

# **FREQUENTLY ASKED QUESTIONS**

## **BASIC INFORMATION**

### **1. *WHY DID I GET THE NOTICE PACKAGE?***

You or someone in your family may have purchased Chicago Bridge & Iron Co. N.V. securities during the period March 9, 2005 through and including February 3, 2006, and been damaged thereby.

The Court directed that the Notice be sent to Settlement Class Members because they have a right to know about a proposed settlement of a class action lawsuit, and about all of their options, before the Court decides whether to approve the settlement. If the Court approves the settlement, and after objections and appeals are resolved, if any, an administrator appointed by the Court will make the payments that the settlement allows.

The package explains the lawsuit, the settlement, Settlement Class Members' legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Southern District of New York, and the case is known as *Welmon v. Chicago Bridge & Iron Co. N.V., et al.*, Case No. 06-CV-01283. This case was assigned to United States District Judge John E. Sprizzo. The people who sued are called plaintiffs, and the company and the persons they sued, Chicago Bridge & Iron Co. N.V. ("CB&I"), and Gerald M. Glenn (Chairman, Chief Executive Officer and President of CB&I during the Settlement Class Period), Robert B. Jordan (an Executive Vice President and Chief Operating Officer of CB&I during the Settlement Class Period) and Richard E. Goodrich (an Executive Vice President and Chief Financial Officer of CB&I during the Settlement Class Period), are called the Defendants.

### **2. *WHAT IS THIS LAWSUIT ABOUT?***

CB&I is a global engineering, procurement and construction company that specializes in work related to major projects for customers in the energy, chemical, water and mining industries.

Eleven class actions alleging violations of federal securities laws were filed in this Court in 2006 and were subsequently consolidated under the caption above, and are hereinafter referred to as the "Action."

The Consolidated Amended Class Action Complaint dated July 5, 2006 (the "Complaint") filed in the Action generally alleges, among other things, that Defendants issued materially false and misleading press releases and other statements regarding the state of CB&I's business operations and the risks to its financial condition during the Settlement Class Period — March 9, 2005 through and including February 3, 2006 — in a scheme to artificially inflate the value of CB&I's securities.

The Complaint further alleges that the Settlement Class Representatives and other Settlement Class Members purchased the common stock of CB&I during the Settlement Class Period at prices artificially inflated as a result of the Defendants' dissemination of materially false and misleading statements regarding CB&I in violation of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, and Rule 10b-5 promulgated thereunder and that named CB&I executives sold their personally held shares of CB&I common stock at inflated prices during that time. The Defendants deny any wrongdoing whatsoever.

The lawsuit seeks money damages against the Defendants for violations of the federal securities laws. The Defendants deny all allegations of misconduct contained in the Complaint, and deny having engaged in any wrongdoing whatsoever.

### **3. *WHY IS THIS A CLASS ACTION?***

In a class action, one or more people called class representatives (in this case Walter J. Mundy and Lead Plaintiffs Fortis Investment Management N.A./S.A. and Metzler Investment GmbH), sue on behalf of people who have similar claims. All these people are a class or class members. Bringing a case, such as this one, as a class action allows adjudication of many similar claims of persons and entities that might be economically too small to bring in individual actions. One court resolves the issues for all class members, except for those who exclude themselves from the class.

#### **4. WHY IS THERE A SETTLEMENT?**

On August 16, 2006, Defendants moved to dismiss the Complaint. Lead Plaintiffs filed opposition papers on October 6, 2006. By Order entered November 14, 2006, the Court denied Defendants' motions to dismiss.

On November 29, 2006, the Defendants filed their answers to the Complaint in which they denied that they violated any laws or committed any improper acts and asserted affirmative defenses. Defendants maintain that their actions were proper under the federal securities laws and assert that they are not liable to Plaintiffs or the members of the Settlement Class upon the claims asserted in the Complaint.

On March 2, 2007, Plaintiffs moved to certify the Action as a class action. The Defendants filed their opposition papers on April 2, 2007. Plaintiffs filed their reply on April 23, 2007. This Settlement was reached while the motion to certify was still pending.

The Court did not finally decide in favor of Plaintiffs or Defendants. Instead, both sides, with the assistance of retired United States District Judge Eugene F. Lynch acting as a mediator, agreed to a settlement. That way, they avoid the risks and cost of a trial, and the people affected will get compensation. The Settlement Class Representatives and their attorneys believe that the settlement is best for all Settlement Class Members.

#### **WHO IS IN THE SETTLEMENT**

To see if you will get money from this settlement, you first have to decide if you are a Settlement Class Member.

#### **5. HOW DO I KNOW IF I AM PART OF THE SETTLEMENT?**

The Court directed, for the purposes of the proposed settlement, that everyone who fits this description is a Settlement Class Member: *all persons who purchased the securities of CB&I between March 9, 2005 to February 3, 2006, inclusive, and who were damaged thereby.*

#### **6. ARE THERE EXCEPTIONS TO BEING INCLUDED?**

Excluded from the Settlement Class are Defendants, elected officers and directors of CB&I at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns, and any entity in which Defendants have or had a controlling interest.

If one of your mutual funds purchased CB&I securities during the Settlement Class Period, that alone does not make you a Settlement Class Member. You are a Settlement Class Member only if you directly purchased CB&I securities during the Settlement Class Period. Check your investment records or contact your broker to see if you purchased CB&I securities during the Settlement Class Period.

If you **sold** CB&I securities during the Settlement Class Period, that alone does not make you a Settlement Class Member. You are a Settlement Class Member only if you **purchased** CB&I securities during the Settlement Class Period.

#### **7. WHAT IF I AM STILL NOT SURE IF I AM INCLUDED?**

If you are still not sure whether you are included, you can ask for free help. You can call the Claims Administrator at 1-877-567-4298 for more information, or you can fill out and return the Proof of Claim form described in question 10 to see if you qualify.

#### **THE SETTLEMENT BENEFITS — WHAT YOU GET**

##### **8. WHAT DOES THE SETTLEMENT PROVIDE?**

In exchange for the Settlement and dismissal of the Action, Defendants agreed to create a \$10.5 million fund to be divided, after fees and expenses, among all Settlement Class Members who send in valid Proof of Claim forms.

In addition to creating the Settlement Fund described above, CB&I also agreed to implement the following corporate governance measures to last no fewer than five (5) years: (i) all stock sales by any of

CB&I's Directors, or by CB&I's Chief Executive Officer, Chief Financial Officer and Chief Operating Officer, of shares of their personal holdings in CB&I stock will be approved in advance of such sales by CB&I's General Counsel; and (ii) at least one of the Directors on CB&I's Supervisory Board shall possess an accounting background or related financial management expertise, which includes knowledge and experience sufficient to evaluate CB&I's compliance with GAAP and GAAS.

**9. HOW MUCH WILL MY PAYMENT BE?**

Your share of the fund will depend on the total Recognized Claims represented by the valid Proof of Claim forms that Settlement Class Members send in, how many shares of CB&I common stock you bought, how much you paid for them, and when you bought and whether or when you sold them, and if so for how much you sold them.

You can calculate your Recognized Claim in accordance with the formula shown below in the Plan of Allocation. It is unlikely that you will get a payment for all of your Recognized Claim. After all Settlement Class Members have sent in their Proof of Claim forms, the payment you get will be a part of the Net Settlement Fund equal to your Recognized Claim divided by the total of everyone's Recognized Claims. See the Plan of Allocation at the end of these questions for more information on your Recognized Claim.

**HOW YOU GET A PAYMENT — SUBMITTING A PROOF OF CLAIM FORM**

**10. HOW CAN I GET A PAYMENT?**

To qualify for a payment, you must send in a Proof of Claim form. A Proof of Claim form was sent with the Notice. You may also get a Proof of Claim form by clicking on the link "Proof of Claim and Release" located on the right side of the Main Page. Read the instructions carefully, fill out the Proof of Claim form, include all the documents the form asks for, sign it, and mail it postmarked no later than **June 26, 2008**.

**11. WHEN WOULD I GET MY PAYMENT?**

The Court will hold a hearing on **June 3, 2008**, to decide whether to approve the settlement. If the Court approves the settlement after that, there may be appeals. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. It also takes time for all the Proofs of Claim to be processed. Please be patient.

**12. WHAT AM I GIVING UP TO GET A PAYMENT OR STAY IN THE SETTLEMENT CLASS?**

Unless you exclude yourself, you are staying in the Settlement Class, and that means that, upon the "Effective Date," you will release all "Settled Claims" (as defined below) against the "Released Parties" (as defined below).

"Settled Claims" means any and all claims, rights, causes of action or liability of every nature and description, whether known or unknown, whether arising under federal, state, local, statutory or common law or any other rule or regulation, including without limitation Unknown Claims, that Plaintiffs, Lead Plaintiffs, the class representatives, the Settlement Class or any member of the Settlement Class (a) asserted in the Complaint, or (b) could have asserted in the Action or in any forum that arise out of or are based upon the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Complaint and that relate to the purchase of CB&I securities during the Settlement Class Period. "Settled Claims" does not mean or include claims, if any, against the Released Parties arising under the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001, *et seq.* ("ERISA") unless such ERISA claims are common to all Settlement Class Members.

"Released Parties" means any and all and each of the Defendants and their agents, insurance carriers, attorneys, successors, assigns, auditors, subsidiaries and any and all of their officers, directors, and employees. The "Effective Date" will occur when an Order entered by the Court approving the Settlement becomes final and not subject to appeal. If you remain a member of the Settlement Class, all of the Court's orders will apply to you and legally bind you.

## **EXCLUDING YOURSELF FROM THE SETTLEMENT**

If you do not want a payment from this settlement, but you want to keep any right you may have to sue or continue to sue the Defendants and the other Released Parties, on your own, about the Settled Claims, then you must take steps to get out. This is called excluding yourself — or is sometimes referred to as “opting out” of the settlement class. Defendants may withdraw from and terminate the Settlement if putative Settlement Class Members who purchased in excess of a certain amount of CB&I common stock exclude themselves from the Settlement Class.

### ***13. HOW DO I GET OUT OF THE PROPOSED SETTLEMENT?***

To exclude yourself from the Settlement Class, you must send a signed letter by mail stating that you “request exclusion from the Settlement Class in *Welmon v. Chicago Bridge & Iron Co. N.V., et al.*, Case No. 06-CV-01283.” Your letter should state the date(s), price(s), and number(s) of shares of all your purchases and sales of CB&I common stock during the Settlement Class Period and how many of those shares you now hold.

In addition, be sure to include your name, address, telephone number, and your signature. You must mail your exclusion request postmarked no later than **May 8, 2008** to:

Chicago Bridge & Iron Co. Securities Litigation Settlement  
EXCLUSIONS  
c/o Complete Claim Solutions, LLC, Claims Administrator  
P.O. Box 24789  
West Palm Beach, FL 33416

You cannot exclude yourself by telephone or by e-mail. If you ask to be excluded, you will not get any settlement payment, and you cannot object to the settlement. You will not be legally bound by anything that happens in this lawsuit, and you may be able to sue (or continue to sue) the Defendants and the other Released Parties in the future.

### ***14. IF I DO NOT EXCLUDE MYSELF, CAN I SUE THE DEFENDANTS AND THE OTHER RELEASED PARTIES FOR THE SAME THING LATER?***

No. Unless you exclude yourself, you give up any rights to sue the Defendants and the other Released Parties for any and all Settled Claims. If you have a pending lawsuit speak to your lawyer in that case immediately. You must exclude yourself from *this* Settlement Class to continue your own lawsuit. Remember, the exclusion deadline is **May 8, 2008**.

### ***15. IF I EXCLUDE MYSELF, CAN I GET MONEY FROM THE PROPOSED SETTLEMENT?***

No. If you exclude yourself, do not send in a Proof of Claim form to ask for any money. But, you may exercise any right you may have to sue, continue to sue, or be part of a different lawsuit against the Defendants and the other Released Parties.

## **THE LAWYERS REPRESENTING YOU**

### ***16. DO I HAVE A LAWYER IN THIS CASE?***

The Court ordered that the law firms of Spector Roseman & Kodroff, P.C. in Philadelphia, PA, Cohen, Milstein, Hausfeld & Toll, P.L.L.C. in Washington, D.C., and Milberg Weiss LLP\* in New York, NY will represent all Settlement Class Members. These lawyers are called Plaintiffs’ Co-Lead Counsel. You will not be separately charged for these lawyers. The Court will determine the amount of Plaintiffs’ Co-Lead Counsel’s fees and expenses, which will be paid from the Gross Settlement Fund. If you want to be represented by your own lawyer, you may hire one at your own expense.

\* Milberg Weiss LLP was formerly known as Milberg Weiss Bershad & Schulman LLP. On May 18, 2006 in the United States District Court for the Central District of California (Los Angeles), Milberg Weiss Bershad & Schulman LLP and two of its partners, David J. Bershad and Steven G. Schulman, and others, were named as defendants in an indictment. The indictment alleged that, in certain cases identified in the indictment,

portions of attorneys' fees awarded to the firm were improperly shared with certain plaintiffs. Milberg Weiss LLP has pleaded not guilty. The two partners named in the indictment have left the firm and have agreed to plead guilty to a charge of conspiracy to obstruct justice. On September 20, 2007 a superseding indictment was filed which added Melvyn I. Weiss as a named defendant. Mr. Weiss has pleaded not guilty. The indictment does not refer to this action, and makes no allegations of any impropriety in the conduct of this action.

**17. HOW WILL THE LAWYERS BE PAID?**

Plaintiffs' Co-Lead Counsel are moving the Court for an award of attorneys' fees from the Gross Settlement Fund in an amount not to exceed thirty percent (30%) of the Gross Settlement Fund and for reimbursement of their expenses in the approximate amount of \$300,000, plus interest on such expenses at the same rate as earned by the Settlement Fund.

The motion for attorneys' fees will be submitted on behalf of Plaintiffs' Co-Lead Counsel and the following additional Plaintiffs' Counsel: Motley Rice LLC, One Corporate Center, 20 Church Street, 17th Floor, Hartford, Connecticut 06103 and Sturman LLC, 112 Madison Avenue, 7th Floor, New York, New York 10016-7416.

Plaintiffs' Co-Lead Counsel are also moving the Court for an award of payments to the Settlement Class Representatives for an amount not to exceed \$80,000 in total for reimbursement of their reasonable costs and expenses (including lost wages) directly relating to their representation of the Settlement Class.

Plaintiffs' Co-Lead Counsel, without further notice to the Settlement Class, will subsequently apply to the Court for payment of the Claims Administrator's fees and expenses incurred in connection with giving notice, administering the settlement and distributing the settlement proceeds to the members of the Settlement Class.

**OBJECTING TO THE SETTLEMENT**

You can tell the Court that you do not agree with the settlement or some part of it.

**18. HOW DO I TELL THE COURT THAT I DO NOT LIKE THE PROPOSED SETTLEMENT?**

If you are a Settlement Class Member you can object to the Settlement or any of its terms, the proposed Plan of Allocation and/or the application by Plaintiffs' Co-Lead Counsel for an award of attorneys' fees and reimbursement of expenses. You may write to the Court setting out your objection. You may give reasons why you think the Court should not approve any or all of the Settlement terms or arrangements. The Court will consider your views if you file a proper objection within the deadline identified, and according to the following procedures.

To object, you must send a signed letter stating that you object to the proposed settlement in the *Welmon v. Chicago Bridge & Iron Co. N.V., et al.*, Case No. 06-CV-01283. Be sure to include your name, address, telephone number, and your signature, identify the date(s), price(s), and number(s) of shares of all purchases and sales of CB&I common stock you made during the Settlement Class Period, and state the reasons why you object to the Settlement. Your objection must be filed with the Court and served on all the following counsel on or before **May 8, 2008**:

**COURT:**

Clerk of the Court  
United States District Court for the Southern District of New York  
Daniel Patrick Moynihan United States Courthouse  
500 Pearl Street  
New York, NY 10007-1312

## **PLAINTIFFS' CO-LEAD COUNSEL:**

Robert M. Roseman, Esq.  
Spector Roseman & Kodroff, P.C.  
1818 Market Street,  
Suite 2500  
Philadelphia, PA 19103  
(215) 496-0300

Barry A. Weprin, Esq.  
Milberg Weiss LLP  
One Pennsylvania Plaza  
New York, NY 10119  
(212) 594-5300

Mark S. Willis, Esq.  
Cohen, Milstein, Hausfeld  
& Toll, P.L.L.C.  
1100 New York Avenue, N.W.  
Suite 500, West Tower  
Washington, D.C. 20005  
(202) 408-4600

## **FOR DEFENDANTS:**

### **Counsel for Defendants CB&I and Robert E. Goodrich**

John F. Batter III, Esq.  
Wilmer Cutler Pickering Hale and Dorr LLP  
60 State Street  
Boston, MA 02109

### **Counsel for Defendants Gerald M. Glenn and Robert B. Jordan**

Geoffrey H. Coll, Esq.  
Dewey & LeBoeuf LLP  
1101 New York Avenue N.W., Suite 1100  
Washington, D.C. 20005

You do not need to go to the Settlement Fairness Hearing to have your written objection considered by the Court. At the Settlement Fairness Hearing, any Settlement Class Member who has not previously submitted a request for exclusion from the Settlement Class and who has complied with the procedures set out in this question 18 and question 22 below for filing with the Court and providing to the counsel for Plaintiffs and Defendants a statement of an intention to appear at the Settlement Fairness Hearing may also appear and be heard, to the extent allowed by the Court, to state any objection to the Settlement, the Plan of Allocation or Plaintiffs' Co-Lead Counsel's motion for an award of attorneys' fees and reimbursement of expenses. Any such objector may appear in person or arrange, at that objector's expense, for a lawyer to represent the objector at the Hearing.

## **19. WHAT IS THE DIFFERENCE BETWEEN OBJECTING AND EXCLUDING?**

Objecting is simply telling the Court that you do not like something about the proposed settlement. You can object only if you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

## **THE COURT'S SETTLEMENT FAIRNESS HEARING**

The Court will hold a hearing to decide whether to approve the proposed settlement. You may attend and you may ask to speak, but you do not have to.

## **20. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE PROPOSED SETTLEMENT?**

The Court will hold a Settlement Fairness Hearing at **3:00 p.m.** on **Tuesday, June 3, 2008**, at the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, New York 10007-1312. At this hearing the Court will consider whether the settlement is fair, reasonable and adequate. At the Settlement Fairness Hearing, the Court also will consider the proposed Plan of Allocation for the proceeds of the Settlement and the application of Plaintiffs' Co-Lead Counsel for attorneys' fees and reimbursement of expenses. The Court will take into consideration any written objections filed in accordance with the instructions at question 18. The Court also may listen to people who have properly indicated, within the deadline identified above, an intention to speak at the hearing; but decisions regarding the conduct of the hearing will be made by the Court. See question 22 for more information about speaking at the hearing. The Court may also decide how much to pay to Plaintiffs' Counsel. After the hearing, the Court will decide whether to approve the settlement. We do not know how long these decisions will take.

You should be aware that the Court may change the date and time of the Settlement Fairness Hearing. Thus, if you want to come to the hearing, you should check with Plaintiffs' Co-Lead Counsel before coming to be sure that the date and/or time has not changed.

**21. DO I HAVE TO COME TO THE HEARING?**

No. Plaintiffs' Counsel will answer questions the Court may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you filed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary. Settlement Class Members do not need to appear at the hearing or take any other action to indicate their approval.

**22. MAY I SPEAK AT THE HEARING?**

If you object to the Settlement, you may ask the Court for permission to speak at the Settlement Fairness Hearing. To do so, you must include with your objection (see question 18 above) a statement stating that it is your "Notice of Intention to Appear in *Welmon v. Chicago Bridge & Iron Co. N.V., et al.*, Case No. 06-CV-01283." Persons who intend to object to the Settlement, the Plan of Allocation, and/or counsel's application for an award of attorneys' fees and reimbursement of expenses and desire to present evidence at the Settlement Fairness Hearing must include in their written objections the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the Settlement Fairness Hearing. Unless otherwise ordered by the Court, you cannot speak at the hearing if you excluded yourself from the Settlement Class or if you have not provided written notice of your intention to speak at the Settlement Fairness Hearing by the deadline identified, and in accordance with the procedures described in questions 18 and 20 above.

**IF YOU DO NOTHING**

**23. WHAT HAPPENS IF I DO NOTHING AT ALL?**

If you do nothing, you will get no money from this settlement and you will be precluded from starting a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against Defendants and the other Released Parties about the Settled Claims. To share in the Net Settlement Fund you must submit a Proof of Claim form (see question 10). To start, continue or be a part of any other lawsuit against the Defendants and the other Released Parties about the Settled Claims in this case you must exclude yourself from this Settlement Class (see question 13).

**GETTING MORE INFORMATION**

**24. ARE THERE MORE DETAILS ABOUT THE PROPOSED SETTLEMENT?**

The notice summarizes the proposed settlement. More details are in a Stipulation and Agreement of Settlement dated January 22, 2008 (the "Stipulation"). You can get a copy of the Stipulation by clicking on the link "Stipulation and Agreement of Settlement" located on the right side of the Main Page or by writing to Robert M. Roseman, Esq., Spector Roseman & Kodroff, P.C., 1818 Market Street, Suite 2500, Philadelphia, PA 19103, Mark S. Willis, Esq., Cohen, Milstein, Hausfeld & Toll, P.L.L.C., 1100 New York Avenue, N.W., Suite 500, West Tower, Washington, D.C. 20005, or Barry A. Weprin, Esq., Milberg Weiss LLP, One Pennsylvania Plaza, New York, NY 10119-0165.

You also can contact the Claims Administrator by calling, toll-free 1-877-567-4298; writing to Chicago Bridge & Iron Co. Securities Litigation Settlement, c/o Complete Claim Solutions, LLC, P.O. Box 24789, West Palm Beach, FL 33416; or emailing [info@chicagobridgesecuritiessettlement.com](mailto:info@chicagobridgesecuritiessettlement.com) to help you determine whether you are a Settlement Class Member and whether you are eligible for a payment.

**25. HOW DO I GET MORE INFORMATION?**

For even more detailed information concerning the matters involved in this Action, reference is made to the pleadings, to the Stipulation, to the Orders entered by the Court and to the other papers filed in the Action, which may be inspected at the Office of the Clerk of the United States District Court for the Southern District

of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, New York 10007-1312, during regular business hours.

### **SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES**

If you purchased securities of Chicago Bridge & Iron Co. N.V. [Note the CB&I common stock NYSE ticker symbol is CBI; CUSIP: N19808109 and 167250109; ISIN: USN198081093] between March 9, 2005 to February 3, 2006, inclusive, for the beneficial interest of a person or organization other than yourself, the Court has directed that, WITHIN SEVEN (7) DAYS OF YOUR RECEIPT OF THE NOTICE, you either (a) provide to the Claims Administrator the name and last known address of each person or organization for whom or which you purchased CB&I securities during such time period or (b) request additional copies of the Notice and the Proof of Claim form, which will be provided to you free of charge, and within seven (7) days mail the Notice and Proof of Claim form directly to the beneficial owners of those CB&I securities. If you choose to follow alternative procedure (b), the Court has directed that, upon such mailing, you send a statement to the Claims Administrator confirming that the mailing was made as directed. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Those expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator:

Chicago Bridge & Iron Co. Securities Litigation Settlement  
c/o Complete Claim Solutions, LLC, Claims Administrator  
P.O. Box 24789  
West Palm Beach, FL 33416  
1-877-567-4298

### **PLAN OF ALLOCATION OF THE NET SETTLEMENT FUND AMONG CLASS MEMBERS**

The \$10.5 million Cash Settlement Amount and the interest earned thereon shall be the Gross Settlement Fund. The Gross Settlement Fund, less all taxes, approved costs, fees and expenses (the "Net Settlement Fund") shall be distributed to members of the Settlement Class who submit acceptable Proofs of Claim ("Authorized Claimants").

The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's "Recognized Claim." The Recognized Claim formula is not intended to be an estimate of the amount of what a Settlement Class Member might have been able to recover after a trial; nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the settlement. The Recognized Claim formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants.

The following proposed Plan of Allocation reflects the Plaintiffs' allegations that the price of CB&I common stock was inflated artificially by reason of allegedly false and misleading statements made by the Defendants. The artificial inflation allegedly began on March 9, 2005 after CB&I issued a press release and held a conference call with analysts announcing its financial results for fiscal year 2004 and touting its prospects for 2005. Plaintiffs allege that the March 9, 2005 statements failed to disclose that CB&I had several projects running over-budget and that CB&I lacked necessary internal controls to accurately report its financial condition. Plaintiffs further allege that Defendants created a materially false and misleading impression of the fair market value of CB&I common stock. Plaintiffs contend that the price of CB&I common stock allegedly continued to be artificially inflated thereafter throughout the Class Period, but that a partially corrective disclosure was made by CB&I after the close of trading on October 26, 2005 (when CB&I issued a press release announcing that it would delay release of its third quarter 2005 financial results because the results were not finalized in time to meet the schedule for the release of those results). The price of CB&I common stock, which had closed at \$29.69 on October 26, 2005, fell to \$23.47 at the close on October 27, 2005, a \$6.22

per share drop. The price of CB&I common stock rebounded thereafter until the alleged full corrective information was disclosed on February 3, 2006, when, after the market closed, CB&I issued a press release announcing the termination of Defendants Glenn and Jordan and that CB&I expected to issue revised guidance regarding its fiscal year 2005 financial results and that all previous earnings guidance issued by CB&I for 2005 was no longer operable. The price of CB&I common stock, which had closed at \$29.00 on Friday, February 3, 2006, fell to \$22.33 at the close on Monday, February 6, 2006, (a \$6.67 per share drop) reflecting the elimination of the artificial inflation that the Defendants' alleged misrepresentations may have caused. In the 90 days following February 3, 2006 the price of CB&I common stock rebounded somewhat and the average for the 90 day period was \$24.29 per share.

Defendants deny any wrongdoing whatsoever and deny that CB&I's common stock was ever artificially inflated or that the Plaintiffs or any member of the Settlement Class suffered any damages. The Settlement was agreed upon without any concession or implication of any wrongdoing by any Defendant.

For purposes of calculating claims for the Settlement, the following terms shall have the indicated meanings:

**"PPP"** means the purchase price paid for a security, and it includes the purchase price and any brokerage commissions or other charges incurred on the purchase.

**"SPR"** means the sales proceeds received and it is the net amount received for the security sold after deduction of brokerage commissions and other sales charges incurred on the sale.

**"Recognized Claims"** on CB&I shares sold at a loss (shares purchased during the Class Period and sold for a gain (or no loss) shall have zero (\$0.00) Recognized Claim) will be calculated for purposes of the Settlement as follows:

(a) For shares of CB&I common stock purchased during the period March 9, 2005 through and including October 26, 2005, and

(1) Sold at a loss on or before October 26, 2005 (prior to any alleged corrective disclosures), an Authorized Claimant's "Recognized Claim" from such shares shall be zero (\$0.00).

(2) Sold at a loss during the period October 27, 2005 through and including February 3, 2006, an Authorized Claimant's "Recognized Claim" from such shares shall mean *the least of*: (a) \$6.22 per share (\$29.69 minus \$23.47 -- the amount that the common stock dropped upon the alleged partially corrective disclosure); *or* (b) the PPP, but not more than \$29.69 per share, minus the SPR, but not less than \$23.47 per share; *or* (c) the PPP, but not more than \$29.69 per share, less the average closing price of CB&I common shares during the period from October 27, 2005 to the date of sale.

(3) Sold at a loss during the period February 6, 2006 through and including May 4, 2006 (the 90 day period after the end of the Settlement Class Period), an Authorized Claimant's "Recognized Claim" from such shares shall mean *the least of*: (a) \$7.36 per share (\$29.69 minus \$22.33 -- the amount that the common stock dropped from October 26, 2005 to February 6, 2006); *or* (b) the PPP, but not more than \$29.69 per share, minus the SPR, but not less than \$22.33 per share; *or* (c) the PPP, but not more than \$29.69 per share, less the average closing price of CB&I common shares during the period from February 6, 2006 to the date of sale.

(4) Still held at the close of trading on May 4, 2006, an Authorized Claimant's "Recognized Claim" from such shares shall mean *the lesser of*: (a) \$5.40 per share (\$29.69 minus \$24.29 -- the amount that the common stock dropped from October 26, 2005 to the average in the 90 days following the alleged full corrective disclosure) *or* (b) the PPP, but not more than \$29.69 per share, minus \$24.29 per share (the average closing price for the 90 days after the Class Period). (Shares purchased during the Class Period for \$24.29 or less and held at the close of trading on May 4, 2006 have zero (\$0.00) Recognized Claim.)

(b) For shares of CB&I common stock purchased during the period October 27, 2005 through and including February 3, 2006, and

- (1) Sold at a loss during the period October 27, 2005 through and including February 3, 2006, an Authorized Claimant's "Recognized Claim" from such shares shall be zero (\$0.00).
- (2) Sold at a loss during the period February 6, 2006 through and including May 4, 2006, an Authorized Claimant's "Recognized Claim" from such shares shall mean ***the least of:*** (a) \$4.71 per share (\$29.00 minus \$24.29); ***or*** (b) the PPP, but not more than \$29.00 per share, minus the SPR, but not less than \$24.29 per share; ***or*** (c) the PPP, but not more than \$29.00 per share, less the average closing price of CB&I common shares during the period from February 6, 2006 to the date of sale.
- (3) Still held at the close of trading on May 4, 2006, an Authorized Claimant's "Recognized Claim" from such shares shall mean ***the lesser of:*** (a) \$4.71 per share (\$29.00 minus \$24.29); ***or*** (b) the PPP, but not more than \$29.00 per share, minus \$24.29 per share. (Shares purchased during the period October 27, 2005 through and including February 3, 2006 for \$24.29 or less and held at the close of trading on May 4, 2006 have zero (\$0.00) Recognized Claim.)

In the event a Settlement Class Member has more than one purchase or sale of CB&I common stock, all purchases and sales shall be matched on a First In First Out ("FIFO") basis. Settlement Class Period sales (and sales in the 90 days after the Settlement Class Period) will be matched first against any CB&I shares held at the beginning of the Settlement Class Period and then against purchases in chronological order. A purchase or sale of CB&I common stock shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. The receipt or grant by gift, devise or operation of law of CB&I common stock during the Settlement Class Period shall not be deemed a purchase or sale of CB&I common stock for the calculation of an Authorized Claimant's Recognized Claim nor shall it be deemed an assignment of any claim relating to the purchase of such shares unless specifically provided in the instrument of gift or assignment.

To the extent a Claimant had a gain from his, her or its overall transactions in CB&I common stock during the Settlement Class Period (and sales in the 90 days after the Settlement Class Period), the value of the Recognized Claim will be zero. To the extent that a Claimant suffered an overall loss on his, her or its overall transactions in CB&I common stock during the Settlement Class Period (and sales in the 90 days after the Settlement Class Period), but that loss was less than the Recognized Claim calculated above, then the Recognized Claim shall be limited to the amount of the actual loss.

For purposes of determining whether a Claimant had a gain from his, her or its overall transactions in CB&I common stock during the Settlement Class Period (and sales in the 90 days after the Settlement Class Period) or suffered a loss, the Claims Administrator shall: (i) total the amount paid for all CB&I common stock purchased during the Settlement Class Period by the claimant (the "Total Purchase Amount"); (ii) match any sales of CB&I common stock during the Settlement Class Period (and sales in the 90 days after the Settlement Class Period) first against the Claimant's opening position in the stock (the proceeds of those sales will not be considered for purposes of calculating gains or losses); (iii) total the amount received for sales of the remaining shares of CB&I common stock sold during the Settlement Class Period (and sales in the 90 days after the Settlement Class Period) (the "Sales Proceeds"); and (iv) ascribe a \$24.29 per share holding value for the number of shares of CB&I common stock purchased or acquired during the Settlement Class Period and still held at the close of trading on May 4, 2006 (90 days after the end of the Settlement Class Period) ("Holding Value"). The difference between (x) the Total Purchase Amount ((i) above) and (y) the sum of the Sales Proceeds ((iii) above) and the Holding Value ((iv) above) will be deemed a Claimant's gain or loss on his, her or its overall transactions in CB&I common stock.

Each Authorized Claimant shall be allocated a *pro rata* share of the Net Settlement Fund based on his, her or its Recognized Claim as compared to the total Recognized Claims of all Authorized Claimants. The minimum distribution amount to an Authorized Claimant with a valid Recognized Claim shall be \$10.00.

Settlement Class Members who do not submit acceptable Proofs of Claim will not share in the settlement proceeds. Settlement Class Members who do not either submit a request for exclusion or submit an acceptable

Proof of Claim will nevertheless be bound by the settlement and the Order and Final Judgment of the Court dismissing this Action with prejudice.

Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the settlement. If any funds remain in the Net Settlement Fund by reason of uncashed distributions or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Settlement Class Members who are entitled to participate in the distribution of the Net Settlement Fund cash their distributions, any balance remaining in the Net Settlement Fund one (1) year after the initial distribution of such funds shall be re-distributed to Settlement Class Members who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution, after payment of any unpaid costs or fees incurred in administering the Net Settlement Fund for such re-distribution. If after six months after such re-distribution any funds shall remain in the Net Settlement Fund, then such balance shall be contributed to non-sectarian, not-for-profit, 501(c)(3) organization(s) designated by Plaintiffs' Co-Lead Counsel.

Plaintiffs, Defendants, their respective counsel, and all other Released Parties shall have no responsibility for or liability whatsoever for the investment or distribution of the Settlement Fund, the Net Settlement Fund, the Plan of Allocation or the determination, administration, calculation, or payment of any Proof of Claim or non-performance of the Claims Administrator, the payment or withholding of taxes owed by the Settlement Fund or any losses incurred in connection therewith.