pursuant to their respective agreements. In addition, the Fraud Section, EDNY and the Defendant agree that the Defendant will pay $325 million in disgorgement to the U.S. Securities and Exchange Commission, pursuant to their respective agreements with the Defendant, and to Brazil, and that such amounts will be credited by the Fraud Section and EDNY. The Defendant shall not seek or accept directly or indirectly reimbursement or indemnification from any source with regard to the penalty or disgorgement amounts that the Defendant pays pursuant to the Agreement or any other agreement entered into with an enforcement authority or regulator concerning the facts set forth in the Statement of Facts. The Defendant further acknowledges that no tax deduction may be sought in connection with the payment of any part of the Total Criminal Penalty.

d. Mandatory Special Assessment. The Defendant shall pay to the Clerk of the Court for the United States District Court for the Eastern District of New York within 10 days of the time of sentencing the mandatory special assessment of $400.

22. This Agreement is presented to the Court pursuant to Fed. R. Crim. P. 11(c)(1)(C). The Defendant understands that, if the Court rejects this Agreement, the Court must: (a) inform the parties that the Court rejects the Agreement; (b) advise the Defendant's

counsel that the Court is not required to follow the Agreement and afford the Defendant the opportunity to withdraw its plea; and (c) advise the Defendant that if the plea is not withdrawn, the Court may dispose of the case less favorably toward the Defendant than the Agreement contemplated. The Defendant further understands that if the Court refuses to accept any provision of this Agreement, neither party shall be bound by the provisions of the Agreement.

23. The Defendant, the Fraud Section and EDNY waive the preparation of a Pre-Sentence Investigation Report and intend to seek a sentencing by the Court immediately following the Rule 11 hearing in the absence of a Pre-Sentence Investigation Report. The Defendant understands that the decision whether to proceed with the sentencing proceeding without a Pre-Sentence Investigation Report is exclusively that of the Court. In the event the Court directs the preparation of a Pre-Sentence Investigation Report, the Fraud Section and EDNY will fully inform the preparer of the Pre-Sentence Investigation Report and the Court of the facts and law related to the Defendant's case.

## BREACH OF AGREEMENT

24. If the Defendant (a) commits any felony under U.S. federal law; (b) provides in connection with this Agreement deliberately false, incomplete, or misleading information; (c) fails to cooperate as set forth in Paragraphs 11 and 12 of this Agreement; (d) fails to implement a compliance program as set forth in Paragraph 9 of this Agreement and Attachment C; (e) commits any acts that, had they occurred within the jurisdictional reach of the FCPA, would be a violation of the FCPA; or (f) otherwise fails specifically to perform or to fulfill completely each of the Defendant's obligations under the Agreement, regardless of whether the Fraud Section and EDNY become aware of such a breach after the Term, the Defendant shall thereafter be subject to prosecution for any federal criminal violation of which the Fraud Section and EDNY have

knowledge, including, but not limited to, the charges in the Information described in Paragraph 3, which may be pursued by the Fraud Section, EDNY or any other United States Attorney's Office that has venue over the conduct. Determination of whether the Defendant has breached the Agreement and whether to pursue prosecution of the Defendant shall be in the Fraud Section and EDNY's sole discretion. Any such prosecution may be premised on information provided by the Defendant or its personnel. Any such prosecution relating to the conduct described in the Information and the attached Statement of Facts or relating to conduct known to the Fraud Section and EDNY prior to the date on which this Agreement was signed that is not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against the Defendant, notwithstanding the expiration of the statute of limitations, between the signing of this Agreement and the expiration of the Term of the Agreement plus one year. Thus, by signing this Agreement, the Defendant agrees that the statute of limitations with respect to any such prosecution that is not time-barred on the date of the signing of this Agreement shall be tolled for the Term of the Agreement plus one year. The Defendant gives up all defenses based on the statute of limitations, any claim of pre-indictment delay, or any speedy trial claim with respect to any such prosecution or action, except to the extent that such defenses existed as of the date of the signing of this Agreement. In addition, the Defendant agrees that the statute of limitations as to any violation of federal law that occurs during the term of the cooperation obligations provided for in Paragraph 11 of the Agreement will be tolled from the date upon which the violation occurs until the earlier of the date upon which the Fraud Section and EDNY are made aware of the violation or the duration of the Term plus five years, and that this period shall be excluded from any calculation of time for purposes of the application of the statute of limitations.

25. In the event the Fraud Section and EDNY determine that the Defendant has breached this Agreement, the Fraud Section and EDNY agree to provide the Defendant with written notice of such breach prior to instituting any prosecution resulting from such breach. Within 30 days of receipt of such notice, the Defendant shall have the opportunity to respond to the Fraud Section and EDNY in writing to explain the nature and circumstances of such breach, as well as the actions the Defendant has taken to address and remediate the situation, which explanation the Fraud Section and EDNY shall consider in determining whether to pursue prosecution of the Defendant.

26. In the event that the Fraud Section and EDNY determine that the Defendant has breached this Agreement: (a) all statements made by or on behalf of the Defendant to the Fraud Section and EDNY or to the Court, including the Information and the Statement of Facts, and any testimony given by the Defendant before a grand jury, a court, or any tribunal, or at any legislative hearings, whether prior or subsequent to this Agreement, and any leads derived from such statements or testimony, shall be admissible in evidence in any and all criminal proceedings brought by the Fraud Section and EDNY against the Defendant; and (b) the Defendant shall not assert any claim under the United States Constitution, Rule 11(f) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence, or any other federal rule that any such statements or testimony made by or on behalf of the Defendant prior or subsequent to this Agreement, or any leads derived therefrom, should be suppressed or are otherwise inadmissible. The decision whether conduct or statements of any current director, officer or employee, or any person acting on behalf of, or at the direction of, the Defendant, will be imputed to the Defendant for the purpose of determining whether the Defendant has violated any provision of this Agreement shall be in the sole discretion of the Fraud Section and EDNY.

27. The Defendant acknowledges that the Fraud Section and EDNY have made no representations, assurances, or promises concerning what sentence may be imposed by the Court if the Defendant breaches this Agreement and this matter proceeds to judgment. The Defendant further acknowledges that any such sentence is solely within the discretion of the Court and that nothing in this Agreement binds or restricts the Court in the exercise of such discretion.

PUBLIC STATEMENTS BY THE DEFENDANT

28. The Defendant expressly agrees that it shall not, through present or future attorneys, officers, directors, employees, agents or any other person authorized to speak for the Defendant make any public statement, in litigation or otherwise, contradicting the acceptance of responsibility by the Defendant set forth above or the facts described in the Information and the Statement of Facts. Any such contradictory statement shall, subject to cure rights of the Defendant described below, constitute a breach of this Agreement, and the Defendant thereafter shall be subject to prosecution as set forth in Paragraphs 24 to 27 of this Agreement. The decision whether any public statement by any such person contradicting a fact contained in the Information or the Statement of Facts will be imputed to the Defendant for the purpose of determining whether it has breached this Agreement shall be at the sole discretion of the Fraud Section and EDNY. If the Fraud Section and EDNY determine that a public statement by any such person contradicts in whole or in part a statement contained in the Information or the Statement of Facts, the Fraud Section and EDNY shall so notify the Defendant, and the Defendant may avoid a breach of this Agreement by publicly repudiating such statement(s) within five business days after notification. The Defendant shall be permitted to raise defenses and to assert affirmative claims in other proceedings relating to the matters set forth in the Information and the Statement of Facts provided that such defenses and claims do not contradict,

in whole or in part, a statement contained in the Information or the Statement of Facts. This Paragraph does not apply to any statement made by any present or former officer, director, employee, or agent of the Defendant in the course of any criminal, regulatory, or civil case initiated against such individual, unless such individual is speaking on behalf of the Defendant.

29. The Defendant agrees that if it or any of its direct or indirect subsidiaries or affiliates over which the Defendant exercises control issues a press release or holds any press conference in connection with this Agreement, the Defendant shall first consult the Fraud Section and EDNY to determine (a) whether the text of the release or proposed statements at the press conference are true and accurate with respect to matters between the Fraud Section, EDNY and the Defendant; and (b) whether the Fraud Section and EDNY have any objection to the release or statement.

INDEPENDENT COMPLIANCE MONITOR

30. Promptly after the Fraud Section and EDNY's selection pursuant to Paragraph 31 below, the Defendant agrees to retain the Monitor for the term specified in Paragraph 32. The Monitor's duties and authority, and the obligations of the Defendant with respect to the Monitor and the Fraud Section and EDNY, are set forth in Attachment D, which is incorporated by reference into this Agreement. No later than the date of execution of this Agreement, the Defendant will propose to the Fraud Section and EDNY a pool of three qualified candidates to serve as the Monitor. The parties will endeavor to complete the monitor selection process within 60 days of the execution of this agreement. The Monitor candidates or their team members shall have, at a minimum, the following qualifications:

a. demonstrated expertise with respect to the FCPA and other applicable anti-corruption laws, including experience counseling on FCPA issues;

b. experience designing and/or reviewing corporate compliance policies, procedures and internal controls, including FCPA and anti-corruption policies, procedures and internal controls;

c. the ability to access and deploy resources as necessary to discharge the Monitor's duties as described in the Agreement; and

d. sufficient independence from the Defendant to ensure effective and impartial performance of the Monitor's duties as described in the Agreement.

31. The Fraud Section and EDNY retain the right, in their sole discretion, to choose the Monitor from among the candidates proposed by the Defendant, though the Defendant may express its preference(s) among the candidates. If the Fraud Section and EDNY determine, in their sole discretion, that any of the candidates are not, in fact, qualified to serve as the Monitor, or if the Fraud Section and EDNY, in their sole discretion, are not satisfied with the candidates proposed, the Fraud Section and EDNY reserve the right to request that the Defendant nominate additional candidates. In the event the Fraud Section and EDNY reject all proposed Monitors, the Defendant shall propose an additional three candidates within 20 business days after receiving notice of the rejection. This process shall continue until a Monitor acceptable to both parties is chosen. The Fraud Section, EDNY and the Defendant will use their best efforts to complete the selection process within 60 calendar days of the execution of this Agreement. If, during the term of the monitorship, the Monitor becomes unable to perform his or her obligations as set out herein and in Attachment D, or if the Fraud Section and EDNY in their sole discretion determine that the Monitor cannot fulfill such obligations to the satisfaction of the Office, the Office shall notify the Defendant of the release of the Monitor, and the Defendant shall within 30

calendar days of such notice recommend a pool of three qualified Monitor candidates from which the Fraud Section and EDNY will choose a replacement.

32. The Monitor's term shall be three years from the date on which the Monitor is retained by the Defendant, subject to extension or early termination as described in Paragraph 1.

[INTENTIONALLY LEFT BLANK]

The Monitor's powers, duties, and responsibilities, as well as additional circumstances that may support an extension of the Monitor's term, are set forth in Attachment D. The Defendant agrees that it will not employ or be affiliated with the Monitor or the Monitor's firm for a period of not less than two years from the date on which the Monitor's term expires. Nor will the Defendant discuss with the Monitor or the Monitor's firm the possibility of further employment or affiliation during the Monitor's term.

COMPLETE AGREEMENT

33. This document, including its attachments, states the full extent of the Agreement between the parties. There are no other promises or agreements, express or implied. Any modification of this Agreement shall be valid only if set forth in writing in a supplemental or revised plea agreement signed by all parties.

AGREED:

FOR BRASKEM S.A.:

Date: _____ By: _____
Fernando Musa
Chief Executive Officer of Braskem S.A.

Date: 12/21/16 By: _____
Gustavo Sampaio Valverde
General Counsel of Braskem S.A.

Date: 21 December 2016 By: _____
Joan E. Meyer
John P. Rowley, III
Baker & McKenzie LLP

_____
John S. (Jay) Darden
Robert D. Luskin
Paul Hastings LLP
Outside counsel for Braskem S.A.

FOR THE U.S. DEPARTMENT OF JUSTICE:

ROBERT CAPERS
United States Attorney
Eastern District of New York

Alixandra Smith
Julia Nestor
Assistant U.S. Attorneys

ANDREW WEISSMANN
Chief, Fraud Section
Criminal Division
U.S. Department of Justice

Lorinda Laryea
Kevin R. Gingras
Christopher Cestaro
Trial Attorneys

Date: December 21, 2016

COMPANY OFFICER'S CERTIFICATE

I have read the plea agreement between Braskem S.A. (the "Defendant") and the United States of America, by and through the Department of Justice, Criminal Division, Fraud Section, and the United States Attorney's Office for the Eastern District of New York (the "Agreement") and carefully reviewed every part of it with outside counsel for the Defendant. I understand the terms of the Agreement and voluntarily agree, on behalf of the Defendant, to each of its terms. Before signing the Agreement, I consulted outside counsel for the Defendant. Counsel fully advised me of the rights of the Defendant, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into this Agreement.

I have carefully reviewed the terms of the Agreement with the Board of Directors. I have advised and caused outside counsel for the Defendant to advise the Board of Directors fully of the rights of the Defendant, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into the Agreement.

No promises or inducements have been made other than those contained in the Agreement. Furthermore, no one has threatened or forced me, or to my knowledge any person authorizing the Agreement on behalf of the Defendant, in any way to enter into the Agreement. I am also satisfied with outside counsel's representation in this matter. I certify that I am the

General Counsel for the Defendant and that I have been duly authorized by the Defendant to execute the Agreement on behalf of the Defendant.

Date: 12/21/16

BRASKEM S.A.

By: _____

Gustavo Sampaio Valverde
General Counsel for Braskem S.A

CERTIFICATE OF COUNSEL

I am counsel for Braskem S.A. (the "Defendant") in the matter covered by the plea agreement between the Defendant and the United States of America, by and through the Department of Justice, Criminal Division, Fraud Section, and the United States Attorney's Office for the Eastern District of New York (the "Agreement"). In connection with such representation, I have examined relevant documents and have discussed the terms of the Agreement with the Board of Directors. Based on our review of the foregoing materials and discussions, I am of the opinion that the representative of the Defendant has been duly authorized to enter into the Agreement on behalf of the Defendant and that the Agreement has been duly and validly authorized, executed, and delivered on behalf of the Defendant and is a valid and binding obligation of the Defendant. Further, I have carefully reviewed the terms of the Agreement with the Board of Directors and the officers of the Defendant. I have fully advised them of the rights of the Defendant, of possible defenses, of the Sentencing Guidelines' provisions and of the consequences of entering into the Agreement. To my knowledge, the decision of the Defendant to enter into the Agreement, based on the authorization of the Board of Directors, is an informed and voluntary one.

Date: December 20, 2016

By: _____

Joan E. Meyer
John P. Rowley, III
Baker & McKenzie LLP

_____

John S. (Jay) Darden
Robert D. Luskin
Paul Hastings
Counsel for Braskem S.A.

ATTACHMENT A

CERTIFICATE OF CORPORATE RESOLUTIONS

A copy of the executed Certificate of Corporate Resolutions is annexed hereto as "Exhibit 1."

# EXHIBIT 1

## CERTIFICATE OF CORPORATE RESOLUTIONS

WHEREAS, Braskem S.A. (the "Company") has been engaged in discussions with the United States Department of Justice, Criminal Division, Fraud Section and the U.S. Attorney's Office for the Eastern District of New York (collectively the "Fraud Section and EDNY" or the "Offices"), regarding issues arising in relation to certain improper corrupt payments to foreign officials in Brazil to assist in obtaining and/or retaining business for the Company, as well as related false books-and-records and inadequate internal accounting controls; and

WHEREAS, in order to resolve such discussions, it is proposed that the Company enter into a certain agreement with the Fraud Section and EDNY; and

WHEREAS, Fernando Musa, the Chief Executive Officer of the Company, Gustavo Valverde, the General Counsel of the Company, and Pedro Freitas, the Chief Financial Officer of the Company, together with outside counsel for the Company, have advised the Board of Directors of the Company of its rights, possible defenses, the Sentencing Guidelines' provisions, and the consequences of entering into such agreement with the Fraud Section and EDNY.

Therefore, the Board of Directors on this date has RESOLVED that:

1. The Company (a) acknowledges the filing of the one-count Information charging the Company with conspiracy to commit offenses against the United States in violation of Title 18, United States Code, Section 371, that is, to violate the anti-bribery provisions of the Foreign Corrupt Practices Act of 1977 ("FCPA"), Title 15, United States Code, Section 78dd-1, as amended; (b) knowingly waives indictment on such charges and enters into a plea agreement with the Fraud Section and EDNY (the "Plea Agreement" or "Agreement"); (c) agrees to accept a monetary penalty against the Company totaling $$632,625,336.81, of which $94,893,800.52 will be paid to the United States Treasury, and to pay such penalty to the United States Treasury with respect to the conduct described in the Information; and (d) waives service of a summons and the complaint in such action and admits the court's jurisdiction over the Company and the subject matter of such action and consents to the judgment therein;

2. The Company accepts the terms and conditions of the Plea Agreement, including, but not limited to, (a) a knowing waiver of its rights to a speedy trial pursuant to the Sixth Amendment to the United States Constitution, Title 18, United States Code, Section 3161, and Federal Rule of Criminal Procedure 48(b); and (b) a knowing waiver, for purposes of this Agreement and any charges by the United States arising out of the conduct described in the Statement of Facts, attached to the Agreement, of any objection with respect to venue and consents to the filing of the Information, as provided under the terms of the Plea Agreement, in the United States District Court for the Eastern District of New York; and (c) a knowing waiver of any defenses based on the statute of limitations and venue for any prosecution relating to the conduct described in the Statement of Facts or relating to the conduct known to the Offices prior to the date on which the Plea Agreement was signed that is not timebarred by the applicable statute of limitations on the date of the signing of this Agreement;

3. Fernando Musa, the Chief Executive Officer of the Company, Gustavo Valverde, the General Counsel of the Company, and Pedro Freitas, the Chief Financial Officer of the Company, are hereby authorized, empowered and directed, on behalf of the Company, to execute the Plea Agreement substantially in such form as reviewed by this Board of Directors at the meeting held today, with such changes as Fernando Musa, Gustavo Valverde, and Pedro Freitas may approve;

4. Each of Fernando Musa, the Chief Executive Officer of the Company, Gustavo Valverde, the General Counsel of the Company, or Pedro Freitas, the Chief Financial Officer of the Company, is hereby authorized, empowered and directed to take any and all actions as may be necessary or appropriate and to approve the forms, terms or provisions of any agreement or other documents as may be necessary or appropriate, to carry out and effectuate the purpose and intent of the foregoing resolutions, including, but not limited to waiving indictment on behalf of the Company, appearing on behalf of the Company in any proceedings relating to the Plea Agreement and the matters to which the Plea Agreement relates, execute and deliver any documents necessary to enter into the proposed settlement with the Fraud Section and EDNY, enter a guilty plea before the United States District Court for the Eastern District of New York and accept the sentence of said court on behalf of the Company, and take all other acts on behalf of the Company as are specified in these resolutions or ancillary or related in any way to the foregoing, including the payment of any and all expenses and fees, that they may deem necessary, appropriate, or desirable to carry out the intent and purposes of the foregoing resolutions, such approval to be conclusively evidenced by the taking of any such action or the execution and delivery of any such instrument by them;

5. Any specific resolutions that may be required to have been adopted by the Board in connection with the actions contemplated by the foregoing resolutions be, and they hereby are, adopted, and Fernando Musa, the Chief Executive Officer of the Company, Gustavo Valverde, the General Counsel of the Company, and Pedro Freitas, the Chief Financial Officer of the Company, be and each of them individually hereby is, authorized in the name and on behalf of the Company to certify as to the adoption of any and all such resolutions; and

6. Any actions heretofore taken by Fernando Musa, the Chief Executive Officer of the Company, Gustavo Valverde, the General Counsel of the Company, and Pedro Freitas, the Chief Financial Officer of the Company, in connection with or otherwise in contemplation of the actions contemplated by any of the foregoing resolutions be, and they hereby are, adopted, approved, confirmed and ratified.

December 16, 2016

Date:

Marcella Menezes Fagundes
Corporate Secretary
Braskem S.A.

9.º TABELIÃO DE NOTAS
Rua Marconi, 124 • 1º ao 5º andar • CEP 01047-000 • São Paulo
Telefone: (11) 3258-2611 - Fax: (11) 2174-6858
www.nonocartorio.com.br

Reconheço a 1 firma com valor econômico por semelhança de MARCELLA MENEZES FERREIRA DE SOUZA FAGUNDES, do que dou fé.

Em test° da verdade. MARCELO CAMPOS DOS SANTOS -
São Paulo/Capital, 19 de dezembro de 2016. Valor recebido R$ 8,15
*Válido somente com selo de autenticidade. Selos pagos por verba*

TABELIÃO 9º - Rua Marconi, 124 - S. Paulo -

**ATTACHMENT B**

**STATEMENT OF FACTS**

The following Statement of Facts is incorporated by reference as part of the Plea Agreement (the "Agreement") between the United States Department of Justice, Criminal Division, Fraud Section, the United States Attorney's Office for the Eastern District of New York, and the defendant Braskem S.A. ("Braskem" or the "Company"). Braskem hereby agrees and stipulates that the following information is true and accurate. Certain of the facts herein are based on information obtained from third parties by the Government through their investigation and described to Braskem. Braskem admits, accepts, and acknowledges that it is responsible for the acts of its officers, directors, employees, and agents as set forth below. The Government's evidence establishes the following facts during the relevant time frame and proves beyond a reasonable doubt the charges set forth in the Criminal Information filed in the United States District Court for the Eastern District of New York pursuant to the Agreement:

**RELEVANT ENTITIES AND INDIVIDUALS**

1. Braskem was a *sociedade anônima* (corporation) organized under the laws of Brazil, and was the largest petrochemical company in the Americas, producing a portfolio of petrochemical and thermoplastic products. Braskem had its headquarters in São Paulo, Brazil. American depositary shares of Braskem traded on the New York Stock Exchange, and Braskem was required to file annual reports with the United States Securities and Exchange Commission ("SEC") under Section 15(d) of the Exchange Act, Title 15, United States Code, Section 78o(d). Braskem was an "issuer" as that term is used in the Foreign Corrupt Practices Act ("FCPA"), Title 15, United States Code, Sections 78dd-1(a) and 78m(b).

2. Odebrecht, S.A. ("Odebrecht") was a Brazilian holding company that, through various operating entities, conducted business in multiple industries, including engineering, construction, infrastructure, energy, chemicals, utilities and real estate. Odebrecht had its headquarters in Salvador, state of Bahia, Brazil, and operated in 27 other countries, including the United States.

3. Odebrecht indirectly owned 38.1% of the total shares of Braskem, and controlled the Company through its ownership of 50.11% of the voting shares. Petróleo Brasileiro S.A. – Petrobras ("Petrobras"), Brazil's state-controlled oil company, owned 36.1% of the shares of Braskem.

4. Braskem Incorporated Limited ("Braskem Incorporated") was a wholly-owned subsidiary of Braskem. It was incorporated with limited liability under the laws of the Cayman Islands and headquartered in Grand Cayman. Braskem Incorporated was an "agent" of an issuer, Braskem, within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(a).

5. "Braskem Employee 1," a Brazilian citizen whose identity is known to the United States and the Company, was a director of Braskem and an officer and senior executive of Odebrecht. Braskem Employee 1 was a "director" and "agent" of an issuer, Braskem, within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(a).

6. "Braskem Employee 2," a Brazilian citizen whose identity is known to the United States and the Company, was director of Braskem and an executive of Odebrecht. Braskem Employee 2 was a "director" and "agent" of an issuer, Braskem, within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(a).

7. "Braskem Employee 3," a Brazilian citizen whose identity is known to the United States and the Company, was an executive of Braskem and an executive of Odebrecht. Braskem

Employee 3 was an "employee" and "agent" of an issuer, Braskem, within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(a).

8. "Braskem Employee 4," a Brazilian citizen whose identity is known to the United States and the Company, was an executive of Braskem. Braskem Employee 4 was an "employee" and "agent" of an issuer, Braskem, within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(a).

9. "Braskem Employee 5," a Brazilian citizen whose identity is known to the United States and the Company, was an executive of Braskem. Braskem Employee 5 was an "employee" and "agent" of an issuer, Braskem, within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(a).

10. "Braskem Employee 6," a Brazilian citizen whose identity is known to the United States and the Company, was an executive of Braskem and Braskem America, Inc., a wholly-owned U.S. subsidiary of Braskem. Braskem Employee 6 was an "employee" and "agent" of an issuer, Braskem, within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(a).

11. "Braskem Employee 7," a Brazilian citizen whose identity is known to the United States and the Company, was an executive of Braskem. Braskem Employee 7 was an "employee" and "agent" of an issuer, Braskem, within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(a).

12. "Braskem Agent 1," a Brazilian citizen whose identity is known to the United States and the Company, was an executive of Odebrecht and an alternate director at Braskem. Braskem Agent 1 was an "agent" of an issuer, Braskem, within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(a).

13. "Braskem Agent 2," a Brazilian citizen whose identity is known to the United States and the Company, was a senior executive in Odebrecht's Division of Structured Operations (described in more detail below), in or about and between 2006 and 2015, and reported directly to Braskem Employee 1. Braskem Agent 2 operated the Division of Structured Operations to account for and disburse payments that were not included in the publicly-declared financials of Odebrecht and its subsidiaries and affiliated companies, including corrupt payments made to, or for the benefit of, foreign officials and foreign political parties in order to obtain and retain business for Odebrecht and several of its subsidiaries, including Braskem. In this role, Braskem Agent 2 was responsible for executing requests from Braskem officers, employees and/or agents whereby Braskem Agent 2 made corrupt payments to foreign officials for the benefit of Braskem. As such, Braskem Agent 2 was an "agent" of an issuer, Braskem, within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(a).

14. Petrobras was a Brazilian state-controlled oil company, and a minority shareholder in Braskem. Petrobras was headquartered in Rio de Janeiro, Brazil, and operated to refine, produce and distribute oil, oil products, gas, biofuels and energy. The Brazilian government directly owned approximately 50.3% of Petrobras's common shares with voting rights, while an additional 10% of the corporation's shares were controlled by the Brazilian Development Bank and Brazil's Sovereign Wealth Fund. Petrobras was an "agency" and "instrumentality" of a foreign government, as those terms are used in the FCPA, Title 15, United States Code, Section 78dd-1(f)(1).

15. "Brazilian Official 1," an individual whose identity is known to the United States and the Company, was a high-level official in the executive branch of government in Brazil.

Brazilian Official 1 was a "foreign official" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(f)(1).

16. "Brazilian Official 2," an individual whose identity is known to the United States and the Company, was a high-level official in the executive branch of government in Brazil. Brazilian Official 2 was a "foreign official" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(f)(1).

17. "Brazilian Official 3," an individual whose identity is known to the United States and the Company, served as a minister in the Brazilian government and an advisor to a high-level official in the executive branch of the government in Brazil, as well as an elected official in the legislative branch of government in Brazil. In these capacities, Brazilian Official 3 was a "foreign official" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(f)(1).

18. "Brazilian Official 4," an individual whose identity is known to the United States and the Company, served as a minister in the Brazilian government. Brazilian Official 4 was a "foreign official" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(f)(1).

19. "Brazilian Official 5," an individual whose identity is known to the United States and the Company, was an executive of Petrobras. Brazilian Official 5 was a "foreign official" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(f)(1).

20. "Brazilian Official 6," an individual whose identity is known to the United States and the Company, was a high-level official in the legislative branch of government in Brazil. Brazilian Official 6 was a "foreign official" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(f)(1).

21. "Brazilian Official 7," an individual whose identity is known to the United States and the Company, was a high-level official in the legislative branch of government in Brazil. Brazilian Official 7 was a "foreign official" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(f)(1).

22. "Brazilian Official 8," an individual whose identity is known to the United States and the Company, was a high-level official in the legislative branch of government in Brazil. Brazilian Official 8 was a "foreign official" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(f)(1).

23. "Brazilian Official 9," an individual whose identity is known to the United States and the Company, was a high-level state official. Brazilian Official 9 was a "foreign official" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(f)(1).

## OVERVIEW OF THE BRIBERY SCHEME

24. Beginning in or about and between 2002 and 2014, Braskem knowingly and willfully conspired and agreed with others to corruptly provide millions of dollars in payments to, and for the benefit of, foreign officials, foreign political parties, foreign political party officials and foreign political candidates to secure an improper advantage and to influence those foreign officials, foreign political parties, and foreign political candidates in order to obtain and retain business in Brazil.

25. Specifically, during this period, Braskem authorized a division of Odebrecht known as the Division of Structured Operations, described below, to pay bribes to Brazilian politicians and political parties, as well as to an official at Petrobras, in exchange for helping Braskem maintain a joint venture contract with Petrobras, a reduction in pricing for raw

materials that Braskem purchased from Petrobras, as well as reductions in Braskem's tax liabilities, and other benefits.

26. Odebrecht created and funded an elaborate, secret financial structure that operated to account for and disburse corrupt bribe payments to, and for the benefit of, foreign officials and foreign political parties. Over time, the development and operation of this secret financial structure evolved, and in or about 2006, Odebrecht established the Division of Structured Operations, a standalone division within the company. The Division of Structured Operations effectively functioned as a bribe department within Odebrecht. To conceal its activities, the Division of Structured Operations utilized an entirely separate and off-book communications system, which allowed members of the Division of Structured Operations to communicate with one another and with outside financial operators and others about the bribes through the use of secure emails and instant messages, utilizing codenames and passwords.

27. To conceal Braskem's criminal conduct and corrupt payments, Braskem provided funds to the Division of Structured Operations. Once Braskem sent funds to the Division of Structured Operations, the Division of Structured Operations funneled the funds into a series of offshore entities that were not listed as related entities on Braskem's balance sheet, and the funds were no longer recorded on Braskem's financial statements. Braskem, through the Division of Structure Operations, concealed and disguised corrupt payments made to, and for the benefit of, foreign officials and foreign political parties in Brazil. Many of the transactions were layered through multiple levels of offshore entities and bank accounts throughout the world, often transferring the illicit funds through up to four levels of offshore bank accounts before reaching the final recipient. In this regard, members of the conspiracy sought to distance the origin of the funds from the final beneficiaries.

28. The funds were also disbursed by financial operators who acted on behalf of the Division of Structured Operations, including but not limited to the beneficial owners of the accounts and/or *doleiros* (also known as money traders, who function to exchange Brazilian Reais for United States dollars), who delivered the payments in cash in Brazil or other foreign countries, in packages or suitcases at locations predetermined by the beneficiary of the funds; or made the payments via wire transfer through one or more of the unrelated offshore entities.

29. Braskem initially benefitted from the operation of the Division of Structured Operations, as well as a slush fund that was the precursor to the Division of Structured Operations (which was managed by an Odebrecht subsidiary, Construtora Norberto Odebrecht ("CNO")), due to its status as an Odebrecht subsidiary. That is, before 2006, Odebrecht executives associated with Braskem directed the Division of Structured Operations and/or the slush fund operators to make corrupt payments to support Braskem's financial and political interests although Braskem was not contributing directly to the Division of Structured Operations or the slush fund at that time. Specifically, Odebrecht executives directed the Division of Structured Operations and/or the slush fund to make payments to various government officials in connection with the consolidation of the petrochemical sector under Braskem's control. However, by approximately 2006, Braskem's most senior executives and Board members determined that Braskem would start generating its own unrecorded funds to deposit into the Division of Structured Operations.

30. Specifically, in approximately May or June 2006, Braskem Employee 4 – then a high-level executive at Braskem – approached Braskem Employee 2 and advised Braskem Employee 2 that Braskem needed to generate its own unrecorded funds to make payments to government officials in support of its own strategic goals. At a subsequent meeting, Braskem

Employee 2 and Braskem Employee 4 instructed Braskem Employee 7, then a high-level finance executive at Braskem, to create a system for Braskem to generate unrecorded funds that could be paid into the Division of Structured Operations. Braskem Employee 7, in turn, hired both an attorney and a Swiss citizen with banking experience to set up that system. Braskem generated unrecorded funds to deposit into the Division of Structured Operations by making payments pursuant to fabricated "commissions" contracts with three fictitious import and export agents. Braskem used its bank accounts in Brazil and New York-based bank accounts held by Braskem Incorporated to pay offshore shell companies ostensibly held by the fictitious export and import agents. Braskem, under the guise of the fictitious agents, then directed the money to accounts held by the Division of Structured Operations.

31. In general, certain individuals serving as officers at Braskem – including Braskem Employee 4, Braskem Employee 5, and Braskem Employee 6 – had autonomy in managing Braskem's Division of Structured Operations deposits and disbursements. Certain individuals serving as high-level financial executives at Braskem – including Braskem Employee 6 – were responsible for monitoring the generation of unrecorded funds. A Braskem employee in the Company's financial division oversaw the transfer of unrecorded funds to the Division of Structured Operations from the offshore shell companies, and periodically met with members of Braskem Agent 2's team to check on Braskem's Division of Structured Operations balance. Payments from the Division of Structured Operations at Braskem's direction were made by Braskem Agent 2's team.

32. In total, Braskem diverted approximately R$513 million[1] (equivalent to $250 million) into offshore shell companies for transfer into accounts managed by the Division of

[1] "R$" denotes Brazilian Reais, the currency of Brazil.

Structured Operations, and it also directed the Division of Structured Operations to make bribe payments on its behalf. Approximately $75 million of the money Braskem paid into the Division of Structured Operations was used to make bribe payments to secure benefits to Braskem of approximately $289 million, including, as described below, corrupt payments to a Petrobras executive and corrupt payments to other government officials in Brazil. Braskem also paid an additional $175 million into the Division of Structured Operations for which a direct benefit has not been identified but which payments otherwise reflect a failure of the Company's internal controls and a falsification of the Company's books and records.

33. Braskem, through certain executives and employees, falsely recorded the payments that were diverted into the Division of Structured Operations-managed bank accounts on, among other things, Braskem's general ledger and electronic finance system as "commissions for agents," and knowingly and willfully created fake and fraudulent agency contracts and other documentation in order to mask the true purpose of these payments.

34. In furtherance of the conspiracy, and to execute the corrupt payments, beginning in or about and between 2006 and 2014, Braskem, through certain employees and agents, caused wire transfers to be made from bank accounts located in Brazil and the United States, into shell company accounts located outside the United States. These payments to the offshore shell companies were subsequently transferred to the Division of Structured Operations. The following are two examples of such payments:

a. On or about April 28, 2014, Braskem made a payment in the amount of $1,611,120.95 from a New York-based bank account held by Braskem Incorporated to an offshore shell company controlled by Braskem.

b. On or about April 30, 2014, Braskem made a payment in the amount of $1,405,489.26 from a second New York-based bank account held by Braskem Incorporated to an offshore shell company controlled by Braskem.

35. Braskem, through its agents, also took acts in furtherance of the corrupt scheme while in the territory of the United States. For example, some of the offshore entities that the Division of Structured Operations used to hold and disburse unrecorded funds were established, owned and/or operated by individuals located in the United States.

**BRASKEM'S CORRUPT PAYMENTS TO FOREIGN OFFICIALS**

36. During the relevant period, Braskem together with its co-conspirators, made payments to various government officials in the Brazilian government with the understanding that such payments would serve as, in essence, a retainer that would permit Braskem and its co-conspirators to call in favors when necessary to assist with Braskem's business.

37. In addition, Braskem made corrupt payments in connection with specific contracts and benefits that Braskem sought in Brazil. A number of these specific payments, contracts and benefits are described more fully below.

*Approval of Favorable Tax Legislation*

38. In approximately 2006, a series of judicial rulings in Brazil called into question the applicability of certain tax credits. As a result, Braskem faced a potentially significant increase in its tax liability. In response, Odebrecht and Braskem took a number of steps to ensure the passage of legislation that would mitigate the loss of such credits on Braskem's overall tax liabilities.

39. First, Braskem Employee 1 directed Braskem Employee 3 to reach out to Brazilian Official 3. Braskem Employee 3 made contact, asking Brazilian Official 3 to both

intercede with a Brazilian minister, and to advise a member of Brazilian Official 1's staff to prepare Brazilian Official 1 to approve a legislative solution approved by Odebrecht and Braskem. Both individuals agreed to help Braskem Employee 3.

40. At the same time, another Odebrecht executive spoke directly to Brazilian Official 1, and asked Brazilian Official 1 to exert influence over Brazilian Official 4. Braskem Employee 1 then met directly with Brazilian Official 4 on several occasions to press the issue. At one of those meetings, Brazilian Official 4 asked Braskem Employee 1 for a contribution to Brazilian Official 2's upcoming political campaign in exchange for the official's assistance. Specifically, Brazilian Official 4 wrote down the amount "R$50 million" on a piece of paper and slid it across the table to Braskem Employee 1. Braskem Employee 1 discussed the bribe request with Braskem Employee 5; given the potential impact of the resolution on Braskem, Braskem Employee 5 agreed that Braskem would pay the bribe. Although the request was framed as a contribution to Brazilian Official 2's campaign, Braskem Employee 1 knew that the funds were not going to be used for the campaign. Rather, Braskem Employee 1 understood that they would be distributed after the next election for the personal benefit of various politicians.

41. As a result of these efforts, in or about 2009, a solution was reached in the form of a program that would, in effect, allow companies to employ an accounting rule to reduce tax liabilities in a similar fashion as the original tax credits. That program was subsequently incorporated into legislation that was converted into law in approximately 2010. Braskem benefitted from these measures, and was permitted to use the rule to reduce its tax liabilities.

42. Braskem subsequently used the Division of Structured Operations to make the R$50 million bribe payment to Brazilian Official 2's political campaign with unrecorded funds.

The Company also used the Division of Structured Operations to pay R$14 million to Brazilian Official 3 for the official's efforts.

*Confirmation of Favorable Tax Treatment For Raw Materials*

43. In or about 2008, state officials in a region where Braskem operated a petrochemical plant took the position that a particular tax should be paid in connection with Braskem's use of raw materials at the plant. Braskem disagreed with the officials' position, and argued that the tax did not apply. Braskem's refusal to pay the tax caused the state officials to restrict Braskem's receipt of certain raw materials, which threatened Braskem's operation of the plant.

44. Braskem attempted to resolve the issue by making its case to state and federal officials through formal channels that the tax did not apply. At the same time, however, Braskem also sought to leverage the bribes it had been making on a regular basis to Brazilian officials to help secure a favorable outcome of this issue. Specifically, Braskem Employee 3 asked Brazilian Official 3, a recipient of many of the recurring corrupt payments from the Division of Structured Operations, for the official's support and influence to get a regulatory action settling the matter. Brazilian Official 3 agreed, and Braskem Employee 3 gave him specific language to include in the regulation.

45. Based on these efforts, in or about December 2008, the federal government published a decree which clarified that the tax in question did not apply to the raw materials used by Braskem. Based on that statement, Braskem was able to resume normal operation of its plant.

*Retention of Petrobras Contract*

46. In or about 2005, Braskem signed a series of contracts with Petrobras to complete a significant petrochemical project. Braskem subsequently became concerned that Petrobras

would not honor those contracts, and would instead try to give the project to one of Braskem's competitors.

47. In response, Braskem Employee 4 directed Braskem Employee 3 to raise the matter with Brazilian Official 6, and to take steps to ensure Braskem would retain the project. Braskem Employee 3 had a series of meetings with Brazilian Official 5 and Brazilian Official 6, at which both asked for bribes in return for assistance. After negotiations, they settled on a payment of R$4.3 million, which would be conditioned on Braskem maintaining all of the contracts with Petrobras related to the project. Braskem Employee 3 further stipulated that no payments would be made until certain aspects of the project were actually underway.

48. Braskem Employee 3 brought the bribe proposal to Braskem Employee 4 for approval, and Braskem Employee 4 agreed. Petrobras ultimately honored its contracts with Braskem, and the project proceeded. Thereafter, Braskem authorized Braskem Agent 2's team to make the agreed-upon payments to Brazilian Official 5 and Brazilian Official 6. The payments totaling R$4.3 million were paid in installments in approximately 2007 and 2008, via international wire transfers paid to foreign accounts.

*Naphtha Supply Contract*

49. In or about mid-2008, Braskem and Petrobras began to negotiate a new long-term contract for naphtha (a colorless, volatile petroleum distillate that is a raw material for certain of Braskem's petrochemical operations). The technical teams from each company proposed and then debated various pricing formulas for the contract. Petrobras initially proposed a pricing formula based on an international industry standard reference that resulted in a higher price for Petrobras. Braskem rejected this proposal, and instead proposed a formula that was a variation on that standard that resulted in a lower price for Braskem.

50. At this point, Braskem Employee 5 asked Braskem Employee 3 to seek Brazilian Official 6's assistance in moving the negotiations along. Braskem Employee 3 met with Brazilian Official 5 and Brazilian Official 6, who agreed to assist Braskem by getting Brazilian Official 5 to put pressure on Petrobras to reduce the naphtha price to Braskem. In return, Braskem Employee 3 promised to pay Brazilian Official 5 and Brazilian Official 6 a bribe of $12 million via the Division of Structured Operations.

51. After several additional rounds of negotiation, during which Brazilian Official 5 became involved in the process, both parties agreed to a new formula that reduced the price of naphtha for Braskem. This formula was presented to Petrobras's Executive Board on or about March 12, 2009. Although the Petrobras Executive Board signed off on many of the agreed-upon contract conditions, it changed the formula terms to increase the price of naphtha. Braskem rejected this change, indicating that the formula could not be changed without reopening the negotiation process.

52. Braskem Employee 5 asked Braskem Employee 3 to go back to Brazilian Official 6 and seek further assistance. Braskem Employee 3 told Brazilian Official 6 that Braskem would not pay the $12 million unless the Petrobras-Braskem naphtha contract included a price that was more beneficial to Braskem. Brazilian Official 6 agreed to ask Brazilian Official 5 once again to intervene on behalf of Braskem. Thereafter, Brazilian Official 5 personally intervened, and ensured that the negotiation process was held open until the next meeting of the Petrobras Executive Board the following month. Brazilian Official 5 also arranged a meeting at Petrobras's headquarters between Brazilian Official 5, Braskem Employee 1, Braskem Employee 5 and an executive officer of Petrobras, at which Braskem was able to make a general

presentation directly to the executive officer about the alignment of Braskem's and Petrobras's interests.

53. Following the meeting, at the direction of Brazilian Official 5, Braskem agreed to negotiate financial reciprocities with Petrobras to justify the reducing of the price of naphtha to the level that Braskem wanted. Ultimately, Petrobras agreed to a formula that over the course of the contract would have the net effect of reducing the price of the naphtha that Braskem purchased. The contract was finalized in approximately July 2009.

54. Shortly thereafter, Braskem, via the Division of Structured Operations, began to make payments in installments on the $12 million bribe to Brazilian Official 5 and Brazilian Official 6. Specifically, Braskem Employee 3 received foreign bank account numbers from an intermediary for Brazilian Official 5 and Brazilian Official 6, and passed them on to a member of Braskem Agent 2's team, who in turn would make the payments via international wire transfer. These payments continued even after Brazilian Official 6's death and Braskem Employee 5's departure from Braskem in or about 2010; in this later period, the payments were overseen by Braskem Employee 5's successor, Braskem Employee 6. The full amount of the bribe was not paid until approximately mid-2011.

*Tax Credit Negotiations in Certain Brazilian States*

55. In the mid-2000s, due to its business model, Braskem began to accumulate tax credits at a particularly high rate in certain Brazilian states in which it operated. If Braskem went ahead and used those accumulated credits as anticipated, it would cease to generate any tax revenue for those states. By approximately 2008, the imbalance had gotten so pronounced that the state governments started to threaten Braskem with significant increases in other taxes. As a result, Braskem sought to resolve the matter both by entering into legitimate negotiations with

state officials, and by making significant campaign contributions to corruptly influence state government officials' decisions with respect to the tax issue. Braskem benefited from these corrupt payments, which ensured a favorable outcome; while the states were able to collect some revenue from Braskem, the Company continued to benefit significantly from the tax credits.

56. For example, in one state, Braskem entered into a series of agreements in which it agreed to (1) limit the use of its accumulated tax credits, (2) invest more than R$1 billion in infrastructure projects, and (3) create jobs in the state, all in exchange for the state not changing the tax structure so that Braskem and similarly-situated companies could continue to use their remaining credits without penalty. Brazilian Official 9 and Braskem Employee 5, acting on Braskem's behalf, signed off on these agreements.

57. During the negotiation of these agreements, Braskem Employee 3 separately negotiated the payment, with a relative of Brazilian Official 9, of substantial official contributions by Braskem to Brazilian Official 9's campaigns for state office, resulting in a R$200,000 contribution in connection with Brazilian Official 9's 2006 campaign and a R$600,000 payment in connection with Brazilian Official 9's 2010 reelection campaign. Braskem Employee 3 understood that these payments were provided in exchange for Brazilian Official 9 signing the series of tax credit agreements with Braskem.

58. Similarly, in or about and between 2008 and 2009, Braskem reached an agreement with another Brazilian state that the Company would limit its use of tax credits in return for investing more than R$650 million in infrastructure projects in that state. The high-level official responsible for the negotiations that resulted in that agreement had previously received campaign contributions from Odebrecht for the 2006 election totaling R$3 million through a combination of official donations and donations of unrecorded funds from the Division

of Structured Operations. The purpose of those donations was to secure the official's assistance on issues that affected Odebrecht and its related entities, including Braskem, such as the resolution of Braskem's accumulated tax credits.

*Approval of Favorable Tax Incentive Legislation*

59. In or about 2010, several Brazilian states began to offer certain tax incentives that Braskem believed would cause it to be less competitive in those states. Braskem considered the issue a top priority, and mobilized along several parallel tracks to eliminate such incentives. Braskem Agent 1 handled discussions with the Brazilian Congress, primarily through Brazilian Official 7, and Braskem Employee 1 attempted to influence the executive branch, primarily through meetings with Brazilian Official 4.

60. Subsequently, Brazilian Official 4 appointed Brazilian Official 7 as the person responsible to draft and oversee legislation that would help Braskem reduce or eliminate the tax incentives. As the legislation progressed, Braskem Agent 1 kept tabs on the process, speaking frequently to Brazilian Official 7 and other members of Congress. In March 2012, Braskem Employee 6 met with a number of Brazilian legislators, including Brazilian Official 7 and Brazilian Official 8, to discuss the specifics of the legislation. Braskem understood that it needed to pay bribes to Brazilian Official 7 and other officials in order to secure their support in connection with the legislation.

61. Subsequently, legislation was passed that reduced the ability of the states to grant the tax incentives. As soon as the legislation was finalized, Braskem Agent 1 notified Braskem Employee 6 and Braskem Employee 1 that Braskem needed to approve the release of unrecorded funds to fulfill commitments with certain members of Congress who had voted for the measure. Braskem Employee 6 then spoke to Braskem Agent 2 and authorized the release of R$4 million

from the Division of Structured Operations to be disbursed at Braskem Agent 1's direction. Braskem Agent 1 advised Braskem Employee 6 that Brazilian Official 7 was one of the recipients of the unrecorded funds.

62. After the initial disbursement of funds from the Division of Structured Operations was made to certain legislators, Braskem Employee 6 was notified that another member of Congress involved in the legislation had complained that he deserved a R$500,000 payment from Braskem for the legislator's work getting the measure approved. Braskem Employee 6 authorized the payment to the legislator, and Division of Structured Operations paid the legislator with unrecorded funds.

*Approval of Favorable Tax Exemption Legislation*

63. In or about 2011, Braskem sought to persuade the government to implement a new tax exemption that would benefit petrochemical companies like Braskem. Odebrecht and Braskem approached securing this exemption on several fronts. Braskem Employee 6 focused on garnering industry support for the exemption; Braskem Agent 1 dealt with members of Congress; and Braskem Employee 1 handled discussions with the executive branch, specifically Brazilian Official 4. As a result of their efforts, legislation that included the tax exemption was introduced in Congress in approximately 2013. However, issues arose as the legislation progressed towards a vote. First, an amendment was added to the legislation that was unpopular with many of the legislators. To eliminate the amendment, Braskem Employee 1 called Brazilian Official 4, who in turn placed Braskem Employee 1 in touch with an aide to a government official. Braskem Employee 1 convinced the aide to drop the unpopular amendment.

64. However, the legislation was effectively stalled by a request made by a high-level official in the legislative branch, who proposed eliminating a different amendment. In response, Braskem Agent 1 contacted Braskem Employee 6 and Braskem Employee 1, and conveyed that Braskem needed to pay significant sums to various members of Congress in order to get the request lifted and to move the legislation along. Braskem Employee 6 approved the request and told Braskem Agent 2 to make unrecorded funds from the Division of Structured Operations available to Braskem Agent 1. After the funds were disbursed, the high-level official lifted the request to eliminate the amendment, and the legislation was passed.

65. Braskem Agent 1 subsequently advised Braskem Employee 6 that the payments were divided among a number of members of Congress. Specifically, approximately R$2.1 million had been paid to the high-level official who had proposed eliminating an amendment; approximately R$4 million had been paid to Brazilian Official 7 (who Braskem Agent 1 believed shared the funds with Brazilian Official 8); approximately R$1 to $1.5 million had been paid to a high-level official in the legislative branch; and approximately R$100,000 had been paid to a second high-level official in the legislative branch.

66. In addition, while Brazilian Official 4 received no specific compensation for the official's role in ensuring the passage of the legislation, Braskem was required to pay an additional R$100 million above and beyond what Braskem Employee 1 had previously agreed with Brazilian Official 4 to pay to the official's political party and to members of the federal government. This increase was negotiated by Brazilian Official 4 and primarily went to contributions for party members in the 2014 campaigns.

ATTACHMENT C

CORPORATE COMPLIANCE PROGRAM

In order to address any deficiencies in its internal controls, compliance code, policies, and procedures regarding compliance with the Foreign Corrupt Practices Act ("FCPA"), 15 U.S.C. §§ 78dd-1, *et seq.,* and other applicable anti-corruption laws, Braskem S.A. (the "Company") agrees to continue to conduct, in a manner consistent with all of its obligations under this Agreement, appropriate reviews of its existing internal controls, policies, and procedures.

Where necessary and appropriate, the Company agrees to adopt a new compliance program, or to modify its existing one, including internal controls, compliance policies, and procedures in order to ensure that it maintains: (a) an effective system of internal accounting controls designed to ensure the making and keeping of fair and accurate books, records, and accounts; and (b) a rigorous anti-corruption compliance program that incorporates relevant internal accounting controls, as well as policies and procedures designed to effectively detect and deter violations of the FCPA and other applicable anti-corruption laws. At a minimum, this should include, but not be limited to, the following elements to the extent they are not already part of the Company's existing internal controls, compliance code, policies, and procedures:

*High-Level Commitment*

1. The Company will ensure that its directors and senior management provide strong, explicit, and visible support and commitment to its corporate policy against violations of the anti-corruption laws and its compliance code.

*Policies and Procedures*

2. The Company will develop and promulgate a clearly articulated and visible corporate policy against violations of the FCPA and other applicable foreign law counterparts (collectively, the "anti-corruption laws,"), which policy shall be memorialized in a written compliance code.

3. The Company will develop and promulgate compliance policies and procedures designed to reduce the prospect of violations of the anti-corruption laws and the Company's compliance code, and the Company will take appropriate measures to encourage and support the observance of ethics and compliance policies and procedures against violation of the anti-corruption laws by personnel at all levels of the Company. These anti-corruption policies and procedures shall apply to all directors, officers, and employees and, where necessary and appropriate, outside parties acting on behalf of the Company in a foreign jurisdiction, including but not limited to, agents and intermediaries, consultants, representatives, distributors, teaming partners, contractors and suppliers, consortia, and joint venture partners (collectively, "agents and business partners"). The Company shall notify all employees that compliance with the policies and procedures is the duty of individuals at all levels of the company. Such policies and procedures shall address:

a. gifts;

b. hospitality, entertainment, and expenses;

c. customer travel;

d. political contributions;

e. charitable donations and sponsorships;

f. facilitation payments; and

g. solicitation and extortion.

4. The Company will ensure that it has a system of financial and accounting procedures, including a system of internal controls, reasonably designed to ensure the maintenance of fair and accurate books, records, and accounts. This system should be designed to provide reasonable assurances that:

a. transactions are executed in accordance with management's general or specific authorization;

b. transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for assets;

c. access to assets is permitted only in accordance with management's general or specific authorization; and

d. the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

*Periodic Risk-Based Review*

5. The Company will develop these compliance policies and procedures on the basis of a periodic risk assessment addressing the individual circumstances of the Company, in particular the foreign bribery risks facing the Company, including, but not limited to, its geographical organization, interactions with various types and levels of government officials, industrial sectors of operation, involvement in joint venture arrangements, importance of licenses

and permits in the Company's operations, degree of governmental oversight and inspection, and volume and importance of goods and personnel clearing through customs and immigration.

6. The Company shall review its anti-corruption compliance policies and procedures no less than annually and update them as appropriate to ensure their continued effectiveness, taking into account relevant developments in the field and evolving international and industry standards.

*Proper Oversight and Independence*

7. The Company will assign responsibility to one or more senior corporate executives of the Company for the implementation and oversight of the Company's anti-corruption compliance code, policies, and procedures. Such corporate official(s) shall have the authority to report directly to independent monitoring bodies, including internal audit, the Company's Board of Directors, or any appropriate committee of the Board of Directors, and shall have an adequate level of autonomy from management as well as sufficient resources and authority to maintain such autonomy.

*Training and Guidance*

8. The Company will implement mechanisms designed to ensure that its anti-corruption compliance code, policies, and procedures are effectively communicated to all directors, officers, employees, and, where necessary and appropriate, agents and business partners. These mechanisms shall include: (a) periodic training for all directors and officers, all employees in positions of leadership or trust, positions that require such training (e.g., internal audit, sales, legal, compliance, finance), or positions that otherwise pose a corruption risk to the Company, and, where necessary and appropriate, agents and business partners; and (b)

corresponding certifications by all such directors, officers, employees, agents, and business partners, certifying compliance with the training requirements.

9. The Company will maintain, or where necessary establish, an effective system for providing guidance and advice to directors, officers, employees, and, where necessary and appropriate, agents and business partners, on complying with the Company's anti-corruption compliance code, policies, and procedures, including when they need advice on an urgent basis or in any foreign jurisdiction in which the Company operates.

*Internal Reporting and Investigation*

10. The Company will maintain, or where necessary establish, an effective system for internal and, where possible, confidential reporting by, and protection of, directors, officers, employees, and, where appropriate, agents and business partners concerning violations of the anti-corruption laws or the Company's anti-corruption compliance code, policies, and procedures.

11. The Company will maintain, or where necessary establish, an effective and reliable process with sufficient resources for responding to, investigating, and documenting allegations of violations of the anti-corruption laws or the Company's anti-corruption compliance code, policies, and procedures.

*Enforcement and Discipline*

12. The Company will implement mechanisms designed to effectively enforce its compliance code, policies, and procedures, including appropriately incentivizing compliance and disciplining violations.

13. The Company will institute appropriate disciplinary procedures to address, among other things, violations of the anti-corruption laws and the Company's anti-corruption compliance code, policies, and procedures by the Company's directors, officers, and employees. Such procedures should be applied consistently and fairly, regardless of the position held by, or perceived importance of, the director, officer, or employee. The Company shall implement procedures to ensure that where misconduct is discovered, reasonable steps are taken to remedy the harm resulting from such misconduct, and to ensure that appropriate steps are taken to prevent further similar misconduct, including assessing the internal controls, compliance code, policies, and procedures and making modifications necessary to ensure the overall anti-corruption compliance program is effective.

*Third-Party Relationships*

14. The Company will institute appropriate risk-based due diligence and compliance requirements pertaining to the retention and oversight of all agents and business partners, including:

a. properly documented due diligence pertaining to the hiring and appropriate and regular oversight of agents and business partners;

b. informing agents and business partners of the Company's commitment to abiding by anti-corruption laws, and of the Company's anti-corruption compliance code, policies, and procedures; and

c. seeking a reciprocal commitment from agents and business partners.

15. Where necessary and appropriate, the Company will include standard provisions in agreements, contracts, and renewals thereof with all agents and business partners that are

reasonably calculated to prevent violations of the anti-corruption laws, which may, depending upon the circumstances, include: (a) anti-corruption representations and undertakings relating to compliance with the anti-corruption laws; (b) rights to conduct audits of the books and records of the agent or business partner to ensure compliance with the foregoing; and (c) rights to terminate an agent or business partner as a result of any breach of the anti-corruption laws, the Company's compliance code, policies, or procedures, or the representations and undertakings related to such matters.

*Mergers and Acquisitions*

16. The Company will develop and implement policies and procedures for mergers and acquisitions requiring that the Company conduct appropriate risk-based due diligence on potential new business entities, including appropriate FCPA and anti-corruption due diligence by legal, accounting, and compliance personnel.

17. The Company will ensure that the Company's compliance code, policies, and procedures regarding the anti-corruption laws apply as quickly as is practicable to newly acquired businesses or entities merged with the Company and will promptly:

a. train the directors, officers, employees, agents, and business partners consistent with Paragraph 8 above on the anti-corruption laws and the Company's compliance code, policies, and procedures regarding anti-corruption laws; and

b. where warranted, conduct an FCPA-specific audit of all newly acquired or merged businesses as quickly as practicable.

*Monitoring and Testing*

18. The Company will conduct periodic reviews and testing of its anti-corruption compliance code, policies, and procedures designed to evaluate and improve their effectiveness in preventing and detecting violations of anti-corruption laws and the Company's anti-corruption code, policies, and procedures, taking into account relevant developments in the field and evolving international and industry standards.

ATTACHMENT D

INDEPENDENT COMPLIANCE MONITOR

The duties and authority of the Independent Compliance Monitor (the "Monitor"), and the obligations of Braskem S.A. (the "Company"), on behalf of itself and its subsidiaries and affiliates, with respect to the Monitor and the United States Department of Justice, Criminal Division, Fraud Section and the United States Attorney's Office for the Eastern District of New York (collectively the "Department"), are as described below:

1. The Company will retain the Monitor for a period of three years (the "Term of the Monitorship"), unless the early termination provision of Paragraph 1 of the Plea Agreement (the "Agreement") is triggered.

*Monitor's Mandate*

2. The Monitor's primary responsibility is to assess and monitor the Company's compliance with the terms of the Agreement, including the Corporate Compliance Program in Attachment C, so as to specifically address and reduce the risk of any recurrence of the Company's misconduct. During the Term of the Monitorship, the Monitor will evaluate, in the manner set forth below, the effectiveness of the internal accounting controls, record-keeping, and financial reporting policies and procedures of the Company as they relate to the Company's current and ongoing compliance with the FCPA and other applicable anti-corruption laws (collectively, the "anti-corruption laws") and take such reasonable steps as, in his or her view, may be necessary to fulfill the foregoing mandate (the "Mandate"). This Mandate shall include an assessment of the Board of Directors' and senior management's commitment to, and effective

implementation of, the corporate compliance program described in Attachment C of the Agreement.

*Company's Obligations*

3. The Company shall cooperate fully with the Monitor, and the Monitor shall have the authority to take such reasonable steps as, in his or her view, may be necessary to be fully informed about the Company's compliance program in accordance with the principles set forth herein and applicable law, including applicable data protection and labor laws and regulations. To that end, the Company shall: facilitate the Monitor's access to the Company's documents and resources; not limit such access, except as provided in Paragraphs 5-6; and provide guidance on applicable local law (such as relevant data protection and labor laws). The Company shall provide the Monitor with access to all information, documents, records, facilities, and employees, as reasonably requested by the Monitor, that fall within the scope of the Mandate of the Monitor under the Agreement. The Company shall use its best efforts to provide the Monitor with access to the Company's former employees and its third-party vendors, agents, and consultants.

4. Any disclosure by the Company to the Monitor concerning corrupt payments, false books and records, and internal accounting control failures shall not relieve the Company of any otherwise applicable obligation to truthfully disclose such matters to the Department, pursuant to the Agreement.

*Withholding Access*

5. The parties agree that no attorney-client relationship shall be formed between the Company and the Monitor. In the event that the Company seeks to withhold from the Monitor

access to information, documents, records, facilities, or current or former employees of the Company that may be subject to a claim of attorney-client privilege or to the attorney work-product doctrine, or where the Company reasonably believes production would otherwise be inconsistent with applicable law, the Company shall work cooperatively with the Monitor to resolve the matter to the satisfaction of the Monitor.

6. If the matter cannot be resolved, at the request of the Monitor, the Company shall promptly provide written notice to the Monitor and the Department. Such notice shall include a general description of the nature of the information, documents, records, facilities or current or former employees that are being withheld, as well as the legal basis for withholding access. The Department may then consider whether to make a further request for access to such information, documents, records, facilities, or employees.

*Monitor's Coordination with the Company and Review Methodology*

7. In carrying out the Mandate, to the extent appropriate under the circumstances, the Monitor should coordinate with Company personnel, including in-house counsel, compliance personnel, and internal auditors, on an ongoing basis. The Monitor may rely on the product of the Company's processes, such as the results of studies, reviews, sampling and testing methodologies, audits, and analyses conducted by or on behalf of the Company, as well as the Company's internal resources (e.g., legal, compliance, and internal audit), which can assist the Monitor in carrying out the Mandate through increased efficiency and Company-specific expertise, provided that the Monitor has confidence in the quality of those resources.

8. The Monitor's reviews should use a risk-based approach, and thus, the Monitor is not expected to conduct a comprehensive review of all business lines, all business activities, or

all markets. In carrying out the Mandate, the Monitor should consider, for instance, risks presented by: (a) the countries and industries in which the Company operates; (b) current and future business opportunities and transactions; (c) current and potential business partners, including third parties and joint ventures, and the business rationale for such relationships; (d) the Company's gifts, travel, and entertainment interactions with foreign officials; and (e) the Company's involvement with foreign officials, including the amount of foreign government regulation and oversight of the Company, such as licensing and permitting, and the Company's exposure to customs and immigration issues in conducting its business affairs.

9. In undertaking the reviews to carry out the Mandate, the Monitor shall formulate conclusions based on, among other things: (a) inspection of relevant documents, including the Company's current anti-corruption policies and procedures; (b) on-site observation of selected systems and procedures of the Company at sample sites, including internal accounting controls, record-keeping, and internal audit procedures; (c) meetings with, and interviews of, relevant current and, where appropriate, former directors, officers, employees, business partners, agents, and other persons at mutually convenient times and places; and (d) analyses, studies, and testing of the Company's compliance program.

*Monitor's Written Work Plans*

10. To carry out the Mandate, during the Term of the Monitorship, the Monitor shall conduct an initial review and prepare an initial report, followed by at least two follow-up reviews and reports as described in Paragraphs 16-19 below. With respect to the initial report, after consultation with the Company and the Department, the Monitor shall prepare the first written work plan within 60 calendar days of being retained, and the Company and the Department shall

provide comments within 30 calendar days after receipt of the written work plan. With respect to each follow-up report, after consultation with the Company and the Department, the Monitor shall prepare a written work plan at least 30 calendar days prior to commencing a review, and the Company and the Department shall provide comments within 20calendar days after receipt of the written work plan. Any disputes between the Company and the Monitor with respect to any written work plan shall be decided by the Department in its sole discretion.

11. All written work plans shall identify with reasonable specificity the activities the Monitor plans to undertake in execution of the Mandate, including a written request for documents. The Monitor's work plan for the initial review shall include such steps as are reasonably necessary to conduct an effective initial review in accordance with the Mandate, including by developing an understanding, to the extent the Monitor deems appropriate, of the facts and circumstances surrounding any violations that may have occurred before the date of the Agreement. In developing such understanding the Monitor is to rely to the extent possible on available information and documents provided by the Company. It is not intended that the Monitor will conduct his or her own inquiry into the historical events that gave rise to the Agreement.

*Initial Review*

12. The initial review shall commence no later than 120 calendar days from the date of the engagement of the Monitor (unless otherwise agreed by the Company, the Monitor, and the Department). The Monitor shall issue a written report within 150 calendar days of commencing the initial review, setting forth the Monitor's assessment and, if necessary, making recommendations reasonably designed to improve the effectiveness of the Company's program

for ensuring compliance with the anti-corruption laws. The Monitor should consult with the Company concerning his or her findings and recommendations on an ongoing basis and should consider the Company's comments and input to the extent the Monitor deems appropriate. The Monitor may also choose to share a draft of his or her reports with the Company prior to finalizing them. The Monitor's reports need not recite or describe comprehensively the Company's history or compliance policies, procedures and practices, but rather may focus on those areas with respect to which the Monitor wishes to make recommendations, if any, for improvement or which the Monitor otherwise concludes merit particular attention. The Monitor shall provide the report to the Board of Directors of the Company and contemporaneously transmit copies to the Deputy Chief – FCPA Unit, Fraud Section, Criminal Division, U.S. Department of Justice, at 1400 New York Avenue N.W., Bond Building, Eleventh Floor, Washington, D.C. 20005 and Chief, Business and Securities Fraud Section, United States Attorney's Office, Eastern District of New York, 271-A Cadman Plaza East, Brooklyn, New York 11201. After consultation with the Company, the Monitor may extend the time period for issuance of the initial report for a brief period of time with prior written approval of the Department.

13. Within 150 calendar days after receiving the Monitor's initial report, the Company shall adopt and implement all recommendations in the report, unless, within 60 calendar days of receiving the report, the Company notifies in writing the Monitor and the Department of any recommendations that the Company considers unduly burdensome, inconsistent with applicable law or regulation, impractical, excessively expensive, or otherwise inadvisable. With respect to any such recommendation, the Company need not adopt that

recommendation within the 150 calendar days of receiving the report but shall propose in writing to the Monitor and the Department an alternative policy, procedure or system designed to achieve the same objective or purpose. As to any recommendation on which the Company and the Monitor do not agree, such parties shall attempt in good faith to reach an agreement within 45 calendar days after the Company serves the written notice.

14. In the event the Company and the Monitor are unable to agree on an acceptable alternative proposal, the Company shall promptly consult with the Department. The Department may consider the Monitor's recommendation and the Company's reasons for not adopting the recommendation in determining whether the Company has fully complied with its obligations under the Agreement. Pending such determination, the Company shall not be required to implement any contested recommendation(s).

15. With respect to any recommendation that the Monitor determines cannot reasonably be implemented within 150 calendar days after receiving the report, the Monitor may extend the time period for implementation with prior written approval of the Department.

*Follow-Up Reviews*

16. A follow-up review shall commence no later than 180 calendar days after the issuance of the initial report (unless otherwise agreed by the Company, the Monitor and the Department). The Monitor shall issue a written follow-up report within 120 calendar days of commencing the follow-up review, setting forth the Monitor's assessment and, if necessary, making recommendations in the same fashion as set forth in Paragraph 12 with respect to the initial review. After consultation with the Company, the Monitor may extend the time period for

issuance of the follow-up report for a brief period of time with prior written approval of the Department.

17. Within 120 calendar days after receiving the Monitor's follow-up report, the Company shall adopt and implement all recommendations in the report, unless, within 30 calendar days after receiving the report, the Company notifies in writing the Monitor and the Department concerning any recommendations that the Company considers unduly burdensome, inconsistent with applicable law or regulation, impractical, excessively expensive, or otherwise inadvisable. With respect to any such recommendation, the Company need not adopt that recommendation within the 120 calendar days of receiving the report but shall propose in writing to the Monitor and the Department an alternative policy, procedure, or system designed to achieve the same objective or purpose. As to any recommendation on which the Company and the Monitor do not agree, such parties shall attempt in good faith to reach an agreement within 30 calendar days after the Company serves the written notice.

18. In the event the Company and the Monitor are unable to agree on an acceptable alternative proposal, the Company shall promptly consult with the Department. The Department may consider the Monitor's recommendation and the Company's reasons for not adopting the recommendation in determining whether the Company has fully complied with its obligations under the Agreement. Pending such determination, the Company shall not be required to implement any contested recommendation(s). With respect to any recommendation that the Monitor determines cannot reasonably be implemented within 120 calendar days after receiving the report, the Monitor may extend the time period for implementation with prior written approval of the Department.

19. The Monitor shall undertake a second follow-up review not later than 150 calendar days after the issuance of the first follow-up report. The Monitor shall issue a second follow-up report within 120 days of commencing the review, and recommendations shall follow the same procedures described in Paragraphs 16-18. No later than 60 days before the end of the Term, the Monitor shall submit to the Department a final written report ("Certification Report"), setting forth an overview of the Company's remediation efforts to date, including the implementation status of the Monitor's recommendations, and an assessment of the sustainability of the Company's remediation efforts. No later than 30 days before the end of the Term, the Monitor shall certify whether the Company's compliance program, including its policies and procedures, is reasonably designed and implemented to prevent and detect violations of the anti-corruption laws.

*Monitor's Discovery of Potential or Actual Misconduct*

20. (a) Except as set forth below in sub-paragraphs (b), (c) and (d), should the Monitor discover during the course of his or her engagement that:

- improper payments or anything else of value may have been offered, promised, made, or authorized by any entity or person within the Company or any entity or person working, directly or indirectly, for or on behalf of the Company; or
- the Company may have maintained false books, records or accounts; or

(collectively, "Potential Misconduct"), the Monitor shall immediately report the Potential Misconduct to the Company's General Counsel, Chief Compliance Officer, and/or Audit Committee for further action, unless the Potential Misconduct was already so disclosed. The

Monitor also may report Potential Misconduct to the Department at any time, and shall report Potential Misconduct to the Department when it requests the information.

(b) In some instances, the Monitor should immediately report Potential Misconduct directly to the Department and not to the Company. The presence of any of the following factors militates in favor of reporting Potential Misconduct directly to the Department and not to the Company, namely, where the Potential Misconduct: (1) poses a risk to public health or safety or the environment; (2) involves senior management of the Company; (3) involves obstruction of justice; or (4) otherwise poses a substantial risk of harm.

(c) If the Monitor believes that any Potential Misconduct actually occurred or may constitute a criminal or regulatory violation ("Actual Misconduct"), the Monitor shall immediately report the Actual Misconduct to the Department. When the Monitor discovers Actual Misconduct, the Monitor shall disclose the Actual Misconduct solely to the Department, and, in such cases, disclosure of the Actual Misconduct to the General Counsel, Chief Compliance Officer, and/or the Audit Committee of the Company should occur as the Department and the Monitor deem appropriate under the circumstances.

(d) The Monitor shall address in his or her reports the appropriateness of the Company's response to disclosed Potential Misconduct or Actual Misconduct, whether previously disclosed to the Department or not. Further, if the Company or any entity or person working directly or indirectly for or on behalf of the Company withholds information necessary for the performance of the Monitor's responsibilities and the Monitor believes that such withholding is without just cause, the Monitor shall also immediately disclose that fact to the

Department and address the Company's failure to disclose the necessary information in his or her reports.

(e) The Company nor anyone acting on its behalf shall take any action to retaliate against the Monitor for any such disclosures or for any other reason.

*Meetings During Pendency of Monitorship*

21. The Monitor shall meet with the Department within 30 calendar days after providing each report to the Department to discuss the report, to be followed by a meeting between the Department, the Monitor, and the Company.

22. At least annually, and more frequently if appropriate, representatives from the Company and the Department will meet together to discuss the monitorship and any suggestions, comments, or improvements the Company may wish to discuss with or propose to the Department, including with respect to the scope or costs of the monitorship.

*Contemplated Confidentiality of Monitor's Reports*

23. The reports will likely include proprietary, financial, confidential, and competitive business information. Moreover, public disclosure of the reports could discourage cooperation, or impede pending or potential government investigations and thus undermine the objectives of the monitorship. For these reasons, among others, the reports and the contents thereof are intended to remain and shall remain non-public, except as otherwise agreed to by the parties in writing, or except to the extent that the Department determines in its sole discretion that disclosure would be in furtherance of the Department's discharge of its duties and responsibilities or is otherwise required by law.